

chfa 4 percent pab pool



2022 Guidelines and FAQs

CHFA is proud to support its mission of affordable housing and community development statewide using a variety of innovative resources including Private Activity Bonds (PAB). To assist our partners and customers, CHFA has created a PAB Pool for federal 4 percent Housing Tax Credit projects seeking PAB volume cap in 2022. Please review all guidelines and CHFA's QAP prior to submitting a CHFA PAB Pool Letter of Intent (LOI).

CHFA is not alone in deploying PAB to support statewide needs. In 2022, DOLA-DOH allocated \$304 million in PAB to local city and county issuers. To view a list of all 2022 statewide issuers, [click here](#).

Applicability

This document governs the allocation of Private Activity Bonds (PAB) for federal 4 percent Housing Tax Credit applications requesting volume cap from CHFA in the 2022 Pool. Sponsors applying for state housing tax credits are not subject to these guidelines. All Housing Tax Credit applications are subject to CHFA's Qualified Allocation Plan (QAP).

Background

Based on initial feedback from stakeholders, CHFA anticipates demand for PAB to exceed available volume cap. In response to the likelihood of over-subscription, CHFA staff will use the following criteria, in addition to critical elements expressed in the QAP, to recommend 2022 PAB Pool reservations. PAB Pool reservations will be made in conjunction with the Tax Credit Allocation Committee (TCAC) recommendation for federal 4 percent Housing Tax Credits. An award of federal 4 percent Housing Tax Credits is required for a 2022 PAB Pool reservation, which represents a change from the 2021 PAB allocations.

If available volume cap is sufficient to meet application demand, a PAB Pool reservation will be made following review of application Threshold Criteria and the application will be presented to TCAC.

Application

- Applications accepted by April 1, 2022, by 5:00pm MT.
- [PAB Pool Letter of Intent \(LOI\)](#) due a minimum of 45 days in advance of application.
- Limit to one project per applicant.
- A non-refundable \$10,000 PAB Pool volume cap reservation fee due at time of reservation.
- Applications will be limited to a PAB request of not more than 55 percent of the aggregate basis.
- If demand exceeds available volume cap, Applicants will be required to meet QAP Threshold Criteria by the application deadline or submit missing documentation by 5:00pm MT of the next business day. In addition, Applicants will have five business days to respond to any clarification letter.

Eligibility

- New construction, existing projects without housing tax credits, and existing housing tax credit projects in year 20 or later of their extended use period.
- Existing housing tax credit projects serving homeless and special need tenant populations in year 16 or later of their extended use period.
- PAB per unit is limited to no more than \$175,000.
- If applicant received a PAB reservation from the 2021 PAB Pool, evidence of closing is required.

To ensure shovel-ready projects

- Applicants are expected to close by the construction loan closing date stated in the application.
- Reservations of PAB Pool volume cap will expire 10 business days after the construction loan closing date stated on the application unless an extension has been requested and approved 30 days prior to the closing date.
- Extension requests for projects receiving 2022 PAB Pool reservation may be for up to 60 days and must be for circumstances beyond the control of the applicant, at CHFA's sole discretion.

Additional criteria

If demand exceeds available volume cap, the following additional criteria will apply in addition to the QAP:

- Level of financing commitments.
- Date of construction loan closing.
- Confirmation from jurisdiction regarding reasonableness of the timeline to receive permits, zoning approval, and entitlements by the closing date listed in the application.
- Amount of PAB per unit.
- Increase of housing stock in Colorado.

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What are CHFA's goals for the 4 percent CHFA PAB Pool?

- To make available a pool of CHFA PAB volume cap resources to support federal 4 percent Housing Tax Credit projects.
- To reserve and issue CHFA PAB Pool resources for shovel-ready projects.
- To increase the affordable housing inventory in Colorado.

What is the total amount of PAB available for the 2022 Pool?

- \$225 million

If CHFA reserves all 2022 CHFA PAB Pool volume cap, can I still submit an LOI and application in 2023 to get on the waiting list for the 2023 CHFA PAB Pool resources?

- No. CHFA is not creating a waiting list.
- CHFA will evaluate 2022 program effectiveness, monitor availability and needs, and continue to seek stakeholder input to inform the 2023 PAB Pool guidelines and processes.

How do I apply?

- Per the QAP, CHFA requires a [4 percent PAB Pool Letter of Intent](#), which is due 45 days prior to submitting a housing credit application.
- A concept meeting with CHFA staff is required in advance of submitting a federal 4 percent Housing Tax Credit application.

Is there a cost to apply for the CHFA PAB Pool?

- Yes. A \$10,000 non-refundable CHFA PAB Pool reservation fee is due at time of reservation. CHFA will forward an invoice to the applicant.
- CHFA charges issuer fees at construction loan closing and bond issuance. Please see [CHFA issuer fees](#).

CHFA reserves the right to manage, operate, and administer 4 percent PAB Pool, in its sole and absolute discretion, as it deems appropriate. CHFA may implement, amend, modify, withdraw, change, update, or waive any rules and requirements for the 4 percent PAB Pool applicants, projects, or reservations without the need for public notice or input. Notwithstanding anything to the contrary, CHFA reserves the right, in its sole and absolute discretion, at any time and for any reason, to i) allocate or not allocate any amount of the 4 percent PAB Pool; ii) reject or deny any application(s); and iii) not reserve or allocate PAB to any applicant or project.

What if my project is not participating in the CHFA PAB Pool?

All other sponsors applying for federal 4 percent Housing Tax Credits will be asked to provide the following as part of a complete application.

- An inducement resolution from PAB issuer in the state indicating that they will be issuing the bonds sufficient to support the project; or
- A transfer of volume cap to CHFA from another issuer(s) sufficient to support the project.

Will the 2022 State AHTC + 4 percent Housing Tax Credit awardees be subject to the limitations of the 2022 4 percent CHFA PAB Pool?

No. CHFA will prioritize available PAB Pool volume cap to support those developments without access to PAB and awarded state Affordable Housing Tax Credits (state AHTC) through a competitive allocation process.

What if I still have questions?

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