Competitive Application Process for Rental Projects

**Frequently Asked Questions**

**Why is HOST implementing this new process?**
HOST is seeing great demand for limited funding. The purpose of this competitive process is to allocate limited funds to projects that best meet the City’s priorities, as detailed in *Housing an Inclusive Denver*, annual action plans, and future strategic plans.

**What are opportunities to provide feedback?**
All members of the community are encouraged to attend information sessions, held on Tuesday, January 14, 2020, from 1:30–3:30 p.m., and Wednesday, January 15, 2020, from 8–10 a.m. at the Wellington E. Webb Municipal Office Building, 201 W. Colfax Ave., Room 1.B.6. Inquiries and feedback can also be directed in writing to Housingdevelopment@denvergov.org. HOST will aggregate questions and answers and then redistribute updated FAQs.

**What if I have already submitted an application?**
Applications that have been submitted to HOST that have already received a tax credit award will be reviewed in accordance with the existing process. Sponsors of all other projects seeking City funding must submit a Competitive Application under the applicable competitive round.

**What outcome can I expect from this process?**
Project(s) that best meet the City’s priorities will receive a letter of conditional commitment in advance of application submission to the Colorado Housing and Finance Authority (CHFA) for tax credits. This letter of support will detail a funding amount that would be acceptable to HOST. Other projects will not receive a letter of support.

**What if my project requires City funding but does not receive a letter of conditional commitment from HOST, and the project subsequently receives tax credits anyway?**
Projects that receive tax credits but did not receive a letter of conditional commitment from HOST will be evaluated on a case-by-case basis.

**When will details be provided about the City’s priorities, evaluation criteria and required documentation for submittal?**
Draft details will be shared at the public meetings on January 14, 2020 and January 15, 2020. Final details will be published in a Competitive Application on or before January 31, 2020.

**What are the timelines for submittal and evaluation?**

**2020 4% + state tax credits**
- Applications due to HOST April 1, 2020
- Selected projects receive conditional commitments from HOST May 15, 2020
- Letters of Intent due to CHFA June 1, 2020
- Applications due to CHFA August 3, 2020

**2020 4% tax credits**
- Applications due to HOST July 1, 2020
- Selected projects receive conditional commitments from HOST August 15, 2020
- Applications due to CHFA thereafter
2021 9% tax credits
- Applications due to HOST October 1, 2020
- Selected projects receive conditional commitments from HOST November 13, 2020
- Letter of Intent due to CHFA December 2, 2020
- Applications due to CHFA February 3, 2021

2020 non-tax credit projects
- Applications due to HOST November 2, 2020
- Selected projects receive conditional commitments from HOST December 15, 2020

Why is HOST not waiting on the publication of its upcoming strategic plan?
Priorities in 2020 will align with HOST’s current long-range plan, Housing an Inclusive Denver. HOST is undergoing the development of a new strategic plan in 2020 that will set priorities along the housing continuum for the new department. Once adopted, this new plan will provide priorities to inform future gap financing competitive rounds.

Why is HOST issuing a competitive solicitation for 4% tax credits rather than accepting rolling applications?
HOST is seeing an increase in 4% tax credit applications and has limited funding, as well as limited private activity bonds (PAB). The purpose of a competitive application is to prioritize these investments. 4% applications have also required the largest City subsidy in order to be financially viable. HOST will focus funds on projects that best meet the City’s priorities.

What is a reasonable funding request per unit? Are the term sheets still valid?
The term sheets will no longer be utilized after the 9% tax credit round in 2020. HOST looks forward to evaluating projects competitively to determine true gap. Further, funding will be prioritized to cover gap on projects that best meet the City’s priorities.

How will HOST staff underwrite these projects?
Staff will engage in a two-stage underwriting process for tax credit projects. The first stage will occur to issue a letter of conditional commitment, based on preliminary project details submitted prior to the project’s application for tax credits to CHFA. A more in-depth underwriting will be performed after the award of tax credits. Guidelines regarding this in-depth underwriting are being finalized now and will be shared with the Competitive Application on or before January 31, 2020.

How much money available?
Estimated funding amounts available for each competitive round will be announced with the Competitive Application on or before January 31, 2020.

What are the City’s priorities?
HOST will publish priorities and evaluation criteria in the Competitive Application on or before January 31, 2020. These priorities will align with Housing an Inclusive Denver and our annual action plan. Priorities and draft criteria will be shared at public meetings on January 14, 2020 and January 15, 2020.

Does this process apply to homeownership projects?
No, this process in 2020 will only apply to rental projects. Homeownership project applications will be evaluated on a rolling basis.

Do loan agreement amendments need to wait for the competitive process to submit an application?
If the project requires additional funds, the project must wait to be submitted during the applicable competitive process. Amendments that do not require new funds may use the existing rolling process.

Will you consider additional applications prior to the start of competitive rounds?
With the exception of loan amendments that do not require new funds, HOST will no longer accept applications for rental projects outside of competitive rounds.
How do we submit applications?
Directions will be provided in the Competitive Application that will be issued on or before January 31, 2020.

What will be required at the time of application?
Final required documents for application will be published in the Competitive Application that will be issued on or before January 31, 2020. HOST is cognizant of CHFA’s timelines and is working to prevent unnecessary cost to projects by requiring duplicate due diligence items.

Can the award change after tax credit award?
Preliminary funding amounts provided in the letter of conditional commitment are subject to change after more detailed underwriting following the award of tax credits.

Must I submit an application during a competitive round if my project does not require HOST funding?
If your project requires a letter of support from HOST for a tax credit application, regardless of whether the project requires HOST funding, you must submit an application through a competitive round.

What happens to funding that is uncommitted during any competitive application round?
Any uncommitted funds will roll forward to future rounds throughout the year or be utilized to support other priorities in our strategic plan, at the discretion of HOST.

Could HOST’s budget change throughout the year?
Yes, budget amounts per each funding round are estimated and may adjust throughout the year.

Additional questions can be directed to Housingdevelopment@denvergov.org