PLANNING & DEVELOPMENT DEPARTMENT MEMORANDUM
#26-2026

DATE: July 13, 2026

TO: Honorable Mayor Meredith Leighty and City Council Members

THROUGH: Heather Geyer, City Manager
Jason Loveland, Deputy City Manager

FROM: Becky Smith, Director of Planning & Development

SUBJECT: CR-90 – Private Activity Bonds 2026 Assignment to CHFA

PURPOSE
To consider CR-90, a resolution assigning the City's 2026 Private Activity Bond (PAB) allocation to the Colorado Housing and Finance Authority (CHFA).

BACKGROUND
Annually, the City of Northglenn receives an allocation of Private Activity Bonds (PAB) capacity to benefit the community from the State of Colorado through the Department of Local Affairs. For 2026, Northglenn is receiving a PAB allocation of $2,508,108.

PABs are tax-exempt bonds issued by public entities, in this case the City of Northglenn, to provide low-cost financing for private projects that serve a public purpose. Authorized under the federal Tax Reform Act of 1986 and governed by Colorado Revised Statute § 24-32-1706, PABs can support a range of activities, including:

- Qualified residential rental projects – Bonds may finance new construction or acquisition/rehabilitation of housing for persons with low/moderate-income.
- Single-family mortgage revenue bonds – Bonds sold by local and State agencies for mortgages for persons with low and moderate incomes.
- Mortgage Credit Certificates – Local issuers may use a bond allocation as mortgage credit certificates for qualified homebuyers.
- Student loans – Provide low-interest loans to eligible students at institutions of higher education.
- Manufacturing "small issue" industrial development bonds (not to exceed $10,000,000) – Bonds sold for the construction of manufacturing facilities that cause a change in the condition of goods or products.
- Qualified redevelopment bonds – Bonds sold to acquire property in blighted areas, prepare the land for redevelopment and relocate occupants of structures on the acquired property.
- Exempt facility bonds – Hazardous waste facilities, solid waste disposal facilities, water and sewer facilities, mass commuting facilities, local district heating and cooling facilities, local electric energy or gas facilities, and multifamily housing bonds.
- Qualified 501(c)(3) bonds – For use by non-profit hospitals and private universities.

<u>2026 Request – Greens of Northglenn Renovation Project</u>
Security Properties has requested the City's 2026 PAB allocation for the renovation of the Greens of Northglenn ("Greens"). It is an existing 128-unit, garden-style, affordable housing community originally developed with Low-Income Housing Tax Credit (LIHTC) financing in 1998 and acquired by Security Properties in 2019. The property serves families with low incomes at 40% AMI (89 units) and 45% AMI (38 units). Unit floorplans range from 2-bedroom/2-bath to 4-bedroom/2-bath,

including townhouse-style units. Site amenities include a community building, swimming pool, and playground.

Security Properties acquired Greens with the intent of preserving the asset and extending affordability through a joint venture with Maiker Housing Partners. Maiker will remain the Special Limited Partner ("SLP") in the new LIHTC partnership, preserving the project's 100% property tax exemption. It has been more than 25 years since the property received its initial allocation of credits, and additional capital investment is required to modernize aging building systems, improve accessibility, and enhance site functionality and efficiency.

The City of Northglenn will assign approximately $2.5M of PABs to CHFA in support of the project, satisfying a portion of the federal requirement that 25% of aggregate basis be bond-financed for 4% LIHTC eligibility. CHFA will then utilize its PAB Fund to issue the remaining tax-exempt bonds, leveraging the City's local affordable housing resources to complete the capital structure.

Security Properties has successfully closed five similar transactions in Colorado in recent years. The anticipated scope of work at the Greens includes:

- Unit flooring, EnergyStar appliances, countertops, cabinets, and bathroom hardware
- HVAC replacement, water heaters, and energy-efficient lighting
- Roof repairs or replacement as needed
- Accessibility upgrades
- Common area improvements, furniture, fixtures, and equipment (FF&E) upgrades, and site-specific projects

The scope remains subject to revision as the physical needs assessment is finalized. Construction will proceed on a rolling, building-by-building basis. Residents will be temporarily relocated to on-site hospitality units or nearby hotels during their building's renovation phase.

Security Properties executed a similar 4% LIHTC renovation project at the neighboring Reserve at Northglenn (260 units) in 2019.

This investment will preserve a critical affordable housing resource in line with the City's 2022 Housing Needs Assessment and the Adams County 2017 report. Security Properties' Executive Summary of the project is included as Attachment 1.

<u>CHFA Assignment of PABs</u>

If approved, CHFA would administer Northglenn's allocation of PABs and allocate the bonds to Security Properties for the Greens of Northglenn renovation project.

If the project does not move forward, CHFA will ensure that Northglenn's PABs are utilized in the City, by either finding another eligible project or through CFHA's first-time homebuyer program, known as CHFA First Step.

CHFA First Step Program Overview:

- 30-year fixed-rate FHA 203(b) purchase loans only
- Restricted to first-time homebuyers, qualified veterans, and non-first-time homebuyers purchasing in targeted areas
- CHFA Down Payment Assistance Second Mortgage Loan available for assistance with a down payment, closing costs, and prepaids
- Income and purchase price limits apply
- Program eligibility is subject to CHFA's gross annual income calculation

- Minimum decision credit score of 620 or higher for all scored borrowers; borrowers with no credit score permitted
- Subject to the Federal Recapture Tax provision
- Cannot be combined with any mortgage credit certificate program

If the City's allocation of $2,508,108 is not fully utilized in Northglenn, the remaining balance would be reassigned to other eligible areas. In years past, Northglenn has been the beneficiary of receiving funds from other communities.

BUDGET/TIME IMPLICATIONS
There are no budget implications at this time.

STAFF RECOMMENDATION
Staff recommends City Council approval of CR-90, assigning the City's PAB allocation for 2026 to CHFA.

STAFF REFERENCE
If Council members have any questions, please contact Becky Smith, Director of Planning and Development, at 303.450.8741 or bsmith@northglenn.org.

ATTACHMENT
1. Security Properties Executive Summary for Greens of Northglenn Project

CR-90 – Private Activity Bonds 2026 Assignment to CHFA

Executive Summary

Security Properties ("SP") intends to acquire, recapitalize, and rehabilitate Greens of Northglenn ("Greens", the "Property"), a 128-unit family affordable housing community, utilizing 4% Low Income Housing Tax Credit ("LIHTC") equity and private activity bonds ("PAB"). Originally developed in 1997, Greens was acquired by SP in 2019 through a joint venture with Maiker Housing Partners / Adams County Housing Authority ("Maiker"). The proposed preservation transaction will deliver a comprehensive rehabilitation exceeding $75,000/unit in hard costs and extend the deed-restricted affordability period. Maiker will remain the Special Limited Partner ("SLP") in the new LIHTC partnership, preserving the project's 100% property tax exemption.

The City of Northglenn will assign approximately $2.5M of PABs to CHFA in support of the project — satisfying a portion of the federal requirement that 25% of aggregate basis be bond-financed for 4% LIHTC eligibility. CHFA will then utilize its PAB Fund to issue the remaining tax-exempt bonds, leveraging the City's local affordable housing resources to complete the capital structure.

Closing is targeted for Q2 2027, subject to CHFA's approval of the LIHTC and PAB applications. Projected Sources and Uses and development timeline are as follows:

Permanent Sources & Uses			
Sources			**%**
Tax Exempt Bond Loan	$	17,424,000	49%
LIHTC Equity	$	12,545,951	36%
Funds from Operations	$	1,600,000	5%
GP Loan / Sub Debt	$	1,500,000	4%
Funds from Operations	$	2,261,769	6%
Total Sources	$	35,331,720	

Uses			**%**
Purchase Price	$	17,000,000	48%
Construction & Soft Costs	$	10,913,992	31%
Financing & Dev Costs	$	3,958,306	11%
Reserves	$	676,013	2%
Developer Fee	$	2,783,409	8%
Total Uses	$	35,331,720	

Projected Timeline	
Milestone	**Date**
Northglenn PAB Award	8/1/2026
CHFA LIHTC/Bond Application	11/1/2026
LIHTC Closing	5/1/2027
Construction Commencement	6/1/2027
Construction Completion	3/1/2028
Stabilization	6/1/2028
8609s	9/1/2028

Applicant Experience

Security Properties is a privately held real estate company that owns and operates approximately 24,000 apartment units across 117 multifamily communities in 22 states. SP's roots in affordable housing span more than 50 years, beginning as an equity syndicator with a hand in developing over 65,000 subsidized affordable housing units across the United States. In its current capacity as an active developer and owner, SP has acquired and preserved more than 11,000 low-income units across the United States, deploying a range of capital structures and execution strategies in partnership with public, private, and non-profit organizations. In Colorado, SP owns and operates 8 affordable communities totaling 1,500 units. The company is headquartered in Seattle, WA.

SP has closed more than a dozen transactions with CHFA, including the preservation and redevelopment of the adjacent Reserve at Northglenn (260 LIHTC units) using 4% LIHTCs and tax-exempt bonds. SP also owns and operates Reserve at Thornton (276 LIHTC units) in nearby Thornton. An experienced local development team - architect, general contractor, and property manager - have all worked with SP on 4% LIHTC preservation projects in Colorado.

Project Summary

Greens of Northglenn is a 128-unit family affordable community located at 350 W Ave, Northglenn, CO. The Property was acquired by SP and Maiker in 2019 with the intention of executing a preservation transaction when viable. After nearly 30 years in service, the asset requires capital investment to sustain its quality and continue serving residents effectively. The Property includes a mix of 2-, 3-, and 4-bedroom units — including townhouse-style floorplans — across 18 residential buildings, with site amenities including a community building, swimming pool, and playground.

All 128 units are deed restricted at 40% AMI (89 units) or 45% AMI (38 units), excluding one (1) manager's unit. In conjunction with the proposed preservation transaction, a new 30-year LIHTC LURA will extend the affordability term; set-asides may be amended with CHFA's consent. Extending the term of affordability through the recording of a new LURA will ensure the project remains a resource to the community for decades to come.

The proposed renovation includes comprehensive upgrades to unit interiors, major building systems, common spaces, community amenities, and exteriors, along with expansion of ADA accessibility. The anticipated budget will be approximately $75,000/unit.

Planned unit upgrades include vinyl flooring, upgraded cabinets and countertops, new energy efficient appliances, lighting, exhaust fans, bathroom accessories, vanities, upgraded tubs and surrounds, lighting, doors, thermostats, HVAC, and energy efficient water heaters, and smoke detectors. ADA-accessible unit improvements are also included.

Planned exterior and common area upgrades include new roofs, gutters, and downspouts, brickwork, new windows, sidewalk and parking lot upgrades, pool upgrades, new playground equipment, new signage, and community building / leasing office FF&E. New upgrades will comply with CHFA's Energy Efficiency and Sustainability Requirements. The scope remains subject to revision as the physical needs assessment is finalized.

Construction will proceed on a rolling, building-by-building basis. Households will be temporarily relocated to on-site hospitality units or nearby hotels during their building's renovation phase. A third-party relocation coordinator will manage the process end-to-end — conducting initial resident interviews to surface unique needs and ensuring a smooth transition. All relocation costs are borne by ownership and included in the development budget. SP has executed comparable rolling renovations across dozens of properties and a wide range of resident populations.

Greens of Northglenn is an important community resource – currently at 100% occupancy with strong long-term tenancy. The rehabilitation will modernize building systems, improve unit functionality, enhance site safety and accessibility, and reduce utility consumption, meaningfully improving quality of life for residents.

SPONSORED BY: MAYOR LEIGHTY

COUNCIL MEMBER'S RESOLUTION RESOLUTION NO.

No. CR-90 ______________________________
Series of 2026 Series of 2026

A RESOLUTION AUTHORIZING ASSIGNMENT TO THE COLORADO HOUSING AND FINANCE AUTHORITY OF A PRIVATE ACTIVITY BOND ALLOCATION OF THE CITY OF NORTHGLENN PURSUANT TO THE COLORADO PRIVATE ACTIVITY BOND CEILING ALLOCATION ACT

WHEREAS, the City of Northglenn is authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of financing qualified residential rental projects for low- and moderate-income persons and families;

WHEREAS, the City of Northglenn is authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families;

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), restricts the amount of tax-exempt bonds ("Private Activity Bonds") which may be issued in the State to provide such mortgage loans and for certain other purposes;

WHEREAS, pursuant to the Code, the Colorado legislature adopted the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the "Allocation Act"), providing for the allocation of the State Ceiling among the Colorado Housing and Finance Authority (the "Authority") and other governmental units in the State, and further providing for the assignment of such allocations from such other governmental units to the Authority;

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the City of Northglenn has an allocation of the 2026 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to **September 15, 2026** (the "2026 Allocation");

WHEREAS, the City of Northglenn has determined that, in order to increase the availability of adequate affordable housing for low- and moderate-income persons and families within the City of Northglenn and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the 2026 Allocation;

WHEREAS, the City of Northglenn has determined that the 2026 Allocation, or a portion thereof, can be utilized most efficiently by assigning it to the Authority to issue Private Activity Bonds for the purpose of financing one or more multi-family rental housing projects for low- and moderate-income persons and families or to issue Private Activity Bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families ("Revenue Bonds") or for the issuance of mortgage credit certificates; and

WHEREAS, the City Council of the City of Northglenn has determined to assign \$2,508,108.00 of its 2026 Allocation to the Authority, which assignment is to be evidenced by an Assignment of Allocation between the City of Northglenn and the Authority (the "Assignment of Allocation").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT:

Section 1. The assignment to the Authority of \$2,508,108.00 of the City of Northglenn's 2026 Allocation be and hereby is approved.

Section 2. The form and substance of the Assignment of Allocation be and hereby are approved; provided, however, that the City Council be and hereby are authorized to make such technical variations, additions or deletions in or to such Assignment of Allocation as they shall deem necessary or appropriate and not inconsistent with the approval thereof by this resolution.

Section 3. The City Council of the City of Northglenn be and hereby are authorized to execute and deliver the Assignment of Allocation on behalf of the City of Northglenn and to take such other steps or actions as may be necessary, useful or convenient to effect the aforesaid assignment in accordance with the intent of this resolution.

Section 4. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 5. This resolution shall be in full force and effect upon its passage and approval.

DATED, at Northglenn, Colorado, this _______day of _______________________, 2026.

____
SHANNON LUKEMAN-HIROMASA
Mayor Pro Tem

ATTEST:

____
JOHANNA SMALL, MMC
City Clerk

APPROVED AS TO FORM:

____
COREY Y. HOFFMANN
City Attorney

This Assignment of Allocation (the "Assignment"), dated this__________day of_______________, 2026, is between the City of Northglenn, Colorado (the "Assignor" or the "Jurisdiction") and Colorado Housing and Finance Authority (the "Assignee").

WITNESSETH:

WHEREAS, the Assignor and the Assignee are authorized and empowered under the laws of the State of Colorado (the "State") to issue revenue bonds for the purpose of providing single- family mortgage loans to low- and moderate-income persons and families; and

WHEREAS, the Internal Revenue Code of 1986, as amended (the "Code"), restricts the amount of tax-exempt bonds ("Private Activity Bonds") which may be issued in the State to finance such projects and for certain other purposes (the "State Ceiling"); and

WHEREAS, pursuant to the Code, the Colorado legislature adopted the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the "Allocation Act"), providing for the allocation of the State Ceiling among the Assignee and other governmental units in the State, and further providing for the assignment of allocations from such other governmental units to the Assignee; and

WHEREAS, pursuant to an allocation under Section 24-32-1706 of the Allocation Act, the Assignor has an allocation of the 2026 State Ceiling for the issuance of a specified principal amount of Private Activity Bonds prior to September 15, 2026, (the "2026 Allocation"); and

WHEREAS, the Assignor has determined that, in order to increase the availability of adequate affordable housing for low- and moderate-income persons and families within the Jurisdiction, Colorado and elsewhere in the State, it is necessary or desirable to provide for the utilization of all or a portion of the 2026 Allocation; and

WHEREAS, the Assignor has determined that the 2026 Allocation, or a portion thereof, can be utilized most efficiently by assigning it to the Assignee to issue Private Activity Bonds for the purpose of financing one or more multifamily rental housing projects for low- and moderate-income persons and families or to issue Private Activity Bonds for the purpose of providing single-family mortgage loans to low- and moderate-income persons and families ("Revenue Bonds"), and the Assignee has expressed its willingness to attempt to issue Revenue Bonds with respect to the 2026 Allocation assigned herein; and

WHEREAS, the City Council of the Assignor has determined to assign to the Assignee all or a portion of its 2026 Allocation, and the Assignee has agreed to accept such assignment, which is to be evidenced by this Assignment.

NOW, THEREFORE, in consideration of the premises and the mutual promises hereinafter set forth, the parties hereto agree as follows:

1. The Assignor hereby assigns to the Assignee $2,508,108.00 of its 2026 Allocation (the "Assigned Allocation"), subject to the terms and conditions contained herein. The Assignor represents that it has received no monetary consideration for said assignment.

2. The Assignee hereby accepts the assignment to it by the Assignor of the Assigned Allocation, subject to the terms and conditions contained herein. The Assignee agrees to use its best efforts to issue and sell Revenue Bonds in an aggregate principal amount equal to or greater than the Assigned Allocation, in one or more series, and to make proceeds of such Revenue Bonds available from time to time for a period of one (1) year from the date of this Assignment to finance multi-family rental housing projects located in the Jurisdiction, or to issue Revenue Bonds for the purpose of providing single-family mortgage loans to low- and moderate income persons and families in the Jurisdiction.

3. The Assignor hereby consents to the election by the Assignee, if the Assignee in its discretion so decides, to treat all or any portion of the Assigned Allocation as an allocation for a project with a carryforward purpose or to make a mortgage credit certificate election, in lieu of issuing Revenue Bonds.

4. The Assignor and Assignee each agree that it will take such further action and adopt such further proceedings as may be required to implement the terms of this Assignment.

5. Nothing contained in this Assignment shall obligate the Assignee to finance any particular multi-family rental housing project located in the Jurisdiction or elsewhere or to finance single-family mortgage loans in any particular amount or at any particular interest rate or to use any particular percentage of the proceeds of its Revenue Bonds to provide mortgage loans or mortgage credit certificates to finance single-family housing facilities in the Jurisdiction, provided that any Revenue Bond proceeds attributable to the Assigned Allocation shall be subject to paragraph 2 above.

6. This Assignment is effective upon execution and is irrevocable.

7. Counterparts. This Assignment may be executed in one or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Delivery of an executed counterpart of a signature page of this Assignment by electronic image scan transmission will be effective as delivery of a manually executed counterpart of the Assignment.

IN WITNESS WHEREOF, the parties hereto have duly executed this Assignment on the date first written above.

City of Northglenn, Colorado

By:________________________________

Name: Shannon Lukeman-Hiromasa

Title: Mayor Pro Tem

COLORADO HOUSING AND FINANCE AUTHORITY

By: ________________________________

Name:________________________________

Title:________________________________

CERTIFICATE OF THE CITY OF NORTHGLENN, COLORADO
CONCERNING ASSIGNMENT OF
PRIVATE ACTIVITY BOND VOLUME CAP ALLOCATION

I, the undersigned, hereby certify that I am a duly chosen, qualified and City Attorney of the City of Northglenn, Colorado (the "City"), and that:

1. The City is a public body politic and corporate, duly organized and existing under the constitution and laws of the State of Colorado.

2. The City has been previously notified that, pursuant to Section 24-32-1706 of the Colorado Private Activity Bond Ceiling Allocation Act, Part 17 of Article 32 of Title 24, Colorado Revised Statutes (the "Allocation Act"), it has an allocation of the State ceiling (as defined in the Allocation Act) for 2026 in the amount of $2,508,108.00 (the "2026 Allocation").

3. Attached hereto as Exhibit A is a true and correct copy of a resolution and the related minutes thereto (the "Resolution") authorizing the assignment to the Colorado Housing and Finance Authority (the "Authority") of all or a portion of the 2026 Allocation in an amount equal to $2,508,108.00 (the "Assigned Allocation"), and authorizing the execution and delivery of an Assignment of Allocation dated as of July 13, 2026 (the "Assignment of Allocation") between the City and the Authority in connection therewith, which Resolution was duly adopted by the City Council of the City (the "City Council") at a meeting thereof held on July 13, 2026, at which meeting a quorum was present and acting throughout and which Resolution has not been revoked, rescinded, repealed, amended or modified and is in full force and effect on the date hereof.

4. The meeting of the City Council at which action has been taken with respect to the Assignment of Allocation was a regular meeting properly called and open to the public at all times.

5. With respect to the Assigned Allocation, the City has not heretofore: (a) issued private activity bonds; (b) assigned the Assigned Allocation to another "issuing authority," as defined in the Allocation Act; (c) made a mortgage credit certificate election; or (d) treated the Assigned Allocation as an allocation for a project with a carryforward purpose, as defined in the Allocation Act.

6. The Assignment of Allocation, attached hereto as Exhibit B, is in the form presented to and approved by the City Council at the meeting thereof held on July 13, 2026.

7. On or before the date hereof, counterparts of the Assignment of Allocation were officially executed by the Mayor and the City Clerk of the City. On the date of such signing, such persons were the duly sworn, qualified and acting officers of the City authorized to execute the Assignment of Allocation and holding the offices of the Mayor and City Clerk, respectively.

8. The City has authorized the execution, delivery and due performance of the Assignment of Allocation, and the execution and delivery of the Assignment of Allocation and the compliance by the City with the provisions thereof, will not, to the best of my knowledge, conflict with or constitute on the part of the City a breach of or a default under any existing Colorado law, City resolution, court or administrative regulation, decree or order or any agreement or other instrument to which the City is subject or by which it is bound.

9. To the best of my knowledge, there does not exist any action, suit, proceeding or investigation pending, or threatened against the City, contesting (a) the corporate existence of the City, (b) the title of its present officers or any of them to their respective offices, including, without limitation, the members of the City Council, (c) the validity of the Assignment of Allocation or (d) the power of the City to execute, deliver or perform the Assignment of Allocation.

10. No referendum petition has been filed concerning the Resolution; and to the best of my knowledge none is being circulated or planned for circulation.

WITNESS my hand and the seal of the City this 13th day of July, 2026.

____
Corey Y. Hoffmann
City Attorney

(SEAL)