

## 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 which includes the developer and/or sponsor, management agent, CPA, attorney, architect, and general contractor. Development teams lacking LIHTC experience are encouraged to use an experienced LIHTC consultant.

Applicants will be required to meet the experience and track record requirements below. Applicants that don't meet these requirements may partner with a developer and/or management agent that does.

#### Experience and Track Record Requirements

- The developer and/or sponsor must demonstrate sufficient capacity, financial stability and liquidity to construct and operate the proposed project.
- The development team must demonstrate experience in developing and operating projects similar to the proposed project.
- The developer and/or sponsor must have a successful 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.
- Developers and management agents must have experience and a successful track record of marketing and leasing affordable housing units on a timely basis.
- The development team must have a "clean 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** – A multiple year set-aside of annual credits has been requested for two proposed HOPE VI projects in Colorado: 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). These sponsors are applying for HOPE VI funding from HUD in November, 2010 for the redevelopment of two aging public housing projects. DHA is requesting a set-aside of \$1,250,000 in annual credit per year for five years for the redevelopment of South Lincoln Homes located at the 10<sup>th</sup> and Osage light rail station in Denver. HACP is requesting a set-aside of \$1,000,000 in annual credit per year for five years for the redevelopment of 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. If approved, the set-aside of credits for each year would be subject to all of the requirements of the corresponding year's QAP.

Projects that utilize HOPE VI funds for redevelopment typically generate multiple benefits to the communities, surrounding neighborhoods and the state as well including:

- Bringing in millions of federal dollars that would otherwise not be available to the state;
- Transforming two aging 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 requests will be reviewed and considered by the Tax Credit Advisory Group, the Tax Credit Committee and CHFA's Board of Directors.

5. **Primary Selection Criteria** - Targeting 30% AMI or below – This section now states that applicants that target 30% AMI populations should substantiate the market need for 30% units in the project's primary market area and the developer's and management agent's capacity to serve this population.
  
6. **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.