



Legislation Details (With Text)

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Title: A Resolution Authorizing Transfer of Property to Greccio Housing Unlimited, Inc.

Presenter:
Steve Posey, HUD Program Administrator, Community Development Division

Sponsors:

Indexes:

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Attachments: 1. Property Transfer for a Public Purpose, 2. Exhibit to RES - Purchase Agreement, 3. Greccio Housing RES, 4. Signed Resolution 23-18

Date	Ver.	Action By	Action	Result
3/27/2018	1	City Council	adopted	Pass
3/12/2018	1	City Council Work Session	referred	

A Resolution Authorizing Transfer of Property to Greccio Housing Unlimited, Inc.

Presenter:

Steve Posey, HUD Program Administrator, Community Development Division

Summary:

The attached resolution will authorize the Real Estate Services Manager to execute all documents necessary to transfer the property located at 4921 Templeton Gap Rd to Greccio Housing Unlimited, Inc. for the purpose of developing affordable housing restricted to low- to moderate-income households.

Previous Council Action:

City Council Resolution 183-12

Background:

The City of Colorado Springs is a US Department of Housing and Urban Development (HUD) entitlement community grantee and receives allocations of federal block grant funds under the Community Development Block Grant Program (CDBG), Home Investment Partnerships Program (HOME) and Emergency Solutions Grant (ESG). One of the purposes of the grant funds is to benefit low- and moderate- income residents of Colorado Springs by encouraging the development, improvement, and preservation of affordable housing.

Timeline and Process:

The Colorado Housing Finance Authority (CHFA) receives applications for low-income housing tax

credit reservations each year on June 1. Greccio Housing Unlimited, in partnership with the Medici Group, intends to submit an application to CHFA on or before June 1, 2018. The application will request a reservation of tax credit financing that will be used to develop approximately 50 units of rental housing restricted to low- to moderate-income households. In order for the application to be considered, Greccio must demonstrate that it has site control of a suitable parcel of land for the project.

The parcel located at 4921 Templeton Gap Road was donated to the City of Colorado Springs in December, 2012. The parcel consists of 1.14 acres of vacant land located at the corner of Templeton Gap and Austin Bluffs in a predominantly residential neighborhood. The current zoning of the property is C-6 AO, which allows for multi-family development with a conditional use permit (CUP). Real Estate Services and the City Attorney's Office have determined that there are no restrictions related to the disposition of the property. Per the Real Estate Services manual, City Council can sell the land below market value for a public purpose.

City Council authorization to enter into a purchase agreement for the property will allow Greccio Housing Unlimited to submit an application for tax-credit financing on or before June 1, 2018. CHFA will announce the tax-credit reservations in October, 2018. If Greccio is successful with the tax-credit application, the developer will move forward with a development plan for the site. Construction is expected to start by Spring, 2020. In the event that the financing or CUP process is delayed, the donation agreement includes a (3) year pre-construction time frame that allows the development team to participate in two full cycles of the tax-credit application process.

Conveyance of the deed to the property is conditioned on the City receiving suitable evidence that Greccio has obtained the necessary financing and the CUP to develop the project. After conveyance of the deed, Greccio will have up to (5) years to complete construction. If the project is not constructed within the five year time frame, the property reverts to the City.

Financial Implications:

The property was donated to the City in December, 2012. Authorizing Real Estate Services to enter into a purchase agreement with Greccio Housing Unlimited does not have a negative financial implication.

Board/Commission Recommendation:

N/A

Stakeholder Process:

Information about the site was circulated to City Departments through the 'buckslip process.' Community Development was the only Division that indicated an interest in the site by proposing to transfer it to Greccio Housing Unlimited, Inc. for the purpose of developing affordable housing.

Greccio Housing Unlimited reached out to three multi-family developers with significant experience assembling and carrying out projects financed with tax-credit reservations and HUD funds. Two of the developers did not show interest in the project. The Medici Group is a Denver based developer of affordable multi-family properties with a diverse portfolio of successfully completed projects.

Alternatives:

Council can choose not to authorize Real Estate Services to enter into a purchase agreement with Greccio Housing and explore other options for retaining or disposing of the site.

Proposed Motion:

Motion to adopt A Resolution Waiving City Council Rule 6-1 and Authorizing the Transfer of Property Located at 4921 Templeton Gap Road, Also Known as Lot 2 Sundown Square Sub Filing No. 1, to Greccio Housing Unlimited, Inc., a Colorado Non-Profit Corporation, as the One Logical Potential Purchaser.

Summary of Resolution:

A draft of the resolution is attached.