

EL PASO  **COUNTY**
COLORADO

Attachment I

COMMISSIONERS
DENNIS HISEY, CHAIR
AMY LATHEN, VICE CHAIR

SALLIE CLARK
DARRYL GLENN
PEGGY LITTLETON

BUDGET ADMINISTRATION
ECONOMIC DEVELOPMENT
DEANNE MCCANN, DIVISION MANAGER

July 28, 2014

Aimee Cox
Robert C. Cope
Colorado Springs Economic Vitality
30 S. Nevada Ave., Suite 604
P.O. Box 1575, Mail Code 640
Colorado Springs, CO 80901-1575

Dear Ms. Cox and Mr. Cope:

As you know, both the City of Colorado Springs and El Paso County were awarded tax-exempt private activity bond (PAB) volume cap for 2014. Per Colorado Revised Statutes, if this volume cap is not utilized by September 15, it will revert to the state for potential award to other jurisdictions. In order to avoid reversion of its cap, El Paso County will be carrying it forward and can do so for the City if an assignment of the City's volume cap is made.

It is anticipated that the county will carry forward this volume cap, along with that of the City of Fountain, for single- or multi-family housing purposes for up to three years, as allowed by federal regulations. Prior to 2008, the demand for volume cap was very competitive but usage of the cap has declined significantly for several years both in Colorado and across the nation. Per the Council of Development Finance Agencies, "issuance in 2013 accounted for less than one-third of the year's new cap allocation."

With that in mind, I am very pleased to report that we have had significant success so far this year in utilizing the cap. As an update to the utilization of previous years' PAB, \$40,000,000 in single family carryforward is being used for a Mortgage Credit Certificate program which will provide first-time homebuyers with a federal income tax credit for a portion of the interest paid on their mortgages. In addition, \$5,250,000 was utilized for a 65-unit assisted living facility. In the attached chart you will find historical bond issuance for the past ten years.

I would be happy to provide additional information and background if that would be helpful. Thank you.

Sincerely,



DeAnne McCann
Economic Development Manager



**El Paso County
2005-2014**
Private Activity Bond Issuance for Housing Purposes
**(sources of volume cap include direct allocations to El Paso County and
Cities of Fountain and Colorado Springs and statewide balance)**

