



Legislation Details (With Text)

File #: 21-766 **Version:** 1 **Name:** Copper Rose
Type: Resolution **Status:** Mayor's Office
File created: 12/3/2021 **In control:** City Council
On agenda: 1/25/2022 **Final action:** 1/25/2022

Title: A Resolution of the City of Colorado Springs extending the effective date of resolution No. 96-21 to June 30, 2022 to issue the City's multi-family housing revenue bonds in an aggregate principal amount not to exceed \$21,500,000.

Presenter:
Steve Posey, HUD Program Manager, Planning & Community Development
John Bales, Fred Marienthal, Kutak Rock LLP
Peter Wysocki, Director of Planning and Community Development

Sponsors:

Indexes: Affordable Housing, PAB

Code sections:

Attachments: 1. RES - Copper Rose - 2022 Amendment to Inducement, 2. Extension Copper Rose, 3. Signed Resolution 08-22

Date	Ver.	Action By	Action	Result
1/25/2022	1	City Council	adopted	Pass
1/10/2022	1	Council Work Session	referred	

A Resolution of the City of Colorado Springs extending the effective date of resolution No. 96-21 to June 30, 2022 to issue the City's multi-family housing revenue bonds in an aggregate principal amount not to exceed \$21,500,000.

Presenter:

Steve Posey, HUD Program Manager, Planning & Community Development
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Summary:

The resolution will authorize and extend the termination date of the Initial Resolution to June 30, 2022, authorizing the issuance of the City's multi-family housing revenue bonds, in one or more series (the "Bonds"), in an aggregate principal amount not to exceed \$21,500,000.

Previous Council Action:

114-21, 63-20: Resolutions adopted to carry forward the City's annual private activity bond allocations for the financing of affordable multi-family rental projects.
96-21: Resolution declaring the intent of the City to issue its multifamily revenue bonds to finance the housing development known as Copper Rose Apartments

Background:

In 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.

The City Council of the City of Colorado Springs, Colorado (the “City Council”) previously adopted Resolution No. 96-21 (the “Initial Resolution”) declaring the intent of the City Council to authorize the issuance of its multifamily housing revenue bonds, in one or more series (the “Bonds”), in an aggregate principal amount not to exceed \$21,500,000, to finance the acquisition, construction, improvement and equipping of an affordable multifamily housing facility known as Copper Rose Apartments.

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.

	PAB Allocations	2018	2019	2020	2021	2022 (EST)
Bonds Issued	COS Allocation	\$24,200,033	\$24,866,520	\$25,162,725	\$26,488,131	\$27,017,894
	Atrium at Austin Bluffs	\$8,000,000				
	Academy Heights	\$16,200,033	\$5,799,967			
	Village at Solid Rock		\$11,200,000			
	Draper Commons		\$7,866,553	\$13,133,447		
Bonds Pending	Bentley Commons			\$11,729,278	\$8,270,722	
	Copper Rose			\$300,000	\$18,217,409	
	PAB Balance	\$-	\$-	\$-	\$-	\$27,017,894

Financial Implications:

The Copper Rose project will utilize \$18,217,409 of 2021 PAB cap and \$300,000 of 2020 PAB cap. Copper Rose will zero out the balance of 2020 and 2021 PAB cap.

In addition, the Borrower will obtain an allocation from other sources, up to \$3,000,000, which will then be allocated to the City. Upon the City receiving all or a part of such private activity bond volume cap allocation, the City will award the Project up to \$21,500,000 total of private activity volume cap.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

Not passing the resolution 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:

Adopt a Resolution of the City of Colorado Springs extending the effective date of resolution No. 96-21 to June 30, 2022 to issue the City's multi-family housing revenue bonds in an aggregate principal amount not to exceed \$21,500,000.

N/A