



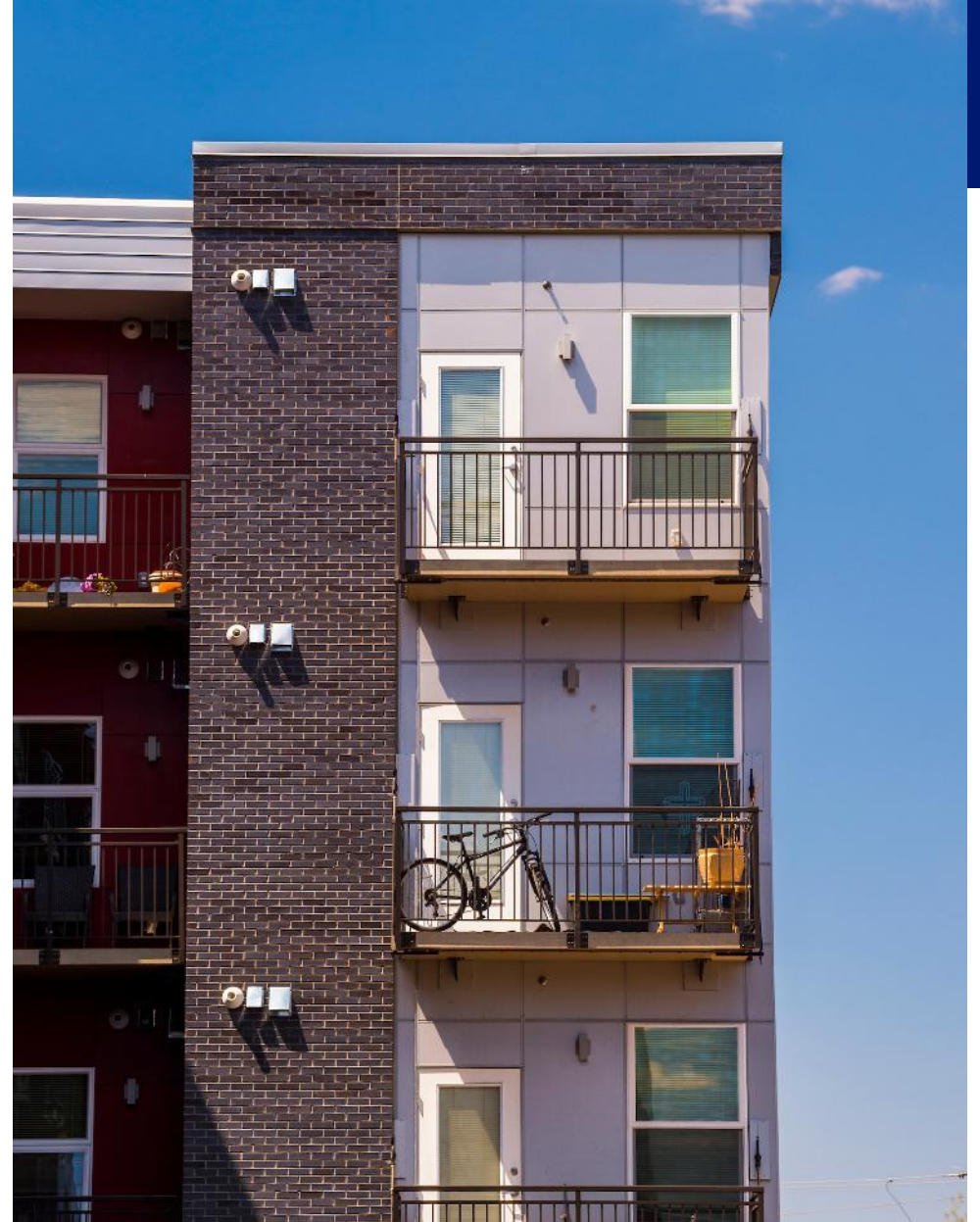
COLORADO
Office of Economic Development
& International Trade



COLORADO
Department of Local Affairs
Division of Housing

Pilot Coordinated Gap Funding and Concurrent Awards

Technical Webinar • October 1, 2026



Why explore concurrent awards?

Partner Feedback

Consistent development partner feedback on the need for greater coordination between tax credit and state gap programs.

Clear Funding Lanes

Desire to create clear, transparent "lanes" for projects based on funding source to streamline applications.

Increased Production

Staff analysis indicates that greater program coordination will directly result in more units built.

Rationale for funding coordination

01

Capital Stack Certainty

- OEDIT P123 Concessionary Debt is 'hard-pay' and best structured with application for LIHTC
- DOH flexible funds structured with application support lowest AMIs and supportive housing projects which are debt limited

02

Unified Competitive Criteria

- Developers can rely on one framework for LIHTC projects
- QAP process is consistently indicated as preferred method for competitive funding

03

Compressed Closing Timelines

- Capital stack certainly will be aligned to support financial closings
- Alignment supports pipeline to production timeline

2027 and 2028 Funding coordination pilot



OEDIT and DOH Funding

Funding Commitments

OEDIT:

- 2027: \$44M
- 2028: \$33M

DOH:

- 2027: \$30M
- 2028: \$30M

Terms and Limits

Publishing loan/grant terms, including maximums per unit and per project.

DOH Eligibility

AMI Midpoints

- **Round One:** Below 48% AMI midpoint applications
- **Round Two:** Below 52% AMI midpoint applications

Target Projects

- Dedicated supportive housing projects
- Located outside Proposition 123 eligible communities

CHFA

Competitive Rounds

- Aligned maximum credit amounts per application
- Maximum credit increases as gap funding decreases and accelerated state credit authorization increases
- Gap funding concurrently awarded with Housing Tax Credits award

2027: Pilot state gap funding

2027 Round One

OEDIT

\$25M

\$40K

Per Unit

\$2.25M

Maximum Per Project

DOH

\$12M

\$45K

Per Unit

\$2.5M

Maximum Per Project

2027 Round Two

OEDIT

\$19M

\$30K

Per Unit

\$2.6M

Maximum Per Project

DOH

\$18M

\$35K

Per Unit

\$3.2M

Maximum Per Project

2027: Maximum credit limits

2027 Round One

Federal 9 Percent Credit Maximum

\$1.7M

Paired with **fixed**

\$650K

Standard State Credit

2027 Round Two

Fixed Accelerated State Credit

\$1M

Paired with **optional**

up to \$675K

Standard State Credit,
awarded with federal 4 percent credit

2028: Pilot state gap funding

2028 Round One

OEDIT

\$18M

\$35K

Per Unit

\$2.25M

Maximum Per Project

DOH

\$18M

\$45K

Per Unit

\$2.5M

Maximum Per Project

2028 Round Two

OEDIT

\$15M

\$20K

Per Unit

\$2M

Maximum Per Project

DOH

\$12M

\$28K

Per Unit

\$2.5M

Maximum Per Project

2028: Maximum credit limits

2028 Round One

Federal 9 Percent Credit Maximum

\$1.75M

Paired with **fixed**

\$675K

Standard State Credit

2028 Round Two

Fixed Accelerated State Credit

\$1.2M

Paired with **optional**

up to \$600K

Standard State Credit,
awarded with federal 4 percent credit

Gap funding terms and eligibility

OEDIT and DOH Funding – when applicable

- 2.5% rate
- 40-year amortization schedule
- Term determined during underwriting
- First or subordinate position
- OEDIT gap funding if site is in a Proposition 123 eligible jurisdiction
- DOH gap funding if site is outside Proposition 123 eligible jurisdiction or if OEDIT gap funding is fully awarded

DOH Funding

For profits: 2% rate, term of permanent mortgage plus six months

Nonprofits and Housing Authorities: grant

AMI midpoint eligibility or Supportive Housing application

Gap funding process overview

01

Letter of Intent (LOI)

- Applicants submit letter of intent to apply for Housing Tax Credits and OEDIT or DOLA gap funding amount directly to CHFA

02

Application

- Applicants apply for Housing Tax Credits and include OEDIT or DOLA gap funding amount

03

Award Determination

- Applications reviewed for competitiveness and award under the Qualified Allocation Plan (QAP)

04

Concurrent Awards and next steps

- OEDIT or DOH conditional commitments provided with Housing Tax Credit award
- Gap funding next steps: OEDIT Proposition 123 loan underwriting and loan committee approval or DOH full application in a quarterly round for State Housing Board approval
- Housing Tax Credit award next steps: Carryover or State Credit Milestone application deadlines apply

Process for including gap funding in Housing Tax Credit application

01 As applicable to the project:

- Include gap funding request on the financing tab at the amount and loan terms
- Include gap funding cash flow loan at the amount and loan terms
- Include gap funding grant as a cash flow loan

02 Label gap funding request:

- Proposition 123 Concessionary Debt LIHTC Gap or DOH Gap Funding

03 QAP minimum underwriting requirements apply

- DCR, reserves, and PUPA

Next steps: OEDIT gap funding



CHFA's Multifamily Lending team, as contracted by OEDIT for Proposition 123 administration, will contact applicant following Housing Tax Credit award

Steps include:

- Applicant meeting to review timing and requirements
- Procorem workcenter for Proposition 123 loan documents
- Customized checklist for due diligence documents required
- Loan underwriting
- Presentation to Proposition 123 Loan Committee for approval
- Loan closing

Next steps: DOH gap funding

DOH will use common application materials (rather than its current Neighborly process) to evaluate requests. DOH will still need a formal application if project has a conditional award.

Steps include:

- Submit a letter of interest (LOI). Deadlines are listed on the [DOH website](#).
- Complete and submit your application
- If an application is complete and DOH staff recommend for funding, the project will be reviewed by the State Housing Board for an award decision.

New funding requests or requests exceeding a conditional award are evaluated competitively using DOH's published scoring criteria.



Additional gap funding opportunities – outside of pilot coordination



DOH quarterly competitive rounds:

- Details available on DOH website
- Quarterly rounds, LOIs required
- Competitively scored
- Limited funding

Proposition 123 Concessionary Debt competitive rounds:

- Details available on Affordable Housing Financing Fund website
- Rounds in February and October 2027
- Competitively assessed
- Limited funding

Questions and answers

Will gap funding be determined by criteria other than the QAP?

- No. A conditional award of gap funding will be determined by the criteria and process described in the QAP.

Will a separate application or separate information be required to apply for gap funding?

- No, application for gap funding is included in the Housing Tax Credit application. If awarded conditional gap funding, additional steps are required.

Will DOH gap funding be from state or federal sources?

- DOH gap funding will be state funds as a loan or grant source unless the awarded project is otherwise 'federalized' by other sources such as awards of more than eight Project-based Vouchers or CDBG, HOME, or HTF funding from a local community.

Questions and answers

Are applications that are in areas that did not opt in to Prop 123 precluded from getting DOH gap funding?

- No. DOH gap funding will be available instead of OEDIT gap funding for projects that otherwise would not qualify due to statutory ineligibility for Proposition 123 funding.

Can OEDIT Proposition 123 Concessionary Debt loans be in first position?

- Yes. First position anticipated to be limited to projects that cannot support permanent debt. QAP minimum underwriting (DCR, PUPA, reserves) will apply.

Questions and answers

Can the OEDIT or DOH gap funding loan total be based on less than the total number of units in a project if limited by debt capacity or need?

- Yes. In this case, the requested OEDIT or DOH gap funding loan would be less than the maximum per project and less than the total amount determined by the per unit amount but still based on the per unit amount.

Can OEDIT or DOH per unit amounts be flexible and treated as an up to amount?

- No.
- If requested, the per unit amount up to the maximum per application determines the state gap funding to include in the Housing Tax Credit application.
- A total loan that is less than the per unit amount of total units may be requested.

Questions and answers

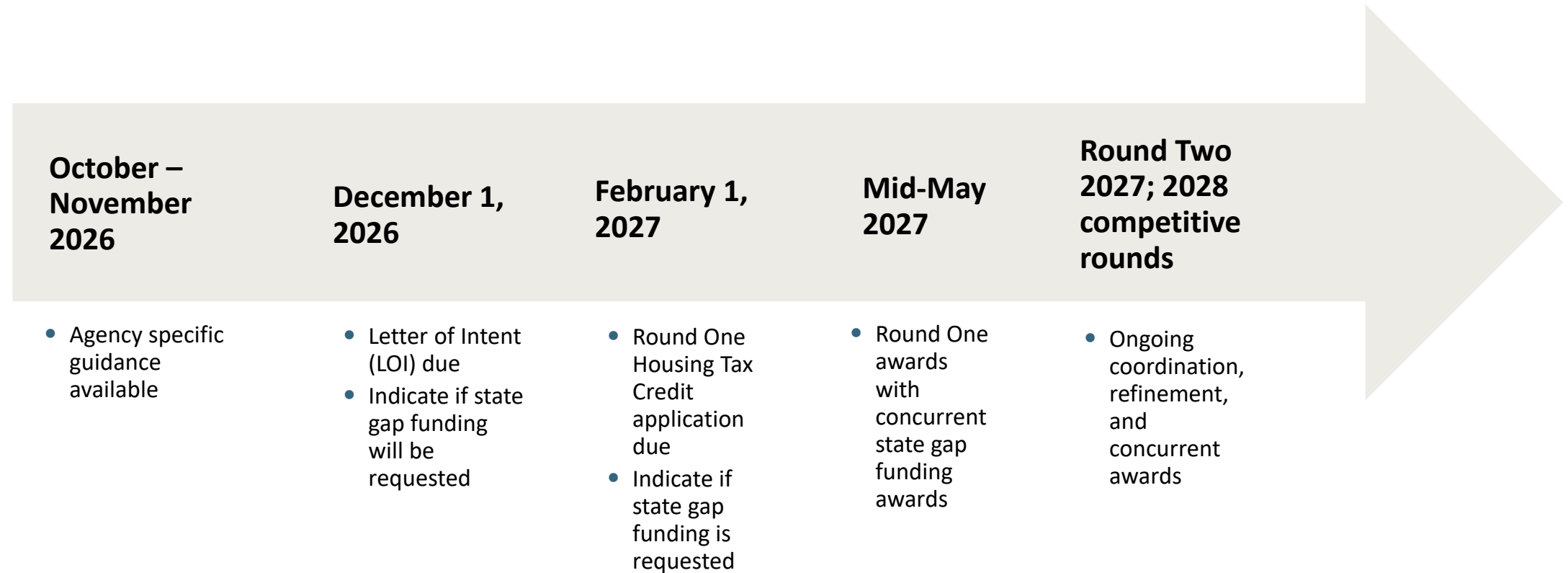
What is the definition of AMI midpoint?

- The AMI midpoint is the sum of the project's units multiplied by the AMI for each unit divided by the total units.

Why not higher AMI midpoints for DOH gap funding?

- The AMI midpoints were set to distinct, specific thresholds to divide eligibility between OEDIT and DOH gap funding, ensuring that eligible projects in the pilot receive state gap financing without exhausting the funds committed to round.
- To coordinate funding in this pilot, a total amount of both OEDIT and DOH gap funding is committed specifically to each competitive Housing Tax Credit round.
- CHFA, DOH, and OEDIT staff worked collaboratively to establish per-unit and per-application funding caps higher than recent historical averages.
- By combining state resources and modestly reducing maximum Housing Tax Credit caps per project, the pilot aims to stretch available funding further, ultimately supporting the goal of awarding a greater number of projects, resulting in more total affordable units.

Next steps and deadlines





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Contacts

DOH

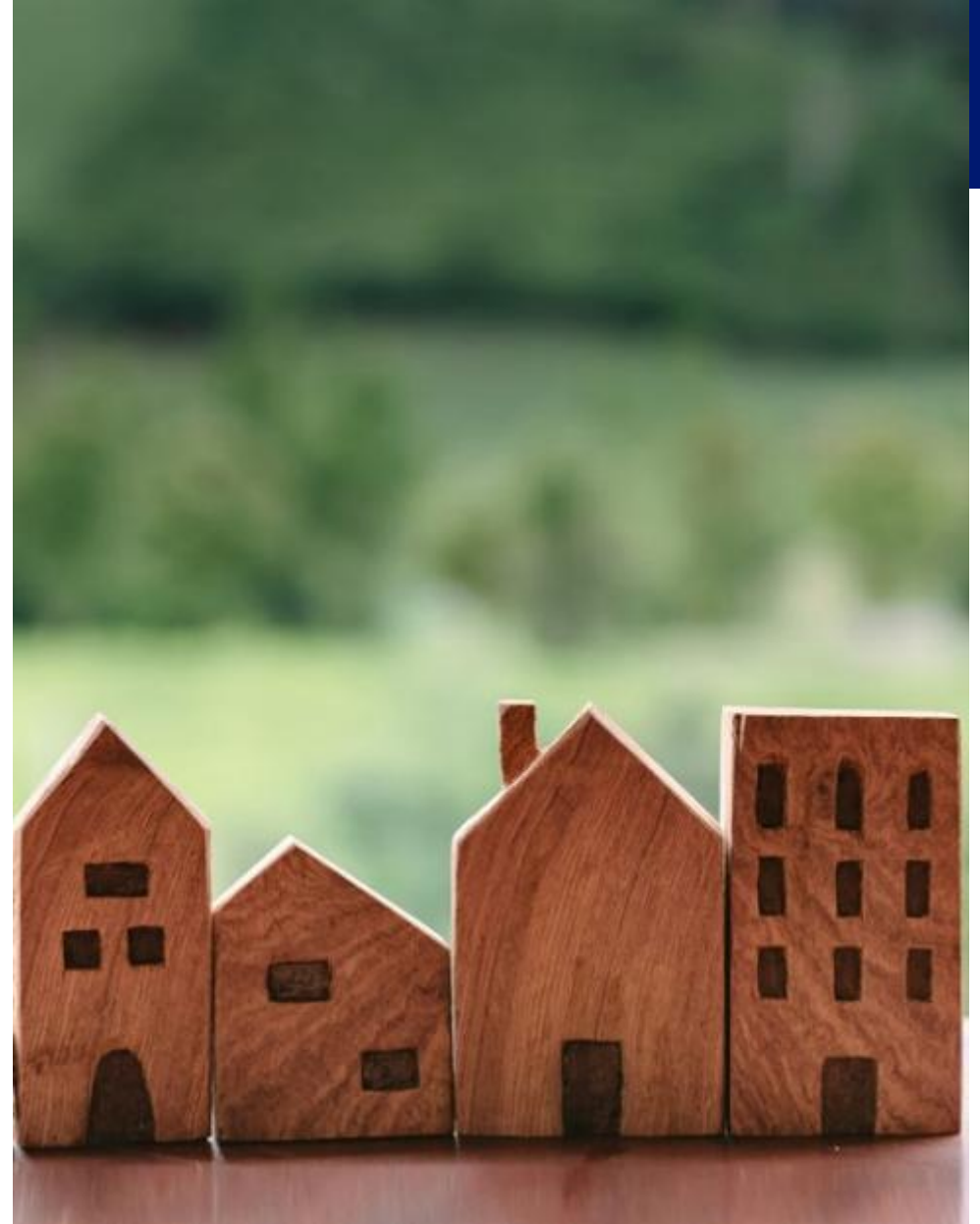
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Thank you

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