

private activity bonds (pab)



tax-exempt private activity bonds and 4 percent lihtc application requirements

To assist both our partners and customers, CHFA implemented steps to help manage its Private Activity Bond (PAB) volume cap and ensure efficient deployment of this limited statewide resource.

When CHFA is the issuer, CHFA limits multifamily private activity bond issuances to no less than 52 percent and no more than 55 percent of the 4 percent LIHTC aggregate basis.

In addition, CHFA will prioritize its available PAB volume cap to support those developments without access to PAB and awarded state Affordable Housing Tax Credits (AHTC) through a competitive allocation process.

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

- An inducement resolution from another 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.

CHFA anticipates robust demand for its PAB volume cap to continue as Colorado communities work diligently to meet their varied affordable housing and economic development needs.

CHFA is proud to support its mission of affordable housing and community development using a variety of innovative resources including PAB. The positive result of this investment is significant with over 3,450 first time homebuyers supported, 12,239 rental housing units developed or preserved, and 232 manufacturing jobs supported since 2016.

CHFA is not alone in deploying PAB to support statewide needs. In 2020, DOLA-DOH allocated \$286 million in PAB to local city and county issuers. To view a list of all statewide issuers [click here](#).

For more information, please contact Shannon Friel, Private Activity Bond Manager, at sfriel@chfainfo.com or 303.297.7387.

Subject to change with or without notice. The decision to issue bonds shall be in the complete and sole discretion of CHFA.

CHFA will no longer act as issuer on multifamily housing transactions where the loan to a borrower will not constitute a “program investment”^{**} and, as a result, the allowable point spread is reduced.*

*Treasury Regulation Section 1.148-1(b)

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people live and work*

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