

Preliminary Inducement Resolution to Issue Private Activity Bonds

May 24, 2021

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Background



- The City is a 'conduit issuer' of PAB & incurs no debt related to PAB issues
- Bond proceeds are used to finance development
- Construction of affordable multi-family rental is one of the most common uses of PAB combined with 4% Low-Income Housing Tax Credits (LIHTC)

Admin Reg 2020-04



- Signed by the Mayor: May 4, 2020
- Establishes PAB application process
- Establishes PAB issuer fees:
 - \$1000 non-refundable deposit
 - \$5000 non-refundable preliminary inducement fee
 - 40 bps of par value issuer fee
 - Deposit & preliminary inducement fee credited toward issuer fee
 - No ongoing compliance fee
- Commercial/Economic Development projects excluded

Site Location



Project Description



PROPOSAL:

- 77 units for families
- Total Project Cost: \$20,132,635
- PAB Funds Requested: \$11,200,000

ALIGNMENT WITH HOMECOS:

- Objective 2: Increase the supply of affordable rentals
- Objective 5: Innovative design & Development Solutions
 - 5C: Increase engagement of the philanthropic and faith community to meet housing needs

	1ST	2ND	3RD	4TH	TOTAL	
1BR	3	4	4	4	15	15 x 1.50 = 22.50 STALLS
2BR	8	8	8	8	32	32 x 1.70 = 54.40 STALLS
3BR	6	8	8	8	30	30 x 2.00 = 60.00 STALLS
TOTAL	17	20	20	20	77	136.90 STALLS FOR RESIDENTIAL 50.00 STALLS FOR THE CHURCH 186.90 STALLS REQUIRED



Unit Mix & Rents



VILLAGE AT SOLID ROCK UNIT MIX						
Bed/Bath	30%	40%	50%	60%	Totals	Unit Size
1bd/1ba	3	1	7	4	15	600
2bd/2ba	3	1	8	20	32	880
3bd/2ba	2	2	13	13	30	1160
Total	8	4	28	37	77	
% of Total	10%	5%	36%	48%	100%	
50% and Below	52%			48%	100%	

VILLAGE AT SOLID ROCK RENTS				
Bed/Bath	30%	40%	50%	60%
1bd/1ba	\$405	\$558	\$711	\$864
2bd/2ba	\$484	\$668	\$851	\$1,035
3bd/2ba	\$556	\$769	\$981	\$1,193

Available PAB



PAB Allocations	2018	2019	2020	2021
COS Allocations	\$24,200,033	\$24,866,520	\$25,162,725	\$26,488,131
Atrium at Austin Bluffs	\$8,000,000			
Academy Heights	\$16,200,033	\$5,799,967		
Bonds Issued (Above)				
Pending (Below)				
Bentley Commons		\$19,066,553	\$933,447	
Village at Solid Rock			\$11,200,000	
Draper Commons			\$13,029,278	\$7,970,722
Copper Rose				
Applying for CO AHTC				
Paloma Garden (VOA)				
PAB Balance	\$-	\$-	\$-	\$18,517,409

Resolution Specifics



- Meets Colorado Housing Finance Authority (CHFA) requirements
- Identifies a specific project to be financed with PAB proceeds
- Awards a portion of the City's PAB allocation & sets a limit to the amount of the issue
- Specifies conditions which must be met prior to issuance
- States that no costs associated with the issue will be borne by the City
- Establishes an end-date for all conditions to be met and the issue to occur
- Allows the developer to incur costs that are eligible for reimbursement with bond proceeds

More Information



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