

Assignment of Private Activity Bonds

CITY COUNCIL MEETING – July 16, 2024


City Staff Representative: Catrina Asher, Director of Finance
 Department: Finance
 Additional Representative: Deb Bristol, Brighton Housing Authority

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Purpose

To propose assignment the City's 2024 Private Activity Bond capacity to the Brighton Housing Authority for affordable housing projects.

This was previously discussed with City Council at the Study Session on April 9, 2024.



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Private Activity Bonds

Tax-exempt bonds for use by a private entity for a public purpose.

- Established through the Tax Reform Act of 1986.
- Allows a private entity to tax advantage of tax-exempt borrowing terms for qualified projects.
 - Interest earnings are tax-exempt to the investor, resulting in a lower interest rate to the borrower (e.g. BHA).
- Bonds are issued by an authorized issuer for use by the private entity. Bonds are repaid by private entity.
- States receive an allocation of PABs annually which are then allocated to cities.

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Private Activity Bonds

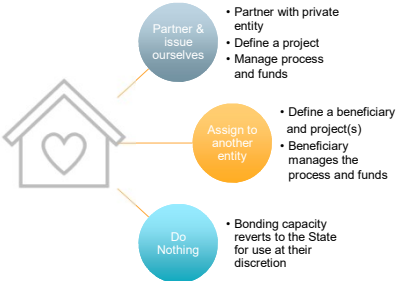
Eligible Uses			
Affordable Housing Inventory	Mortgage Credit Certificates	Redevelopment of Blighted Areas	Single Family Mortgage Bonds

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Private Activity Bonds

Options for Brighton's Private Activity Bond Allocation

Total = \$2,587,111



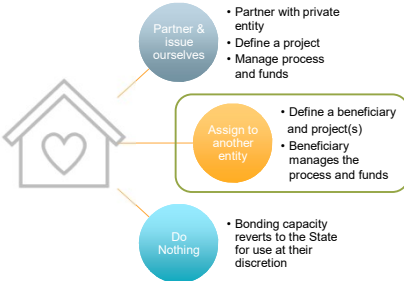
- Partner & issue ourselves**
 - Partner with private entity
 - Define a project
 - Manage process and funds
- Assign to another entity**
 - Define a beneficiary and project(s)
 - Beneficiary manages the process and funds
- Do Nothing**
 - Bonding capacity reverts to the State for use at their discretion

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Private Activity Bond Allocation Proposal

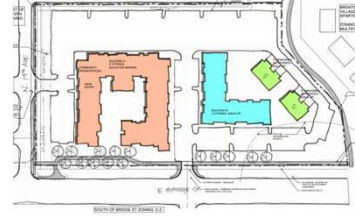
Allocate bonding capacity to the Brighton Housing Authority for eligible projects. Projects may include:

- Adams Point (19th & Bridge, 180 Units)
- Ravenfield (510 South 27th, 100 Units)
- Other projects requiring PAB funding

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Adams Point



Conceptual ONLY - Image is only for displaying potential housing types and density on site.

Located at 19th and Bridge St.

- Multi-family project
- Two phase low-income housing tax credit project
- Total of 180 units (90 units each phase)

Current Status: Pre-Development
 • Zoning Review Process
 • Evaluation of Historic Water Usage
 • Applying for funding of infrastructure work

Tax Credit Application – August 2025

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Ravenfield



Conceptual ONLY - Image is only for displaying potential housing types and density on site.

Located at 510 South 27th Ave.

- Potential senior independent living
- Two phase low-income housing tax credit project
- Total of 100 units (50 units each phase)

Current Status: Pre-Development
 • Water Research and Eval
 • Zoning and Site Plan Analysis
 • Charrette and Community Engagement

Tax Credit Application – January 2025 or August 2025

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Staff Recommendation and Options for Council

Staff Recommendation

- Approve the Resolution as presented which will assign the City's 2024 Private Activity Bond allocation to the Brighton Housing Authority for eligible projects.

Options for City Council

- Approve the resolution as presented
- Reject the resolution
- Request additional information or options

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