

SUBJECT: **APPROVAL OF RESOLUTION NO. 36, SERIES 2024 – A
RESOLUTION AUTHORIZING THE ASSIGNMENT OF THE
CITY’S PRIVATE ACTIVITY BOND ALLOCATION FOR 2024 TO
THE HOUSING AUTHORITY OF THE COUNTY OF BOULDER,
COLORADO**

DATE: **AUGUST 20, 2024**

PRESENTED BY: **MEREDYTH MUTH, INTERIM DEPUTY CITY MANAGER**

SUMMARY:

In 2024, The City of Louisville received a Private Activity Bond (PAB) allocation of \$1,220,196. PAB allocations occur annually through the Colorado Department of Local Affairs, and if not utilized or reassigned to another eligible entity the funds are scheduled to revert back to the State on September 15th, 2024. Once reverted back to the State, DOLA will determine how to allocate the PAB to affordable housing or other eligible projects that have submitted for excess PAB from across Colorado. The Boulder County Housing Authority will use the allocation to support affordable housing development in Boulder County, specifically for the Willoughby Corner project in Lafayette, which will advance the Countywide Regional Affordable Housing Goals.

Staff recommends City Council approve the resolution and all associated documents (Attachments 1 and 2) to assign Louisville’s 2024 PAB allocation to the Boulder County Housing Authority (BCHA).

BACKGROUND:

The City of Louisville first began receiving a PAB allocation in 2016. The Private Activity Bond program, overseen by the DOLA Division of Housing, supports the investment of bond funds in privately developed projects. The bonds are tax-exempt and the amount of bonds issued statewide is limited by the IRS. The state awards 50% of the total bonding authority to Colorado Housing and Finance Authority (CHFA) and the Colorado Agricultural Development Authority, and the remainder to local governments with a population over 20,000. Local governments are awarded a portion of the state’s PAB authority based on population, with a per capita allocation of \$50 per person. The complete list of PAB awards is contained in Attachment 3.

As financing for affordable housing projects has become increasingly challenging, there has been greater demand for the reassignment of unused PAB allocations. To address this, the City developed a process to prioritize the assignment of our PAB allocation, should we not plan to utilize it, to support investments within the city or our region. It was determined that BCHA projects in the City of Louisville should be the highest priority, and if there was no local project needing the allocation the city would first consider the needs of BCHA elsewhere in Boulder County, then the needs of other local

housing authorities (Boulder Housing Partners and Longmont Housing Authority), and finally, if requested, the needs of our neighboring or other front range communities.

Private activity bonds work so that municipalities or housing authorities may issue the bonds for privately developed projects, but have no obligation to pledge their credit or repay investors. Instead, an underwriter brings the bonds to market, investors purchase the bonds (resulting in bond proceeds), and the underwriter uses the bond proceeds to make a loan to a project; the project developer then pays back the loan and the investors are repaid, plus interest. More information on the State of Colorado Private Activity Bond Program can be found [here](#).

Once reassigned, BCHA will issue the bonds allowed through our allocation, which will then be used for the Willoughby Corner project in Lafayette.

FISCAL IMPACT:

There is no fiscal impact. The private activity bonds are not local funds, rather bonding authority, and there is no cost to transfer/reassign the PABs.

RECOMMENDATION:

Staff is recommending City Council approve Resolution No. 36, Series 2024 and all associated documents (Attachments 1 and 2) to assign Louisville's 2024 PABs to Boulder County.

ATTACHMENT(S):

1. Resolution No. 36, Series 2024
2. Assignment of Allocation
3. State of Colorado 2024 PAB awards

STRATEGIC PLAN IMPACT:

☐	 Financial Stewardship & Asset Management	☐	 Reliable Core Services
☒	 Vibrant Economic Climate	☐	 Quality Programs & Amenities
☐	 Engaged Community	☐	 Healthy Workforce
☐	 Supportive Technology	☒	 Collaborative Regional Partner

**RESOLUTION NO. 36
SERIES 2024**

**A RESOLUTION AUTHORIZING THE ASSIGNMENT OF THE CITY'S PRIVATE
ACTIVITY BOND ALLOCATION FOR 2024 TO THE HOUSING AUTHORITY OF THE
COUNTY OF BOULDER, COLORADO**

WHEREAS, pursuant to the Colorado Private Activity Bond Ceiling Allocation Act, constituting Title 24, Article 32, Part 17, Colorado Revised Statutes (the "Allocation Act"), the City of Louisville, Colorado (the "City") has received a direct allocation of the State of Colorado's Private Activity Bond Ceiling for the year 2024 (the "2024 Allocation"); and

WHEREAS, the Housing Authority of the County of Boulder, Colorado, a body corporate and politic of the State of Colorado (the "Authority") has requested that the City assign all of the 2024 Allocation in an amount equal to \$1,220,196 (the "Assigned Allocation") to the Authority pursuant to Section 24-32-1706 of the Allocation Act for the purpose of assisting in the financing of "projects," located in the County of Boulder, Colorado, within the meaning of Title 29, Article 4, Part 5, Colorado Revised Statutes, as amended, in the County of Boulder, Colorado; and

WHEREAS, the City desires to assign the Assigned Allocation to the Authority; and

WHEREAS, there has been presented to the City Council of the City (the "City Council") the form of an Assignment of Allocation (the "Assignment").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF LOUISVILLE, COLORADO:

Section 1. Authorization of Assignment. The City Council hereby authorizes the assignment of the Assigned Allocation to the Authority for the purposes described above and in the Assignment accompanying this resolution.

Section 2. Approval of Assignment of Allocation. The form, terms and provisions of the Assignment hereby are approved; provided, however, that the Mayor of the City is hereby granted authority to negotiate and approve such revisions to said Assignment as the Mayor determines are necessary or desirable for the protection of the City, so long as the essential terms and conditions of the Assignment are not altered.

Section 3. The Mayor of the City is hereby authorized and directed to execute and deliver the Assignment, with such changes therein as are approved by the officers of the City executing the Assignment. The execution of the Assignment shall be conclusive evidence of the approval by the City Council of such document in accordance with the terms hereof.

Section 4. Further Action. The Mayor, City Clerk, City Manager, Deputy City Manager, Finance Director, City Attorney and other officers and employees of the City are hereby authorized and directed to take such other steps or actions necessary or

reasonably required to carry out the terms and intent of this resolution and the Assignment.

Section 5. Ratification. All action not inconsistent with the provisions of this resolution heretofore taken by the Council and the officers of the City directed toward the assignment of the Assigned Allocation and the authorization of the Assignment hereby are ratified, approved and confirmed.

Section 6. Severability. If any section, paragraph, clause or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution, the intent being that the same are severable.

Section 7. Repealer. All orders, resolutions, bylaws, ordinances or regulations of the City, or parts thereof, inconsistent with this resolution are hereby repealed to the extent only of such inconsistency.

Section 8. Effective Date. This resolution shall be in full force and effect upon its passage and approval.

PASSED AND ADOPTED this 20th day of August, 2024.

Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

ASSIGNMENT OF ALLOCATION

THIS ASSIGNMENT (the "Assignment"), dated _____, 2024, is between the CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation (the "Assignor"), and the HOUSING AUTHORITY OF THE COUNTY OF BOULDER, COLORADO, a body corporate and politic of the State of Colorado (the "Assignee").

RECITALS

A. The Assignee intends to finance "projects" within the meaning of Title 29, Article 4, Part 5, Colorado Revised Statutes, as amended (the "Act"), located within the County of Boulder, Colorado (the "Project").

B. The Assignee intends to provide for the issuance of its Multifamily Housing Revenue Bonds (the "Proposed Bonds"), pursuant to the provisions of the Act for the purpose of financing the Project.

C. The Assignee has requested that the Assignor assign to the Assignee all \$1,220,196 of the Assignor's 2024 allocation (the "Allocation") under the bond ceiling for the State of Colorado and its issuing authorities (the "State Ceiling") computed under Section 146(d) of the Internal Revenue Code of 1986 (the "Code") as provided for the Assignor as a "designated local issuing authority" under part 17 of article 32 of title 24, Colorado Revised Statutes (the "Allocation Act"), for use in connection with the financing of the Project located in the Assignee's jurisdiction.

D. Subject to the terms and conditions set forth herein, the Assignor desires to assign to the Assignee, and the Assignee desires to accept, \$1,220,196 of the Assignor's 2024 allocation from the State Ceiling.

ASSIGNMENT

In exchange for the agreements set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. The Assignor hereby assigns and transfers to the Assignee the Assignor's 2024 Allocation from the State Ceiling for private activity bonds in an amount equal to \$1,220,196. The Assignor and the Assignee understand that such assigned allocation shall automatically be relinquished to the "Statewide Balance" as defined under the Allocation Act unless (a) the Proposed Bonds are issued by the Assignee on or before September 15, 2024; or (b) Section 24-32-1706(3)(c), Colorado Revised Statutes, pertaining to the carryforward of the assigned allocation applies.

2. The Assignor represents that it has received no monetary consideration for the assignment set forth above.

3. The Assignee hereby:

(a) accepts the assignment of \$1,220,196 of the Assignor's Allocation from the State Ceiling described above;

(b) agrees to use its best efforts to issue and use the Proposed Bonds for the purpose of financing the Project; and

(c) agrees to abide by each of the terms and conditions of this Assignment in connection with the use of such Allocation.

4. The Assignor hereby consents to the election by the Assignee, if the Assignee in its discretion so decides, to treat all or any portion of the assignment set forth herein as an allocation for any project with a carryforward purpose.

5. This Assignment shall not constitute the debt or indebtedness or financial obligation of the Assignor within the meaning of the constitution or statutes of the State of Colorado, nor give rise to a pecuniary liability or charge against the general credit or taxing power of the Assignor.

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IN WITNESS WHEREOF, the Assignor and the Assignee have caused this instrument to be executed to be effective as of the date and year first written above.

CITY OF LOUISVILLE, as Assignor

By: _____
Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

APPROVED AS TO FORM:

Kelly PC, City Attorney

HOUSING AUTHORITY OF THE
COUNTY OF BOULDER, COLORADO,
as Assignee

By: _____
Claire Levy, Chair

ATTEST:

By: _____
Clerk to the Board

[Signature Page to Assignment of Allocation]



Private Activity Bond Direct Allocations – 2024

2023 Colorado Private Activity Bond Direct Allocations

Statewide Population in 2023: 5,877,610

Private Activity Bond Cap available in 2024: \$734,701,250

Per Capita Multiplier: \$125

Table 1: Allocations to Designated Local Issuing Authorities

Local Issuer	Population	Population as % of State Population	PAB Cap
Denver	717,382	12.21%	\$44,836,357
Colorado Springs	488,373	8.31%	\$30,523,317
Aurora	393,886	6.70%	\$24,617,884
Douglas County	232,760	3.96%	\$14,547,531
El Paso County	226,903	3.86%	\$14,181,423
Jefferson County	203,947	3.47%	\$12,746,682
Fort Collins	172,992	2.94%	\$10,812,010
Lakewood	155,661	2.65%	\$9,728,783
Thornton	144,665	2.46%	\$9,041,551
Arapahoe County	136,034	2.31%	\$8,502,112
Arvada	124,052	2.11%	\$7,753,280
Weld County	119,637	2.04%	\$7,477,340
Adams County	117,100	1.99%	\$7,318,720
Westminster	115,945	1.97%	\$7,246,554
Pueblo	113,030	1.92%	\$7,064,348
Greeley	110,920	1.89%	\$6,932,476
Centennial	107,529	1.83%	\$6,720,575
Boulder	106,353	1.81%	\$6,647,089
Larimer County	104,294	1.77%	\$6,518,363
Longmont	100,443	1.71%	\$6,277,708
Mesa County	91,538	1.56%	\$5,721,154
Castle Rock	79,611	1.35%	\$4,975,659
Loveland	78,432	1.33%	\$4,901,984
Broomfield	76,662	1.30%	\$4,791,378
Grand Junction	68,051	1.16%	\$4,253,193
Commerce City	65,403	1.11%	\$4,087,661
Garfield County	62,669	1.07%	\$3,916,783
Parker	62,027	1.06%	\$3,876,703
Boulder County	58,570	1.00%	\$3,660,653



Table 1: Allocations to Designated Local Issuing Authorities (continued)

Local Issuer	Population	Population as % of State Population	PAB Cap
Pueblo County	57,481	0.98%	\$3,592,575
Eagle County	55,659	0.95%	\$3,478,699
Littleton	45,030	0.77%	\$2,814,364
Brighton	41,394	0.70%	\$2,587,111
Northglenn	38,690	0.66%	\$2,418,119
Windsor	38,538	0.66%	\$2,408,618
La Plata County	37,346	0.64%	\$2,334,127
Erie	34,309	0.58%	\$2,144,308
Englewood	33,892	0.58%	\$2,118,260
Fremont County	32,363	0.55%	\$2,022,692
Delta County	31,791	0.54%	\$1,986,957
Wheat Ridge	31,416	0.53%	\$1,963,487
Lafayette	31,096	0.53%	\$1,943,480
Summit County	30,787	0.52%	\$1,924,167
Fountain	30,207	0.51%	\$1,887,925
Morgan County	29,491	0.50%	\$1,843,192
Elbert County	28,006	0.48%	\$1,750,392
Montezuma County	26,640	0.45%	\$1,665,014
Routt County	25,194	0.43%	\$1,574,604
Teller County	25,017	0.43%	\$1,563,593
Evans	23,077	0.39%	\$1,442,290
Montrose County	22,886	0.39%	\$1,430,400
Montrose	21,204	0.36%	\$1,325,266
Golden	21,043	0.36%	\$1,315,199
Logan County	20,948	0.36%	\$1,309,226
Chaffee County	20,396	0.35%	\$1,274,746
Durango	19,588	0.33%	\$1,224,222
Louisville	19,523	0.33%	\$1,220,196
Otero County	18,416	0.31%	\$1,150,989
Firestone	18,161	0.31%	\$1,135,070
Johnstown	18,053	0.31%	\$1,128,338
Park County	18,019	0.31%	\$1,126,200
Canon City	17,537	0.30%	\$1,096,062
Gunnison County	17,384	0.30%	\$1,086,502
Pitkin County	16,968	0.29%	\$1,060,516
Alamosa County	16,685	0.28%	\$1,042,836
Frederick	16,641	0.28%	\$1,040,067
Total	5,665,745	96.40%	\$354,109,080

These calculations for municipalities and counties use population estimates from 2022, as these are the most recent year for which these estimates are available. The population of the state in 2022 was 5,839,926.

Total cap available to the Statewide Balance: \$13,241,545

Total cap available to designated local issuing authorities and the Statewide Balance: \$367.350,625



Table 2: Allocations to Statewide Issuing Authorities

State Issuing Authority PAB Cap	PAB Cap
Colorado Housing and Finance Authority	\$362,350,625
Colorado Agricultural Development Authority	\$5,000,000
Total	\$367,350,625