



# 2022 Private Activity Bond Allocation Update

April 18, 2022

# Purpose

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- Review what a Private Activity Bond is and City's allocation amount
- Overview City's new PAB Policy
- Discuss 2022 allocation request



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# Private Activity Bonds

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- Private Activity Bonds (PABs) are tax-exempt bonds issued by or on behalf of a local or state government for the purpose of providing special financing benefits for qualified projects
  - Allocated to municipalities each year by the State
- PABs allow governments to borrow on behalf of private companies, acting as an alternative to corporate bonds
- Interest on PABs is not excluded from gross income

# Qualified Projects

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- **New construction or rehabilitation of housing for low- to moderate-income**
- Single-family mortgage revenue bonds sold by local and state agencies for mortgages low- and moderate-income
- Mortgage Credit Certificates for qualified homebuyers
- Manufacturing "small issue" industrial development bonds (not to exceed \$10,000,000) for construction of manufacturing facilities
- Qualified redevelopment bonds for acquiring property in blighted areas, prepare land for redevelopment, and relocate occupants of structures on the acquired property
- Exempt facility bonds for hazardous waste facilities, solid waste disposal facilities, water and sewer facilities, mass commuting facilities, local district heating and cooling facilities, local electric energy or gas facilities and multifamily housing bonds.
- Qualified 501(c) (3) bonds for use by non-profit hospitals and private universities.

# Old Allocation Process

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- The City received an annual allocation from the state- wide PAB ceiling
  - Finance reached out to various departments to determine if allocation to a specific project is needed
  - Developers contacted the City to request allocation
  - If no projects were requested or identified, staff requested assignment to the Colorado Housing and Finance Authority
- In 2021, the City allocated our PAB share to CHFA to be applied to future City projects, or given to first-time homebuyers across the State
- In 2020 and 2019, the full allocation was given to CHFA to be used for the Mile High Greyhound Park

# New Policy

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- The new PAB Allocation Policy was posted to the City Website and shared by the Urban Land Institute in a weekly e-newsletter
- On an annual basis, completed applications are due to the City by February 1.
  - Staff will present and make recommendations regarding all annual PAB requests to City Council during Q1 of that year, likely during the First Regular Meeting in March
  - Official allocations will occur in September of each year
- Full policy included in the packet

# 2022 Allocation

- Request for 7001 Colorado Boulevard received and discussed with Council in January
- Staff did not receive an additional PAB request, and the departments have not identified another project that needs and/or qualifies to receive the City's 2022 allocation
- Staff recommends pledging 100% of City's 2022 allocation amount to the affordable housing project
  - \$3,465,832
  - The resolution to allocate funds will come before Council in September, after the property has been annexed and zoned

# 7001 Colorado Boulevard

- 100 affordable, multi-family units ranging in size from one to four bedrooms on an approximate four-acre site
  - Goal is to provide quality housing within walking distance of schools, employment services, and the light rail station
- Project is not yet annexed, but early entitlement work has begun
- Project qualified for Expedited Priority Case Review Policy and is about to begin the second round of review



# 7001 Colorado Boulevard



7001 Colorado Blvd.  
Offering Memorandum

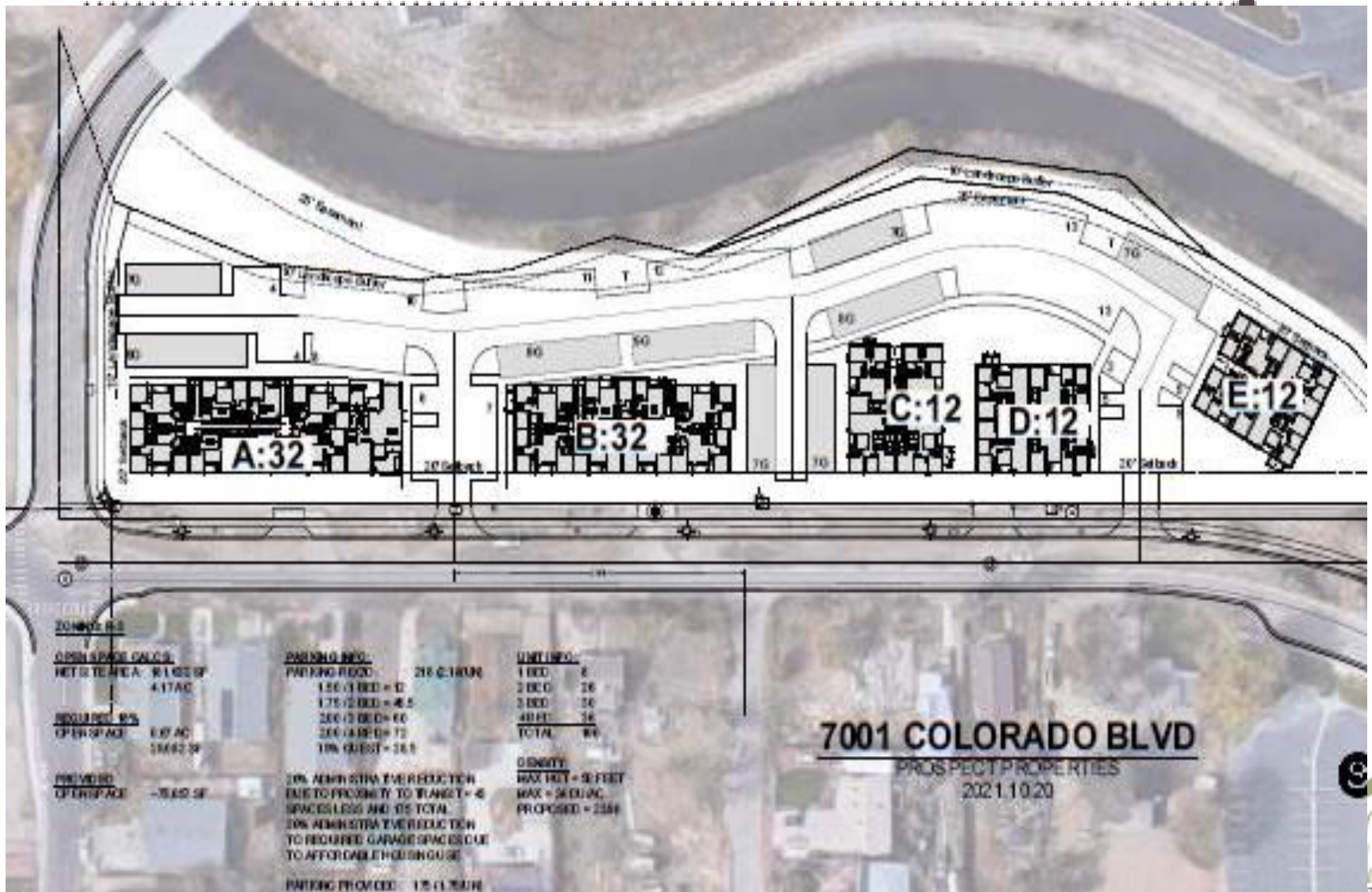
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# 7001 Colorado Boulevard



**ZONING INFO**

**OPEN SPACE CALC.**  
 NET SITE AREA = 81,000 SF  
 4.17 AC

**REQUIRED P.S.**  
 OPEN SPACE = 6.07 AC  
 26,682 SF

**PROVIDED**  
 OPENSPACE = 35,682 SF

**PARKING INFO**

**PARKING REQUIRED** 215 @ 180/AM  
 1.50 / 1 BED = 12  
 1.75 / 2 BED = 46.5  
 2.00 / 3 BED = 60  
 2.00 / 4 BED = 72  
 10% GUEST = 24.5

20% ADMINISTRATIVE REDUCTION  
 DUE TO PROXIMITY TO TRANSIT = 4  
 SPACES LESS AND ITS TOTAL  
 20% ADMINISTRATIVE REDUCTION  
 TO REQUIRED GARAGE SPACES DUE  
 TO AFFORDABLE HOUSING USE  
 PARKING PROVIDED = 175 @ 1.75/AM

**UNIT INFO**

1 BED 8  
 2 BED 26  
 3 BED 26  
 4 BED 26  
 TOTAL 86

**DENSITY**

MAX TRF = 9/FEET  
 MAX = 260/AC  
 PROPOSED = 258

**7001 COLORADO BLVD**

PROSPECT PROPERTIES  
 2021.10.20

# Council Discussion

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- Seeking Council support to prepare a resolution for the full 2022 PAB allocation in the amount of \$3,465,832 to the affordable housing project at 7001 CO Blvd project in September of this year

