



*financing the places where
people live and work*

1981 Blake Street
Denver, Colorado 80202

colorado housing and finance authority

303.297.chfa (2432)

800.877.chfa (2432)
toll free

303.297.7305
tdd

www.chfainfo.com

Recommended Changes to the 2011 QAP

1. Criteria for Approval

a. Experience and Track Record of the

Development Team - Clarification was provided on CHFA's evaluation of the experience and track record of the development team including the developer and/or sponsor and management agent. To the extent possible, CHFA will review the financial strength of the existing portfolio of the developer, sponsor, and management agent as well as the overall record of compliance with all applicable affordable housing programs. Compliance includes, but is not limited to, submission of required fees, reports, and documents within the required timelines and timely response to outstanding compliance items from management reviews and inspections.

b. **Total Project Costs per Unit** – Language was added to this section clarifying that CHFA is not awarding credits solely to the projects with the lowest costs. Rather, CHFA will review the cost reasonableness of each project taking into consideration factors such as the project location, size, type, populations served, and the availability and use of other funding sources.

2. **Preliminary Reservation** - The make-up of the Tax Credit Committee was revised to include CHFA's Chief Financial Officer as a voting member of the committee. This section was also revised to state that the Tax Credit Committee is the body that makes the approvals of reservations and initial determinations of low income housing tax credits rather than the Executive Director/CEO.

3. **Set-Asides** - A set-aside of up to \$1.25 million in annual credit has been requested for the second phase of the South Lincoln Homes redevelopment project, sponsored by the Denver Housing Authority, (DHA). DHA is applying for a HOPE VI award of \$22 million for this multiple phase



redevelopment project located near the 10th and Osage light rail station. The set-aside is requested over a five year period, with up to \$1.25 million in annual credit per year being set aside for five years in order to assist DHA in providing adequate financial leverage to help ensure the success of their HOPE VI application. The total project costs are estimated at \$110 million.

If DHA is successful in securing HOPE VI funds, it will proceed with this project which will transform the existing South Lincoln Homes with its deteriorating and obsolete public housing buildings to a mixed income and multiuse community with 345 affordable units including new public housing and LIHTC units, market rentals, and for-sale units. The project will be built in phases to allow the existing residents to transfer to a new unit at the site without being displaced. All reservations of tax credits for this project will be subject to meeting the requirements of the QAP.

4. **Primary Selection Criteria - Targeting 30% AMI or below** – This section now states that in order to score points for 30% AMI units, the project must have local, state, or federally funded project-based rental assistance or operating subsidies.

5. **Fees**
 - a. **Preliminary Application Fee** - The option of paying a reduced fee for resubmitting an application in a subsequent round has been eliminated. An application fee of \$2,500 will be charged for all preliminary applications including re-submittals of applications in subsequent rounds.

 - b. **Additional Credit Request Fee** – An additional fee of \$1,000 will be assessed for requests of additional credit above and beyond the initial reservation credit amount. This fee will not apply to de minimus increases in credit due to changes in the applicable percentage rate or to increases in credit for projects financed with tax exempt bonds.