



El Paso County Private Activity Bond (PAB) Issuance Program

Since 1983, El Paso County has financed the development of thousands of units of multifamily housing through the issuance of tax-exempt bonds. This is primarily accomplished through the issuance of Private Activity Bonds (PAB), which are typically coupled with federal Low Income Housing Tax Credits (LIHTC). These projects range from newly constructed complexes to acquired and rehabilitated properties. In return for a lower interest rate on the loans and potential tax credits, each project sets aside some or all of their units for County residents of low- to moderate-income.

What are PABs?: El Paso County receives a limited amount of bond cap from the federal government to issue for privately developed projects. While El Paso County issues the bonds, the County nor our taxpayers have an obligation to repay the investors in the bonds. Funding for projects comes from investors buying the bonds and underwriters use the bond proceeds to make a loan to the project. PABs make the rental housing eligible for 4% LIHTC.

Eligibility: In response to the lack of new affordable housing development in our community and the increasing need for such housing, El Paso County can utilize Private Activity Bonds to provide funding to agencies with experience in the design and administration of innovative programs that address the housing needs in the region. For-profit and non-profit developers of projects that create affordable rental housing are encouraged to apply.

How Does an Agency Apply?

Applications are accepted on a rolling basis. All application materials may be accessed at:

<https://admin.elpasoco.com/economic-development/multifamily-mortgage-bond/>

For more information, please contact:

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El Paso County Private Activity Bond (PAB) Issuance Program: FAQ

Who is eligible for funding?

Eligible entities include, but would not necessarily be limited to, private developers, nonprofit housing organizations, and agencies that provide affordable housing.

What bond amounts and terms are available?

The amount of bonds that is available will vary based on the amount of bond cap that is available within El Paso County. Please check with El Paso County Economic Development to learn about the amount of bond cap available. Bond utilization must be between 50 and 55% of aggregate basis. 50-51% is preferred.

What types of projects are allowed?

El Paso County has chosen to focus the usage of Private Activity Bonds on funding affordable housing projects. Single-family mortgage projects (down payment assistance) and industrial development projects are also eligible.

Can Private Activity Bonds be used inside Colorado Springs city limits?

El Paso County PABs can be used anywhere within the County, including the City of Colorado Springs. Open communication with the City of Colorado Springs is key, since they may have bond cap available or other funding opportunities for your project.

What is the application cycle/ deadline to apply?

Applications are accepted on a rolling basis and are due by the first Wednesday of the month. Please confirm dates with El Paso County Economic Development staff prior to submittal.

Within the project timeline, when should the application be submitted?

Conversations should start with El Paso County staff early in the development phase to learn about availability of bond cap and other details of applying to the County, along with making your intentions known. Bonds are received annually, so if your project is not funding for 12-18 months, the application should likely wait. Once the financial stack is well established and the pro forma and development documents are figured out, an application can be submitted.

What needs to be completed before we apply?

Phase I environmental review, market study, preliminary development plan, and a well-developed proforma should be in place before applying.

What happens once we submit an application?

You will be contacted by staff with an appointment time for a brief presentation to the El Paso County Housing Authority Board. Housing Authority meetings are held on the second Wednesday of the month at noon at 9 E. Vermijo Ave., Colorado Springs, CO. The EPCHA Board reviews applications and makes a recommendation of issuance to the El Paso County Board of County Commissioners (BoCC). The BoCC reviews the issuance request and, if approved, an inducement resolution is executed to commit funds to the project. A TEFRA hearing will need to be completed before final closing of the project.

Does the funding require any particular partnerships?

No partnerships are required; however, they are viewed positively and should be noted in the application. Common partners include the Colorado Housing and Finance Authority (CHFA), the Colorado Springs Housing Authority (CSHA), and various local nonprofit agencies.

Who develops the bond documents?

The Housing Authority's legal counsel, Kutak Rock, develops and helps to coordinate all legal documents.

How are funds distributed?

All funds are distributed at the financial closing. Legal documents are drafted by El Paso County's bond counsel and signed by the El Paso County Board of County Commissioners.

More resources can be found at: <https://admin.elpasoco.com/economic-development/multifamily-mortgage-bond/>

