



Legislation Text

File #: 23-0584, Version: 1

Finance Item/Grant Request Template

Date Submitted: 5-15-2023

**Requesting Agency: Finance
Division:**

**Subject Matter Expert Name: Michael Kerrigan
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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 declaring the intent of the City and County of Denver, Colorado to use its best efforts to issue housing revenue bonds or mortgage credit certificates to provide financing of residential facilities for low- and middle-income families or persons; approving the delegation and assignment of private activity bond volume cap allocation to the Colorado Housing and Finance Authority for the St. Francis Center West project; prescribing certain terms and conditions of such bonds and certificates; and containing other provisions relating to the proposed issuance of such bonds and certificates.

Declares the intent of the City and County of Denver, Colorado to use its best efforts to issue housing revenue bonds or mortgage credit certificates to provide financing of residential facilities for low- and middle-income families or persons; approving the delegation and assignment of private activity bond volume cap allocation to the Colorado Housing and Finance Authority for the St. Francis Center West project , a 60-unit affordable multifamily apartment project, located at 211 North Federal Boulevard in Council District 3; prescribing certain terms and conditions of such bonds and certificates; and containing other provisions relating to the proposed issuance of such bonds and certificates. The Committee approved filing this item at its meeting on 5-

16-2023.

Affected Council District(s) or citywide?

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 an administrative procedure, being undertaken to comply with Colorado statutes to preserve the City’s ability to issue private activity bonds in future years and to apply for additional allocation which can be used to issue private activity bonds or mortgage credit certificates in future years, as well. The State of Colorado’s Department of Local Affairs has allocated \$42,903,655 of Volume Cap Allocation to the City and County of Denver for the year 2023, all of which remains unused; and, the State encourages government entities to apply for additional Volume Cap Allocation from the Statewide Balance during the year. This resolution allows the allocation to be utilized in future years, as well as allows for the additional allocation when granted to be carried forward up to three years, consistent with Colorado statutes and the Internal Revenue Service Code

Executive Summary

The proposed resolution is an administrative procedure, being undertaken to comply with Colorado statutes to preserve the City’s ability to issue private activity bonds in future years and request additional allocation when it becomes available from the Statewide balance. In general, a private activity bond is a bond issued by or on behalf of local or state government for the purpose of financing a project of a private user that allows for the bonds to have tax-exempt status. The Federal government allocates the Private Activity Bond Volume Cap Allocation to each state. The State of Colorado, in turn, allocates a proportional amount of such allocation to each local issuer based upon population. The State of Colorado’s Department of Local Affairs has allocated \$42,903,655 of the State’s Volume Cap Allocation to the City and County of Denver for the year 2023, all of which remains unused at this time, and will make additional Volume Cap available soon. This resolution allows the current allocation and additional allocation to be utilized in future years, consistent with Colorado statutes and the Internal Revenue Service Code. This resolution also approves the delegation and assignment of private activity bond volume cap allocation to the Colorado Housing and Finance Authority for the St. Francis Center West project.

Private activity bonds are issued to finance various types of facilities owned or used by private entities, including multifamily housing projects, single family homes, and mortgage credit certificates. Private Activity Bonds issued by the City are special obligations, 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.

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: