

Gap-filling Grants & Private Activity Bonds (PAB)

*Colorado NAHRO
May 13, 2015*



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CDOH Grants & Loans

- CDOH funds are GAP-filling.
- Competitive, monthly applications.
- Contact your Housing Development Specialist BEFORE applying.
- Local \$ support, market, cost per unit, & overall feasibility.
- Rentals below 60% AMI, prefer 50% AMI & lower.
- Grants available only to Non-Profits & Housing Authorities - loans available to For-Profits.



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CDOH Grants & Loans

- HOME
- CDBG
- Housing Development Grant (HDG)
- Housing Development Loan Fund (HDLF)
- Colorado Housing Investment Fund (CHIF)
- Neighborhood Stabilization Program (NSP)
- CDBG Disaster Recovery (CDBG-DR)



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HOME & CDBG

- Federal \$ given to state & local gov'ts. In HUD's FY15, CO rec'd:
 - \$4.1MM HOME
 - \$2.7MM CDBG (Housing's 1/3 share)
- State CDBG available only if local gov't does not get its own allocation (non-entitlement areas)
- CDBG - Local gov't is Applicant, & may either grant or loan the funds to the project
- Long-term monitoring required for HOME
- HUD Environmental Clearance, Davis-Bacon, Section 3, Affirmative Marketing & other cross-cutting federal regulations.



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Housing Development Grant (HDG) & Housing Development Loan Fund (HDLF)

- State General Fund \$
 - \$8.2 HDG
 - \$HDLF - balance varies
- HDG is for grants, especially for:
 - Very low-income rentals
 - Permanent Supportive Housing
 - Rural - statewide
- HDLF is only for short-term, secured loans.



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Colorado Housing Investment Fund (CHIF)

- State Attorney General's mortgage settlement custodial funds
 - \$13.2MM awarded in first round
 - \$23MM recently made available
- Revolving Loan Pool
- Low interest, short-term (up to 7 years)
- 30% can convert to long-term debt (up to 17 years), or more if project serves special needs
- \$3 million max per loan



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Neighborhood Stabilization Program (NSP)

- Federal \$ given to state & some local gov'ts
 - DOH rec'd \$44.4MM (inc. Colorado Springs' allocation)
 - Generated \$8MM in Program Income, \$2MM currently available
- Funds may continue to be recycled semi-indefinitely within the State until exhausted.
- Blends regulations of CDBG/HOME
- Multi-family rental projects with minimum of 25% of tenants 50% AMI or below, remainder may go up to 120% AMI.
- Properties must be abandoned, foreclosed or vacant, and zoned residential to use funds.



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CDBG Disaster Recovery (CDBG-DR)

- Federal \$ given to state - DOH rec'd:
 - \$57.4MM for housing construction
 - \$49.6MM for housing programs (rental assistance, rehab, etc.)
- 18 Presidentially declared flood & fire-impacted counties
- 80% of funds in Boulder, Larimer & Weld Counties
- 2 years to spend \$\$ (staggered start dates - April 2014, November 2014 and probably June 2015)
- Coordinated application review with CHFA - see State Housing Board packet at: <http://go.usa.gov/3km2j>
- For general information: <http://dola.colorado.gov/cdbg-dr/>



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What are Private Activity Bonds?

- Tax-exempt bonds issued for privately developed projects.
- IRS allows a limited amount, also know as PAB “Cap” or Capacity.
- Municipalities (or Authorities) issue the bonds, but have no obligation to repay investors.
- Investors buy the bonds.
- Underwriters use the investors’ \$\$, or “bond proceeds,” to make a loan to the project.
- The project pays back the loan & investors get repaid + interest.
- PABs make rental housing projects eligible for 4% LIHTC.



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Initial PAB Allocation Process

**\$100 per person in the state = the “Volume Capacity”
\$526,836,700 in 2014, \$535,586,600 in 2015**

50% of Allocation

Statewide Authorities

- **Colorado Housing and Finance Authority (CHFA)**
- **CO Agriculture Development Authority (CADA)**

50% of Allocation

Local Governments

- **20,000 Persons or more**
- **\$50 per capita**

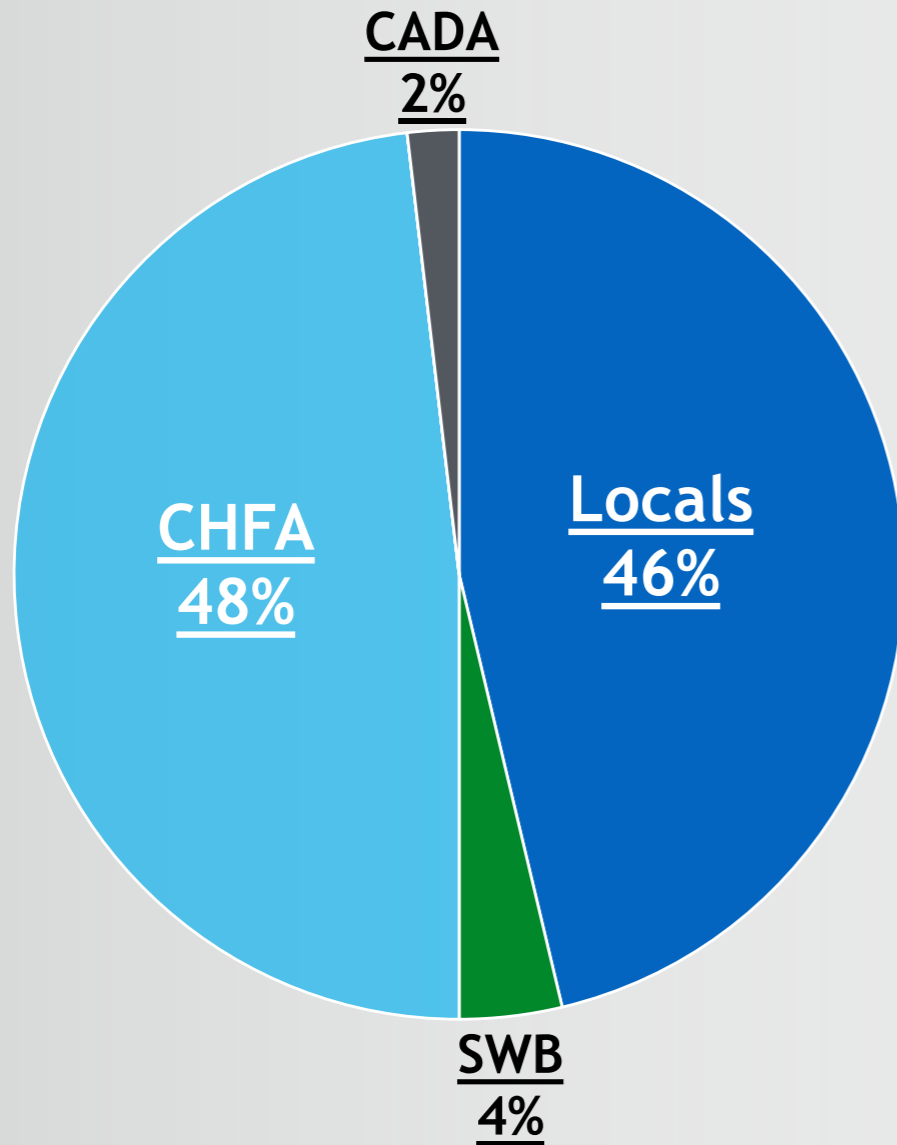
Statewide Balance

**Remaining cap administered by
CO - DOLA/DOH**



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January 2014 PAB Allocation



51 Local Issuers - \$247,865,800

CHFA - \$257,793,300

CADA - \$10,000,000

SWB - \$19,927,500

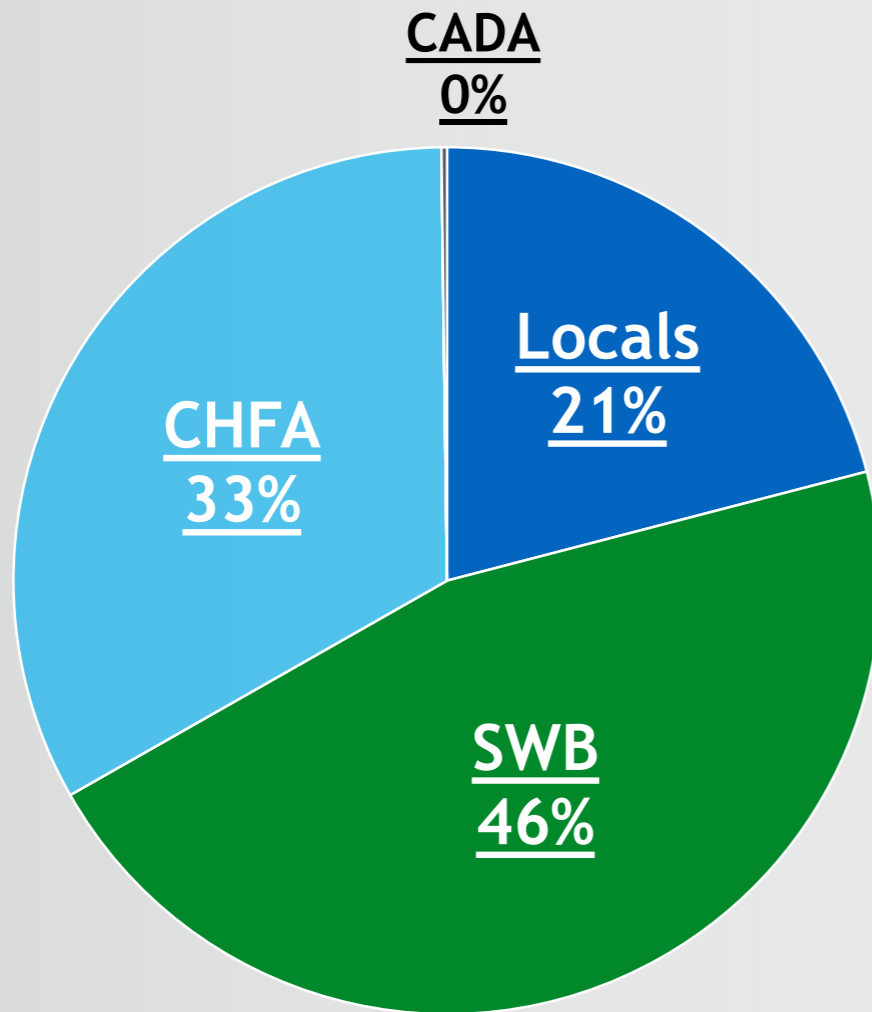
- Receive allocation by January 15th
- Establish priorities & act by Sept. 15th
- List of locals available at:

<http://go.usa.gov/tCZF>



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September 2014 PAB Allocation



El Paso Co - \$32,308,000

Denver - \$31,730,950

9 Other Locals - \$46,338,950

CHFA - \$174,009,850

CADA - \$1,094,000

SWB - \$241,354,950



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