



Consent Agenda Report

Date: October 20, 2020

To: Board of County Commissioners (BOCC)

Through: Don Klemme, Community Resources Department Director

From: Liana Escott, Community Development Representative

Subject: Private Activity Bond (PABs) Assignment to Colorado Housing and Finance Authority (CHFA)

Request and Recommendation

At a Study Session with the Board of County Commissioners (BoCC), held on July 21, 2020, Housing and Community Development Services (HCDS) staff requested direction from the BoCC for the assignment of the 2020 PAB allocations for Arapahoe County (\$7,234,144) to Colorado Housing and Finance Authority.

After discussion, the BoCC directed staff to set the assignment of the County's 2020 PAB allocations on the Consent Agenda for approval with the authorization for the Chair of the BoCC to sign the allocation agreement between Arapahoe County and CHFA. Staff requests that the BoCC approve the resolution to assign the allocation to CHFA and authorize the Chair to sign the allocation agreement.

Background

Private Activity Bonds are 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 requested that the assignment of the PAB's would go to the Colorado Housing and Finance Authority (CHFA) to be used to generate a 4% Low Income Housing Tax Credit (LIHTC) loan for the top ranking project awarded funding in Arapahoe County.

This year there were four applicants, HCDS staff ranked the applications based on location, experience and the number of units. Below is a synopsis of all four requests, based on rank. Each developer will apply for the 4% tax credit in August of 2020. The awards will not be announced until mid-November.

Since the awards are not yet known, HCDS staff requested to assign the County PAB's to the top ranking developer that does receive the 4% tax credit. If the PAB's are not assigned to a specific project, the PAB's will be relinquished to the Department of Local Affairs (DOLA) and the funds will be put into a statewide balance.

By assigning the County PAB's directly to a developer through CHFA, we ensure that the funds are used for multifamily developments in Arapahoe County. The four projects, listed by ranking are:

1. Developer: Medici Communities. Project location: 9495 E Florida Ave, Aurora, CO 80247 (Four Square Mile). Units: 250.
2. Developer: Cohen-Esrey Development Group. Project Location: 300 W Lehow Ave, Englewood, CO 80110. Units: 80.
3. Developer: Community Housing Partners. Project Location: 14875 E 2nd Ave, Aurora CO 80011. Units: 93.
4. Developer: Community Housing Development Association (CHDA). Project Location: 10150 E Colorado Ave, Aurora, Co 80247. Units: 81.

Links to Align Arapahoe

Increase Community and Regional Partnerships. Assigning the PAB bonds to CHFA promotes intergovernmental cooperation by allowing these bonds to fund 4% LIHTC projects in and around Arapahoe County.

Staff Recommendation

The County has four (4) requests for the 2020 PAB's. The projects are ranked in order of scoring criteria. However, the awards have yet to be determined. This is the first year that developers are requesting funds prior to the awards being made. HCDS did rank them in order and is requested that the BOCC allocate the County PAB's to the top ranking developer that receives LIHTC. If the County assigns its 2020 PAB's to CHFA, it will then apply them to the projects as indicated by ranking.

Alternatives

The BOCC may choose not to assign the PAB's to CHFA and can relinquish them to the State of Colorado at the end of the PAB program year. The BOCC may also divide the funds amongst multiple projects, if multiple projects are awarded the 4% tax credit.

Fiscal Impact

There is no fiscal impact to Arapahoe County as the PAB allocation is made by the federal government.

Attorney Comments

Reviewed By:

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Don Klemme, Community Resources Department Director
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Janet Kennedy, Finance Department Director
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