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2017 Qualified Allocation Plan (QAP)

Colorado Low Income Housing Tax Credit (LIHTC) Program

Highlight of Proposed Changes

Summary of Proposed Changes for 2017 QAP

❖ Section 2, Priorities

- CHFA will no longer have a priority for projects in counties impacted by a natural disaster.

❖ Section 2, Additional Eligibility Requirements and Priorities for State Credits

- CHFA will accept state credit applications for acquisition/rehabilitation projects as well as new construction projects.
- Eligibility requirements for projects impacted by a natural disaster will no longer apply since there are no disaster recovery State Credits available in 2017.

❖ Section 2, Criteria for Approval, Experience and Track record of the Development and Management Team

- Language will be inserted in this section to emphasize CHFA's requirement that this criteria applies to competitive 9%, State Credit, and non-competitive 4% LIHTC applications.
- Applicants' demonstrated track record of submitting complete application packages on time and responding timely to clarification requests from CHFA staff will favorably impact the applicants' ability to compete successfully in 9% and State Credit rounds.

❖ Section 3.A.4, Preliminary Application Submittal Dates*

- Round One: State Credit applications with 4% Federal credit
 - Letter of Intent Deadline January 3, 2017
 - Application Deadline February 1, 2017
- Round Two: 9% Federal Credits
 - Letter of Intent Deadline May 1, 2017
 - Application Deadline June 1, 2017

1981 Blake Street

Denver, CO 80202

303.297.chfa (2432)

800.877.chfa (2432)

toll free

303.297.7305

tdd

348 Main Street

Grand Junction, CO 81501

970.241.2341

800.877.8450

toll free



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❖ **Section 3.A.5, Threshold Criteria for Preliminary Tax Credit Applications**

- Language will be added to emphasize that all threshold criteria must be met prior to the application submission deadline in order to be considered for an application. None of the criteria will be subject to the five-day clarification letter period.
- If portions of documentation for threshold #1 (Minimum Score), #2 (Site Control) were inadvertently omitted or reconciliation with the application is needed for threshold #3 (Market Study) or #7 (Readiness to Proceed), applicants will be allowed to submit the missing documentation by 5:00 pm of the next business day following CHFA's notification or the application will be rejected.
- Threshold #6, Readiness to Proceed
 - Additional guidance for zoning has been added in this section. While having zoning in place will not be a threshold requirement, applicants requesting competitive 9% or State Credit will be at a competitive disadvantage if the appropriate zoning is not in place at the time of the application.

❖ **Section 3.A.5, Preliminary Application Documents Checklist**

- All applicable documents on the Preliminary Application Documents List in this section must be submitted prior to the application deadline as a threshold requirement for preliminary applications.
- Language will be added to the Documents List to emphasize the requirement of an appraisal by a third party accredited appraiser for acquisition/rehabilitation projects. The appraisal must calculate the value of the property in "as is" condition based on the assumption it is operated at market rents. The land value contribution must be reported separately.

*Changes to be included in 4th Draft of 2017 QAP

Version 4 – 2017 QAP – As approved by CHFA Board



- ❖ **3.E, Amount of Credit Available Annually**
 - CHFA will allocate the total \$5 million in annual state credit that is available for 2017 and will reserve the right to forward reserve up to the \$5 million of 2018 annual State Credit in 2017.

- ❖ **3.G, Maximum Credit Award**
 - A maximum of \$1,000,000 in annual State Credit will apply per project or developer. All other requirements in this section will remain the same.

- ❖ **Section 4, Underwriting Criteria**
 - After considering input from the public, no changes will be made to the minimum PUPA amount of \$3,900.

- ❖ **Section 6, Fees**
 - **6.A.1, Application Fee (9% Applications)**
 - The application fee for preliminary applications will be increased from \$5,000 to \$10,000 for all 9% preliminary applications.

 - **6.D.4, Additional 4% Federal Credits**
 - For requests of additional 4% credits prior to the final application that require a new Initial Determination Letter, the fee for the request will be increased from \$1,500 to \$3,000.

 - **6.E.1, Application Fee (noncompetitive 4% applications)**
 - The application fee for federal 4% credit will be changed from one percent of the annual federal (4%) credit amount or \$5,000, whichever is greater to a flat fee of \$10,000. The \$1,000 fee to apply for State Credit remains the same.

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- **6.E.2, Initial Determination Fee (noncompetitive 4% applications)**
 - The Initial Determination Fee has been increased from 2.5% to 3.5% of the annual credit amount determined.