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# Summary of Proposed 2025-2026 Qualified Allocation Plan (QAP) Changes First Draft as of 06.11.24

## 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 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**

- 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 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 #7 Readiness-to-proceed – Included information when parking not required, and decisions required to proceed with building permit(s)
- Threshold #9 – 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

### **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
- 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

### **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**

- 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
- 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

- 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

## **Section 6 Fees**

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

## **Appendix A Market Study Guide**

- 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