

chfa 4 percent pab pool



2021 Guidelines and FAQs

CHFA is proud to support its mission of affordable housing and community development using a variety of innovative resources including Private Activity Bonds (PAB). To assist our partners and customers, CHFA has created a PAB Pool for 4 percent housing credit projects seeking PAB volume cap in 2021. Please review all guidelines and CHFA's QAP prior to submitting a CHFA PAB Pool Letter of Intent (LOI).

CHFA is not alone in deploying PAB to support statewide needs. In 2021, DOLA-DOH allocated \$304.7 million in PAB to local city and country issuers. To view a list of all 2021 statewide issuers, [click here](#).

What are CHFA's goals for the 4 percent CHFA PAB Pool?

- To make available a pool of CHFA PAB volume cap resources to support 4 percent housing credit projects
- To reserve and issue CHFA PAB Pool resources for shovel-ready projects
- To increase the affordable housing inventory in Colorado

What is the total amount of PAB available for the 2021 Pool and when can I apply?

- \$375 million
- CHFA will accept applications for 4 percent housing credit projects seeking CHFA PAB Pool volume cap by 5:00pm MT time on the first business day of each month from March 2021 to November 2021.

Is the 4 percent CHFA PAB Pool first come, first served?

- Yes. The CHFA PAB Pool is a "first come, first served" model.
- CHFA PAB Pool availability and reservations are posted on [CHFA's website](#).

If CHFA reserves all 2021 CHFA PAB Pool volume cap, can I still submit an LOI and application in 2021 to get on the waiting list for the 2022 CHFA PAB Pool resources?

- No. CHFA is not creating a waiting list.
- If CHFA reserves all 2021 CHFA PAB pool resources in 2021, sponsors can apply in 2022 for the 2022 CHFA PAB Pool.

What types of 4 percent housing credit projects can apply?

- New construction, existing projects without housing credits, and existing housing credit projects in Year 25 or later of their extended use period may apply.
- Existing housing credit projects serving special need tenant populations or homeless in Year 16 or later of the extended use period may apply.

How much CHFA PAB Pool volume cap can I apply for?

- CHFA will limit PAB to no more than \$175,000 per unit.
- CHFA will limit multifamily private activity bonds to no more than 55 percent of the aggregate basis.

How do I apply?

- Per the [QAP](#), CHFA requires a 4 percent Letter of Intent, which is due 45 days prior to submitting a housing credit application.
- A concept meeting with CHFA staff is required in advance of submitting a 4 percent housing credit application.
- To apply for 2021 4 percent CHFA PAB Pool volume cap resources, please submit a [CHFA PAB Pool LOI](#).

Is there a cost to apply for the CHFA PAB Pool?

- Yes. A \$10,000 nonrefundable CHFA PAB pool reservation fee is due at time of reservation. CHFA will forward an invoice to the applicant.
- CHFA charges issuer fees at construction loan closing and bond issuance. Please see [CHFA issuer fees here](#).

How will CHFA drive shovel-ready projects?

- Applicants are expected to close by the construction loan closing date stated on the initial preliminary 4 percent housing credit application.
- Applications will not be accepted if the construction loan closing date stated is more than 12 months from the date of application.
- Applications that do not meet threshold will have 24 hours to resolve. If threshold is not met, the application will be placed on hold until the next month unless that month is December (and subject to PAB availability).
- Reservations of CHFA PAB pool volume cap will expire 10 business days after the construction loan closing date stated on the initial preliminary 4 percent housing credit application.

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What if my project needs an extension of the volume cap reservation?

At CHFA's sole discretion, a one-time 30-day extension of a project's PAB pool reservation may be available (subject to an extension fee).

In the event demand exceeds supply, how will CHFA determine which projects to support with PAB Pool volume cap?

CHFA staff will consider a variety of factors including (but not limited to):

- Date of construction closing
- Zoning/entitlements
- Construction drawings/pricing
- Financing commitments
- Amount of PAB per unit
- Market conditions
- Site suitability
- Proximity to existing housing credit units
- Financial feasibility
- Developer track record
- Does the project increase the affordable housing stock in Colorado?

I didn't attend the CHFA PAB Stakeholder Meetings. Where can I review the slides from the meeting?

The slides are posted [here](#) on our website.

Will CHFA have a PAB Pool in 2022?

CHFA's intent is to have a similar pool of PAB volume cap available for projects in 2022. CHFA will evaluate 2021 program effectiveness and continue to seek stakeholder input to inform the 2022 PAB Pool guidelines and processes.

What if my project is not participating in the CHFA PAB pool?

All other sponsors applying for 4 percent housing credits will be asked to provide the following as part of a complete application.

- An inducement resolution from another PAB issuer in the state indicating that they will be issuing the bonds sufficient to support the project; or
- A transfer of volume cap to CHFA from another issuer(s) sufficient to support the project.

Will the 2021 State AHTC + 4 percent housing credit awardees be subject to the limitations of the 2021 4 percent CHFA PAB Pool?

No. CHFA will prioritize available PAB volume cap to support those developments without access to PAB and awarded state Affordable Housing Tax Credits (state AHTC) through a competitive allocation process.

What if I still have questions?

Please contact:

Shannon Friel
PAB Manager
303.297.7387
sfriel@chfainfo.com

Kathryn Grosscup
Manager, Housing Tax Credit
303.297.7368
kgrosscup@chfainfo.com

CHFA reserves the right to manage, operate, and administer the 4 percent PAB Pool, in its sole and absolute discretion, as it deems appropriate. CHFA may implement, amend, modify, withdraw, change, update, or waive any rules and requirements for the 4% PAB Pool applicants, projects, or reservations without the need for public notice or input. Notwithstanding anything to the contrary, CHFA reserves the right, in its sole and absolute discretion, at any time and for any reason, to i) allocate or not allocate any amount of the 4% + State AHTC PAB Pool and 4% PAB Pool; ii) reject or deny any application(s); and iii) not reserve or allocate PAB to any applicant or project.

800.877.chfa (2432)
800.659.2656 tdd

www.chfainfo.com/pab



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