transit-oriented communities credit



2027 allocation plan

This plan was adopted by the Colorado Housing and Finance Authority Board of Directors on

November 19, 2026.

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definitions

Allocation

The maximum TOC Credit amount allowable for a project by the allocating agency (CHFA) as documented in the State Allocation Certificate for Transit-oriented Communities Credit

Allocation Committee

The Tax Credit Allocation Committee

Affiliate of Applicant

Any Person or entity who (i) directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with the Applicant; or (ii) owns or controls any outstanding voting securities, partnership interests, membership interests, or other ownership interests of the Applicant; or (iii) is an officer, director, guarantor, employee, agent, partner, or shareholder of the Applicant; or (iv) has an officer, director, employee, agent, partner, or shareholder who is also an officer, director, guarantor, employee, agent, partner, or shareholder of the Applicant or (v) has formed a joint venture with the Applicant with an ownership interest in the project, or (vi) provides turn-key project development services or is a turn-key project developer.

Applicant

The entity that is applying for TOC Credit for a Project pursuant to this allocation plan. The Applicant shall Control the Owner of the Project and shall not be a single purpose entity. Project consultants and other like professionals shall not be considered Applicants.

Application

An Application to CHFA for a reservation or Allocation of TOC Credit. The Application includes all materials provided to CHFA, as required by the applicable checklist, and any additional materials provided to CHFA that are reviewed as part of the TOC Credit process.

Certified Transit-oriented Community

Consistent with 39-22-5502(4)(a), a Transit-oriented Community

Colorado Acts

The Colorado Tax Credit Statutes and the State Land Use Criteria for Strategic Growth Act

Colorado Tax Credit Statutes

Colorado Revised Statutes, Title 39, Article 22 Parts 21 (Colorado Affordable Housing Tax Credit) and 55 (Colorado Affordable Housing in Transit-oriented Communities Income Tax Credit)

Control

The possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities or other ownership interest, or otherwise

CHFA

Colorado Housing and Finance Authority

CHFA Allocation Staff

CHFA staff who are involved in receiving, processing, and reviewing TOC Credit and Housing Credit Applications

CHFA Executive Director

The CHFA Executive Director/CEO or delegated designee

DOLA

Colorado Department of Local Affairs

Federal Credit

federal Low Income Housing Tax Credit

Housing Credit

state credit and federal credit

Letter of Intent (LOI)

Letter of Intent to apply for Housing Credit

Owner

The single purpose entity that is awarded TOC Credit for a project pursuant to this allocation plan and which owns or will own the project; the Owner shall be controlled by the Applicant

Person

An individual, partnership, limited liability company, corporation, trust, or other entity

QAP

Qualified Allocation Plan for the award of federal and state credits, including appendices

State Land Use Criteria for Strategic Growth Act

Article 35 of Title 29 of the Colorado Revised Statutes

TOC Credit Allocation Plan

The Allocation Plan adopted by CHFA governing the allocation of TOC Credit

TOC Credit

Transit-oriented Communities Credit

Transit-oriented Center

A Transit Area that meets the definition of CRS 29-35-202(8), as designated by DOLA

Transit-oriented Community

Consistent with the intent of 39-22-5502(4)(a), a Transit-oriented Community that meets the definition of CRS 29-35-202(11), as designated by DOLA

State

The State of Colorado

State Credit

state Affordable Housing Tax Credit (state AHTC) in Colorado Revised Statutes, Title 39, Article 22 Part 21 (Colorado Affordable Housing Tax Credit)

section 1
Preparation and Administration of the TOC Credit Allocation Plan

Many terms used in this TOC Credit Allocation Plan are defined in the Code, related IRS regulations, and the Colorado Acts. Readers should refer to these materials and related guidance for proper interpretation.

Background

In 2024, to increase affordable housing in Transit-oriented Communities, Colorado created the Transit-oriented Communities Tax Credit (TOC Credit), which provides a tax credit to qualified Owners of low-income rental housing within Transit-oriented Communities to reduce their state tax income obligations. CHFA is the allocating agency for the TOC Credit; and the TOC Credit Allocation Plan governs, among other things, the selection criteria and preferences for allocating the TOC Credit.

The TOC Credit Allocation Plan is approved by CHFA's Board. It is separate from CHFA's QAP that governs the selection criteria and preferences for allocating Housing Tax Credits. However, as outlined below, because an award of TOC Credit will only be made in connection with an award of Housing Tax Credits, a project seeking an allocation of TOC Credits will also need to follow the applicable sections of the QAP.

Public Review/Comment

The TOC Credit Allocation Plan was prepared and made available for review by interested parties before final publication. In addition to receiving and considering input from a Tax Credit Advisory Group and numerous other interested parties, CHFA presented the draft TOC Credit Allocation Plan for public review and comment and encouraged suggestions and comments from the affordable housing industry.

Changes to the TOC Credit Allocation Plan

The TOC Credit Allocation Plan may be amended as to substantive matters at any time following approval by CHFA's Board of Directors after an opportunity for public review and comment. Notwithstanding the foregoing, without the need for public notice, CHFA has the right, in its sole discretion:

- To amend, modify, withdraw, or update any provisions of the TOC Credit Allocation Plan, including attachments or links, that are inconsistent or in conflict with state or federal laws or regulations;
- To resolve any conflicts, inconsistencies, or ambiguities in the TOC Credit Allocation Plan that may come to light in administering, operating, or managing the federal credit and state credit programs;
- To modify or waive, on a case-by-case basis, any provision of this TOC Credit Allocation Plan that is not required by the Code, or the Colorado Tax Credit Statutes;
- To ensure that the TOC Credit Allocation Plan has the flexibility to adjust to changing market conditions or federally declared emergencies, to waive any section of the TOC Credit Allocation Plan (not otherwise required by the Code and Colorado Tax Credit Statutes) that would hinder the ability of CHFA to meet the goals and priorities of the TOC Credit Allocation Plan.

Any change to the TOC Credit Allocation Plan as permitted in this section shall be fully effective and incorporated herein upon the Board's adoption of such amendments except that any amendments, modifications, or waivers that are done on a case-by-case basis are subject to written approval by the Executive Director/CEO, Chief Operating Officer, or Director of Community Development and are available for review, as requested, by the general public.

Limitations

Final interpretations of certain rules and regulations governing various aspects of the TOC Credit program have not been issued, so additional requirements or conditions applying to the federal credit, state credit, and TOC Credit programs may be forthcoming.

While CHFA will assist those applying for an Allocation of TOC Credit, CHFA will not provide tax or legal advice. Further, CHFA relies on information provided by or on behalf of the Applicant and CHFA's review of an Application is solely for its own purposes. CHFA's Allocation of TOC Credit for a project shall not constitute a representation or warranty that the project complies with the Code, Treasury Regulations, the Colorado Acts, or any other laws and regulations governing TOC Credit. No other party, including the Owner, may rely on CHFA's review and/or Allocation as evidence of such compliance as the Owner is responsible to ensure that the project complies with all such laws and regulations.

No member, director, officer, agent, or employee of CHFA shall be personally liable on account of any matters arising out of, or in relation to, the Allocation of TOC Credit.

Disclosure of Application Materials to Third Parties

General

CHFA will post the Letters of Intent (LOIs) and Narratives on CHFA's website and reserves the right to post the full Preliminary Application—including any related attachments and submittals or any portions thereof—throughout the year but after the predecisional period for the affected Application.

Open Records Act Request

All Applications and related materials are subject to disclosure under the Colorado Open Records Act ("CORA"), codified at Colorado Revised Statutes Section 24-72-210 et seq. As part of the Application certification, the Applicant must acknowledge that the Application and all related materials submitted by Applicants constitute public records within the meaning of CORA and may be subject to public inspection and copying. The Applicant must also agree to indemnify CHFA from any claims arising from or related to CHFA's disclosure or nondisclosure of materials submitted to CHFA related to the Application.

Note

Except for narratives and LOIs which may be posted on CHFA's website at any time, it is the practice of CHFA to not release any Application materials in the predecisional period during which the Application is being considered and prior to the announcement of the projects to receive an Allocation of TOC Credit.

section 2
Eligibility Requirements

Below are requirements for eligibility to apply for TOC Credits.

2.A
Eligibility

For projects to qualify for the TOC Credit the following criteria must be met:

- Located in a Transit-oriented Center within a Transit-oriented Community.
- Contemporaneous award of federal and state credits or
- Application for federal 4 percent credit in July

section 3
TOC Credit Application and Allocation Process

All TOC Credit requests are subject to this TOC Credit Allocation Plan and reviewed by CHFA and must meet the applicable requirements of the Code and the Colorado Acts.

Misrepresentations of any kind will be grounds for denial or loss of the TOC Credit, Housing Credits, and may affect future participation in Housing Credit programs in Colorado.

Overview of TOC Credit Allocation Process

Because the TOC Credit will only be awarded with a contemporaneous award of Housing Credits, the TOC Credit process will generally defer to the Housing Credit Process. Unique to the TOC Credit Process:

1. Preliminary reservation – CHFA provides a Preliminary Reservation documenting the reservation of TOC Credit to a project awardee.

2. TOC Credit Placed-in-Service Documentation, LURA – Once the project places in service and the Applicant meets the requirements of the QAP's Placed-in-Service Documentation for the Housing Credits, a LURA incorporating the federal, state, and TOC Credit requirements will be executed and recorded.

3. Final Allocation Application including cost certification, Colorado Allocation Certification – Once the QAP and TOC Credit Allocation Plan requirements for the Final Application process are met, CHFA will issue a Colorado Allocation Certification form (similar to the IRS Form 8609) for the project.

3.A
Pre-preliminary Application Requirements

Letters of Intent

Applicants shall indicate on the Letter of Intent for Housing Credit as described in the QAP, the intention to apply for TOC Credit and the anticipated TOC Credit award amount.

3.B
Preliminary Application Requirements

3.B.1
Form of Application

All Applicants must submit using the latest Application and templates. Applicants must follow the applicable Preliminary Application checklist located on CHFA's website.

3.B.2
Application Dates and Available Credit

Application submittal dates follow dates described in the QAP. A total of $2 million in annual TOC Credit will be available for 2027.

3.B.3
Document Submittals

CHFA checklists, templates and Application are located on CHFA's website. All documents must be uploaded to CHFA's secure file delivery site. See checklist for set-up instruction.

3.B.4
Preliminary Application Documents

For Preliminary Application submittals, the Application package must include all the documents listed in the Preliminary TOC Credit Application Checklist.

- Certification of site eligibility from DOLA for TOC Credit
- Narrative describing impact of TOC Credit for Application including features related to cost or design
- A complete Application for federal and state credits, if applicable, as described in the QAP

3.B.5
Application Review and Clarification Letter

Upon submission by the Applicant and review by CHFA of the above information, CHFA Allocation Staff may send a "clarification letter" to the Applicant, requesting the Applicant to answer questions and/or address any issues or concerns related to the TOC Credit.

3.C
Award Approval

An award of TOC Credit is contingent upon a contemporaneous award of federal and state credits or, if applicable, award of federal 4 percent credit. Staff will present the proposed projects to that Allocation Committee, who will determine whether to recommend approval to the CHFA Executive Director.

3.D
Allocation Process

3.D.1
Preliminary Reservation

TOC Credit projects that receive approval from the CHFA Executive Director are given a Preliminary Reservation Letter of TOC Credit. The determination as to compliance with the TOC Credit Allocation Plan shall remain valid and effective through the end of the third year after the issuance of the Reservation Letter. Because the TOC Credit Allocation Plan may be amended from time to time, if the project is not placed in service by that date, it will be necessary to reevaluate compliance with the then-current TOC Credit Allocation Plan.

3.D.2
Placed-in-Service Documentation

Placed-in-Service Documentation will be required as described in the QAP for Housing Credits.

3.D.3
Final Application Process

The Final Application Process will be required as described in the QAP for Housing Credits.

3.E
LURA

CHFA requires that a project be subject to a Land Use Restriction Agreement as described in the QAP and that any requirements related to the TOC Credit be incorporated.

3.F
Additional Credits

Applicants may not apply for an increase in TOC Credit amounts after Preliminary Award.

3.G
Transfers of Reservations

Transfers of Reservations are described in the QAP.

3.H
Maximum Credit Award

CHFA will accept Applications for $1,200 per unit or a maximum of $200,000 of annual TOC Credit, whichever is less, contemporaneous with Application for federal and state credit for any one eligible Project.

CHFA will accept Application for $650,000 of annual TOC Credit, contemporaneous with Application for federal 4 percent credit for any one eligible Project or any one Applicant or Affiliate of such Applicant. If multiple applications are received while credit is available, CHFA will present all to the Tax Credit Allocation Committee in a competitive process for approval.

3.I
Determination of TOC Credit Amount

The determination of the TOC Credit amount follows the Code requirements as described in the QAP.

3.J
Calculation of TOC Credit Amount

The TOC Credit amount calculation will be subject to a three-test method that is like the Federal Credit Method described in the QAP. Please refer to the Excel Application for the TOC Credit calculation.

3.K
APR for TOC Credit

The APR for new construction and rehabilitation with the total five-year allocation of TOC Credit is 30 percent of Qualified Basis. This APR should be reflected in the Application.

section 4
Underwriting Criteria

The TOC Credit follows the minimum underwriting standards as described in the QAP.

section 5
Fees

See CHFA website for the Fee Schedule. Fees will be assessed for the following processes and are non-refundable.

5.A
Preliminary Reservation Fees

Application Fee

An Application fee is due with the Submission of the Preliminary Application. The fee also applies to resubmittals of Applications.

With respect to its programs, services, activities, and employment practices, Colorado Housing and Finance Authority prohibits unlawful discrimination against applicants or employees on the basis of age 40 years and over, race, sex, sexual orientation, gender identity, gender expression, color, creed, religion, national origin, ancestry, disability, military status, genetic information, marital status or any other status protected by applicable federal, state or local law. Requests for reasonable accommodation, the provision of auxiliary aids, or any complaints alleging violation of this nondiscrimination policy should be directed to the Nondiscrimination Coordinator, 1.800.877.2432, TDD/TTY 800.659.2656; CHFA, 1981 Blake Street, Denver, Colorado 80202-1272; chfainfo.com/nondiscrimination, available weekdays 8:00am to 5:00pm.