



Legislation Text

File #: 21-1446, Version: 1

Other/Miscellaneous Request Template (Appointments; ROW; Code Changes; Zoning Action, etc.)

Date Submitted: 11-22-21

Requesting Agency: Finance
Division:

Subject Matter Expert Name:

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Item Title & Description:

(Do not delete the following instructions)

*These appear on the Council meeting agenda. Initially, the requesting agency will enter a 2-3 sentence description. Upon bill filling, the City Attorney's Office should enter the title above the description (the title should be in **bold** font).*

*Both the title and description must be entered between the red "title" and "body" below. Do **not** at any time delete the red "title" or "body" markers from this template.*

A resolution approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$18,300,000 of Multifamily Housing Revenue Bonds for Northfield Flats.

Declares the intent of the City to issue an amount not to exceed \$18.3 million of its Multifamily Housing Revenue Bonds for Mile High Development, or its affiliates, to support the acquisition, construction, and equipping of an new four-story, 128-unit affordable multifamily apartment complex known as the Northfield Flats project, located at the northwest corner of 45th Avenue and Xenia Street in Council District 8. The Committee approved filing this item at its meeting on 11-30-21.

Affected Council District(s) or citywide? Council District 8

Executive Summary with Rationale and Impact:

Detailed description of the item and why we are doing it. This can be a separate attachment.

Executive Summary

The proposed resolution is to declare the intent of the City and County of Denver, Colorado to

issue an amount not to exceed \$18,300,000 of its Multifamily Housing Revenue Bonds for the Northfield Flats project located at the northwest corner of 45th Avenue and Xenia Street in Council District 8. Mile High Development or its affiliates, is partnering with Brinshore Development to build the project. The Multifamily Housing Revenue Bonds will be a part of the financing package for Mile High Development and its affiliates, to acquire, construct, equip, fund reserves, and pay issuance costs for a new 128-unit affordable multifamily apartment project.

The project's location is expected to take advantage of the transit rich conveniences, with many retail, entertainment, and restaurant options in close proximity. The project is anticipated to be a 4-story apartment complex serving workforce residents. The units are anticipated to serve a range of area median income (AMI) levels with a maximum of 80% AMI. The project is expected to include 42 one-bedroom, 82 two-bedroom, and 4 three-bedroom units. The building is anticipated to be wood-framed construction with brick and fiber cement siding, vinyl windows with storefronts on the ground level highlighting the common and amenity areas. The building is anticipated to include a large community room with seating and computer use and a fitness center. Outdoor amenities for the project are expected to include a south-facing patio with barbecue grills and outdoor seating. The construction of the project is expected to start in spring of 2022.

In general, a private activity bond (PAB) is a bond issued by a local or state government or agency for the purpose of financing a project to be owned and operated by a private party. The interest paid on the PABs is exempt from Federal and State of Colorado income taxation. The Federal government allots a PAB Volume Cap Allocation to each state. The State of Colorado, in turn, allocates a portion of such PAB Volume Cap Allocation to each local government issuer based upon their respective population. Any PAB Volume Cap Allocation that is unused or not carried forward reverts back to the Colorado Department of Local Affairs, and such reverted PAB Volume Cap is then awarded to local government issuers through a competitive process.

This resolution allows for an allocation of \$18,300,000 of the City's total and currently available PAB Volume Cap Allocation of \$103,153,059 to be applied to the proposed multifamily project known as Northfield Flats, consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

PABs and PAB Volume Cap Allocation are utilized to finance various types of facilities owned or operated by private entities, including multifamily housing projects, single family and housing assistance, mortgage credit certificates, and industrial development uses. PAB issued by the City are special, limited obligations of the City and do not constitute a debt or indebtedness of the City and do not give rise to a charge against the general credit or taxing power of the City. The owner of the project financed with PAB is solely responsible for compliance related to regulations of the tax-exempt bond program, the Low-Income Housing Tax Credit program, and the principal and interest payments on the PAB once issued.

The approval of this inducement resolution will function like a reservation of PAB Volume Cap Allocation capacity specifically for the Northfield Flats project. To issue PAB for this project, the City will need to pass a separate bond ordinance approving the terms of the PAB issuance and related financing agreements. The bond ordinance is expected to be presented to Council in the spring of 2022.

Address/Location (if applicable):

Legal Description (if applicable):

Denver Revised Municipal Code (D.R.M.C.) Citation (if applicable):

Draft Bill Attached?