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## Summary of Proposed 2021-2022 QAP Changes – Second Draft as of 10/14/2020

### Definitions

Additions and updates.

### Guiding Principles

Add language to this section that promotes equity and economic mobility.

### General - Adopt a 2-year QAP

Adopt a 2-year QAP that will be effective January 1, 2021 through December 31, 2022.

### Section 3 – Thresholds – additions and updates

#5 - Program Compliance review will include any outstanding or incomplete document submissions.

#9 - Property Condition Assessment (PCA) – must cover a period of no fewer than twenty years.

#11 - Require all applications to include air-conditioning/evaporative cooling.

#12 – Energy Efficiency – change to require all Applicants to certify directly through their selected energy program.

#15 – Public Hearing requirements for State Credit applications – refer to Guide posted on the website.

#17 – Existing Housing Credit Project Requirements (Competitive Credits only) - Projects must be in year 25 or later, or unless proposing a minimum of 50% expansion with newly constructed units.

### Section 3 – Threshold for Competitive Credits

Remove eligibility to apply for competitive credit (9% & AHTC) for existing tax credit projects unless in year 25 or later of their extended use period except for Homeless and/or Special Needs projects and except for project that will increase by 50% with new construction units.

### Section 3 – Placed-in-Service Application

Required documentation must be submitted to CHFA within 45-days after the first building places in service.

### Section 3 – State Credit Milestone

Require a new milestone for projects awarded State Credits (AHTC): submit an application package for review within 18 months of award. Applicants will be limited by the maximum state credit amount until this milestone is determined by CHFA to be met.

### **Section 3 - Developer Fee Limits**

Cap developer fee from increasing after initial award for 4% federal applications.

Reduce acquisition costs by 50% in the calculation of the developer fee except for Homeless and/or Special Needs projects.

### **Section 3 – Maximum Credit Award**

Provided additional information on Turn-key Project Services in relationship to maximum credit award.

### **Section 3 – Determination of Tax Credit Amount**

Added – scope of work requirements.

Added – reduction of 50% of Acquisition cost in developer fee calculation.

Added – cap developer fee increases on all awarded projects.

Added – example in calculating the eligible developer fee boost for projects serving homeless/special needs.

### **Section 5 – Revise Scoring Criteria**

Applicants claiming to meet the Homeless or Special Needs priority must meet the respective scoring criteria in Section 5 (Secondary Scoring Criteria).

Revise points from projects of 50 units and under to projects in non-metro counties with populations of 180,000 or fewer to align with QAP Priority.

Applicants claiming points for preservation of an existing Housing Credit development must be in their 25<sup>th</sup> year or later of their extended use.

### **Section 6 – Fees**

Fee schedule can be found on the website.

Added fee for the State Housing Credit Milestone review.

Added fee for awarded 4% projects changing to Average Income at Final application.

Changed – fee for name changes to projects after tax credit award for 4%, after Carryover for 9% and after Milestone for State Credit.

### **Section 8 – Energy Efficiency and Sustainability Requirements**

EV-Ready requirement Exempt Acquisition/Rehab projects from meeting the requirement.

Updated to direct applicants to certify through their selected energy program.

For those with applications in process and eligible for self-certification through CHFA, may continue with EGC workbook through Final application.

### **Section 10 Qualified Contract Process**

Added – Owners who make a formal Qualified Contract Request to CHFA will no longer be eligible to apply for Housing Credits in Colorado.

### **Section 11 – Section 42 Compliance Monitoring Process**

Updates to document submission instruction, Inspection and Review Provisions, Rent Increase Restrictions, links and references to resources on website, and added 'Actual Usage and Rate Estimate' as an approved source under Utility Allowance.

### **Checklists**

Checklists will be posted separately on the website only for easier access.