



2025-2026 first draft qualified allocation plan (qap)

Public Hearing • June 26 and July 3, 2024



what is the qap?

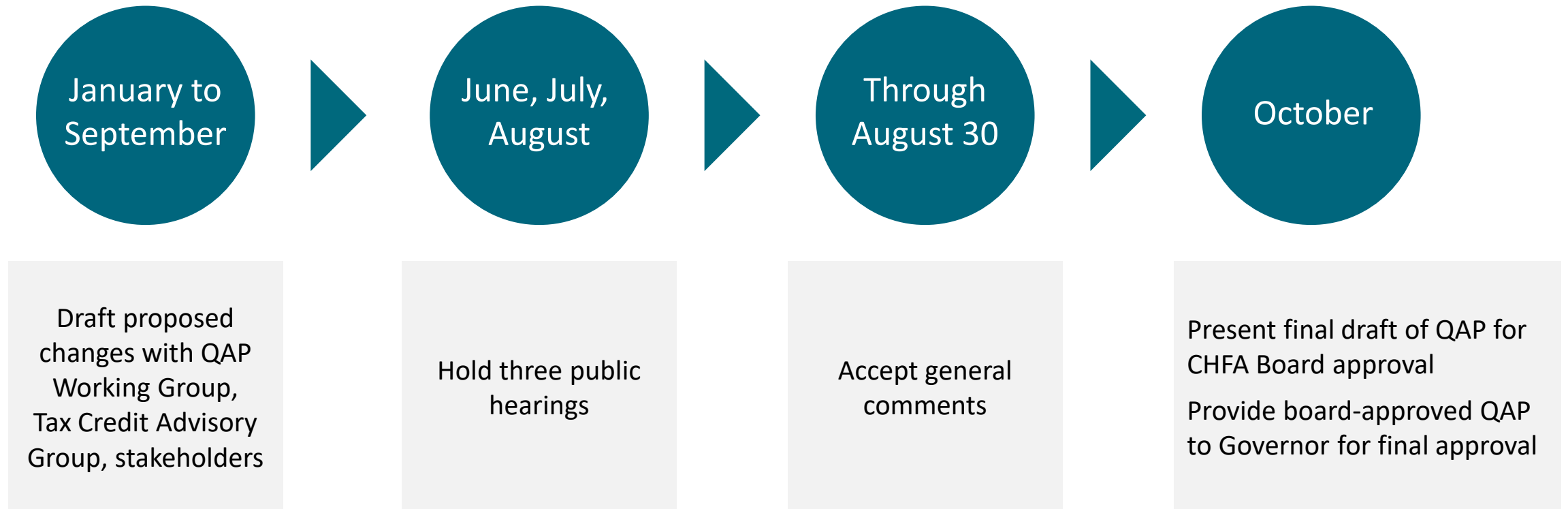
CHFA's plan that provides guidance on how to apply for housing tax credits and how projects are selected for awards of credit.



CHFA develops the QAP after considering public comment from:

- Public hearings
- Tax Credit Advisory Group and QAP Working Group
- Competitive applicant surveys
- Input received throughout the year from interested parties

2025-2026 qap timeline and process



proposed changes – 2025-2026 qap

General

- Removed specific website links for documents that are available on CHFA's website
- Added sub-headers and other readability improvements



proposed changes – 2025-2026 gap

Updated Federal and State Credit Available for 2025 and 2026:

- An estimated total of \$16 million in annual Federal 9 Percent Housing Tax Credit in 2025 and 2026
- \$10 million of forward-reserved annual standard State Credit for Round One in 2025 and 2026
- \$14 million of 2025 annual accelerated State Credit for Round Two
- \$2 million of 2025 annual accelerated State Credit for projects financed with Private Activity Bonds and Federal 4 Percent Housing Tax Credits in September, October, and November
- \$12 million of 2026 annual accelerated State Credit for Round Two



proposed changes – 2025-2026 gap

Updated Maximum Credit per Application for 2025 and 2026:

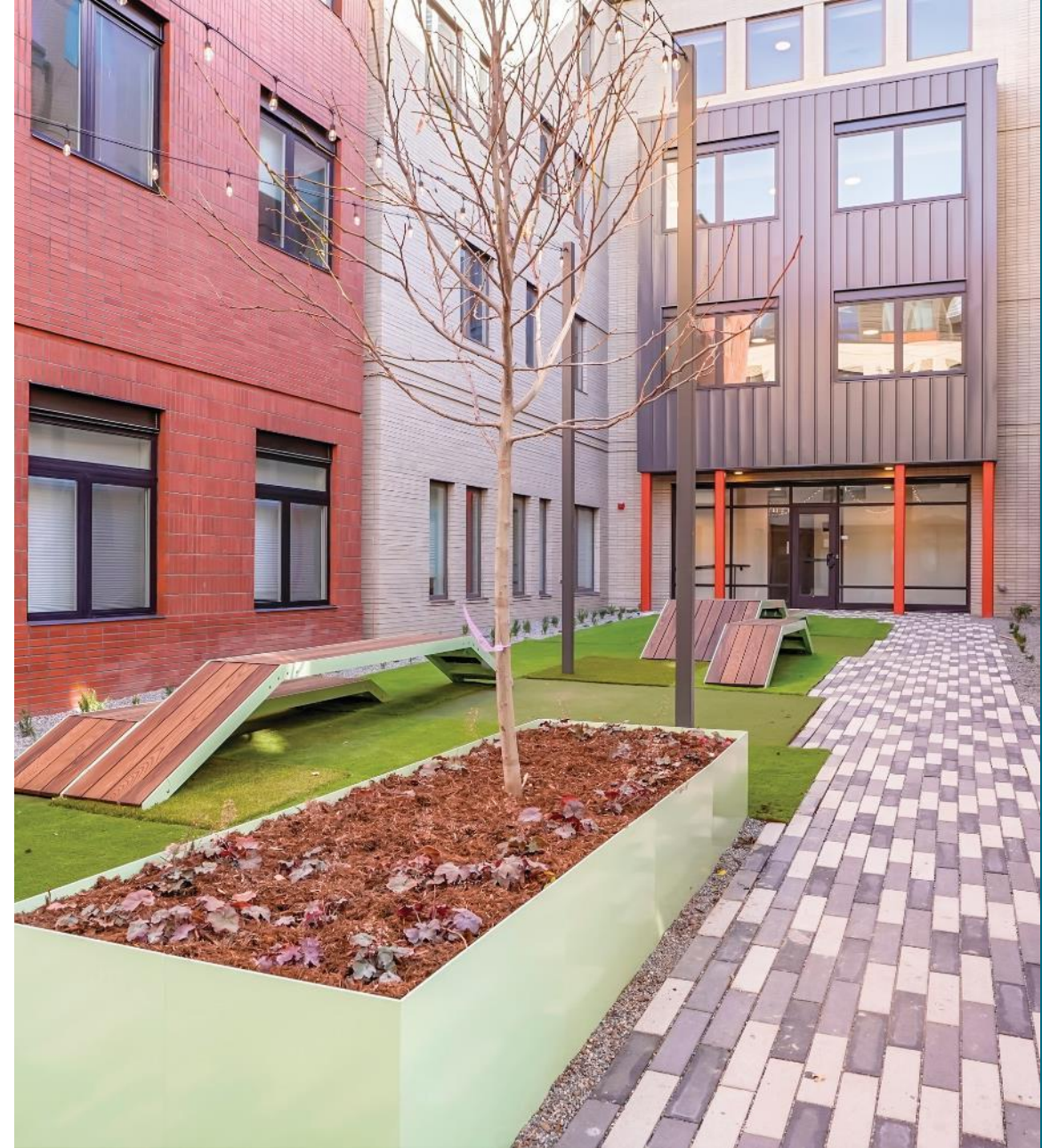
- Increased maximum amount per application for Federal 9 Percent Housing Tax Credit to \$1,600,000
- Decreased fixed amount of standard State Credit paired, if requested, with Federal 9 Percent Housing Tax Credit applications to \$650,000
- Decreased maximum amount of accelerated State Credit per application, as available, for projects applying for Private Activity Bonds and Federal 4 Percent Housing Tax Credits in September, October, and November 2025 to \$700,000



proposed changes – 2025-2026 qap

Overall

- Removed references to Assisted Living as applications will no longer be accepted



proposed changes – 2025-2026 qap

Definitions

Clarifications and Updates:

- Affiliate of Applicant – included turn-key developers
- Consultant – clarified consultant services
- Senior/Older Adult – included the term, “older adult”
- Turn-key Project Developer – clarified definition



proposed changes – 2025-2026 gap

Guiding Principles

- Amended language on housing density referenced in two Guiding Principles for clarity, also included in project location in scoring
- Updated terminology, “acquisition and rehabilitation” to “preservation” of existing affordable housing projects



proposed changes – 2025-2026 qap

Criteria for Approval

- Project Readiness – specified that:
 - Applicants requesting competitive credits are required to have appropriate zoning in place
- Project Readiness – added additional metrics for project readiness:
 - Ability to move through planning and entitlement process
 - Ability to obtain financing sources
 - Ability to identify resident resources, if applicable, and community amenity space uses, commercial tenant use

proposed changes – 2025-2026 gap

Criteria for Approval

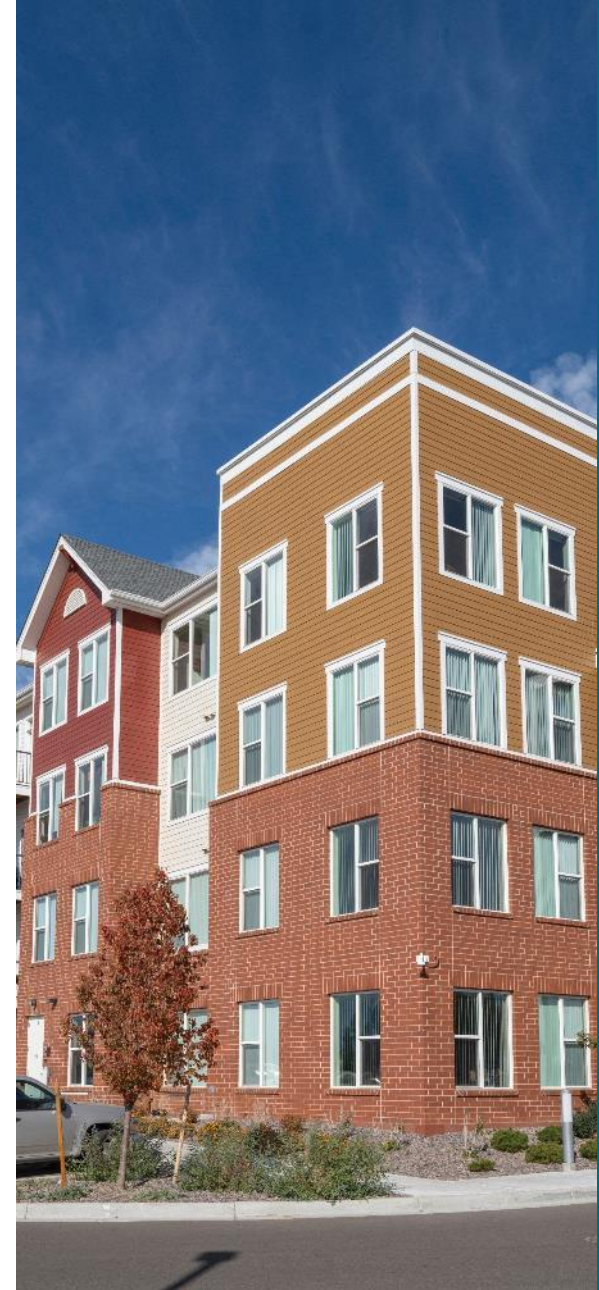
- Overall Financial Feasibility and Viability - added and clarified:
 - Determination of whether a project would be feasible with resources proposed and without State Credits and/or Federal Housing Tax Credits
 - Include review of financing structure and timing for modular projects



proposed changes – 2025-2026 gap

Criteria for Approval

- Experience and Track Record of the Development and Management Team – clarified and added:
 - Evaluate the “Applicant Track Record Certification” for applicant and all affiliates of the applicant
 - Track record of completing affordable housing projects within the required timeframes and within the established budget and with the material design originally approved



proposed changes – 2025-2026 qap

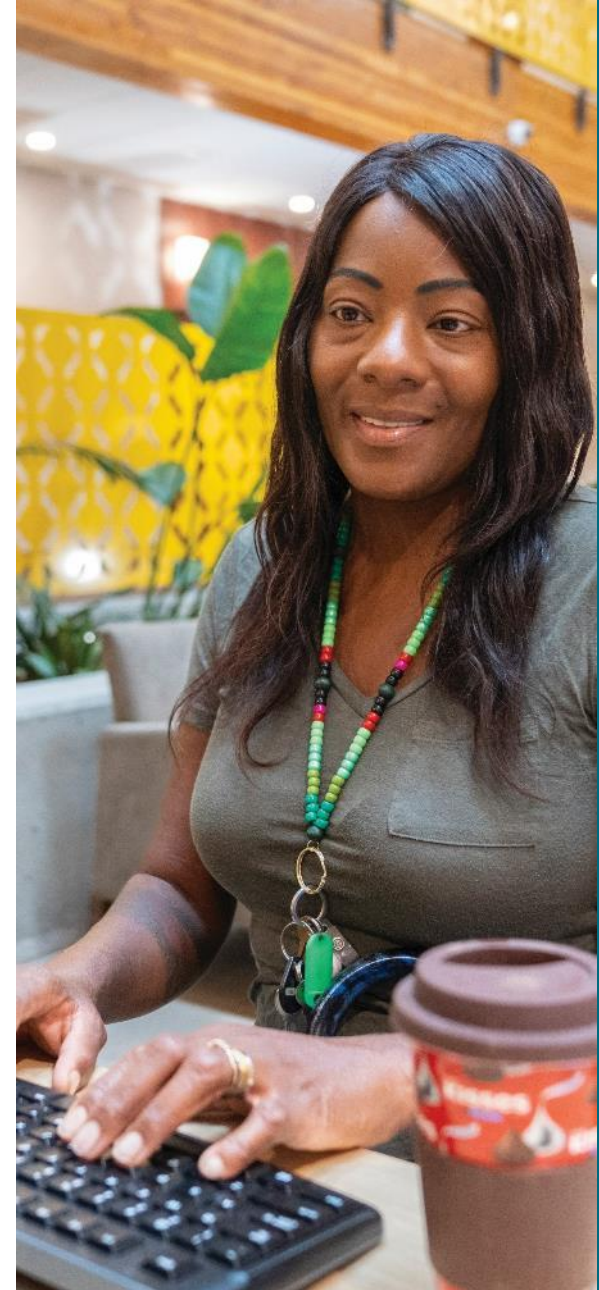
Criteria for Approval

- Project Costs – added to evaluation of the cost reasonableness of a project:
 - Ability to deliver the proposed design
- Site Suitability – added new descriptions:
 - Proximity to childcare
 - Applicable amenities and access to services for the target population
 - Current land use patterns supporting residential development

proposed changes – 2025-2026 qap

Timing of Application Submittals:

- Added month of August to exception for accepting projects financed with PAB and Federal 4 percent Housing Tax Credits along with February and December



proposed changes – 2025-2026 qap

Minimum Threshold Criteria for Preliminary Applications

- Clarified that all threshold items must be met to compete in a round or to proceed with review process
- Updated thresholds for which inadvertently omitted items or items needed for reconciliation will be allowed by next business day



proposed changes – 2025-2026 qap

- **Threshold #1** Minimum Score – new minimum scores:
 - 115 points for Federal 4 Percent and State Credit projects
 - 95 points Federal 4 Percent Housing Tax Credit projects
- **Threshold #7** Readiness-to-proceed – included information when parking not required, and decisions required to proceed with building permit(s)
- **Threshold #9** Cost Estimate – added guidance for modular construction
- **Threshold #11** Minimum Amenities – added requirement for laundry facilities at the project
- **Threshold #13** Narrative – included that narrative must address Guiding Principles as well as how the project will promote equity and economic mobility for residents and their communities
- **Threshold #14** Extended-use Election – renamed threshold from ‘Waiver of Right to Pursue Qualified Contract’ to Extended-use Election
- **Threshold #18** Projects Financed with Tax-exempt Bonds applying for Federal 4 Percent Credits – clarified exemption for projects applying in Round Two

proposed changes – 2025-2026 gap

Maximum Credit Award Exemptions:

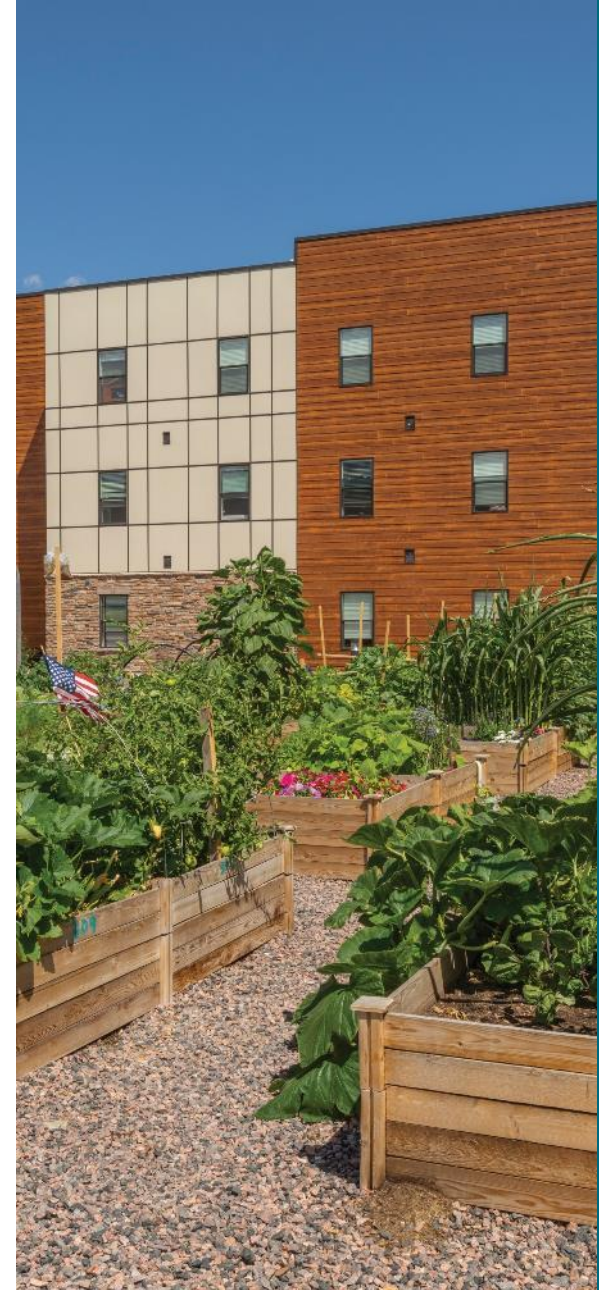
- Clarified exemptions for maximum credit award limitation



proposed changes – 2025-2026 gap

Determination of Housing Tax Credit Amount:

- Increased minimum rehabilitation cost per unit to \$20,000



proposed changes – 2025-2026 gap

Underwriting Criteria

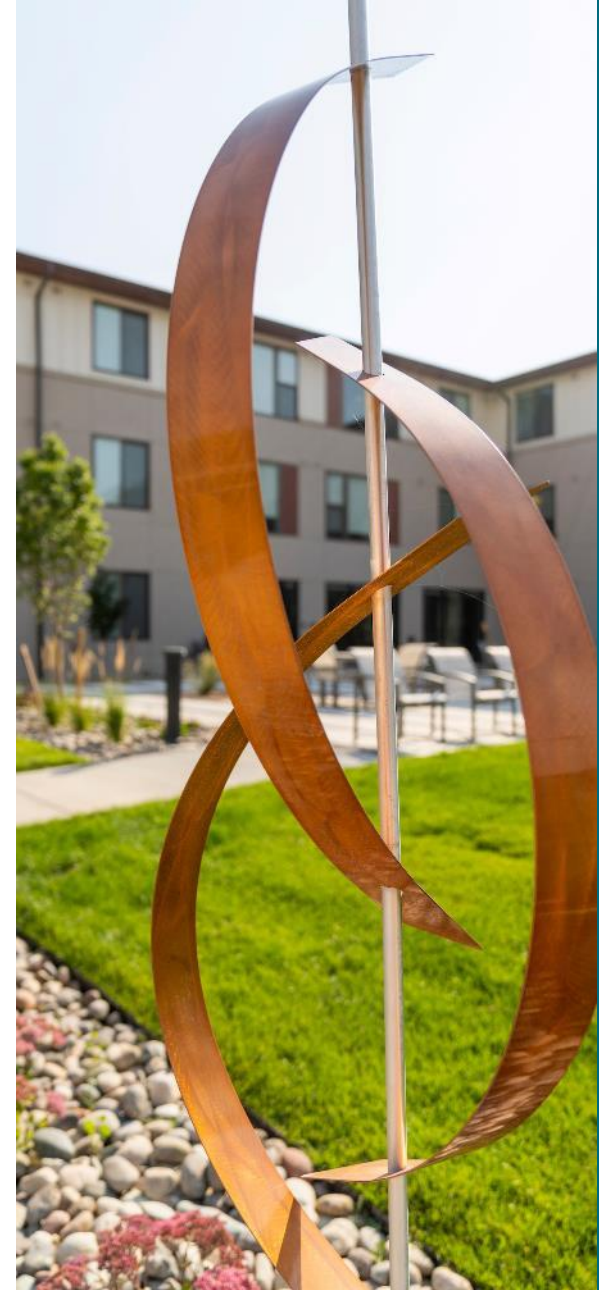
- Increased minimum replacement reserve requirements to \$300/unit for older adult projects and \$350/unit for family projects



proposed changes – 2025-2026 qap

Scoring

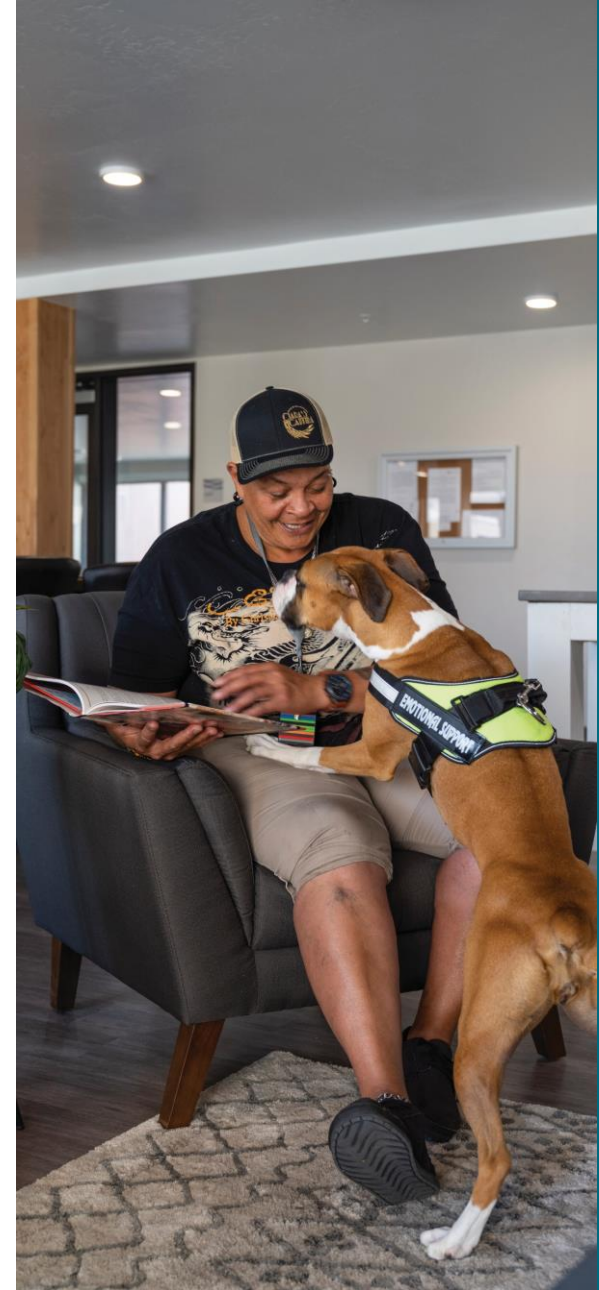
- New minimum scores:
 - 115 points for Federal 4 Percent and State Credit projects
 - 95 points Federal 4 Percent Housing Tax Credit projects
- Removed at preliminary application the option to pursue homeownership conversion option at end of the 15-year compliance period
- Changed points for extended use elections



proposed changes – 2025-2026 gap

Scoring

- Project Location – Increased point options:
 - Three points may be earned for proposed projects to be located in a community that has an identified community affordable housing priority
 - Three points may be earned for proposed projects located at an existing or planned TOD site defined as within a half-mile walking distance of transit corridors with easy access to job center. Housing proposal should maximize allowable density at TOD site



proposed changes – 2025-2026 gap

Scoring

- Project Characteristics
 - Updated minimum rehabilitation amount per unit
 - Clarified criteria for modular and factory-built construction
 - New addition of two points for Universal Design and additional accessible units



proposed changes – 2025-2026 qap

Fees

- Increased preliminary application fee to \$15,000
- Eliminated recording fees



proposed changes – 2025-2026 qap

Market Study Guide

- Added bike score information, if available
- Emphasize the requirement for the full census tract number



proposed changes – 2025-2026 qap

Parking Study Guide

- Changes to improve readability
- Include proximity to public transportation
- Align to market study guide for comparable properties





thank you

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