

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)

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:

- 192 units for low, very low, and extremely low income residents.
 - Veterans and transitional housing clients will make up 40-50 of the units
 - Single parents working their way out of homelessness
- 168 New Units, 24 Rehab Units
- Total Project Cost: \$37,580,000
- PAB Funds Requested: \$20,000,000

RENTS:

BENTLEY COMMONS RENTS (168 NEW BUILD UNITS)				
Bed/Bath	30%	40%	50%	60%
1bd/1ba	\$873	\$567	\$720	\$873
2bd/2ba	\$1,044	\$677	\$860	\$1,044
3bd/2ba	\$1,207	\$783	\$995	\$1,207

BENTLEY COMMONS RENTS (24 REHAB UNITS)				
Bed/Bath	30%	40%	50%	60%
1bd/1ba				
2bd/2ba	\$493	\$677	\$860	\$1,044
3bd/2ba				

BENTLEY COMMONS UNIT MIX

Bed/Bath	30%	40%	50%	60%	Totals	Unit Size
1bd/1ba	20	2	27	11	60	600
2bd/2ba	5	12	60	28	105	777/807/825
3bd/2ba	2	5	15	5	27	987
Total	27	19	102	44	192	
% of Total	14%	10%	53%	23%	100%	
50% and Below	77%			23%	100%	

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)				
Draper Commons		\$ 7,566,553	\$ 13,433,447	
Solid Rock CDC (CHFA may issue)		\$ 11,500,000		
Mission Trace				
Bentley Commons			\$ 11,729,278	\$ 8,270,722
Copper Rose				
Paloma Garden (VOA) (2021 State TC)				
PAB Balance	\$ -	\$ -	\$ -	\$ 18,217,409

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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