



Legislation Details (With Text)

File #: 23-0217 **Version:** 1

Type: Resolution **Status:** Adopted

File created: 2/27/2023 **In control:** Finance & Governance Committee

On agenda: 3/20/2023 **Final action:** 3/20/2023

Title: A resolution approving and evidencing the intention of the City and County of Denver, Colorado to issue an amount not to exceed \$12,500,000 of Multifamily Housing Revenue Bonds for St. Francis Center West.
Declares the intent of the City to issue an amount not to exceed \$12.5 million of its Multifamily Housing Revenue Bonds for The Saint Francis Center, or its affiliates, to support the acquisition, construction, and equipping of a new 60-unit affordable multifamily apartment project known as the St. Francis Center West project, located at 211 North Federal Boulevard in Council District 3. The Committee approved filing this item at its meeting on 3-7-2023.

Sponsors:

Indexes: Lucas Palmisano

Code sections:

Attachments: 1. RR23-0217_DO- Res. Request- Inducement for St. Francis PAB- As submitted, 2. RR23-0217_St Francis PAB PPT BACKGROUND- Inducement Resolution, 3. RR23-0217_PAB_Overview, 4. 23-0217 Denver - St. Francis Center West - 2023 Inducement Resolution BTN REDLINE 2023-02-27, 5. 23-0217 Filed Resolution_Denver - St. Francis Center West - 2023 Inducement Resolution BTN REDLINE 2023-02-27, 6. 23-0217 Filed Resolution_Denver - St. Francis Center West - 2023 Inducement Resolution BTN REDLINE 2023-02-27, 7. 23-0217-Signed

Date	Ver.	Action By	Action	Result
3/20/2023	1	Council President	signed	
3/20/2023	1	City Council	adopted	Pass
3/7/2023	1	Finance & Governance Committee	approved by consent	Pass

Finance Item/Grant Request Template

Date Submitted: 3-6-2023

**Requesting Agency: Finance
Division:**

Subject Matter Expert Name: Michael Kerrigan
Email Address: Michael.Kerrigan@denvergov.org
Phone Number:

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 \$12,500,000 of Multifamily Housing Revenue Bonds for St. Francis Center West.

Declares the intent of the City to issue an amount not to exceed \$12.5 million of its Multifamily Housing Revenue Bonds for The Saint Francis Center, or its affiliates, to support the acquisition, construction, and equipping of a new 60-unit affordable multifamily apartment project known as the St. Francis Center West project, located at 211 North Federal Boulevard in Council District 3. The Committee approved filing this item at its meeting on 3-7-2023.

Affected Council District(s) or citywide? 3

Executive Summary with Rationale and Impact:

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

The proposed resolution is being requested to evidence the City's intent to utilize a portion of the City's Private Activity Bond (PAB) Volume Cap Allocation to help finance affordable multifamily housing by The Saint Francis Center, or its affiliates, for the St. Francis Center West project located at 211 N. Federal Blvd., in Denver, Colorado. The PAB will be a part of the financing package for The Saint Francis Center, or its affiliates, to construct a new three-story, 60-unit affordable multifamily apartment complex serving seniors experiencing or at risk of experiencing homelessness. The intended units are anticipated to be 100% restricted to up to 30% of Area Median Income. The State of Colorado's Department of Local Affairs has allocated PAB Volume Cap Allocation to the City. This resolution allows for the use of up to \$12,500,000 of PAB Volume Cap Allocation to be applied to this project consistent with the City's Home Rule Charter, Colorado statutes, and the Internal Revenue Code.

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 \$12,500,000 of its Multifamily Housing Revenue Bonds for the St. Francis Center West project located at 211 N. Federal Blvd. in Council District 3. The Multifamily Housing Revenue Bonds will be a part of the financing package for The St Francis Center, or its affiliates, to acquire, construct, equip, fund reserves, and pay issuance costs for a new 60-unit affordable multifamily apartment project.

The project is anticipated to be a 3-story 44,500 square foot apartment complex serving seniors and households experiencing homelessness located near multiple RTD bus lines. The units will have underlying AMI restrictions of up to 30%. The project is expected to include 51 one-bedroom and 9 two-bedroom units. The building is anticipated to be a 3-story building oriented north-south along Federal Blvd. designed in accordance with the local aesthetic and Trauma Informed Design principals. The units are anticipated to include high efficiency elements including high performing windows and insulation, and energy star rated lighting and appliances. The building is anticipated to include several community spaces, a small courtyard, kitchen and dining area, an activity/game room, business center/computer area, reception desk, leasing office, mail room, and laundry rooms on each floor. The construction of the project is expected to start in summer of 2023.

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 \$12,500,000 of the City's total and currently available PAB Volume Cap Allocation of \$104,945,322 to be applied to the proposed multifamily project known as St. Francis Center West, 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 St. Francis Center West 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 summer of 2023.

Type (choose one: Grant; Supplemental; Fund Creation; Fund Rescission; Fund Transfer; Appropriation; Other):

Amount:

Budget Year:

Fund and Funding Source (Fund/Org/Grant Number, if applicable):

Grantor (if applicable):

Fund Matching Requirements (if applicable):

Fiscal Impact: