

Preliminary Inducement Resolution to Issue Private Activity Bonds

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Community Development Division



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)

2020 Allocations



Statewide Population in 2019: 5,758,736

Per Capita Multiplier: \$105

Statewide PAB available in 2020: \$604,667,280

Allocations to Designated Local Issuing Authorities:

- Denver - \$38,110,648
- Colorado Springs - \$25,162,725
- El Paso County - \$11,141,883

Project Description



Academy Heights

SE Area: Fountain Blvd & Academy
Park Loop

201 units: 1BR, 2BR, 3BR

Income Averaging: 30% - 70% AMI

Rents: \$450 - \$1050

Ground-breaking: 2021

PAB Amount = \$23M

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

Available PAB



Allocation by Year	2018	2019	2020	2021	
Project	\$ 24,200,033	\$ 24,866,520	\$ 25,162,725	\$ 25,500,000	
Atrium at Austin Bluffs	\$ 8,000,000				
Draper Commons	\$ 16,200,033	\$ 4,799,967			
Academy Heights		\$ 23,000,000			
Solid Rock CDC			\$ 10,000,000		
PAB Balance	\$ -	\$ (2,933,447)	\$ 15,162,725	\$ 25,500,000	\$ 37,729,278.00
EPC Allocations		\$ 9,200,000	\$ 11,141,883	\$ 11,500,000	
PAB Balance		\$ 9,200,000	\$ 11,141,833	\$ 11,500,000	\$ 31,841,833.00

Project Pipeline



2020/21 Inquiries					
	150	1BR/2BR	\$ 38,888,889	\$ 259,259	\$ 21,000,000.00
	120	1BR/2BR/3BR	\$ 27,777,778	\$ 231,481	\$ 15,000,000.00
	150	1BR/2BR/3BR	\$ 35,185,185	\$ 234,568	\$ 19,000,000.00
	420				\$ 55,000,000.00

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

More Information



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