



amended 2023-2024 qualified allocation plan (qap)

Public Hearing • May 22, 2024



why amend the gap?

To effectively administer Housing Tax Credit programs by implementing new State Credits created in HB24-1434



HB24-1434:

- Expanded Colorado's Affordable Housing State Tax Credit
- Created an *accelerated* State Credit
- Maintained the existing *standard* State Credit
- Effective in 2024

goal of proposed gap amendments

Leverage State Credit

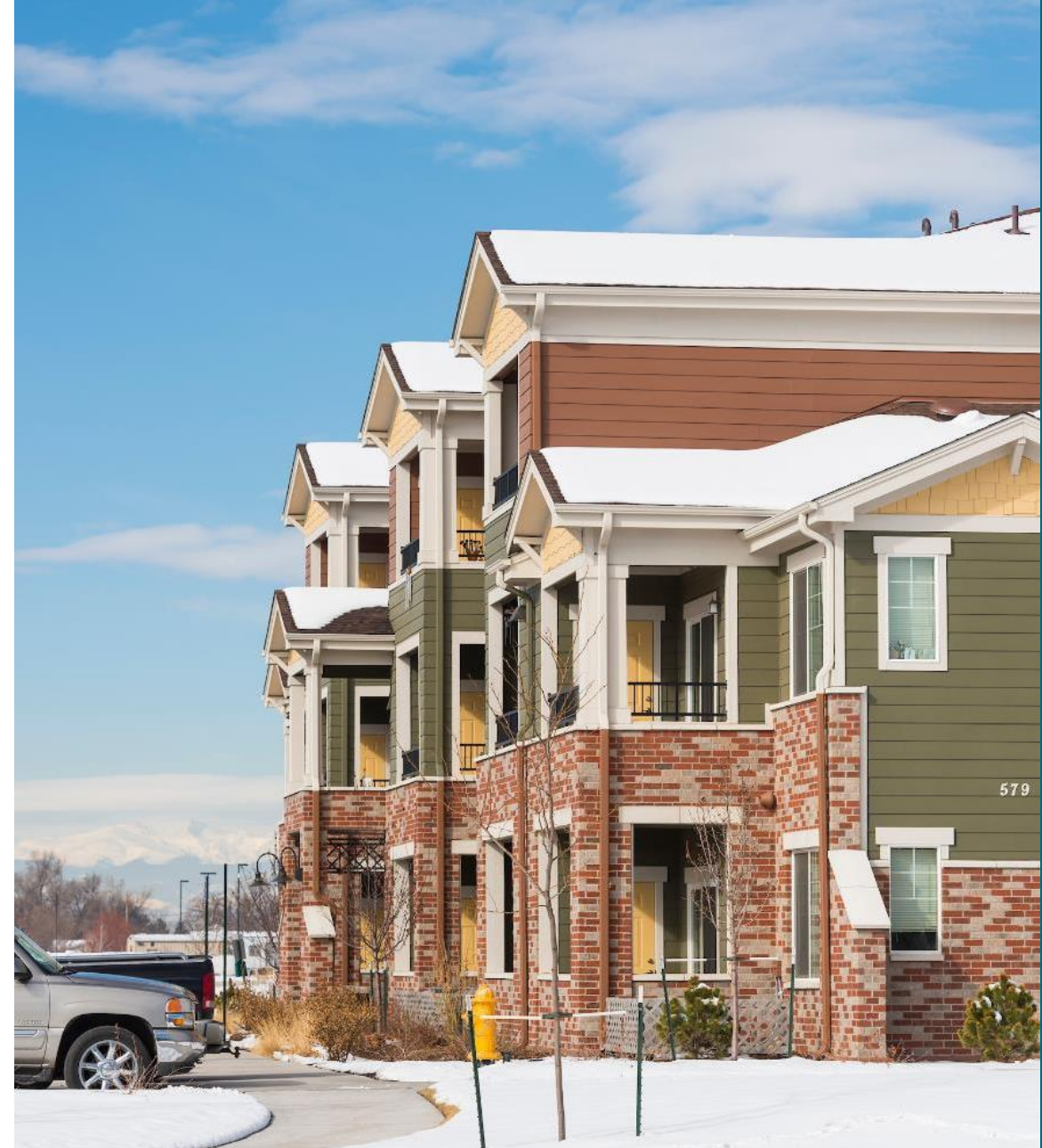
- Pair with 9 percent and 4 percent Housing Tax Credit

Solve financial feasibility with State Credit

- Replace or decrease gap sources

Create opportunity

- Competitive and noncompetitive applications



key proposed changes

- Pair State Credit with 9 percent Housing Tax Credit Awards – Round One in June
- Increase State Credit with 4 percent Housing Tax Credit Applications – Round Two on August 1st
- Allow State Credit with 4 percent Housing Tax Credit Applications – Noncompetitive September, October, November



draft amendment: 2023-2024 gap

Section 3 – Housing Tax Credit Allocation and Application Process

- Strike requirement that State Credits must be used with federal 4 percent Credit and may not be used with federal 9 percent Credit.



draft amendment: 2023-2024 gap

Section 3.B – Preliminary Application – Award

- Allow opportunity for projects awarded federal 9 percent credit in 2024 to apply for standard State Credits in June 2024.
- Allow opportunity for federal 4 percent projects to apply for State Credit in September, October, and November 2024, as available (outside of Round Two).



draft amendment: 2023-2024 gap

Section 3.B – Preliminary Application – Award

- Publish availability of \$17.5 million of accelerated State Credit for round two, and \$2.5 million of accelerated State Credit for federal 4 percent projects applying in September, October, and November 2024.



draft amendment: 2023-2024 gap

Section 3.E – State Credit Award Process

- Clarify that the State Housing Tax Credit Milestone requirement does not apply to State Credit awarded with federal 9 percent Housing Tax Credit.

Section 3.J – Additional Credits

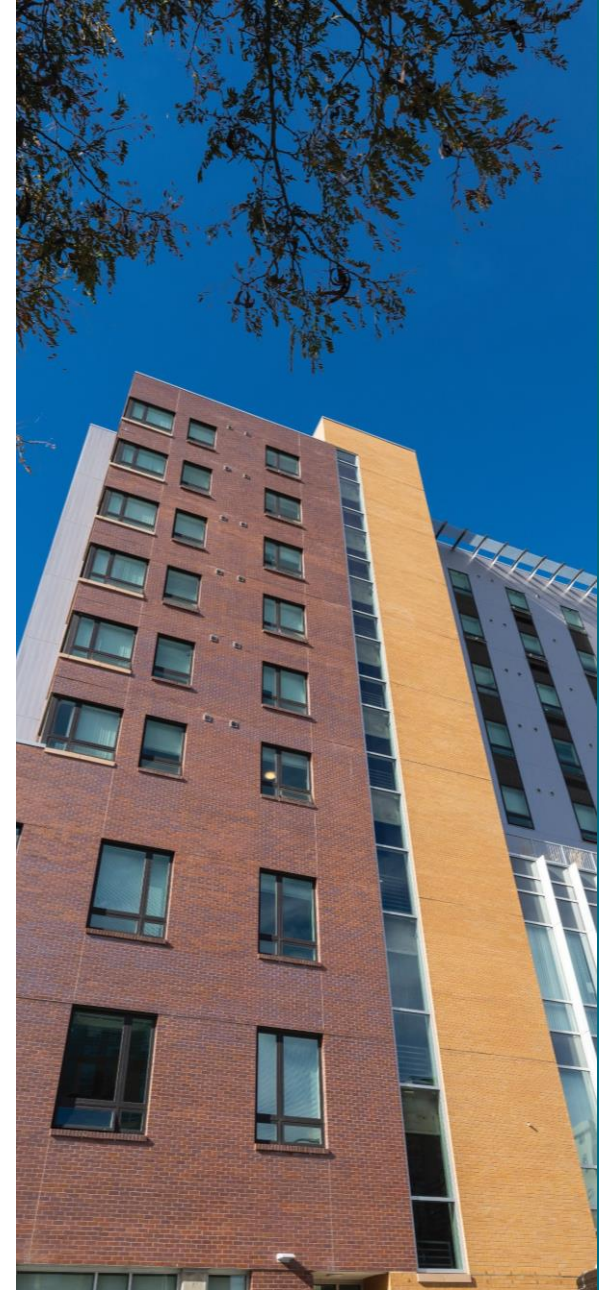
- Allow requests for supplemental State Credit for projects awarded State Credits in 2023, only if necessary.



draft amendment: 2023-2024 gap

Section 3.L – Maximum Credit Award

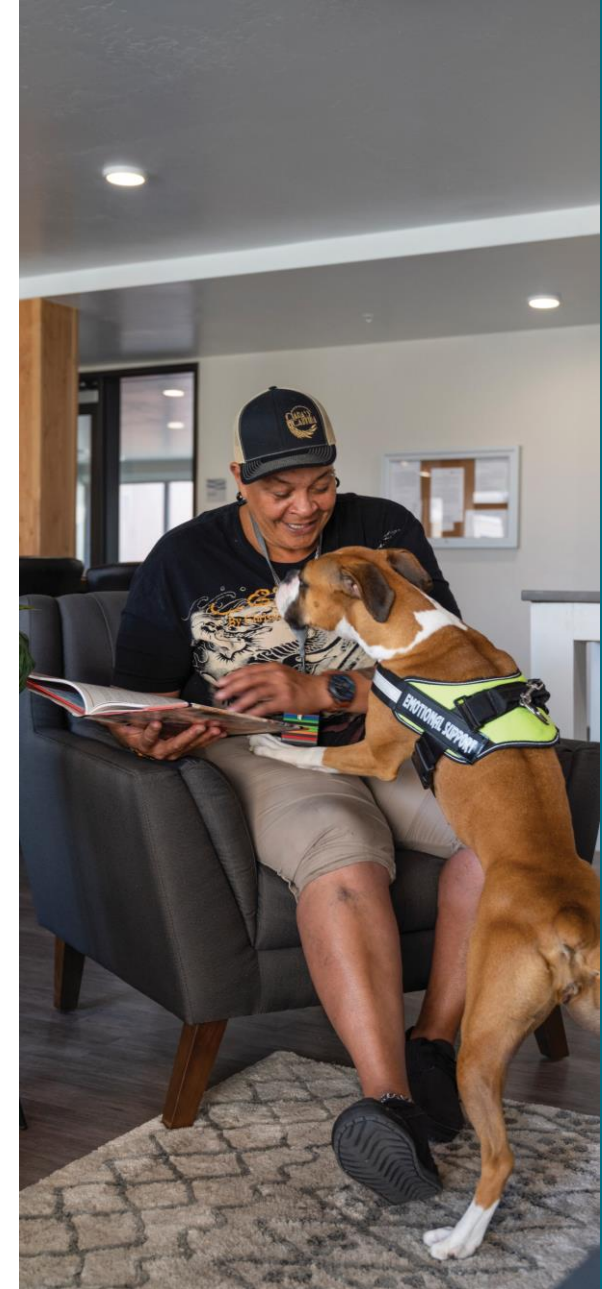
- Allow application for a fixed amount of standard annual State Credit of no more than \$750,000 for projects awarded Federal 9 Percent Credit in 2024, and if applicable, projects awarded Federal 4 Percent Credit in a paired transaction in 2024. Require that the application be contingent on an adjustment to the 2024 Federal 9 Percent Credit award to maintain feasibility.
- Increase the maximum application for accelerated annual State Credit up to \$1,800,000 for any one project or Applicant in Round Two.
- Allow application for standard or accelerated annual State Credit of \$10,000 per unit up to \$800,000 maximum per application, as available, for projects applying for 4 Percent Housing Tax Credits in September, October, or November 2024. Limit application to one Applicant.



draft amendment – 2023-2024 qap

Section 3.P - Applicant Elections

- Publish the APR for the total six-year allocation of State Credits as 30 percent of Qualified Basis
- Permit an increase to be requested to allow application for maximum annual State Credits with justification in competitive rounds
- Increase not available for projects applying for 4 Percent Housing Tax Credits in September, October, or November



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Section 6 - Fees

- Allow requests for supplemental State Credit for projects awarded State Credits in 2023, only if necessary.





thank you

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