



Legislation Details (With Text)

File #: 22-305 **Version:** 1 **Name:** Paloma Garden
Type: Resolution **Status:** Mayor's Office
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On agenda: 6/28/2022 **Final action:** 6/28/2022
Title: A resolution declaring the intent of the City of Colorado Springs, Colorado to issue its multifamily housing revenue bonds to finance the acquisition, construction, improvement and equipping of an affordable multifamily housing facility known as Paloma Garden

Presenter:

Katie Sunderlin, Senior Affordable Housing Coordinator
Steve Posey, Community Development Division Manager
John Bales, Fred Marienthal, Kutak Rock LLP
Peter Wysocki, Director of Planning and Community Development

Sponsors:

Indexes: Affordable Housing, PAB

Code sections:

Attachments: 1. Colorado Springs Paloma Gardens 2022 Inducement Resolution, 2. CC WS Inducement Resolution_Paloma Garden 20220613, 3. Signed Resolution No. 87-22

Date	Ver.	Action By	Action	Result
6/28/2022	1	City Council	adopted	Pass
6/13/2022	1	Council Work Session	referred	

A resolution declaring the intent of the City of Colorado Springs, Colorado to issue its multifamily housing revenue bonds to finance the acquisition, construction, improvement and equipping of an affordable multifamily housing facility known as Paloma Garden

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Summary:

The resolution will declare the City's intent to authorize the issuance of Private Activity Bonds (PAB) in an aggregate principal amount not to exceed \$19,000,000 for Paloma Garden and the new construction and rehab of 127 total units of affordable housing located at 920 S. Chelton Road and 3140 Mallard Drive. The project will provide 76 new and 51 rehabbed units for low-income seniors.

Previous Council Action:

Resolution Nos. 88-18, 72-19, 63-20 and 114-21: 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, 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.

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 Paloma Garden project will utilize up to \$19,000,000 of PAB volume cap. The utilization of this cap will generate up to \$76,000 in issuance fees. The fees are collected for administering the PAB program and to help fund other affordable housing programs administered by the City.

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:

Approve the resolution declaring the intent of the City of Colorado Springs, Colorado to issue its multifamily housing revenue bonds to finance the acquisition, construction, improvement and equipping of an affordable multifamily housing facility known as Paloma Garden.