



Arapahoe County

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Legislation Text

File #: 22-675, **Version:** 1

To: Board of County Commissioners

Through: Ron Carl, County Attorney

Prepared By:

Tiffanie Bleau, Senior Assistant County Attorney

Presenter: Tiffanie Bleau, Senior Assistant County Attorney

Subject:

Release of the Regulatory Agreement Governing the Centennial East Apartments Project

Purpose and Request:

Request that the Board of County Commissioners approve and authorize the Chair of the Board to sign the Release of Regulatory Agreement by and between the Centennial East Apartments Limited Partnership, Arapahoe County and the Bank of New York Mellon Trust Company.

Background and Discussion: In September 2000, Arapahoe County, Colorado (the “County”) issued its Multifamily Housing Revenue Senior Bonds (Centennial East Apartments Project) 2000 Series A-1 (the “Bonds”) and loaned the proceeds thereof to Centennial East Apartments Limited Partnership, an Ohio limited partnership (the “Borrower”) in order to assist in financing the costs of the acquisition, construction and equipping of a 160-unit multifamily residential rental housing facility located within Arapahoe County known as the Centennial East Apartments project (the “Project”). As a condition to issuing the Bonds, the County, the Borrower and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”), as successor trustee to Chase Manhattan Trust Company, entered into a Regulatory Agreement which required that at least 40% of the units in the Project be rented to individuals or families whose adjusted gross income did not exceed 60% of median gross income for the area during the term of the qualified project period. Per the Regulatory Agreement, the qualified project period expires on the later of (a) the date 15 years following the date on which at least 50% of the units in the Project are first occupied, (b) the first date on which no tax-exempt private activity bond issued with respect to the Project is outstanding, or (c) the date on which any project based Section 8 housing assistance terminates.

The Borrower is now refinancing the Project and using the proceeds of the refinance to redeem the Bonds on November 15, 2022. In connection with the redemption of the Bonds, the Borrower is certifying that the conditions for the expiration of the Regulatory Agreement have been met. As such, the term of the Regulatory Agreement has expired and the Regulatory Agreement may be released of record effective as of the date the Bonds are to be redeemed (November 15). The Borrower is requesting that the County sign and notarize the Release of Regulatory Agreement.

Fiscal Impact: This was a conduit financing project and has no fiscal impact on the County.

Alternatives: There is no other alternative that would allow the project to close.

Alignment with Strategic Plan:

- ☒ Be fiscally sustainable
- ☒ Provide essential and mandated service
- ☐ Be community focused

Staff Recommendation: Staff recommends approving as presented.

Resolution: See attached resolution.