



Legislation Text

File #: 21-465, **Version:** 2

Ordinance No. 21-78 authorizing the issuance and delivery of the City's Series 2021A multi-family housing revenue bonds in an aggregate amount not to exceed \$11,200,000 and its taxable Series 2021B multi-family housing revenue bonds in an aggregate amount not to exceed \$4,758,000 for the Village at Solid Rock project

Presenter:

Steve Posey, Community Development Division Manager
John Bales, Fred Marienthal, Kutak Rock LLP
Peter Wysocki, Director of Planning and Community Development

Summary:

The ordinance will authorize the issuance of Private Activity Bonds (PAB) for Village at Solid Rock, a 77 unit affordable housing project located at 2520 Arlington Drive, Colorado Springs, Colorado 80910.

Previous Council Action:

Res. No. 79-21: Preliminary inducement resolution adopted for \$11,200,000 in private activity bonds to finance the Village at Solid Rock project.

Res. Nos. 88-18, 72-19, and 63-20: 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, and 2020, City Council (CC) 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.

In June, 2021, the CC Budget Committee recommended moving forward with a preliminary inducement resolution to issue up to \$11,200,000 in private activity bonds (PAB) for the Village at Solid Rock project. On June 8, 2021, CC adopted a preliminary inducement resolution to issue up to \$11,200,000 of PAB financing for the Village at Solid Rock project, a 77 unit affordable housing project located at 2520 Arlington Drive, Colorado Springs, Colorado 80910.

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 Village at Solid Rock project will draw from available PAB from the City's annual allocation.

Board/Commission Recommendation:

N/A

Stakeholder Process:

N/A

Alternatives:

City Council could choose to postpone the bond ordinance; however, this 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 the ordinance authorizing the issuance and delivery of the City's Series 2021A multi-family housing revenue bonds in an aggregate amount not to exceed \$11,200,000 and its taxable Series 2021B multi-family housing revenue bonds in an aggregate amount not to exceed \$4,758,000 for the Village at Solid Rock project.

An ordinance authorizing the issuance and delivery of the City's Series 2021A multi-family housing revenue bonds in an aggregate amount not to exceed \$11,200,000 and its taxable Series 2021B multi-family housing revenue bonds in an aggregate amount not to exceed \$4,758,000 for the Village at Solid Rock project