



## Legislation Text

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**File #:** 19-325, **Version:** 1

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A Resolution declaring the intent of the City of Colorado Springs, Colorado to issue its Multifamily Housing Revenue Bonds to finance the construction of a senior affordable multifamily housing facility known as Atrium at Austin Bluffs

**Presenter:**

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**Summary:**

A Preliminary Inducement Resolution for the issuance of Private Activity Bonds (PAB) for The Atrium at Austin Bluffs, a 54 unit senior affordable housing project located at the corner of Austin Bluffs and Templeton Gap.

**Previous Council Action:**

N/A

**Background:**

Private activity bonds (PAB) are a form of tax-exempt financing in which the City acts as the conduit issuer, but assumes no debt responsibility. Annually, the City of Colorado Springs receives an allocation of PAB from the State of Colorado. The allocation is based on population. Year over year, the City of Colorado Springs has seen an increase in its PAB allocation as a result of continued growth. In 2018, the City's allocation totaled \$24,200,033 and in 2019 the City's allocation totaled \$24,866,520.

Prior to 2018, the City routinely assigned its PAB allocation to El Paso County. The County has used the City's PAB to finance affordable multi-family rental projects, including Copper Range, a 240 unit work force housing development where rents are capped at 60% of area median income (AMI), Traditions at Colorado Springs, a 180 unit senior affordable housing project with similar rent caps, and the acquisition and rehabilitation of Whitney Young Manor, a 200 unit senior affordable rental complex.

In 2018, the City Council voted to carry forward its PAB allocation for the purpose of financing qualified residential rental projects, an eligible use of PAB under the IRS code. The carry forward is consistent with PAB use in other jurisdictions around the state. Recently, Colorado ranked among the top 10 states in the country for affordable multifamily PAB financing, issuing a combined total of \$539,000,000 in 2017. 97% of PAB use was for affordable multifamily rental housing.

The developer accessing PAB financing agrees to carry all costs related to the bond issuance, including attorney's fees, document preparation, and public notifications. As a result, the City's

administrative burden is minimal.

This item supports the City's strategic goal relating to building community and collaborative relationships by addressing a shortage of senior housing identified in the "Age Friendly Colorado Springs Report and Action Plan" prepared by the Innovations in Aging Collaborative.

Furthermore, this item is supported by and implements PlanCOS Vibrant Neighborhoods Policy VN-2 -A pertaining to attainable housing and providing variety of housing types for various life stages and income levels.

**Financial Implications:**

\$8M of the City's 2018 private activity bond allocation will be set-aside for this project leaving a balance of approximately \$16M remaining to allocate to other affordable multi-family rental projects.

**Board/Commission Recommendation:**

N/A

**Stakeholder Process:**

N/A

**Alternatives:**

N/A

**Proposed Motion:**

Approve the Preliminary Inducement Resolution as presented.

N/A