

**GUIDELINES FOR MEETING LOCAL CONTRIBUTION REQUIREMENT
(COLORADO STATE AFFORDABLE HOUSING TAX CREDIT)**

Local Contribution Requirement

According to state statute, CHFA may not allocate state affordable housing credits (“State Credits”) to a project unless CHFA “has obtained a written commitment approved by a public vote of the governing body of a local government to provide some monetary, in-kind, or other contribution benefitting the qualified development.” CRS § 39-22-2102(5). Accordingly, all projects awarded State Credits must meet this requirement.

Guidelines on Meeting Local Contribution Requirement

The following guidelines are meant to provide clarification to developers on meeting this requirement.

What is considered a local contribution?

The contribution must provide a unique benefit to the specific project. Existing improvements or amenities that were in place prior to acquisition, such as water or sewer taps, while potentially reducing development costs, do not meet this requirement.

Examples of acceptable local contributions include:

- Property tax exemption granted by the local housing authority
- Fee waivers or reduction in fees for taps, permitting, and other local processing provided by the local municipality specifically for the project
- Project based vouchers provided by the local housing authority
- Soft funds, such as HOME or CDBG, provided by the local municipality
- Donation of land from the local municipality specifically for the project
- Issuance of Private Activity Bonds by the local municipality or housing authority

Required Documentation

The contribution must be contained in a written commitment that has been approved by a public vote of the governing body of a local government (examples: city, county, city housing authority). An example of a written commitment would be a resolution or ordinance by the applicable board of trustees or commissioners. For property tax exemption, in addition to the board resolution or ordinance, confirmation must be provided that the county recognizes the role of the housing authority as a special limited partner in the partnership sufficient to grant the real estate tax exemption.

For preliminary applications for State Credit, CHFA will accept letters of support from local government entities indicating the intention to provide some monetary, in-kind or other contribution to the proposed project. However, projects that are successful in receiving an award of State Credit must provide CHFA with a written commitment of that contribution from the local government no later than the time of the final application for State Credits. The written commitments must be submitted to CHFA to receive a final allocation of State Credit and an issued State Credit allocation certification form.