



Council Communication

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2022 Private Activity Bond Allocation Update

Summary and Background Information:

Every year, Commerce City receives an allocation of the state-wide Private Activity Bond (PAB) ceiling for the purpose of providing special financing benefits for qualified projects.

The funds must be spent on specific types of projects:

- 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.

Since staff and Council last discussed PABs, a policy has been implemented that moves the City from a "first come, first served" award system to a more strategic method for evaluating and selecting project funding requests. As stated in the policy, staff will only recommend a project receives a percentage of the City's annual allocation if said project meets the goals of the city Council, Council, City Manager's Office, Economic Development, Public Works, and Community Development. The project that staff recommends receive 100% of the City's 2022 PAB Allocation from the State is the previously discussed affordable housing project planned for 7001 Colorado Boulevard. This affordable housing project will deliver 100 affordable, multi-family units ranging in size from one to four bedrooms and will be within walking distance of schools, employment services, and the light rail station. The developer of this project applied for and received Expedited Priority Case REview status, and early entitlement work is underway to annex and zone the four-acre site.

Tonight, staff is 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. Official allocation of the funds will not occur until September of this year. The request is coming before you now due to timing requirements of CHFA and the State of Colorado Department of Local Affairs. If Council supports allocating the City's 2022 PAB funds to this project, Sheryl Carstens, the Director of Finance, will come before you in September with a resolution to finalize the PAB allocation process. Since the City did not receive other applications for this funding, any unallocated funds will be given to CHFA.

Staff Responsible (Department Head): Jason Rogers, Deputy City Manager of External Services

Staff Member Presenting: Jenna Lowery, Senior Management Analyst

Financial Impact: \$3,465,832

Funding Source: 2022 PAB Allocation

Staff Recommendation: Provide staff with direction to prepare a resolution for the full 2022 PAB allocation in the amount of \$3,465,832 to the affordable housing project at 7001 Colorado Boulevard

Suggested Motion: Motion to direct staff to prepare a resolution for the full 2022 PAB allocation in the amount of \$3,465,832 to the affordable housing project at 7001 Colorado Boulevard