Private Activity Bonds

(Agenda Item 22-281)

August 9, 2022

TOWN OF ERIE
1874

Private Activity Bonds

- PABs are federally tax-exempt bonds and are often used as debt instruments by affordable housing developments.
- PABs are issued by or on behalf of local or state government for the purpose of providing special financing benefits for qualified projects, like affordable housing

Background

Private Activity Bond (PAB)'s are allocated by the state annually to municipalities with at least 30,000 residents

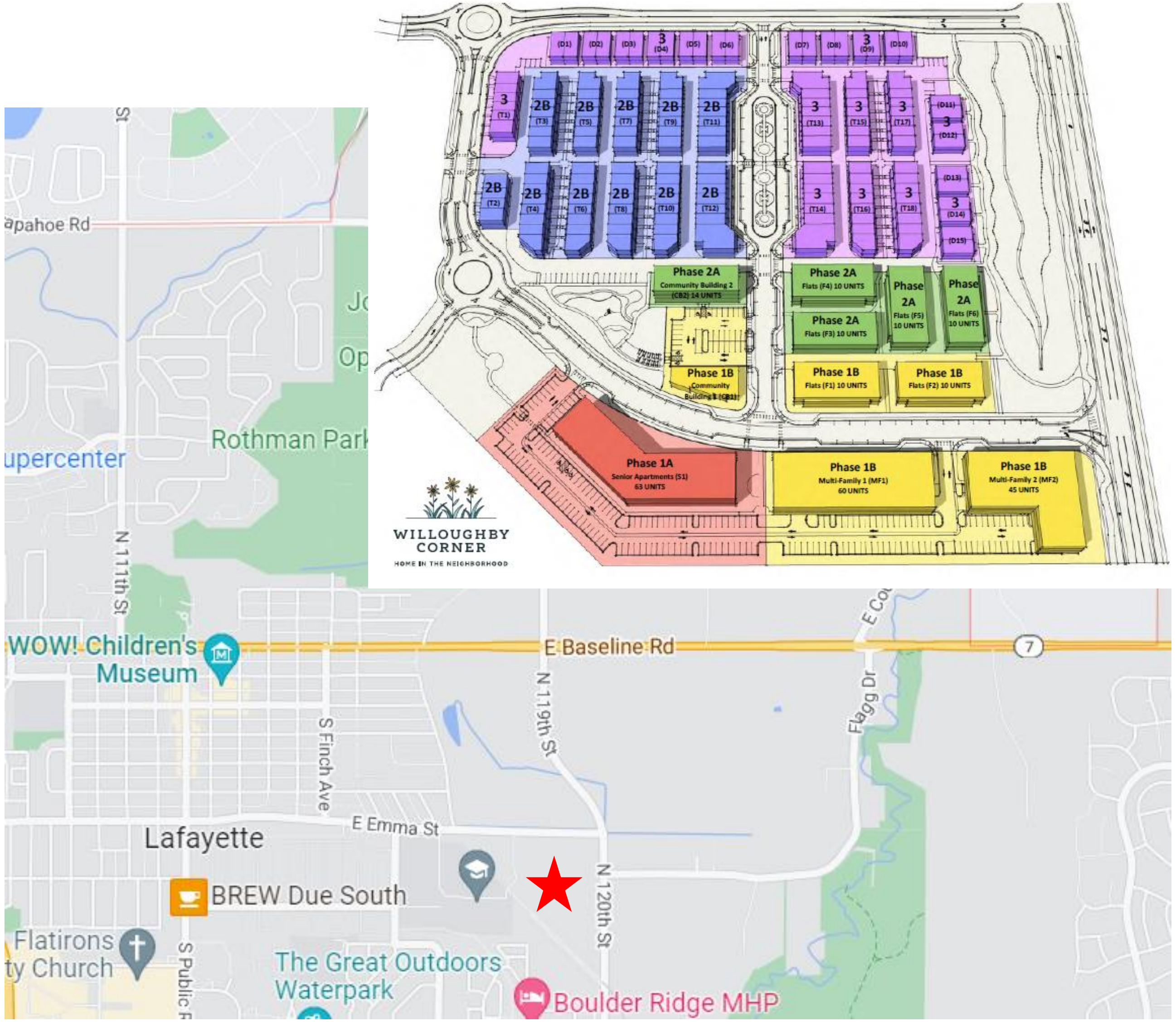
Municipalities have until September 15 to allocate funds to a qualifying project

Housing Authorities or developers with a qualifying project can apply for more funding from the state after September every year

Erie's 2022 allocation is $1,680,707

2022 Bond Allocation

- Boulder County Housing Authority requested Erie's 2022 allocation for Willoughby Corner in Lafayette
- The 24-acre site will include 400 permanently affordable homes constructed in multiple phases.
- Willoughby Corner Phase 1A Senior Apartments is a new construction 63-unit apartment building, age-restricted for residents 55 and over, with income at or below 60% AMI.



Timeline for Willoughby Corner

- Site planning and City entitlements: 2018 – 2021
- Apply for affordable housing funding: 2021/2022

Where we are now

- Begin construction on the first phase of affordable homes: 2023

Senior homes get built

- Complete the first phase of affordable homes: 2024/2025

Next Steps

- Board of Trustees to approve resolution and assignment of allocation
- Resolution and Assignment go to Boulder County Housing Authority / CHFA
- CHFA gives allocation to BCHA
- BCHA begins construction on affordable senior housing