

SUBJECT: RESOLUTION NO. 60, SERIES 2025 – A RESOLUTION AUTHORIZING ASSIGNMENT TO THE HOUSING AUTHORITY OF THE COUNTY OF BOULDER, COLORADO OF THE CITY'S PRIVATE ACTIVITY BOND ALLOCATION FOR 2025 PURSUANT TO THE COLORADO PRIVATE ACTIVITY BOND CEILING ALLOCATION ACT, AND PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND PROVIDING AN EFFECTIVE DATE

DATE: AUGUST 19, 2025

PREPARED BY: SAMMA FOX, DEPUTY CITY MANAGER
ROB ZUCCARO, COMMUNITY DEVELOPMENT DIRECTOR

PRESENTED BY: ROB ZUCCARO, COMMUNITY DEVELOPMENT DIRECTOR
SAMMA FOX, DEPUTY CITY MANAGER

SUMMARY:

In 2025, The City of Louisville received a Private Activity Bond (PAB) allocation of \$1,277,471. PAB allocations occur annually through the Colorado Department of Local Affairs (DOLA), and if not utilized or assigned to another eligible entity the funds are scheduled to revert back to the State on September 15th, 2025. 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 (BCHA) 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 to assign Louisville's 2025 PAB allocation to the Boulder County Housing Authority (BCHA).

BACKGROUND / PRIOR DISCUSSIONS:

Private activity bonds allow municipalities or housing authorities to issue the bonds for privately developed projects, but the issuing municipalities and housing authorities 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 assigned, BCHA will issue the bonds allowed through the City's allocation, which will then be used for the Willoughby Corner project in Lafayette.

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 (CADA), 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. Louisville's 2025 PAB Allocation is \$1,277,471.

City Council last discussed PABs on August 20, 2024 and approved a resolution in support of the Boulder County Housing Authority (BCHA) using the allocation to support the Willoughby Corner project in Lafayette.

ANALYSIS:

As financing for affordable housing projects has become increasingly challenging, there has been greater demand for the assignment of unused PAB allocations. To address this, the City developed a process to prioritize the assignment of Louisville's PAB allocation, should the City 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.

For 2025, Louisville can carry forward the balance (for up to three years), relinquish to the State or the Colorado Housing and Finance Authority (CHFA), assign to another local government or housing authority, or issue to a qualifying project. Staff is not aware of any local projects that would qualify and has not received any requests for assigning the Louisville PABs within the City of Louisville. BCHA has reached out and requested the City again assign its allocation to BCHA, specifically for the Willoughby Corner project in Lafayette. Assignment for BCHA use in a neighboring city aligns with established prioritization standards.

2025 COUNCIL WORK PLAN:

The 2025 housing priority calls out the importance of partnership with regional efforts. While assigning this to a BCHA project in Lafayette does not add units in Louisville, it supports the region and collaboration that may benefit the City when Louisville is completing housing projects and is in a position to ask for PAB assignments from others.

FISCAL IMPACT:

Budgeted?: N/A

There is no fiscal impact. The PABs are not local funds, rather bonding authority, and there is no cost to assign the PABs.

ALTERNATIVE(S):

The following are alternatives that Council may consider for the City's 2025 PAB allocation:

- Assign the PAB allocation to the BCHA for the Willoughby Corner project in Lafayette. This is consistent with policy to support the BCHA and other local projects when there are no qualifying projects in Louisville. It also allows combining of PAB allocations to support larger regional projects over time, such as Willoughby Corner.
- Relinquish the City's PAB allocation to the statewide balance, which will then be awarded by the state to other projects through a competitive application process. The City would then not be able to assure that the PAB allocation would benefit Louisville or neighboring communities.
- Assign the PAB allocation to CHFA to assist with a qualified project. As with relinquishing the City's PAB allocation to the Statewide balance, the City would then not be able to assure that the PAB allocation would benefit Louisville or neighboring communities.
- Carry forward the City's PAB allocation for up to three years. The City has not been approached by any projects interested in using the City's 2025 PAB allocation in future years. If the City does initiate a project with BCHA or others in coming years, the City or BCHA could then request PAB allocations from other local jurisdictions in those years when the PAB is needed to finance the project rather than speculatively carrying forward the allocation.
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- Issue the City's PAB allocation to a local qualifying project. The City has not been approached by any projects interested in using the City's 2025 PAB allocation and is not aware of any qualifying projects in Louisville.

RECOMMENDATION:

Staff recommends City Council approve Resolution No. 60, Series 2025 and all associated documents to assign Louisville's 2025 PABs to Boulder County.

ATTACHMENT(S):

1. Resolution No. 60, Series 2025
2. Assignment of Allocation
3. Louisville 2025 PAB Allocation

**RESOLUTION NO. 60
SERIES 2025**

**A RESOLUTION AUTHORIZING ASSIGNMENT TO THE HOUSING
AUTHORITY OF THE COUNTY OF BOULDER, COLORADO, OF THE CITY'S
PRIVATE ACTIVITY BOND ALLOCATION FOR 2025 PURSUANT TO THE
COLORADO PRIVATE ACTIVITY BOND CEILING ALLOCATION ACT, AND
PROVIDING OTHER DETAILS IN CONNECTION THEREWITH; AND
PROVIDING AN EFFECTIVE DATE**

WHEREAS, the City of Louisville (the "City") is authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of financing qualified residential rental projects for low- and moderate-income persons and families; and

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 has received a direct allocation of the State of Colorado's Private Activity Bond Ceiling for the year 2025 (the "2025 Allocation"); and

WHEREAS, the Housing Authority of the County of Boulder, Colorado (the "Authority") has requested that the City assign all of the 2025 Allocation in an amount equal to \$1,277,471 (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" 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 Council of the City of Louisville has determined that, in order to increase the availability of adequate affordable housing for low- and moderate-income persons and families within the City of Louisville and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the Assigned Allocation by 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, AS FOLLOWS:

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 is hereby granted authority to negotiate, and the City Attorney is granted authority to approve as to form, such revisions to said Assignment as the Mayor determines are

necessary or desirable for the protection of the City and not inconsistent with the approval thereof by this resolution.

Section 3. Execution. The Mayor is hereby authorized and directed to execute, and the City Manager is authorized to deliver, the Assignment with such changes therein as are approved pursuant to Section 2 of this resolution. 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 City Manager, City Clerk, 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 City 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. Effective Date. This resolution shall be in full force and effect upon its passage and approval.

RESOLVED AND PASSED THIS ____ DAY OF _____, 2025.

CITY OF LOUISVILLE, COLORADO

By _____
Christopher M. Leh, Mayor

ATTEST:

Genny Kline, Interim City Clerk

ASSIGNMENT OF ALLOCATION

THIS ASSIGNMENT (the "Assignment"), dated _____, 2025, is between the CITY OF LOUISVILLE, COLORADO, a Colorado home rule municipal corporation (the "Assignor"), and the HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, D/B/A BOULDER HOUSING PARTNERS, 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 City of Louisville, 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 \$1,277,471 of the Assignor's 2025 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.

D. Subject to the terms and conditions set forth herein, the Assignor desires to assign to the Assignee, and the Assignee desires to accept, \$1,277,471 of the Assignor's 2025 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 2025 Allocation from the State Ceiling for private activity bonds in an amount equal to \$1,277,471. 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, 2025, 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 \$1,277,471 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.

[The remainder of this page is intentionally left blank]

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 _____
Chris Leh, Mayor

[SEAL]

ATTEST:

By _____
Genny Kline, Interim City Clerk

HOUSING AUTHORITY OF THE CITY
OF BOULDER, COLORADO, D/B/A
BOULDER HOUSING PARTNERS, A
BODY CORPORATE AND POLITIC OF
THE STATE OF COLORADO, as
Assignee

By
Its: Executive Director

[Signature Page to Assignment of Allocation]