



Board Summary Report

File #: 24-213

Agenda Date: 4/16/2024

Agenda #:

To: Board of County Commissioners

Through: Katherine Smith, Director, Community Resources

Prepared By:

Elizzebeth Loomis, Division Manager, Community Development, Housing and Homeless Services, Community Resources

Presenter: Elizzebeth Loomis, Division Manager, Community Development, Housing & Homeless Services, Community Resources

Subject:

2:00 PM *Private Activity Bonds 2024

Purpose and Request:

The purpose of this report is to review funding recommendations for 2024 Private Activity Bond (PAB) allocations.

Background and Discussion: Community Development Housing and Homeless Services (CDHHS) staff is seeking direction from the BOCC regarding the following proposals:

2024 Private Activity Bond (PAB) Recommendations

***2024 PAB Allocation Award of \$8,502,112.00**

Private Activity Bonds (PABs) are a tax-exempt bonding authority, used either to create a loan for a project at a tax-exempt rate, or to create a mortgage credit certificate. The State of Colorado established its PAB allocation program by state statute (24-32-1701 et seq, C.R.S.) to provide for the allocation of Colorado’s PAB authority. Staff is requesting that the assignment of the PAB’s to CHFA will be used to generate a 4% Low Income Housing Tax Credit (LIHTC) loan for the top-ranking projects awarded funding.

Arapahoe County received three applications for 2024 PABs. CDHHS reviewed all applications for completeness, eligibility, and financial feasibility. Preference is given to applicants that have the ability to close and complete underwriting within current calendar year; efficient use of PAB allocation; leverage of equity sources (LIHTC or SHTC); and impact of PABs to support economic/ housing needs.

Staff is recommending the following for the 2024 PAB allocation:

- \$5,000,000.00 for Grovewood Community Development- The Stables;
- \$2,000,000.00.00 for The Housing Authority of the City of Aurora- The Stanley; and
- \$1,502,112.00 for Arapahoe Green, LLLP c/o Archway Communities, Inc.- Arapahoe Green Townhomes.

By assigning the County's PAB's directly to a specific project/development through CHFA, we can ensure the funds are used for multifamily projects in Arapahoe County compared to being allocated to state-wide projects. The other option is to assign our PAB's directly to CHFA, who will determine their use for statewide purposes.

The Stables

- **Developer:** Grovewood Community Development
- **Recommendation:** \$5,000,000.00
- **Requested Funding:** \$5,000,000.00
- **County:** Arapahoe County
- **Number of Units:** 130 + units (one, two, and three bedrooms)
- **Target Population:** Families, Seniors, Veterans, Disabled, Individuals
- **AMI:** 30%-80%
- **Type:** New Construction

An allocation of PAB funds is requested to develop a 4.79-acre parcel at 10850 East Expo Avenue in Aurora. It was owned by the same family as the Aurora Horse Stables since 1947 and would be ideal for affordable housing. With plans to build 130+/- one-, two-, and three-bedroom units of multifamily rental housing affordable to households earning between 30% and 80% of Area Median Income (AMI), GCD has applied for 2024 HOME Investment Partnership funds and was awarded 2 million in Affordable Housing Development Grant funds in 2022.

The Stanley

- **Developer:** The Housing Authority of the City of Aurora
- **Recommendation:** \$2,000,000.00
- **Requested Funding:** \$2,000,000.00
- **Location:** East 25th Avenue & Joliet Street, Aurora, CO
- **County:** Adams County (less than a mile from Arapahoe County border)
- **Number of Units:** 75 units (one, two, and three bedrooms)
- **Target Population:** Families with a target AMI of 30-70%
- **AMI:** 30%-70%
- **Type:** New Construction

This project is located at East 25th Avenue and Joliet Street, Aurora, CO. Proposed development will create 75 units of housing for families at, or below, 70% AMI, with the majority of units available to residents at 30%-50% AMI. Of the 75 units, 30 units are one-bedroom, 40 are two-bedroom and 5 three- bedroom units. This project will request HOME funds from the City of Aurora.

Arapahoe Green Townhomes

- **Developer:** Arapahoe Green, LLLP c/o Archway Communities, Inc.
- **Recommendation:** \$1,502,112.00
- **Requested Funding:** \$6,546,000.00
- **Location:** 1135 S Xenia Street, Denver, CO
- **County:** Arapahoe County
- **Number of Units:** 60 units (one, two, and three bedrooms)
- **Target Population:** Families with a target AMI of 30-60%

- **AMI:** 30%-60%
- **Type:** Acquisition/Rehabilitation

An allocation of private activity bonds is requested to support a proposed acquisition and rehabilitation of the Arapahoe Green Townhomes project located at 1135 S. Xenia St. in Denver. The project, which was constructed in 2002, offers 60 units in a community that supports the well-being of the whole resident. The community serves a range of incomes and family types, with units ranging from 30-60% AMI and a mix of 2-, and 3-bedroom townhomes. At this community, 31.6% of the households are at 30% AMI.

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

Alternatives: The BOCC may recommend an alternative distribution of the County's 2024 PABs or may choose to relinquish the PABs to CHFA for statewide allocations at their discretion.

Alignment with Strategic Plan:

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

Staff Recommendation: CDHHS staff is recommending the PAB funding allocations presented above.

Concurrence: N/A