



Meeting Date: April 7, 2026

AGENDA MEMORANDUM

To: Honorable Mayor and Members of Town Council

Through: David L. Corliss, Town Manager

From: Tara Vargish, PE, Director, Development Services
Brad Boland, AICP Planning Manager, Development Services

Title: **Resolution Assigning and Transferring to Douglas County Housing Partnership All of the Town of Castle Rock's 2026 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 2026 Private Activity Bond Allocation (PAB) to the Douglas County Housing Partnership (DCHP) (Attachments A and B). On February 9, 2026, the Colorado Department of Local Affairs notified the Town of our 2026 Private Activity Bond Allocation of \$5,688,874 (Attachment C). The assigned allocation is intended to be used for housing revenue bonds for low- and moderate-income families in the Town of Castle Rock and throughout Douglas County.

From 2005 to 2011, the Town 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 for future housing projects in Castle Rock and throughout Douglas County was the best option to help finance housing projects that diversify the housing opportunities for the Castle Rock community, especially since the Town does not issue bonds for this purpose.

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

Discussion

Annual Allocation

Since becoming an entitlement community in 2004, the Town receives an annual PAB allocation from the State that can be used for a variety of purposes, including financing housing projects for low- to moderate-income persons and families, first time home buyer assistance, construction of small manufacturing facilities, acquisition and redevelopment of

blighted areas, and financing of certain waste disposal facilities. Additionally, bonds may be used to finance the development of non-profit hospitals and private universities. If any portion of the allocation is not used, carried forward, or transferred to another entity by an entitlement community before September 15th, the allocation is recaptured into the statewide pool for reallocation to other entities, likely outside of the Town of Castle Rock and Douglas County. In addition to the direct allocation, the Town may apply to receive additional funds from the statewide pool for qualifying projects. All transfers to the DCHP 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, the City of Castle Pines, and Douglas County as a political subdivision and public corporation of the State of Colorado.

The Douglas County Housing Partnership has issued PAB for projects such as:

Project Name	Location	Date Issued	Amount
Copper Steppe	Parker	9/23/2015	\$32,500,000
Apex Meridian East	Douglas County (Englewood)	12/12/2018	\$30,000,000
The Audrey (FKA Highlands Ranch Senior)	Douglas County (Highlands Ranch)	4/29/2020	\$20,725,000
Bridgewater Castle Rock (AKA Castle Rock Care Center)	Douglas County (north of Silver Heights subdivision)	1/25/2021	\$38,435,000
Apex Meridian South	Douglas County (Englewood)	1/28/2021	\$28,725,813
Meadowmark	Castle Rock	2/23/2023	\$35,000,000
The Sophia	Douglas County (Englewood)	2/24/2024	\$30,000,000

Ponderosa Pines	Douglas County (adjacent to Parker)	12/5/2025	\$45,000,000
Highlands Ranch Senior Affordable Apartments II	(Douglas County) Highlands Ranch	12/5/2025	\$1,676,864

On December 5, 2025, the DCHP Board of Directors adopted a resolution declaring its intent to issue up to \$35 million in PABs to support the Highlands Ranch Senior Affordable Apartments II project, located at the tentative address of 2500 Plaza Drive, Highlands Ranch, CO 80149, in unincorporated Douglas County. The Board also approved an initial inducement amount of \$1,676,864 for the project.

Developed by Shea Properties, the project will deliver 165 units of affordable senior housing for residents earning up to 60% of the Area Median Income. The project received a State PAB allocation in 2025 of \$4,507,154. It is anticipated that the previously approved inducement amount of \$1,676,864, together with the State allocation and the 2026 DCHP PAB allocation, will be sufficient for Shea Properties to proceed with the project in 2026.

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.

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