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Summary of Proposed 2025-2026 Qualified Allocation Plan (QAP) Changes First, **Second, and Third Draft as of 9.10.2024**

Overall

- General changes for calendar year references, removal of specific website links for documents that are available on CHFA's website, spelling corrections, additional sub-headers and other readability improvements.
- Removal of references to Assisted Living Applications that will no longer be accepted.

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

Section 2 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

Section 2 Criteria for Approval

- 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
- Project Readiness – Specified that:
 - Applicants requesting competitive credits are required to have appropriate zoning in place
- 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, [deposit requirements](#) and timing for modular projects
- 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
- 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

Section 3 Housing Tax Credit Allocation and Application Process

- [Clarified limit for Letter of Intent, and submission of Letter of Engagement from parking study analyst, if applicable](#)
- Updated Application submittal dates for calendar years 2025 and 2026
- Added month of August to exception for accepting projects financed with Private Activity Bonds and Federal 4 Percent Housing Tax Credits along with February and December

- 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 similar in 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

Section 3.B.4 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 [portions of documents](#) for items or items needed for reconciliation will be allowed by next business day
- 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 #3 Market Study and Parking Study](#) – Clarified for readability the parking study requirement, if applicable
- Threshold #7 Readiness-to-proceed – Included information when parking not required, and decisions required to proceed with building permit(s)
- Threshold #9 Cost Estimate and/or Property Conditions Assessments – Added [additional](#) guidance for modular construction
- Threshold #11 Minimum Amenities – Added requirement for laundry facilities at the project
- [Threshold # 12 Energy Efficiency and Sustainability Requirements](#) – Clarified narrative requirements for Electrification-Ready or All-Electric project, if applicable
- 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, [and clarified applicability to the extended-use election](#)
- Threshold #18 Projects Financed with Tax-Exempt Bonds applying for Federal 4 Percent Credits – Updated to state documentation required and clarified exemption for projects applying in Round Two, [and documentation of volume cap availability](#)

Section 3.H Changes to Project

- Clarified timeframe and CHFA approval

Section 3.J Additional Credits

- Added provision for exception to increased developer fee after Initial Determination for Federal 4 Percent projects without State Credit only.

Section 3.L Maximum Credit Award

- 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 [and clarified option for Federal 4 Percent Housing Tax Credits Applications that are twinned with Round One Application](#)
- 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 [and 2026](#) to \$700,000 and [clarified competitive process if necessary](#)

Section 3.L.1 Maximum Credit Award Exemptions

- Clarified exemptions for maximum credit Applications

Section 3.M Determination of Housing Tax Credit Amount

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

Section 4 Underwriting Criteria

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

Section 5 Scoring Criteria

- Added language not to accept Assisted Living Facility applications or conversion to Homeownership at end of 15-year compliance period applications
- New minimum scores:
 - 115 points for Federal 4 Percent and State Credit projects
 - 95 points Federal 4 Percent Housing Tax Credit projects
- Removed homeownership conversion option at end of the 15-year compliance period
- Changed Extended Low-Income Use points, and clarified applicability to extended-use election
- 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 centers. Housing proposal should maximize allowable density at TOD site
- Project Characteristics
 - Updated minimum rehabilitation amount per unit
 - Clarified criteria for modular and factory-built construction
 - Added two points for Universal Design and additional accessible units
- Projects Serving Persons experiencing Homelessness or Special Populations
 - Added design criteria such as trauma informed design, Uniform Federal Accessibility Standards (UFAS), or 2010 ADA Standards for Accessible Design

Section 6 Fees

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

Section 8 Energy Efficiency and Sustainability Requirements

- Clarified requirement of latest version of Green Building Certification at preliminary application

Appendix A Market Study Guide

- Changed the information required in the Letter of Engagement
- Added bike score information, if available

Appendix B Parking Study Guide

- Changes to improve readability, include proximity to public transportation, and align with Market Study Guide
- Provided additional clarification on comparable properties and revised open-ended questions