

EL PASO COUNTY



COLORADO

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ADMINISTRATION AND FINANCIAL SERVICES
ECONOMIC DEVELOPMENT
DEANNE McCANN, DIVISION MANAGER

June 22, 2017

Robert C. Cope, Economic Development Manager
Steve Posey, Community Development Division Manager
30 S. Nevada Ave., Suite 604
P.O. Box 1575, Mail Code 640
Colorado Springs, CO 80901-1575

Dear Mr. Cope and Mr. Posey:

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 2017. 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. Since the update provided to the city last year, bonds were issued in 2016 for Copper Range, a 240-unit complex under construction at Woodmen and Black Forest and, earlier this year, \$21,205,000 was issued for the acquisition and rehabilitation of Whitney Young Manor, a 200-unit complex located at 2129 Delta Drive. Later this year, it is expected that the county will issue bonds for Traditions at Colorado Springs, located at the southwest corner of Tutt Boulevard and Snowy River Drive, which will provide 180 units to those over 55. Significantly, Traditions represents the first award of state low-income housing tax credits in El Paso County and can at least in part be attributed to El Paso County Housing Authority's subordinate loan commitment to the development. All of the units in these three projects will be reserved for those earning less than 60% of area median income and will provide much-needed affordable/workforce housing in our community.



As for single family programs supported by PAB, the 2015 Mortgage Credit Certificate program, which provides first-time homebuyers with a federal income tax credit for a portion of the interest paid on their mortgages, continues to be available and is supplemented by the Turnkey Program which provides loans with down payment assistance throughout the county. Grants in the amount of 4% (3% in some instances) of the loan are 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.

If Colorado Springs is interested in assigning its 2017 volume cap, we will have bond counsel prepare the necessary documents. 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 Usage

