



Meeting Date: August 15, 2016

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

From: Julie Kirkpatrick, PLA, ASLA, Long Range Project Manager

Title: **Resolution Assigning and Transferring to Douglas County Housing Partnership All of the Town of Castle Rock's 2017 Private Activity Bond Volume Cap Allocation from the State Ceiling for Private Activity Bonds; and Authorizing the Execution and Delivery of an Assignment and Other Documents in Connection Therewith**

Executive Summary

The purpose and intent of this Resolution is to assign the Town of Castle Rock's 2017 Private Activity Bond Allocation (PAB) of \$2,831,050 to the Douglas County Housing Partnership (DCHP). Notification of 2017's allocation was received on January 9, 2017. The assigned allocation would be used for multi-family housing revenue bonds for low- and moderate-income families in the Town of Castle Rock and throughout Douglas County. The Town of Castle Rock will have priority for projects utilizing the allocation.

From 2005 to 2011, the Town of Castle Rock assigned its PAB allocation to the Colorado Housing Finance Authority (CHFA) for single family Mortgage Revenue Bonds (MRB) and single-family Mortgage Credit Certificates (MCC). Beginning in 2012, CHFA stopped accepting PAB allocations. Staff found that assigning the PAB allocations to the Douglas County Housing Partnership (DCHP) for future multi-family housing projects in Castle Rock and throughout Douglas County was the best option to help finance multi-family housing projects that diversify the housing opportunities for the Castle Rock community, especially since the Town does not issue bonds.

If any portion of this allocation is not used, carried forward, or transferred to another entity by an entitlement community before September 15th, it is recaptured into the statewide pool for reallocation to other entities.

Discussion

History of Past Town Council, Boards & Commissions, or Other Discussions

Each year, since becoming an entitlement community in 2004, the Town receives a PAB allocation from the State which can be used for a variety of purposes, including financing housing projects for low- to moderate-income persons and families, construction of manufacturing facilities, redevelopment, and facilities such as hazardous waste, solid waste, water and sewer and others. Additionally, bonds may be used to finance the development of non-profit hospitals and private universities. If any portion of this allocation is not used, carried forward, or transferred to another entity by an

entitlement community before September 15th, it is recaptured into the statewide pool for reallocation to other entities. In addition to the direct allocation, the Town may apply to receive additional funds from the statewide pool for qualifying projects.

All transfers to Douglas County Housing Partnership are available for use within Castle Rock and Douglas County for three years or until they are fully depleted.

Private Activity Bonds (PAB)

PABs are tax-exempt bonds that can be issued for specific purposes. Allocations of bonding authority are granted to states annually. The primary purpose of the PAB program is to encourage private investment in housing, manufacturing, higher education, infrastructure, and environmental projects. The Department of Local Affairs administers Colorado's PAB allocation. Fifty percent (50%) of the allocation is given to five (5) statewide authorities and the other fifty percent (50%) is distributed to local issuing authorities (including municipalities) based on population. Every year each local issuing authority selects which program it wants to allocate that year's PAB allocation to and for what purpose.

Douglas County Housing Partnership (DCHP)

The DCHP, a multi-jurisdictional housing authority, was formed as a cooperative effort between Douglas County businesses, local governments, and county governments to address the issue of the lack of affordable and attainable housing for people who work in the area. The DCHP operates with financial support from the jurisdictions of the City of Lone Tree, the Town of Castle Rock, the Town of Parker, and Douglas County as a political subdivision and public corporation of the State of Colorado.

Budget Impact

There is no financial impact to the Town because this is an allocation of the right to issue bonds for the benefit of Town residents. The Town does not issue the bonds and has no financial liability.

Staff Recommendation

Staff recommends approval of this resolution.

Proposed Motion

I move to approve the Resolution as introduced by title.

Attachments

Attachment A: Resolution

Attachment B: Douglas County Housing Partnership (DCHP) Assignment

Attachment C: Colorado Department of Local Affairs PAB Assignment Letter