

1. Criteria for Approval

- a. **Experience and Track Record of the Development Team** - CHFA will evaluate the experience and track record of the development team which includes the applicant and/or sponsor, management agent, CPA, attorney, architect, and general contractor.

The following criteria will be considered in evaluating the applicant's experience and track record. Additional consideration will be made for applicants that may not meet all of the criteria below who partner with experienced LIHTC developers or consultants.

Experience and Track Record Criteria:

- The applicant's and/or sponsor's ability to demonstrate sufficient capacity and financial stability to construct and operate the proposed project.
- The development team's experience in developing and operating projects similar to the proposed project.
- The applicant's and/or sponsor's track record of completing affordable housing projects within the required timeframes and within the established budget. Applicants that do not have a record of consistently requesting additional credits (supplemental credits) may be viewed more favorably in the competitive process.
- The applicant's and management agent's experience and track record of marketing and leasing affordable housing units on a timely basis.
- The development team's track record regarding compliance with affordable housing programs and other programs administered by CHFA. CHFA will evaluate the development team to identify if it has a history of chronic and/or substantive noncompliance with CHFA, other state agencies, lenders or tax credit investors. Compliance includes but is not limited to submission of fees, reports and required documents within the established 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 to clarify how CHFA will evaluate the total project costs per unit. CHFA will evaluate the cost reasonableness of a project considering the costs per unit and tax credits requested per unit as well as other factors such as the location of the site, the size and type of project, the populations to be served and the availability and use of other funding sources.
2. **Application Submittals** – The total annual credit available for 2011 reservations has been increased to \$12.2 million due to returned credits from 2010.
3. **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 reviews the applications and approves projects for recommendation to the Executive Director/CEO.
4. **Set-Asides** –In 2011, a multiple year set-aside is being provided for two proposed HOPE VI projects: one in Denver sponsored by the Denver Housing Authority, (DHA) and one in Pueblo sponsored by the Housing Authority of the City of Pueblo, (HACP). The sponsors are applying for HOPE VI funding from HUD in November, 2010 for the redevelopment of two aging public housing projects: South Lincoln Homes located at the 10th and Osage light rail station in Denver and the Sangre de Cristo project near the Fairgrounds in Pueblo. The sponsors have indicated that the set-asides would allow them to confirm in their HOPE VI applications that they have sufficient financial leveraging of the HOPE VI funds which will help them compete more successfully for an award.

The set-aside is being provided for these projects due to the following expected benefits to their communities and the entire state:

- Bringing in millions of federal dollars that would otherwise not be available to the state;
- Preservation of affordable public housing by transforming aging and obsolete public housing projects into vibrant mixed use developments;
- Increasing the number of affordable housing units in the area;
- Bringing in a number of additional housing choice vouchers that the housing authorities can assign to other housing projects.

The set-aside amounts are as follows:

- South Lincoln Homes sponsored by DHA - up to \$1,050,000 in annual credit per year for five years;
- Sangre de Cristo Apartments sponsored by HACP – up to \$800,000 in annual credit per year for five years.

The above set-asides represent the maximum amount of credit that could be reserved for each project per year. Each application for credits will be subject to all of the requirements of the corresponding year's QAP including the requirement that no more credit will be reserved for the project than CHFA determines is necessary for the project's financial feasibility and viability as a low income housing project.

The set-aside amount will also be subject to the projects receiving a HOPE VI award in 2011. It is expected that HUD will announce the HOPE VI awards in the spring of 2011. If the sponsors receive an award, they plan to apply for credits in the second round of 2011. If either sponsor does not receive a HOPE VI award, the set-aside for their project will be withdrawn and the credits will be added to the available credits for future rounds of applications.

5. **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 resubmittals of applications in subsequent rounds. A fee for supplemental requests will also be charged in the amount of \$1,000.