

# STATE OF COLORADO

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## EXECUTIVE DIRECTOR'S OFFICE

Department of Local Affairs  
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Bill Ritter, Jr.  
Governor

Susan E. Kirkpatrick  
Executive Director

January 31, 2009

The Honorable Peter C. Groff  
President of the Senate

The Honorable Terrance Carroll  
Speaker of the House

Members of the Second Regular Session of the Sixty-seventh General Assembly:

Pursuant to section 24-32-1707(9) CRS, the Department of Local Affairs is filing its annual report on the distribution and use of the Private Activity Bond (PAB) allocations in 2008. Attached is a list of the allocations to state authorities, local governments, and awards from the Statewide Balance.

The Private Activity Bond Program results from a cap imposed by the Internal Revenue Code on the amount of federal tax-exempt private activity bonds that may be issued in any year within each state. The bond proceeds can be used for: single family mortgages, multi-family rentals, mortgage credit certificates, student loans, small manufacturing facilities, non-governmentally owned solid waste disposal facilities, qualified redevelopment bonds, and certain hazardous waste facilities. Colorado's 2008 Private Activity Bond allocation totaled \$413,228,775.

Colorado's Private Activity Bond Allocation program is authorized by 24-32-1701, et seq., CRS, to provide for the allocation of the state's volume cap and to ensure that issuance of private activity bonds does not exceed the amount authorized by the IRS.

If there are any questions regarding this report or the PAB program, please call me at (303) 866-4904.

Sincerely,

Susan E. Kirkpatrick  
Executive Director

*Strengthening Colorado Communities*

## **Summary of 2008 PAB Allocations to State Authorities**

In accordance with 24-32-1705, CRS., fifty percent of the state ceiling shall be initially allocated to state issuing authorities. The following are the 2008 direct allocations for state authorities:

<b>STATEWIDE AUTHORITY</b>	<b>Allocation</b>
Colorado Housing and Finance Authority (CHFA)	\$113,900,000
CollegeInvest	\$87,200,000
Colorado Agriculture Development Authority (CADA)	\$5,514,388
<b>TOTAL:</b>	<b>\$206,614,388</b>

## Summary of 2008 PAB Allocations to Designated Local Issuing Authorities

As defined by 24-32-1703, CRS., "Designated local issuing authorities" means any city, town, or county which has a population which results in the local issuing authority having an allocation of the state ceiling in excess of \$1 million. The following are the initial, direct 2008 allocations for designated local issuing authorities:

Local Issuers	Population	PAB Cap	Local Issuers	Population	PAB Cap
Denver	580,223	\$24,659,478	Loveland	60,393	\$2,566,703
Colorado Springs	390,581	\$16,599,693	Garfield County	53,020	\$2,253,350
Aurora	308,285	\$13,102,113	Grand Junction	51,631	\$2,194,318
Jefferson County	210,966	\$8,966,055	Eagle County	50,894	\$2,162,995
El Paso County	187,755	\$7,979,588	Fremont County	48,117	\$2,044,973
Douglas County	183,012	\$7,778,010	La Plata County	48,752	\$2,071,960
Lakewood	142,534	\$6,057,695	Pueblo County	48,244	\$2,050,370
Fort Collins	129,511	\$5,504,218	Broomfield	47,521	\$2,019,643
Weld County	146,351	\$6,219,918	Parker	41,428	\$1,760,690
Thornton	109,561	\$4,656,343	Castle Rock	40,967	\$1,741,098
Westminster	106,765	\$4,537,513	Littleton	40,318	\$1,713,515
Pueblo (city)	104,999	\$4,462,458	Montrose County	38,903	\$1,653,378
Arvada	104,981	\$4,461,693	Northglenn	35,666	\$1,515,805
Centennial	100,309	\$4,263,133	Commerce City	35,462	\$1,507,135
Arapahoe County	105,417	\$4,480,223	Englewood	32,191	\$1,368,118
Adams County	98,085	\$4,168,613	Wheatridge	31,584	\$1,342,320
Boulder (City)	97,671	\$4,151,018	Delta County	30,676	\$1,303,730
Greeley	90,285	\$3,837,113	Brighton	30,197	\$1,283,373
Larimer County	87,439	\$3,716,158	Morgan County	28,540	\$1,212,950
Boulder County	83,742	\$3,559,035	Summit County	27,964	\$1,188,470
Longmont	82,904	\$3,523,420	Montezuma County	25,343	\$1,077,078
Mesa County	83,837	\$3,563,073	Lafayette	24,317	\$1,033,473
	<b>Total Local Issuers:</b>		<b>\$187,312,006</b>		

## Summary of 2008 PAB Allocations Awarded from the Statewide Balance

As defined by 24-32-1703, CRS., "Statewide Balance" (SWB) means the portion of the state ceiling that remains after initial, direct allocations are made to the state issuing authorities and the local issuing authorities, plus or minus any relinquishment to or allocations from the statewide balance. As of September 15<sup>th</sup> of each year, if any portion of a direct allocation to a state authority or local government is not used (1) to issue bonds, (2) for a carryforward purpose or (3) a mortgage credit certificate election, the remaining allocation reverts to the Statewide Balance.

In July 2008, the *Housing and Economic Recovery Act of 2008*, HR 3221 (HERA) was signed into law. HERA provided for a one-time boost of PAB volume cap of \$11 billion nationally, for housing purposes only. On September 17<sup>th</sup>, the IRS issued Notice 2008-79 to provide guidance on HERA and to specify the amounts allocated to each state. Since this information arrived after the September 15<sup>th</sup> deadline, Colorado's HERA cap was allocated to the Statewide Balance.

The following charts account for the PAB authority that the Department of Local Affairs allocated to projects and programs in 2008:

<b>STATEWIDE BALANCE SOURCES</b>	<b>Amount</b>
Initial Allocation to SWB	\$19,302,381
Relinquished to SWB	\$38,450,329
Allocated under HERA	\$152,225,095
<b>TOTAL AVAILABLE:</b>	<b>\$209,977,805</b>

<b>STATEWIDE BALANCE USES</b>			
<b>Project Name</b>	<b>Project Type</b>	<b>Local Issuer</b>	<b>Amount</b>
Southern Front Range Region Single-Family Program	Single Family Mortgage Revenue Bonds	El Paso County	\$16,802,381
Ross Printing	Industrial Revenue Bonds	Adams County	\$2,500,000
Clean Energy Options	Single Family Mortgage Revenue Bonds	Boulder County	\$15,000,329
College Invest	Student Loans	Statewide	\$23,450,000
Colorado Housing and Finance Authority (CHFA)	Housing Bonds (HERA)	Statewide	\$142,225,095
Denver Neighborhood Stabilization Program	Mortgage Credit Certificates (HERA)	City & County of Denver	\$10,000,000
<b>TOTAL ALLOCATIONS:</b>			<b>\$209,977,805</b>

## Private Activity Bond Allocations Committee

The Private Activity Bond Allocations Committee is established by CRS 24-32-1707 to advise the Executive Director of the Department of Local Affairs on statewide priorities for the allocation of the Statewide Balance. Included in this is the duty to review and advise the Executive Director on specific allocation proposals. The Committee is chaired by the Executive Director (as a non-voting member) and includes eight members appointed by the Governor. Four members represent units of governments, one of whom must be from the western slope; three members are citizens residing in Colorado, one of whom must be from the western slope. One member represents state authorities. All members are appointed to three-year terms except the chairperson and the state authority member, appointed annually. As of December 12, 2008, the Committee members were as follows:

	<u>APPOINTED</u>	<u>EXPIRES</u>
Eric S. Hiraga, Denver (D) rep. citizen at large, replaced Windes	12-12-08	07-01-11
Manuel A. Esquibel, Brighton (D) rep. municipal or county official, replaced Hiraga	12-12-08	07-01-10
Katherine M. Portner, Grand Junction (D) rep. municipal or county official & west of the divide, replaced Enos-Martinez	02-19-08	07-01-10
Priscilla "Pete" Fraser, Trinidad (R) rep. municipal or county official, reappt.	02-19-08	07-01-10
Melanie Worley, Highlands Ranch (R) rep. municipal or county official, replaced Faatz	09-20-06	07-01-09
Michael C. Ciletti, Aurora (R) rep. citizen at large, replaced Ciletti	09-20-06	07-01-09
Curtis Robinson, Montrose (R) rep. citizen at large & west of the divide, reappt.	09-20-06	07-01-09
Samuel G. Betters, Loveland (D) rep. state issuing authority	02-19-08	POG
Susan Kirkpatrick, Fort Collins (D) Executive Director of DOLA, replaced Vogt	08-22-06	POG