

# **AGENDA**

## **WESTMINSTER HOUSING AUTHORITY SPECIAL MEETING**

**MONDAY, August 27, 2012**

**AT 7:00 P.M.**

- 1. Roll Call**
- 2. Minutes of Previous Meeting** (August 13, 2012)
- 3. Purpose of Special WHA Meeting is to consider**
  - A. Inducement Resolution No. 49 re Declaration of Intent to Issue Multifamily Housing Revenue Activity Bonds for the Venue at the Plaza Project
- 4. Adjournment**

CITY OF WESTMINSTER, COLORADO  
MINUTES OF THE WESTMINSTER HOUSING AUTHORITY  
MONDAY, AUGUST 13, 2012 AT 7:25 P.M.

ROLL CALL

Present at roll call were Chairperson McNally, Vice Chairperson Winter and Board Members Atchison, Briggs, Kaiser, Major and Lindsey. Also present were J. Brent McFall, Executive Director, Martin McCullough, Attorney, and Linda Yeager, Secretary.

MINUTES OF PRECEDING MEETING

Board Member Briggs moved, seconded by Kaiser, to accept the minutes of the meeting of May 14, 2011 as written and distributed. The motion carried unanimously.

RESOLUTION NO. 47 REVISING THE AUTHORITY'S BY-LAWS

Board Member Atchison moved, seconded by Board Member Kaiser, to adopt Resolution No. 47 enacting revised by-laws to ensure compliance with applicable state laws and to reflect the current and proper allocation of responsibilities between the Westminster Housing Authority and staff. On roll call vote, the motion passed unanimously.

RESOLUTION NO. 48 TO ISSUE & SELL PAB FOR SALE OF WESTMINSTER COMMONS

Vice Chairperson Winter moved, seconded by Board Member Kaiser, to adopt Resolution No. 48 pursuant to the issuance and sale of the Westminster Housing Authority's multi-family housing revenue bonds and authorizing the Executive Director to execute the necessary documents relative to closing on the sale of the Westminster Commons project. On roll call vote the motion passed unanimously.

ADJOURNMENT

There being no further business to conduct, it was moved by Major, seconded by Kaiser, to adjourn. The motion carried and the meeting adjourned at 7:27 p.m.

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Chairperson

ATTEST:

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Administrative Secretary

# WHA Agenda Item 3 A

## Agenda Memorandum

Westminster Housing Authority Meeting  
August 27, 2012



**SUBJECT:** Inducement Resolution No. 49 re Declaration of Intent to Issue Multifamily Housing Revenue Activity Bonds for the Venue at the Plaza project

**Prepared By:** Signy Mikita, Community Development Program Planner

### Recommended Board Action

Adopt Inducement Resolution No. 49 declaring the Westminster Housing Authority's intent to issue multifamily housing revenue activity bonds for the Venue at the Plaza project.

### Summary Statement

- The Westminster Housing Authority approved a development agreement with Renaissance I LLLP on May 14, 2012 authorizing an assignment of Private Activity Bonds (PAB) funding capacity to the project.
- The project will require the issuance of up to \$6.0 million in PAB capacity to construct a mixed-use development that would include 48 low-income residential units and about 6,400 square feet of commercial space, located on the southwest corner of W. 73<sup>rd</sup> Avenue and Lowell Boulevard.
- The Westminster Housing Authority (WHA) accepted the assignment of the City of Westminster's 2012 PAB allocation in the amount of \$5,056,803 on May 14, 2012 for the Venue at the Plaza project. The WHA also has a remaining balance of about \$2.0 million from previous year allocations available that can be used to supplement the 2012 allocation to provide the requested \$6.0 million in PAB funding.
- The Colorado Department of Local Affairs (DOLA) requires that the Authority approve an inducement resolution declaring the Authority's intent to issue multifamily housing revenue activity bonds.
- The attached Resolution has been reviewed and approved by the Authority Attorney's Office and is ready for the Board of Commissioners' formal action.

**Expenditure Required:** Up to \$6,000,000

**Source of Funds:** PAB Allocation

**Policy Issue**

Should the Authority declare its intent to issue multifamily housing revenue bonds for the Venue at the Plaza project?

**Alternative**

Take no action, and refuse to declare this intent. This option is not recommended, as the State Department of Local Affairs instructs issuers to declare such intent when private activity bond capacity is accepted.

**Background Information**

A developer, Renaissance I, LLLP, is proposing to construct a mixed-use development that would include 48 low-income residential units and 6,400 square feet of commercial space, located in the southwest corner of W. 73<sup>rd</sup> Avenue and Lowell Boulevard.

The project is being developed as an affordable housing project that intends on using 4% Low Income Housing Tax Credits and an accompanying issuance of Private Activity Bonds. The project will require the issuance of up to \$6.0 million in PABs to help fully fund the project. Staff has evaluated the funding proposal and concurs with assessment that the PAB is essential to making the project financially viable. PABs are not obligations of the City or WHA.

On May 14, 2012, the Westminster City Council approved the assignment of the City's 2012 PAB allocation to the WHA in the amount of \$5,056,803. The WHA also has a remaining balance of about \$2.0 million from previous year allocations available that can be used to supplement the 2012 allocation to provide the requested \$6.0 million in PAB funding.

The State Department of Local Affairs has instructed WHA, the issuer, to declare its intent to issue multifamily housing revenue activity bonds by September 15, 2012.

Approval of the resolution supports the following Strategic Plan Goals and Objectives of the City:

**Goal: Strong, Balanced Local Economy**

- Maintaining and expanding a healthy retail base, increasing sales tax receipts;
- Develop business-oriented mixed use development;
- Retain and expand current businesses; and,
- Develop a reputation as a great place for small and/or local businesses.

**Goal: Vibrant Neighborhoods and Commercial Areas**

- Maintain and improve neighborhood infrastructure and housing;
- Develop Westminster as a cultural art community;
- Have a range of quality homes for all stages of life (type, price) throughout the City.

The project will remove declining buildings of which several are vacant. It will provide high quality, affordable residences in a variety of sizes, including live-work residences. There will be additional retail space to provide neighborhood services and create jobs, as well as community space, including a community theater. New residents will bring their spending power to the area, while new businesses will increase the diversity of shops and services in the area.

The project will further contribute towards the continued reinvestment in the South Westminster area, particularly those improvements and investments made along Lowell Boulevard and Meade Street. The project will provide one more visual feature that will lead to further interest in investment and redevelopment activity in South Westminster.

Respectfully submitted,

J. Brent McFall  
Executive Director

Attachment – Resolution

RESOLUTION

RESOLUTION NO. 49

INTRODUCED BY COMMISSIONERS

SERIES OF 2012

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**A RESOLUTION  
DECLARING THE INTENT OF THE WESTMINSTER HOUSING AUTHORITY  
TO ISSUE MULTIFAMILY HOUSING REVENUE ACTIVITY BONDS FOR  
THE VENUE AT THE PLAZA PROJECT**

WHEREAS, the Westminster Housing Authority (the “Authority”) is authorized and empowered pursuant to Part 2, Article 4, Title 29, Colorado Revised Statutes (the “Act”), as from time to time supplemented and amended, to issue revenue bonds for the purpose of providing dwelling accommodations for persons of low income; and

WHEREAS, the Authority expects to select a private entity (the “Borrower”) interested in constructing a mixed-use development that would include 48 low-income residential units and 6,400 square feet of commercial space, located in the southwest corner of W. 73<sup>rd</sup> Avenue and Lowell Blvd., Westminster (the “Project”), subject to the financing by the Authority of the Project by the issuance of its multifamily housing revenue bonds pursuant to the provisions of the Act and the Supplemental Public Securities Act, constituting Part 2, Article 57, Title 11 of Colorado Revised Statutes, as amended (the “Supplemental Act”); and

WHEREAS, the Project is within the boundaries of the Authority; and

WHEREAS, the Project will qualify as a “project” within the meaning of the Act; and

WHEREAS, the Board of Commissioners of the Authority (the “Board”) has concluded that the Project is consistent with the goals and objectives of the Authority; and

WHEREAS, the Board desires to indicate its intent to proceed with the financing of the Project through the issuance of such multifamily housing revenue bonds.

NOW, THEREFORE, BE IT RESOLVED BY BOARD OF COMMISSIONERS OF WESTMINSTER HOUSING AUTHORITY:

1. In order to induce the Borrower to undertake the Project, the Authority shall, subject to the provisions hereof, take all necessary and advisable steps to effect the issuance of multifamily housing revenue bonds (the “Bonds”) in one or more series pursuant to the Act and Supplemental Act in the maximum aggregate principal amount not to exceed \$6,000,000, or such other amounts as shall be determined and agreed upon by the Borrower and the Authority to finance the Project. The Bonds shall never constitute the debt or indebtedness of the Authority, nor any multiple-fiscal year direct or indirect debt or other financial obligation of the Authority whatsoever, within the meaning of any provision or limitation of the Constitution or statutes of the State of Colorado, and shall not constitute nor give rise to a pecuniary liability or financial obligation of the Authority, nor shall the Bonds ever be deemed to be an obligation of any officer, agent or employee of the Authority in such person’s individual capacity, and no such person shall be subject to personal liability by reason of the issuance of the Bonds. The Bonds shall be special, limited obligations of the Authority and payable solely from and secured by a pledge of revenues derived from and payable by the Borrower pursuant to financing agreements with the Authority. No Board member, officer, official, employee or agent of the Authority shall be subject to any personal liability in connection with the Bonds or the provisions of this Resolution.

2. The Board hereby finds, determines, recites and declares the Authority's intent that this Resolution constitute an official indication of the present intention of the Authority to issue the Bonds as herein provided, subject to: (a) the delivery of an approving opinion of Bond Counsel to the Authority, (b) the Borrower obtaining sufficient debt and equity financing acceptable to the Authority, (c) the execution and delivery of indemnity agreements and payment or reimbursement of costs and expenses, all to the satisfaction of the Authority, and (d) the adoption of a final bond resolution by the Board. The Authority's discretion to accept or not to accept items relating to the Project or additional financing therefor or relating to credit, security, sale or marketing aspects of the Bonds is intended for the protection of the Authority's interest, and any such acceptance shall not be construed to impose upon the Authority any duties to, nor to confer any rights against the Authority upon, any bondholders, investors or other third parties.
3. Prior to any execution of any financing agreements, mortgages, indentures of trust, bond purchase agreements or any other necessary documents and agreements in connection with such Bonds, such documents and/or agreements shall be submitted for approval to the Authority, and, if satisfactory to the Authority, their execution shall be authorized by resolution of the Board pursuant to law.
4. All commitments of the Authority contained herein are subject to the condition that within 12 months of the date hereof, or such shorter period of time available under applicable law, unless otherwise extended by agreement between the Authority and the Borrower, the Bonds to be issued pursuant hereto shall be issued and sold. In the event that the Bonds to be issued pursuant hereto are not issued within 12 months, or such shorter period of time available under applicable law, the Authority shall be under no obligation to perform any of the terms and conditions contained herein.
5. All resolutions or parts thereof concerning the subject matter hereof in conflict with this Resolution are hereby repealed to the extent of such conflict. This repealer shall not be construed to revive any resolution or part thereof, heretofore repealed.
6. The agreements of the Authority set forth above are expressly conditioned upon the ability and willingness of the Authority to issue the Bonds as tax-exempt obligations under the Internal Revenue Code of 1986, as amended. Nothing contained in this Resolution shall be construed as requiring the Authority to issue the Bonds and the decision to issue the Bonds shall be in the complete discretion of the Authority.
7. If any section, paragraph, clause or provision of this Resolution, with the exception of any section, paragraph, clause or provision limiting the Authority's financial obligation, shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.
8. This Resolution shall take effect immediately upon its introduction and passage.

PASSED, ADOPTED AND APPROVED this August 27, 2012.

ATTEST:

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Administrative Secretary

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Chairperson

APPROVED AS TO LEGAL FORM

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Attorney for the Authority