

Exhibit B

2012 Public Comments Concerning the LIHTC Program

	Comments	CHFA Response	Action Taken
1	Comments on CHFA's Allocation Award Process		
1.a.	Without some form of objective scoring and subsequent analysis, the entire process is shrouded in secrecy. Sorry, but CHFA is very, very subjective in its awarding and the subsequent explanations given for why a project did NOT receive an award of TCs. Why have scoring if it really doesn't matter other than threshold? If you want to be truly transparent, just go with 100% objective scoring. It's the fairest, easiest, most transparent way to do it.	CHFA used a point system for many years and staff found that this didn't always result in the best projects. At times applicants would add points to their applications for things that didn't make sense for their project or that they wouldn't follow through with in order to score higher points to secure a reservation.	No action taken.
1.b.	Leaving the final decision up to the board as to who gets allocated transfers the award process from objective to subjective. While using a straight scoring system may lead to CHFA not getting exactly all the deals it want's it would improve the transparency and ensure that the award process is objective.	CHFA has found the current subjective process of selecting projects for awards more thoughtful and successful than the point system that was used in the past.	No action taken.
1.c.	Good and getting better. Continue to provide timely and consistent feedback to applicants before and after each round. Because final decisions are subjective and by committee, you will never achieve complete transparency.		CHFA LIHTC staff will continue to evaluate the process and make improvements.
1.d.	It would be good to know how much weight applicant presentations carry in the selection committee's decision-making process.	The applicant presentations provide the applicant with an opportunity to get in front of the voting committee members and respond to any concerns or questions the committee members may have about the project. Section 2 of the QAP explains what is considered in the decision making process.	CHFA will continue to communicate with applicants to provide clarity around the decisions that are made.
1.e.	Better now with interviews and non-applicant participants on the committee.		
1.f.	They process works well for us, so we can't recommend any changes.		

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1.g.	It is good and getting better. Because final decisions are necessarily subjective (decisions are not based on highest ranking), I don't believe you will ever achieve complete transparency. Continue to provide timely and consistent feedback to applicants before and after each round.		
1.h.	CHFA does an excellent job especially considering you have 4-5 applications for each one that gets approved. You definitely get the feeling that every application gets a thorough consideration even if they are not selected and that is very important. Getting feedback as to what could improve an application is very helpful as well.		
2	Comments on Priorities		
2.a.	Every housing market has pent up demand - hard to treat anything below a 5% vacancy differently.	CHFA staff has discussed this further with market analysts and other industry experts and reviewed market data.	This priority has been revised as follows: Primary market areas where the overall LIHTC vacancy rates are less than 4 percent and market rate rental vacancy rates are less than 5 percent for three of the previous five quarters.
2.b.	Vacancy rates are not a true representation for Section 8 projects due to the timing of certifying residents under the program.	CHFA has changed the language for the Pent up Demand Priority as a result of this input.	See above.
2.c.	The new priority: Market Areas of Pent Up Demand should specify a minimum period used to support the pent up demand. For example, add language that states; vacancy rates less than 4% for 4 consecutive quarters, or similar.	See above.	See above.
2.d.	Pend up demand priority - should show a trend over time.	See above.	See above.
2.e.	Leave TOD as a priority.	We agree.	TOD remains a priority.

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2.f.	Expanding TOD to include high frequency bus lines is good for other communities.	Many other communities/small towns and rural areas don't have high frequency bus lines and therefore would not qualify for this priority. Projects in these other communities, however may qualify for other priorities such as Pent-Up Demand and Counties with populations less than 175,000.	While the second and third drafts of the 2013 QAP did include high frequency bus lines as a part of the TOD definition, the final draft does not.
2.g.	Commend CHFA for expansion of TOD priority. This will have a meaningful impact. Please keep the addition of w/in 1/2 mile for light rail and w/in 1/4 for high frequency bus stop.	While CHFA did respond to this input by increasing the range around light rail to within ½ mile, (as opposed to within ¼ mile) of a fixed rail station that exists or is under construction, it choose to remove high frequency bus lines as a part of the definition in order to focus on encouraging development of affordable housing close to light rail while it remains feasible. The TOD priority definition will be revisited this year and may change for 2014.	The final language for the TOD priority is as follows: Projects within this category are within one half of a mile of a fixed rail station that is existing or under construction at the time of the LIHTC application.
2.h.	I don't agree with making a TOD site a priority, UNLESS it is limited to urban applications. I also don't agree with putting acq/rehab of existing affordable properties ahead of new construction in communities that need new construction. Acq/rehab of existing affordable properties generally rewards owners for not funding their replacement reserves and/or deferring maintenance in favor of profits or collection of developer fees.	See above for TOD priority. Acq/rehab projects are not put ahead of projects meeting a need for new construction. The priorities are not ranked in terms of preference. Generally, the purpose of the Acq/rehab priority is to encourage preservation of existing affordable projects that may be in danger of converting to market-rate or to improve existing projects that are in need of upgrades or have become obsolete due to the age of the project.	See above for TOD priority. No action taken for Acq/Rehab priority.

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2.i.	CHFA's proposed requirement for special needs/homeless projects to have at least 33% of the units serving special needs/homeless households conflicts with HUD's 25% maximum requirement for the same.	CHFA has changed the language for the Pent up Demand Priority as a result of this input.	In order to avoid conflict with HUD programs, CHFA's final language for this priority is as follows: Projects serving these populations should provide supportive services to help maintain or increase independence. Further, applicants can now earn 5 points based on a minimum of 25% of the units in a project serving tenant populations with special needs. The 25% minimum may be reduced if any federal or state regulations restrict the number of special needs units in a project.
3	Comments on Set-Asides		
3.a.	There probably should be additional set-asides. This should be a separate discussion held at a time when the QAP update is not already drafted and under review.	CHFA does not plan to allow additional set-asides for 2013.	No action taken.
3.b.	No more set-asides at this time.	See above.	See above.
3.c.	Outside of the 10% set aside for 501c3 organizations, CHFA should have a clear set of approval criteria that guide the selection of set-asides as well as a distinct application process for others who would have a worthy cause deserving a set-aside. Does the 501c3 community know about the 10% set-aside? Outreach to this group across the state could spur more application by 501c3s and make it easy for CHFA to fulfill this obligation.	The 10% set-aside for 501c3 organization is a federal requirement for all State allocations and is included in the QAP. Typically, CHFA receives applications from 501c3s each year far exceeding 10% of the credits available and usually awards more than 40% of the credits to nonprofit organizations.	No action taken.
3.d.	No more set asides!	CHFA does not plan to allow additional set-asides for 2013.	No action taken.
3.e.	A set-aside for rural is necessary to create an incentive to develop in small communities. This would help create outreach that LIHTC is available for these communities.	CHFA will revisit the set-aside issue for 2014 to determine whether it makes sense to provide a rural set-aside.	CHFA will discuss this with it's Tax Credit Advisory Group and if necessary, will convene a subcommittee with other stakeholders as well.
3.f.	Rural set-side is needed. It's an economic development issue.	See above.	See above.
3.g.	Set-aside for rural areas and smaller communities - not a fair distribution of credits to Western Slope currently.	See above.	See above.

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3.h.	CHFA used to have a rural set-aside - without this rural deals are more difficult.	See above.	See above.
3.i.	As you have undoubtedly noticed, there are few truly rural projects. When you had 30 and under as a point category and awarded these smaller projects and also had special category for USDA-RD 515, you had a lot more rural applicants. Now with the emphasis on other areas, it may be time to return some set-aside to projects serving residents in communities less than 25,000--perhaps proportionate to the total vs less than 25,000 population.	See above.	See above.
4	Comments on Underwriting Criteria, Development Costs, etc.		
4.a.	My only objection to underwriting criteria is, and always has been, that the forced 2% growth of income and 3% growth of expenses ALWAYS creates a situation where the property falls under the minimum DSCR, and consequently we have to start way above the maximum DSCR to show any project viability. Additionally, the proforma rents and expenses are just that - - a snapshot projection - - not set in concrete.	The 2% growth of income, 3% growth of expenses, and 15-year proforma are industry standards that are applied by investors, lenders and other funding providers. However, CHFA does consider exceptions if the applicant can provide information that supports it.	No action taken.
4.b.	Appreciate the latitude to address diverse costs around the state; however this tends to push costs up; we are guiding in higher quality and need to reign in costs by using HUD's per unit as a baseline. Also, developers are giving CHFA one set of numbers (in their applications) and give us (other funding providers) different numbers. We need to force developers to be accountable, especially with amenities.	CHFA reviews cost data on an annual basis to determine whether to make any changes to the cost basis limits in the application. Costs to develop housing does vary in certain areas of the state. CHFA does take these variances into consideration; however, all applicants are expected to justify costs that are higher than what is typically seen.	CHFA continues to communicate with other funding providers to share information.
4.c.	(Costs) are difficult to balance when market study compares our proposed project with others in the area. If we aren't competitive in the market, we won't get done.	CHFA staff reviews the proposed amenities as well as the cost estimate - on the rare occasion that there appears to be excessive high costs, staff will address the concerns with the applicant.	CHFA continues to consult other industry standards, other state allocating agencies, funding providers, etc. to help ensure that its policies in considering costs of proposed projects are reasonable.

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4.d.	The state has incredible pent up demand for affordable housing. Maybe we don't need to do all of the amenities. Lower AMI units are needed which also lowers the income for the property, yet deals need to be successful for the long term.	See above.	See above.
4.e.	We need to pay attention to balance need of community.	See above.	See above.
4.f.	CHFA already has a cost basis cap. I'm not in favor of an additional cap. We need to get a way from the perception of cheap housing, must stay current with market and amenities that will be needed in future. Each locality has different infrastructure, land costs, etc.	See above	See above.
4.g.	Groups complain about having to use their funds to create affordable housing. Boulder has minimum requirements.	See above.	See above.
5	Comments on Selection Criteria and Points Earned		
5.a.	LIHTC legislation was not intended to serve extremely low income households - - Congress recognized that was the purpose of public housing. This focus ends up with developers trading points for practicality. Why award 5 points for an area that has an "identified need or TOD site"? Smaller communities can talk about their need without the expense of hiring a consultant and going through an expensive formal process to identify that need - - and they do not have TOD sites. Why give non-profit developers a 5 point edge in scoring. We have always partnered with a non-profit, shared the fees and the decision and design making process and usually hire them for the management. They end up with ownership ultimately, without risk of financial or tax credit guarantees. Their boards think that's a pretty good deal, so why penalize us by awarding a "sole general partner" who happens to be a nonprofit with 5 extra points. Is the Project Characteristics section suggesting that you award 5 points for rehab of blighted buildings, and then an additional 15 points if that project is a Preservation project? The 10 points for mixed income is too many points. Its difficult to make mixed income work in small, rural areas because of the increased amount of debt that must be utilized in place of tax credits.		CHFA will be revisiting the points section of the QAP and may consider changes to this section in 2014.
5.b.	Doesn't really seem to be relevant, just a box to check, so never worked at too hard ... doesn't really guide our decision making.	The significance of the points is to help ensure that projects are meeting CHFA's threshold requirements in order for the applications to be accepted for consideration.	No action taken.

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5.c.	<p>Research points to a strong tie between the economic success of affordable housing residents and the proximity of services/amenities (either integrated within a housing development or outside but surrounding the housing development.) The research shows this is a stronger tie than the correlation between economic success of affordable housing residents and proximity to higher-income households. As a powerful driver of affordable housing generation in the state; I'd be interested in seeing CHFA's LIHTC selection policies more explicitly encourage development/acquisition of affordable housing that is the most closely integrated with amenities and services (including transit [beyond the close definition of TOD development], areas of job growth and job availability, shopping, medical services, community gathering opportunities, etc.) In urban/suburban areas, this goal might encourage better integration with the urban fabric and encourage development in urban hubs. I'd also like to see energy put toward ways to explore and solidify affordable housing's role as a player in the complex job of promoting economic development/redevelopment that benefits those with lower and moderate incomes.</p>	<p>Site Suitability is one of the seven Criteria for Approval (Section 2 of the QAP), in CHFA's review and approval process. Site Suitability includes proximity to amenities and services such as schools, shopping, public transportation, medical services, parks and playgrounds, etc. This is an expectation for all projects in order to successfully compete for credits.</p> <p>The National Home Builders Assoc. did a study in 2010 indicating the economic benefits of LIHTC housing to its surrounding communities in the Denver-metro area.</p>	<p>No action taken.</p>
6	Comments on Possibility of a 2-Year QAP		
6.a.	<p>Seems as though CHFA could do a 2-year QAP.</p>	<p>Given potential changes to federal laws that impact LIHTCs, CHFA does not plan to have a 2-year QAP in the near future.</p>	<p>No action taken.</p>
6.b.	<p>Would have a caveat for a 2-year QAP if there were any set-asides.</p>	<p>See above.</p>	<p>See above.</p>
6.c.	<p>A 2-year QAP may be too limiting. Would CHFA have the ability to make changes as necessary with tax reform, etc?</p>	<p>See above.</p>	<p>See above.</p>
6.d.	<p>A 2-year QAP could be a disservice to participants, by not being able to respond to evolving changes. Seems unrealistic.</p>	<p>See above.</p>	<p>See above.</p>

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7	Comments on Enterprise Green Communities		
7.a.	As local codes are implementing stricter requirements, Enterprise standards may become redundant.	CHFA has convened a Enterprise Green Communities Subcommittee to discuss these challenges and potential solutions to implementing Enterprise Green Communities and/or other green build standards.	CHFA will consider input from its Enterprise Green Communities subcommittee and other sources for potential changes in the 2014 QAP.
7.b.	Consider making Enterprise Green Communities a points requirement rather than a threshold requirement for all projects.	See above.	See above.
7.c.	Some of the Enterprise Green Communities criteria add complications, time, and money that may not be necessary.	See above.	See above.
8	Comments on CHFA's Excel Application		
8.a.	A different integration between the actual application and the intended methods spreadsheet would be helpful. Can everything be placed inside the actual application?	CHFA did feel it was necessary to have a separate workbook for the Enterprise Green Communities (including the intended methods) criteria. However, the workbook has been simplified to allow for updates at the carryover and final phases of the project.	The Enterprise Green Communities portion of the application has been revised.
8.b.	Certain parts of the application, such as the basis boost, can be complicated to track, but all in all it is effective.		CHFA has simplified the basis boost portion of the application.
8.c.	While there is room for improvement, the excel app works pretty well and compared to applications in other states is ahead of the curve.		CHFA is working on some improvements and revisions to the overall application for 2013 in addition to the actions described above.
8.d.	I don't work on the application directly, rather hear second hand from staff that it is relatively easy and has been predictable over time.		No action taken.

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9	Comments about CHFA's Customer Service		
9.a.	I have mixed feeling about staff - I had one great experience and one not so good this past round - and its frustrating.	CHFA is always open to receiving comments or concerns about customer service related to a department or specific staff member. Specific concerns can be directed to a member of CHFA's leadership or by clicking on the Comments/Concerns? link from the address below: http://www.chfainfo.com/contact/	CHFA LIHTC staff continues to strive to provide excellent customer service and improve the allocation process.
9.b.	Your department provides terrible service. It takes weeks months to get a response and then told you do not qualify. Then have only five days to reply if you agree or disagree. I have left voice mails for weeks months and only one call back. I left voice mail on a manager's phone, stating there will be a return call in 48 hours, which has never happen 2 weeks later. The state services are terrible, no company can take months to reply to requests.	See above.	See above.
9.c.	They are always very pleasant and courteous.		See above.
9.d.	Worried about staff's ability to process 4% applications as the market improves but competition for 9%'s stays so high.		CHFA added a full time staff member to its LIHTC Allocation department and continues to look for improved efficiencies to handle the increasing volume of applications.
9.e.	12 to 15 deals is a lot of demand on CHFA's LIHTC staff.		See above.
9.f.	CHFA staff is very open and honest and gives very good feedback which is very appreciated as a development consultant.		

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9.g.	Staff has always been very responsive and helpful. They have made our application process go a lot smoother due to clear responses provided to our questions.		
9.h.	Cannot even understand the person telling you what they cannot explain.	Not clear what this comment is referring to.	No action taken.
9.i.	I have always found the staff to be really responsive and very helpful from Chris White to the front desk receptionist.		
9.j.	Whenever I have issues I can always call and talk them through with staff.		
10	Other Comments		
10.a.	Add one to three points for projects that implement 100% smoke-free policies for their buildings. Studies have indicated that second-hand smoke can negatively impact the health of adults, children, and infants.	Staff is open to this idea and will propose adding one point to the 2013 QAP for 100% smoke-free buildings.	2013 QAP now awards one point for smoke-free buildings.
10.b.	Implement high end heat limiting technology for electric coil stoves. Per the Greeley Fire Marshall, at least five fires per year in the Greeley area are due to unattended cooking and other fires related to stovetops.	CHFA generally does not drill down to specific safety requirements for projects. CHFA, however, is willing to consider discussing this request with the development community.	CHFA will consider input on this from its Tax Credit Advisory Group as well as the Enterprise Green Communities subcommittee going into 2013.
10.c.	You should do your own and charge back to the development team (Market Study).	At this point, CHFA prefers to allow applicants the flexibility to select a market analyst from the approved list.	No action taken.

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10.d.	<p>CHFA should understand that traditional concepts of marketability, such as proximity to shopping, public transportation, etc. simply do not apply to projects on tribal land.</p> <p>CHFA should not restrict the number of projects that intend to convert to homeownership. Homeownership projects should be entitled to the full 38 point awarded in the Extended Low Income Use category.</p> <p>Tribal land should be listed under the point category for "local, regional, or state plan: a neighborhood plan or some other community sponsored need assessment."</p> <p>CHFA should list Native American Housing assistance and Self-Determination Act (NAHASDA) in the category for preservation projects.</p>	<p>While all projects are evaluated on site suitability including proximity to shopping, public transportation, etc., CHFA will consider additional information that supports the need for housing at a particular site that may not meet traditional concepts of proximity to amenities and services.</p> <p>Given the extreme need for affordable rental housing in current markets, CHFA staff believes that limiting the number of projects that intend to convert to homeownership and the number of points awarded for these projects to is a good policy.</p> <p>CHFA staff has chosen to keep the language the Project Location point category fairly broad and would potentially apply to tribal land that has an identified community housing priority.</p>	<p>No action taken for first three comments. CHFA will revisit the points including the preservation points to consider including NAHASDA projects in the preservation point category for 2014.</p>
10.e.	<p>15 to 20 unit projects still has limited access to investors. Need to connect partners. We also don't want to force projects into communities that aren't ready for tax credit deals.</p>	<p>CHFA encourages partnerships between local communities with identified housing needs and experienced LIHTC developers to help facilitate the development of affordable housing in smaller communities. All proposed projects are evaluated to determine the need for the project as well as the experience and ability of the development team to deliver the project.</p>	<p>No action taken.</p>
10.f.	<p>I realize mega is better for costs (and developer profit), but having grown up in a slum, I can assure you that more below 60% AMI does not mean better! Truly, smaller and more scatter will be the best integration--especially for children!</p>	<p>The review of proposed household income level requirements (AMI or Area Median Income) as well as size of projects are a part of CHFA's evaluation of every application to determine that what is being proposed makes sense for the market or area the project is to be located.</p>	<p>No action taken.</p>