Private Activity Bond Staff Report

Date:	July 23, 2026
To:	Douglas County Board of County Commissioners
Through:	Douglas J. DeBord, County Manager
From:	Jennifer L. Eby, AICP, Director of Community Services
CC:	Melody D'Haillecourt, Community Programs Coordinator Tiffany Marsitto, Community Services Supervisor Rand M. Clark, CCAP, NCRT, Assistant Director of Community Services
Subject:	**Bond Authorizing Resolution for $50,000,000 in Private Activity Bonds for Ponderosa Pines.**

Board of County Commissioners' Public Hearing **August 11, 2026 @ 2:30 p.m.**

I. EXECUTIVE SUMMARY

The Douglas County Housing Partnership (DCHP) is currently positioned to issue $50,000,000 in Private Activity Bonds (PAB) Cap to support the construction of Ponderosa Pines, a workforce housing community that will provide rental units for individuals working in Douglas County who earn below 60% Area Median Income (AMI). Section 147(f) of the Internal Revenue Code requires a publicly elected body to first authorize the issuance of the tax-exempt bonds at a public hearing, which is in the purview of the Douglas County Board of County Commissioners (BCC). Approval of this resolution authorizing the issuance of these bonds creates no debt or liability for Douglas County.

II. REQUEST

Approval of a Bond Authorizing Resolution approving the issuance of $50,000,000 in PAB by the DCHP to finance Ponderosa Pines, solely for the purpose of satisfying Section 147(f) of the Internal Revenue Code of 1986, as amended.

III. BACKGROUND

PABs can be issued to encourage private investment in housing, higher education, jobs, solid and hazardous waste treatment and water and sewer facilities. Allocations of tax-exempt bonding authority are granted to the states annually. The Department of Local Affairs (DOLA) administers Colorado's PAB allocation. Fifty percent of the allocation is given to statewide authorities, and the other fifty percent is distributed to local issuing authorities based on population.

The (DCHP), as the PAB issuer, authorized the issuance of PABs not to exceed $50,000,000 for Ponderosa Pines. Tax exempt bonds will finance at least 25% of the project's aggregate basis, which qualified the project for 4% federal low-income housing tax credits. The Colorado Housing and Financing Authority (CHFA) allocated 4% of $4,442,978 and noncompetitive Colorado State credits of $700,000. The closing is anticipated for August 2026. Multifamily Housing Revenue bonds and associated interest will never constitute the debt or indebtedness of DCHP, the County, the State of Colorado or any other political subdivision and will not give rise to a pecuniary liability of DCHP, the County, the State or any other political subdivision, or charge against their general credit or taxing powers.

This public hearing is being conducted by the County to comply with requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended, for the issuance of the proposed bonds on a tax-exempt basis. DCHP is currently positioned to issue PAB CAP for the construction of Ponderosa Pines once it is authorized to do so by an elected body at a public hearing. The DCHP Board (Board) lacks the authority to approve the attached Bond Authorizing Resolution because the Board is appointed by its members rather than elected. As the highest, local elected body, the authorization is within the purview of the BCC. Pursuant to the requirements of Section 147(f), a notice of this public hearing was published on July 30, 2026, in the Douglas County News Press.

IV. DISCUSSION

Ponderosa Owner, LLC has requested that the DCHP issue qualified PAB in an amount up to $50,000,000 for tax-exempt financing of the Ponderosa Pines. The proceeds of the bonds will be used to support the construction, improvements, necessary reserves, and issuance costs incurred by the borrower in connection with the project. The apartments will be located at 6793 Scott Blvd. along South Parker Road just North of the intersection with Bayou Gulch Road. The complex will include 204 units of workforce housing for individuals and families who are employed in Douglas County that earn less than 60% of AMI. The project will preserve affordability for all units for at least 30 years. Planned community amenities include a fitness center, a business center, dedicated play areas for children, and ample green space for residents.

V. RECOMMENDED ACTION

Staff recommends that the BCC approve the Bond Authorizing Resolution.

ATTACHMENTS **PAGE**

RESOLUTION NO. R-____

**BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY, COLORADO**

A RESOLUTION APPROVING THE ISSUANCE OF BONDS BY THE DOUGLAS COUNTY HOUSING PARTNERSHIP, A MULTIJURISDICTIONAL HOUSING AUTHORITY, TO FINANCE PONDEROSA PINES PROJECT, SOLELY FOR THE PURPOSE OF SATISFYING SECTION 147(f) OF THE INTERNAL REVENUE CODE OF 1986; REPEALING ANY PRIOR ACTION THAT IS IN CONFLICT WITH THIS RESOLUTION; AND AUTHORIZING OFFICIALS OF THE COUNTY TO DO ALL OTHER THINGS NECESSARY OR ADVISABLE TO COMPLETE THE TRANSACTION APPROVED IN THIS RESOLUTION.

WHEREAS, Douglas County, Colorado, (the "County") is a county and political subdivision duly organized and validly existing under the laws and Constitution of the State of Colorado (the "State") and the Douglas County Housing Partnership ("DCHP") is a multijurisdictional housing authority pursuant to C.R.S. § 29-1-204.5, as amended; and

WHEREAS, the City of Lone Tree, the City of Castle Pines, the Town of Castle Rock, the Town of Parker, and the County (collectively, the "Members") entered into an Amended and Restated Establishing Intergovernmental Agreement for the DCHP, dated December 20, 2020, (the "IGA") for the purpose of delegating DCHP as the issuer of the private activity bond volume cap for all of these respective cities and towns; and

WHEREAS, DCHP is authorized by C.R.S. § 29-1-204.5, as amended, the Member's IGA, and the Colorado Supplemental Public Securities Act, C.R.S. § 11-57-201 *et seq.*, as amended, to finance one or more housing projects to provide dwelling accommodations within the means of families of low or moderate income; and

WHEREAS, representatives of DCHP and Ponderosa Ownership LLC, a Colorado limited liability company, including any subsidiaries, affiliates, successors, or assigns thereof, (the "Borrower") have requested that the Board, solely for the purpose of satisfying the requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), approve the issuance by DCHP of up to $50,000,000 (and a like amount of refunding bonds) of the DCHP Multifamily Housing Revenue Bonds, bonds, or other instruments (Ponderosa Pines Project) in one or more series (the "Bonds") to finance a portion of the costs of the acquisition, construction, improvement, and equipping of an affordable housing facility, consisting of approximately 204 units, which provides dwelling accommodations within the means of families of low or moderate income and is located within the boundaries of the County at 6793 Scott Avenue, Parker, CO 80134, to be known as "Ponderosa Pines" (or such other name as designated by the Borrower, and referred to herein as the "Project"), to fund certain reserves, if any, and to pay certain costs incurred by the Borrower in connection with the Project and the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF DOUGLAS COUNTY, COLORADO:

Section 1. ***Public Hearing and Approval***. Pursuant to Section 147(f) of the Code, the Board conducted a public hearing relating to the proposed issuance of the Bonds to finance the Project. The public hearing was conducted at the Board's Hearing Room, Philip S. Miller Building, 100 Third Street, Castle Rock, Colorado 80104, on August 11, 2026, which public hearing commenced at 2:30 p.m. or shortly thereafter, and was preceded by public notice in the form attached hereto as Exhibit A. Public notice was published on July 30, 2026, in the *Douglas County News Press*. [No one] appeared before the Board to speak for or against the Project to be financed with the proceeds of the Bonds. The Board hereby approves the issuance of the Bonds in an amount not to exceed $50,000,000 to finance the Project; provided that Bonds will only be issued in the amount of private activity bond volume cap allocated to the Project.

Section 2. ***Ratification of Prior Action; Capitalized Terms***. All action not inconsistent with the provisions of this Resolution heretofore taken by the Board and other officials of the County, relating to the approval of the issuance of the Bonds to finance the Project for the purposes herein set forth, is hereby ratified, approved, and confirmed.

Section 3. ***No Pecuniary Liability***. Nothing contained in this Resolution, the Bonds, or any other instrument shall give rise to a pecuniary liability of, or a charge upon the general credit or taxing powers of, DCHP, the Members, the County, the State or any county, municipality, or political subdivision of the State.

Section 4. ***Immunity of Officers***. No recourse for the payment of any part of the principal of, premium, if any, or interest on the Bonds, for the satisfaction of any liability arising from, founded upon or existing by reason of the issue, purchase or ownership of the Bonds, shall be had against any official, officer, member or agent of DCHP, the Members, the County or the State, all such liability to be expressly released and waived as a condition of and as a part of the consideration for the issue, sale, and purchase of the Bonds.

Section 5. ***Captions***. The captions or headings in this Resolution are for convenience only and in no way define, limit, or describe the scope or intent of any provisions or sections of this Resolution.

Section 6. ***Irrepealability***. After the Bonds are issued, this Resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, canceled and discharged.

Section 7. ***Severability***. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. ***Inconsistent Actions Repealed***. All bylaws, orders and resolutions, or parts thereof, inconsistent herewith and with the documents hereby approved, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, or resolution or part thereof.

Section 9. ***Effectiveness***. This Resolution shall take effect immediately.

ADOPTED AND APPROVED this 11th day of August, 2026.

THE BOARD OF COUNTY COMMISSIONERS
OF DOUGLAS COUNTY, COLORADO

By ____
George Teal, Chair

Attest:

____
Clerk to the Board

EXHIBIT A

FORM OF TEFRA NOTICE

**NOTICE OF PUBLIC HEARING
CONCERNING THE ISSUANCE OF TAX-EXEMPT BONDS BY
THE DOUGLAS COUNTY HOUSING PARTNERSHIP
FOR
PONDEROSA PINES**

NOTICE IS HEREBY GIVEN that a public hearing will be held by the Board of County Commissioners of Douglas County, Colorado (the "County") on Tuesday, August 11, 2026, at 2:30 p.m., in the Commissioners' Hearing Room, 100 Third Street, Castle Rock, Colorado, concerning the approval of a plan of finance entailing the issuance by the Douglas County Housing Partnership, a Multijurisdictional Housing Authority ("DCHP") of tax-exempt Douglas County Housing Partnership Multifamily Housing Revenue Bonds, bonds or other instruments (Ponderosa Pines Project), in one or more series (the "Bonds"), in an aggregate principal amount not to exceed$50,000,000 (and a like amount of refunding bonds). Proceeds of the Bonds will be loaned by DCHP to and used by Ponderosa Owner LLC, a Colorado limited liability company], including any subsidiaries, affiliates, successors or assigns thereof (the "Borrower"), to finance a portion of the costs of the acquisition, construction, improvement, and equipping of an affordable housing facility, consisting of approximately 204 units, which provides dwelling accommodations within the means of families of low or moderate income. Such facility will be known as "Ponderosa Pines" (or such other name as designated by the Borrower, and referred to herein as the "Project") and is located within the boundaries of the County at 6793 Scott Avenue, Parker, CO 80134. The proceeds of the Bonds will also fund certain reserve funds, if any, and will pay certain costs of issuance of the Bonds. The Project will be owned, operated, and principally used by the Borrower.

DCHP is authorized by C.R.S. § 29-1-204.5, as amended, the Member's IGA, and the Colorado Supplemental Public Securities Act, C.R.S. § 11-57-201 *et seq.*, as amended, to finance one or more housing projects to provide dwelling accommodations within the means of families of low or moderate income. The Bonds will constitute a special limited obligation of DCHP payable solely from revenues derived by DCHP pursuant to one or more financing agreements, by and among DCHP, the Borrower and the purchaser of the Bonds, and certain related loan documents under which the Borrower has repayment obligations to DCHP, and, by assignment, to the respective purchasers of the Bonds.

THE BONDS AND THE INTEREST THEREON SHALL NEVER CONSTITUTE THE DEBT OR INDEBTEDNESS OR A MULTIPLE FISCAL YEAR OBLIGATION OF DCHP, THE MEMBERS, THE COUNTY, THE STATE OF COLORADO (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR STATUTES OF THE STATE AND SHALL NOT CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF DCHP, THE MEMBERS, THE COUNTY, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF OR A CHARGE AGAINST THEIR GENERAL CREDIT OR TAXING POWERS.

This notice is intended to comply with the public notice requirements of Section 147(f) of the Internal Revenue Code of 1986, as amended. All interested parties are invited to attend and present comments at the public hearing regarding the plan of finance, the proposed issuance of the Bonds and the Project. The public hearing will be held on Tuesday, August 11, 2026 at 2:30 p.m. in the Commissioners' Hearing Room, 100 Third Street, Castle Rock, Colorado. Written comments to be presented at the meeting may be sent to, or additional information may be requested from, DCHP at 9350 Heritage Hills Circle, Lone Tree, Colorado 80124, to the attention of Deborah Degroff, Development and Asset Manager.

DOUGLAS COUNTY, COLORADO