

# Amendment to a Preliminary Inducement Resolution Draper Commons 6/7/2021

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Community Development Division



# Background



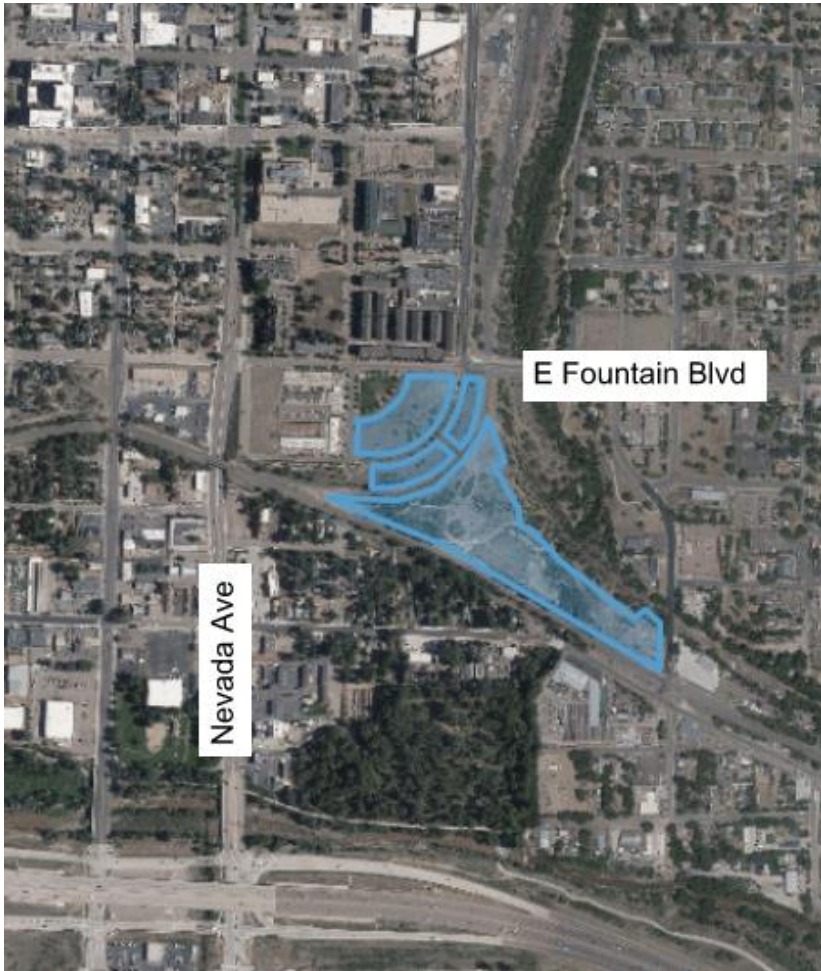
- The City is a 'conduit issuer' of PAB & incurs no debt related to PAB issues
- Bond proceeds are used to finance development
- Construction of affordable multi-family rental is one of the most common uses of PAB combined with 4% Low-Income Housing Tax Credits (LIHTC)

# 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:

- 280 units for families
- Total Project Cost: \$36,831,182
- PAB Funds: \$21,000,000

## ALIGNMENT WITH HOMECOS:

- Objective 2: Increase the supply of affordable rentals



# Project Description



DRAPER COMMONS						
Bed/Bath	30%	50%	60%	70%	Totals	Unit Size
Efficiency	1	3	7	3	14	411
1bd/1ba	12	18	168	12	210	475
2bd/1ba	2	13	37	4	56	575
<b>Total</b>	15	34	212	19	<b>280</b>	
% of Total	5%	12%	76%	7%	100%	
<b>50% and Below</b>	<b>18%</b>		83%		100%	

DRAPER COMMONS RENTS				
Bed/Bath	30%	50%	60%	70%
Efficiency	\$373	\$658	\$801	\$943
1bd/1ba	\$397	\$702	\$855	\$1,008
2bd/1ba	\$475	\$842	\$1,025	\$1,208

# 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		
<b>Bonds Issued (Above)</b>				
<b>Pending (Below)</b>				
Draper Commons		\$ 7,866,553	\$ 13,133,447	
Solid Rock CDC		\$ 11,200,000		
Mission Trace				
Bentley Commons			\$ 12,029,278	\$ 7,970,722
Copper Rose				
Paloma Garden (VOA) (2021 State TC)				
<b>PAB Balance</b>	\$ -	\$ -	\$ -	\$ 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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