



Town of Johnstown

TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: August 21, 2023

SUBJECT: Resolution 2023-31 Approving Declaring the Intent of the Town of Johnstown, Colorado to Issue Revenue Bonds in Connection with Financing Residential Facilities for Low- & Middle- Income Families or Persons.

ATTACHMENTS:

1. Resolution 2023-31
2. PAB Johnstown Allocation Letter 2023
3. 2023 Johnstown Carryforward PAB Certificate

PRESENTED BY: Sarah Crosthwaite, Economic Development Manager

AGENDA ITEM DESCRIPTION:

Enclosed for your review and consideration is Resolution 2023-31 Declaring the Intent of the Town of Johnstown, Colorado to Issue Revenue Bonds in Connection with Financing Residential Facilities for Low- & Middle- Income Families or Persons.

For reference the Town was allocated \$1,085,227 in Private Activity Bonds (PAB) from the Colorado Department of Local Affairs (DOLA) for FY 2023. The allocation amount was determined utilizing 2021 population estimates. The Town would like to utilize the PABs for a future affordable housing project. Per Internal Revenue Code, the Town can carryforward up to three years of PAB allocations and by the 4th year, issue the bonds to fund a qualifying project. The Town is assuming we will continue to receive a PAB allocation for the next 3 years.

The intent of Resolution 2023-31 is not to issue the allocated PABs this year but instead build up a reserve for the next three years while also finding additional capital to fund an affordable housing project.

The Town has identified a potential project in partnership with the Housing Authority of the Town of Johnstown that would create 36 new multi-family units adjacent to the existing multi-

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family property located at 202 North Greeley Avenue, Johnstown, Colorado 80534. The potential project will serve to benefit residents of the Town and provide safe, reliable, and affordable housing.

As required per DOLA, the Town has identified a firm to serve as the bond counsel. Kutak Rock LLP has reviewed the Resolution to ensure compliance with DOLA and the IRS.

LEGAL ADVICE:

The Town Attorney and Bond Counsel Kutak Rock LLP have reviewed Resolution 2023-31.

FINANCIAL ADVICE:

The Town will file with the Internal Revenue Service in February 2024, Form 8328 as required.

RECOMMENDED ACTION: Approve Resolution 2023-31 Declaring the Intent of the Town of Johnstown, Colorado to Issue Revenue Bonds in Connection with Financing Residential Facilities for Low- & Middle- Income Families or Persons.

Reviewed and Approved for Presentation,



Town Manager

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