



Legislation Text

File #: 20-148, **Version:** 2

Ordinance No. 20-20 authorizing the issuance and delivery of the City's Series 2020 multi-family housing revenue bonds for the Atrium at Austin Bluffs Apartments project in one or more series, in the aggregate principal amount of \$8,000,000

Presenter:

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Summary:

The ordinance will authorize 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:

19-325: Preliminary inducement resolution adopted for \$8M in private activity bonds to finance Atrium at Austin Bluffs.

18-038: Resolution adopted to carry forward the City's annual private activity bond allocation for the financing of affordable multi-family rental projects.

Background:

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. 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.

On July 23, 2019, CC adopted a preliminary inducement resolution to issue up to \$8M in private activity bonds (PAB) for the financing of Atrium at Austin Bluffs, a 54 unit senior affordable housing project located at the corner of Austin Bluffs and Templeton Gap. The preliminary inducement resolution was needed for the developer to receive an allocation of 4% federal low-income housing tax credits and an allocation of State of Colorado low-income housing tax credits to create adequate financing for the project. Adoption of the bond ordinance is needed for the developer to close on the financing for the construction of Atrium at Austin Bluffs in Summer, 2020, and begin construction soon after.

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 a 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 issued to finance development of the project. The amount equals approximately 1/3 of the PAB allocation for 2018. The City Council has also issued a preliminary inducement resolution for a multi-family affordable project called Draper Commons in the amount of \$21M using a combination of 2018 & 2019 PAB, leaving an unobligated PAB balance of approximately \$20M for other qualified multi-family projects.

Board/Commission Recommendation:

N/A

Stakeholder Process:

Approximately 15-20 neighborhood residents attended the CC meeting when the preliminary inducement resolution was introduced. Staff from Community Development and Greccio Housing created a list of residents who wanted to be kept informed as the development progressed through the entitlement and finance processes. A public meeting related to the Conditional Use Permit for the project was held on November 21, 2019. Notice of the introduction of the bond ordinance was sent by email to the residents on the contact list in early March.

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 2020 multi-family housing revenue bonds for the Atrium at Austin Bluffs Apartments project in one or more series, in the aggregate principal amount of \$8,000,000.

An ordinance authorizing the issuance and delivery of the City’s Series 2020 multi-family housing revenue bonds for the Atrium at Austin Bluffs Apartments project in one or more series, in the aggregate principal amount of \$8,000,000