



Legislation Details (With Text)

File #:	22-455	Version:	2	Name:	Paloma Garden
Type:	Ordinance	Status:		Mayor's Office:	Mayor's Office
File created:	6/28/2022	In control:		City Council:	City Council
On agenda:	8/23/2022	Final action:		8/23/2022:	8/23/2022

Title: Ordinance No. 22-51 by the City of Colorado Springs, Colorado authorizing the issuance and delivery of its multifamily housing revenue bonds (Paloma Garden project) series 2022, in an aggregate amount not to exceed \$19,000,000, for the purpose of financing the acquisition, construction, improvement and equipping of a senior multifamily housing facility in the City of Colorado Springs, State of Colorado and to pay certain issuance expenses of such bonds; approving and authorizing execution of a financing agreement and a tax regulatory agreement with respect to the bonds; making findings and determinations with respect to the project and the bonds; authorizing the execution and delivery of related documents; and repealing all action heretofore taken in conflict herewith

Presenter:

Katie Sunderlin, Senior Affordable Housing Coordinator
 Steve Posey, Community Development Division Manager
 John Bales, Fred Marienthal, Kutak Rock LLP
 Peter Wysocki, Director of Planning and Community Development

Sponsors:

Indexes: PAB

Code sections:

Attachments: 1. COS Paloma Garden 2022 Ordinance, 2. Signed Ordinance No. 22-51

Date	Ver.	Action By	Action	Result
8/23/2022	1	City Council	finally passed	Pass
8/9/2022	1	City Council	approved on first reading	Pass
7/25/2022	1	Council Work Session	referred	

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Summary:

The ordinance will authorize the issuance and delivery of Private Activity Bonds (PAB) for Paloma Garden and the new construction and rehab of 127 total units of affordable housing located at 920 S. Chelton Road and 3140 Mallard Drive Colorado Springs, CO 80910. The project will provide 75 new, and 50 rehabbed units for low-income seniors, with two units reserved for managers.

Previous Council Action:

18-038, 19-352, 20-389, 114-21: Resolutions adopted to carry forward the City's annual private activity bond allocations for the financing of affordable multi-family rental projects.

Background:

In 2018, 2019, 2020, and 2021 City Council voted to carry forward its PAB allocations for the purpose of financing qualified residential rental projects, an eligible use of PAB under the IRS code. Carrying forward PAB for multi-family affordable housing is a means for City Council to address the need for additional housing for lower-income populations in the community. The City is a conduit issuer of PAB. As a result, the City assumes no liability for repayment of the bonds. The developer accessing PAB financing agrees to carry all costs related to the bond issuance, marketing and servicing, including attorney's fees, document preparation, and public notifications.

This item supports the Mayor's goal of building or preserving on average 1,000 units of affordable housing each year established in HomeCOS, the City's affordable and attainable housing plan.

Furthermore, this item is supported by and implements PlanCOS Vibrant Neighborhoods Policy VN-2 -A pertaining to affordable and attainable housing and providing a variety of housing types for households at all income levels.

Financial Implications:

The Paloma Garden project will utilize up to \$19,000,000 of PAB volume cap. The utilization of this cap will generate up to \$76,000 in issuance fees that will be used to rebate development review costs for additional affordable housing projects.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

Not passing the ordinance would delay construction of the project and fail to address a shortage of affordable rentals for lower-income senior households in the community.

Proposed Motion:

Approve an ordinance by the City of Colorado Springs, Colorado authorizing the issuance and delivery of its multifamily housing revenue bonds (Paloma Garden project) series 2022, in an aggregate amount not to exceed \$19,000,000, for the purpose of financing the acquisition, construction, improvement and equipping of a senior multifamily housing facility in the City of Colorado Springs, State of Colorado and to pay certain issuance expenses of such bonds; approving and authorizing execution of a financing agreement and a tax regulatory agreement with respect to

the bonds; making findings and determinations with respect to the project and the bonds; authorizing the execution and delivery of related documents; and repealing all action heretofore taken in conflict herewith

PAB Allocations	2018	2019	2020	2021 (+4.5M Statewide Balance)	2022
COS Allocations	24,200,033.00	24,866,520.00	25,162,725.00	30,988,131.00	26,492,032.00
Bonds Issued					
Atrium at Austin Bluffs (\$8M)	8,000,000.00				
Academy Heights (\$22M)	16,200,033.00	5,799,967.00			
Village at Solid Rock (\$10.8M)		10,800,000.00			
Sumner House (\$7.224M COS + \$4.5M State)		4,266,553.00	2,957,965.28	4,500,000.00	
Copper Rose (\$24M)			22,204,759.72	1,795,240.28	
InterQuest Ridge (\$4M)		4,000,000.00			
Induced, Pending Ordinance					
Paloma Gardens (\$19M)				19,000,000.00	
PAB Balance	0.00	0.00	0.00	5,692,890.72	26,492,032.00