

2011 Public Comments concerning the LIHTC Program

1	Comments on the Evaluation for Project Awards	Program Response	Action Taken		
1.a	Share with the public the internal LIHTC unit data that is used in evaluating projects.	Staff is open to this idea.	Staff will determine how best to publically share LIHTC unit data that it receives from operating projects.		
1.b	Provide more clarity on how CHFA evaluates financial feasibility and viability	Same is open to this idea.	Some additional language has been added to the Criteria for Approval section of the QAP. Staff will also work with the Tax Credit Allocation Committee to determine how to provide additional clarity.		
1.c	More consideration should be made for developers who rely on soft funds for their projects, particularly when they have to receive an award of LIHTCs before decisions are made for soft funds.	<p>In the past preliminary applicants who have listed amounts of soft funds that were significantly higher than what we have seen awarded, have often come in at carryover with funding gaps due to actually receiving a lesser amount of soft funds. In these cases, the applicants typically requested TCAP funds which are no longer available or additional credit which is increasingly more scarce.</p> <p>While CHFA recognizes that sources of funds are estimates at the preliminary application stage, preliminary applications should include only sources and amounts of funds that are reasonably expected to be obtained.</p>	<p>The following language has been added to the QAP: While CHFA recognizes that sources of funds are estimates at the preliminary application stage, preliminary applications should include only sources and amounts of funds that are reasonably expected to be obtained.</p>		
1.d	CHFA doesn't allow enough flexibility for applicants that are serving populations with the lowest income and with special needs.	CHFA currently provides a comparatively flexible process for LIHTC applicants in Colorado as apposed to states with straight point systems that automatically penalize applicants for minor missteps. We recognize applicants serving the lowest income populations and with special needs face additional challenges and we are willing to provide some technical assistance to those applicants. All applicants, however, must meet the application deadlines, criteria for approval and all other requirements under the QAP.	No action taken.		
1.e	More information about CHFA's expectation of how ready a project must be at the preliminary application stage. How much should an applicant invest in the design process prior to the application?	CHFA does not require plans and specifications at the time of preliminary application. Applications should include schematics, elevations and site plans at the preliminary stage.	Some clarifying language has been added to the 2012 QAP.		

1.f	Use an objective point driven scoring and award system.	CHFA used a point system for many years and found that this didn't always result in the best projects and 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 changes to the 2012 QAP for points. Points will be revisited for the 2013 QAP.		
1.g	Points currently don't appear to provide any filtering or true ranking of projects.	Same as above	Same as above		
1.h	The current scoring threshold lends flexibility. Otherwise a lack of flexibility would undercut what can be established with the tax credit.	N/A	N/A		
1.i	Giving 5 points to Colorado based nonprofits is counter to the major trend in the industry for consolidation of nonprofits. These points should be given to nonprofits based on their development ability, capacity and financial strength instead.	Some time in the past, CHFA specified these points for Colorado nonprofits to discourage sponsors from forming "shell" nonprofits to get the points. Times, however have changed and CHFA may reconsider in 2013.	CHFA plans to revisit the entire point structure of the QAP during 2012 for the 2013 QAP and will consider this comment more fully at that time.		
1.j	Favor the use of Colorado contractors. Why should Colorado's funding resources be paid to contractor's from other states, even if they use local contractors? The profit an overhead needs to stay in Colorado.	See 1.I below.	See 1.I below.		
1.k	In this economy it is nice to see CHFA promoting hiring local architects, engineers, contractors.	See 1.I below.	See 1.I below.		
1.l	Multistate developers/sponsors often develop relationships with architects or contractors that are particularly in tune with their design preferences and have performed in a superior manner over time. Architects and general contractors often subcontract a significant amount of work to local firms.	This comment and comments 1.j and 1.k refer to the following proposed language in the QAP: " <i>CHFA prefers that developers, including those from out-of-state, use architects and general contractors located in Colorado whenever feasible.</i> " This additional language is meant to indicate a preference only when feasible. It is not a requirement.	CHFA plans to keep the additional language in the QAP.		
1.m	CHFA's process to award tax credits is dishonest and fraudulent. The fact that CHFA does not publish applicant scores, will not reveal scores of those who receive tax credits, nor does CHFA reveal the scores of those who do not receive tax credits, demonstrates that the CHFA tax credit award system is nothing more than a 'good old boy' system. The CHFA tax credit award system is a dishonest good old boy network and CHFA and the public knows it.	CHFA staff does not agree that the process is a dishonest, fraudulent, 'good old boy' system. CHFA is considering what additional applicant information could be shared with the public going forward.	CHFA will provide more information to the public about applicants before and after the LIHTC awards are made in 2012.		
1.n	Colorado has one of the best programs in the country. It is a rational, fair program with clearly defined expectations, blended with the right level of agency discretion.	N/A	N/A		

2	Comments on Sharing Reasons for Awards and Non-Awards	Program Response	Action Taken		
2.a	Provide more clarity on why some projects are awarded credits over others.	CHFA has already implemented a policy of scheduling meetings with all applicants after awards are made to provide more clarity on why projects did or didn't receive awards. As mentioned above, CHFA plans to share additional information with the public as well.	CHFA will provide more information to the public about applicants before and after the LIHTC awards are made in 2012.		
2.b	Provide more information about the projects that were selected for awards.	Same as above	Same as above		
2.c	Publish application scores for projects that did and did not receive awards.	Same as above	Same as above		
2.d	Provide specific and direct feedback to the applicants about why their projects did not receive an award.	CHFA has already implemented a policy of scheduling meetings with all applicants after awards are made to provide more clarity on why projects did or didn't receive awards.	CHFA will continue to strive to provide more specific and direct feedback to applicants after awards are made.		
	Need more than a one sentence blurb on why projects allocated. For example, did they have lots of soft funds, developer cash, deep-skewed rents?	CHFA is considering what additional information could be shared with the public going forward.	CHFA will provide more information to the public about applicants before and after the LIHTC awards are made in 2012.		
2.e	Meeting with all applicants directly after awards are made is a good step and letting applicants know if they have a chance going forward is helpful.	N/A	N/A		
2.f	I have had several projects that did not receive an allocation and have always received input from staff that gave me an indication of what the issues were. On one of two applications I made changes, reapplied and received an allocation.	N/A	N/A		
2.g	Personal contact skills are excellent at all times, but especially when dealing with feedback on applications that do not receive an award. CHFA staff members are very clear about the shortcomings of our application and what we need to do to improve our submittal.	N/A	N/A		
3	Comments on Priorities and Preferences	Program Response	Action Taken		
3.a	Consider establishing true priorities based on market needs. Lack of priorities doesn't allow for a very transparent or predictable process.	CHFA is working on priorities for 2012.	CHFA will provide priorities for the 2012 QAP.		

3.b	When viewing the list of applicants that received awards of credit, it appears that CHFA does have some priorities that are not called out in the QAP – for example, a lot of senior projects have received awards.	CHFA is working on priorities for 2012.	CHFA will provide priorities for the 2012 QAP.		
3.c	CHFA is not meeting the IRS requirements. The QAP states that CHFA gives preference to projects that serve the lowest income for the longest period of time yet, of the projects that received awards of LIHTC this year only 11% of the units are being targeted to 30% AMI.	<p>CHFA is meeting IRS requirements and does give preference to projects serving the lowest incomes for the longest period of time. However, giving a preference to projects serving lowest income tenants is different from making that the determining factor. Section 42 of the Internal Revenue code also requires allocating agencies to consider sources and uses of funds, the total financing planned for the project and the reasonableness of the developmental and operational costs of the project.</p> <p>The awards correlate fairly closely with the applications received in terms of % AMIs "targeted." The AMIs targeted are merely a ceiling which allows more flexibility for projects to ensure that they remain viable for the extended use period of 30 to 40 years. Some projects (particularly project-based Section 8 projects) in fact have HAP contracts which require them to target 30% AMI and below despite their higher LIHTC "targeting."</p>	In 2012, CHFA will provide more public information about the projects' LIHTC "targeting" vs. true project targeting due to other restrictions.		
3.d	Provide a preference and priority for projects targeting and restricting at least one-third of its units to households whose incomes are 30% AMI or below.	CHFA staff would like to do more research to determine whether this suggestion would make sense.	No action for the 2012 QAP.		
3.e	Provide a preference and priority for projects targeting and restricting at least one-third of its units to tenant populations with special housing needs and providing supportive services to these tenants.	Same as above	Same as above		
3.f	Provide a preference and priority for projects which contribute to a concerted community revitalization plan which should be defined to include local plans to end homelessness.	CHFA is working on providing more direction about what would be considered a project in a qualified census tract (QCT) that would contribute to a concerted community revitalization plan (CCRP). Since the Code only considers projects in QCTs as being a part of a CCRP to be a preference, CHFA will not consider large metropolitan areas such as the city of Denver to meet this definition.	CHFA will provide more direction about what is considered a project in a QCT that would contribute to a CCRP.		
3.g	More principles, priorities, thresholds to clarify what CHFA is looking for.	CHFA is working on providing more priorities.	CHFA will provide priorities for the 2012 QAP.		

4	Comments on the Application Process	Program Response	Action Taken		
4.a	CHFA should be more flexible about deadlines for requirements of the preliminary application.	CHFA staff feels the requirements for preliminary applications are reasonable. The preliminary applications that are submitted should be complete in order to allow a fair assessment of all competing projects.	CHFA's deadline requirements for preliminary applications will remain the same for 2012 with the exception of the 10-day clarification period which will be reduced to 5 days.		
4.b	Will CHFA reconsider lowering the application fee for re-applications?	CHFA staff perform an in-depth review and analysis of all preliminary applications including re-applications.	The application fee has been increased to \$3,000 per application which includes re-applications.		
4.c	Application fees are expensive and it seems unfair that developers should have to pay time after time for reapplications. Understand there are admin. costs but should be a different process that is less costly.	Same as above	Same as above		
4.d	Place limits on repeat allocations to one organization during a 24 month term.	CHFA currently limits credit awards to \$1.25 million per sponsor. Placing limits beyond this may interfere with the ultimate goal funding the best and most needed affordable projects.	CHFA does not plan to adopt this policy.		
4.e	For the application, provide a construction period sources and uses spreadsheet that calculates construction interest.	CHFA staff recommends that applicants work with their construction lender to obtain this information.	CHFA does not plan to adopt this policy.		
4.f	Allow applicants to use the same excel application version throughout the process including the preliminary, carryover, and final application.	CHFA does not plan to make any substantial changes to the 2012 application, but will allow applicants to use the same version of the application throughout the process.	CHFA will allow applicants to use the same application.		
4.g	Provide one-day application trainings for newer applicants.	CHFA staff has provided more formal application trainings in the past, but has found one-on-one assistance to be more effective.	CHFA will consider providing some application workshops for 2012. CHFA staff is also willing to work with applicants one-on-one to provide any technical assistance needed with the application. Applicants are welcome to contact us.		
4.h	Allow more of the application packet to be submitted electronically rather than hard copies. Exempt re-applying projects from submitting the same pieces of paper each round to avoid wasting paper.	CHFA staff does require hard copies as well as electronic copies. However, we do allow return applicants to avoid duplication of certain documents that are duplicates from the original application.	See CHFA comments to the left.		
5	Comments on the Market Study	Program Response	Action Taken		

5.a	Market study guidelines are flawed in terms of evaluating the marketability and primary market areas for projects serving the lowest income populations, particularly homeless. CHFA needs to consider larger in-migration for these types of projects.	CHFA makes every attempt to properly evaluate the marketability and suitability of each proposed project. We recognize and encourage that each market study must be individually tailored and that every project has its own story. Consequently, the revised market study guidelines are purposely designed to allow the market analyst the freedom to address the specific needs and demands of the population that will be served. All projections, including in-migration, must be based on evidence provided by detailed study. General assumptions without a detailed analysis will be given little, if any weight in our review.	The market study guidelines have been revised for the 2012 QAP.		
5.b	The Walkability and Transit Scores, which are now a part of the Market Study Guide, do not appear to be reflective of the true walkability and transit opportunities in some of the metro areas and smaller towns.	CHFA recognizes that a Walkability and Transit Score is primarily an urban concept, which has little relevancy to a rural setting. In many instances, such scores are unavailable. We also recognize that such scores are only one of many factors used to measure the mobility to and from a particular project. Market analysts whose project receives a low score are highly encouraged to explain why the score is irrelevant as it applies to the proposed project.	CHFA will consider additional information provided by the market analyst regarding walkability and transit options for proposed projects.		
6	Comments on the Quiet Period	Program Response	Action Taken		
6.a	Projects should not be penalized for having calls and letters from public officials coming to CHFA during the Quiet Period.	The intent of the Quiet Period is not to penalize projects that public officials comment on with calls and letters to CHFA. The intent is to encourage sponsors to submit any support letters from public officials with the preliminary application whenever feasible and to encourage sponsors to contact CHFA allocation staff during the Quiet Period rather than CHFA executives or voting members of the Tax Credit Committee.	See CHFA comments to the left.		
6.b	More clarity about the specific “do’s and don’ts” for the Quiet Period.	The Quiet Period does not apply to other projects or applications that are not a part of the applicable competitive round.	CHFA will provide more clarification about the Quiet Period.		
6.c	Clarify that the Quiet Period only applies to projects in the application round.	CHFA will provide this clarification.	CHFA will provide more clarification about the Quiet Period.		
6.d	The Quiet Period is great and needs some teeth to enforce.	Since this is the first year for the Quiet Period, CHFA would like to observe the effectiveness of this new policy for 2012.	CHFA will observe the effectiveness of the Quiet Period in 2012 and will consider revising if necessary.		

6.e	Love the quiet period.	N/A	N/A		
6.f	Like the Quiet Period idea. Let the project stand on its own merits. The complexity of these projects is incredible and to have someone without an intimate understanding pushing for its support doesn't make sense.	N/A	N/A		
7	Comments on Set-Asides	Program Response	Action Taken		
7.a	Criteria for set-asides is great and allow us to leverage more money to a project and attack some pretty worn-out housing that is having a negative impact on the community.	N/A	N/A		
7.b	I suggest that such set-asides circumvent the intent of a competitive 9% LIHTC process and unduly limit the amount of credits available to the balance of applicants.	CHFA appreciates the limit an additional set-aside will place on the already small pool of credits for Colorado.	CHFA plans to limit set-asides to one project (including the current DHA HOPE VI set-aside) and therefore will not consider another set-aside for 2012.		
7.c	The deadline proposed for the set-aside requests is unreasonable. The date should be later in the year and applicants should be able to request a set-side of the same year's credit ceiling.	CHFA will revisit deadlines and other policies for additional set-asides beyond 2012.	Same as above		
8	Comments on the Enterprise Green Communities Requirements	Program Response	Action Taken		
8.a	Provide more clarification about which version of Enterprise Green Communities applies to each project.	CHFA will provide more clarification for Enterprise Green Communities in 2012.	See CHFA comments to the left.		
8.b	Clarify whether projects are required to obtain the Enterprise Green Communities Certification	Same as above	Same as above		
8.c	More information about whether CHFA favors projects that achieve more than the minimum requirement for Enterprise Green Communities or if there is a limit on what CHFA will consider acceptable in terms of achieving more. For example, if a project is pursuing the LEED Gold or Platinum is that considered by CHFA to be strength or a weakness in the competition?	Same as above	Same as above		
9	General Comments	Program Response	Action Taken		

9.a	Award one or more points for projects that adopt comprehensive no-smoking policies to eliminate exposure to secondhand smoke from all indoor areas and units in their buildings.	We have had extensive discussions with for-profits, non-profits, and housing authorities about this issue. Consequently, we believe that the best approach is to allow project sponsors to make the decisions about what best suits their projects. Some of the non-profits who provide housing for populations struggling with addictions are concerned that adopting non-smoking policies would create an additional barrier to housing for those populations. Other sponsors have been successful in adopting non-smoking policies of varying degrees depending on the populations being served.	CHFA does not plan to adopt this suggestion.		
9.b	Appoint one or two people as members of the voting Tax Credit Committee who are not CHFA employees.	CHFA will appoint two non-CHFA members of the Tax Credit Committee.	See CHFA comments to the left.		
9.c	CHFA should encourage local developers vs. out-of-state developers	The LIHTC program has been largely successful in Colorado in part due to encouraging development by a broad range of sponsors, including housing authorities and non-profit and for-profit sponsors from within the state and out-of-state.	CHFA does not plan to adopt this suggestion.		
9.d	Provide a state map on CHFA's website that shows all of the LIHTC projects on one map.	CHFA is open to this idea.	CHFA will work to develop a state map that shows all of the LIHTC projects on one map.		
9.e	If CHFA will limit the participation of inexperienced developers, CHFA needs to provide training for people coming into the industry.	Developing LIHTC projects is complex and requires experience involving a wide range of disciplines which are beyond the scope of CHFA's resources. It is critical for inexperienced developers to partner with a consultant or experienced fee-for-service developer to ensure success in developing LIHTC housing.	CHFA as most other state agencies, lacks the resources to provide comprehensive training for people coming into the industry. However, CHFA staff has and will continue to provide technical assistance in completing applications. Additionally, CHFA will strive to provide additional training as feasible.		
9.f	Process appears to be transparent. Never had issues or concerns that applicants were able to influence the approval process, although I'm sure that many applicants make whatever attempt possible.	N/A	N/A		
9.g	There is no transparency. The criteria is vague and it is not clear how it is applied.	One of CHFA's goals for the coming year is to increase transparency for all of its lines of business including the LIHTC program.	As noted above, the 2012 QAP will include stated priorities and CHFA will provide more information about LIHTC applicants before and after the awards are made.		
9.h	I think this is a very difficult process but I have always had confidence in CHFA and continue to. It's kind of like what Winston Churchill said about democracy, "it is the absolute worst form of government, except for all the others."	N/A	N/A		

9.i	Maybe familiarity breeds affection, it's a good process and a good application.	N/A	N/A		
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