

# EL PASO COUNTY



## COLORADO

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May 13, 2016

Aimee Cox, Community Development Manager  
Robert C. Cope, Economic Development Manager  
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, along with other eligible municipalities/counties, were awarded tax-exempt private activity bond (PAB) volume cap for 2016. While a valuable resource, its use is limited to the issuance of revenue-backed bonds for the benefit of a private project, such as an apartment complex, small manufacturing facility, or waste disposal facility. The most common usage is by far housing purposes, both single and multi-family.

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 own 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 housing purposes, for up to three years, as allowed by federal regulations.

Over the years, the city and county have enjoyed a cooperative relationship with regard to volume cap usage; the attached chart demonstrates the historical issuance by the county and city. As an update to previous years' assignments, a \$43,521,000 Mortgage Credit Certificate election was made by El Paso County in late 2015 using PAB cap from 2012 prior to the expiration of the three-year carryforward period. This election included cap from the county, cities of Colorado Springs and Fountain, and the statewide balance. The program will provide up to 120 first-time homebuyers with a federal income tax credit for a portion of the interest paid on their mortgages.



For 2016, developers of projects in downtown and northeast Colorado Springs as well as one in Fountain have expressed interest in bond issuance. In an effort to spur those developments of workforce housing, the El Paso County Housing Authority, on which Ms. Cox serves, is working creatively to offer additional support with loans to leverage other state and federal resources.

While not a traditional single-family bond program, the Turnkey Program continues to provide loans with down payment assistance throughout the county. Over 1,750 loans have been originated or are in process, many of which are in Colorado Springs, since the program was instituted in 2013. Grants in the amount of 4% (3% in some instances) of the loan were provided to those homebuyers for closing costs or down payment assistance not only making home ownership more attainable but putting resources back in the community.

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/Colorado Springs PAB Issuance

