



Arapahoe County

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Board Summary Report

File #: 25-400

Agenda Date: 7/22/2025

Agenda #:

To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources Department

Prepared By:

Nancy Sonnenfeld, Community Development Administrator, Community Development, Housing and Homeless Services, Community Resources Department

Subject:

2025 Private Activity Bond Reallocation

Purpose and Request:

The Board of County Commissioners is requested to adopt a resolution authorizing the approval of the recommended reallocation of the assignment of \$5,000,000.00 from the County's 2025 Private Activity Bonds (PAB) allocation.

Background and Discussion: On July 8, 2025, the Board of County Commissioners (BOCC) was presented with a recommendation from the Community Development and Housing and Homeless Services (CDHHS) Division to reallocate \$5,000,000.00 in 2025 County Private Activity Bond (PAB) authority. After discussion during the scheduled study session, the BOCC directed staff to place the item on a future consent agenda for formal approval.

Private Activity Bonds (PABs) are a federally authorized, state-allocated financing resource that local governments may assign to support qualified private development activities, with affordable housing being a top priority for Arapahoe County. In June 2025, the BOCC provided direction on the use of its 2025 PAB authority, and a project was initially selected to receive the funds. However, due to unforeseen circumstances, that previously awarded project was withdrawn and will not be moving forward. CDHHS received written notification of the project's cancellation on June 24, 2025.

In response, CDHHS staff evaluated alternative projects that are eligible, ready, and aligned with County housing goals. Based on this review, staff recommend reallocating the full \$5,000,000.00 in PABs to South

Metro Housing Options (SMHO) to support the Star Light project an affordable housing development located along Littleton Boulevard. The exact address is still being finalized and will be determined as the project proceeds through site acquisition and predevelopment.

The Star Light project will create 74 units of affordable rental housing for households earning between 30% and 70% of the Area Median Income (AMI). A portion of the units will be set aside for young adults ages 18-24 aging out of foster care, a highly vulnerable group that faces a high risk of homelessness and housing instability. By incorporating supportive services and stable housing in one development, the Star Light project aims to improve outcomes for these individuals and increase long-term housing stability for all residents.

The BOCC had previously approved a \$886,811.00 allocation in PABs to support the Star Light project. The recommended reallocation of an additional \$5,000,000.00 brings the total County allocation to \$5,886,811.00. This increased support will enhance the project's financing structure and competitiveness for additional funding sources, including Low-Income Housing Tax Credits (LIHTC), state housing funds, and other public and private investments.

Alternatives: The BOCC may recommend an alternative distribution of the \$5,000,000.00 in County's 2025 PABs or may choose to relinquish the PABs to CHFA for statewide allocations at their discretion.

Fiscal Impact: Private Activity Bonds (PABs) are administered by the Department of Local Affairs (DOLA) through CHFA and limited by the IRS. This request does not have a direct fiscal impact on Arapahoe County's general budget but will provide a great benefit to increasing affordable housing in our jurisdiction.

Alignment with Strategic Plan:

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

Concurrence: N/A

Resolution: Attached is a copy of the drafted resolution.