



Dannel P. Malloy
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



Affordable Homeownership 2014-2015
NOFA Questions and Answers

Project/ Program Eligibility

Q1: Is each project limited to 1-4 units or can a project have multiple buildings consisting of 1-4 units per building?

A1: Multiple buildings consisting of 1-4 units per building are allowable; each building must have an owner-occupant in order to be eligible for DOH subsidy.

Q2: Can a developer build units that will ultimately be sold to owner-occupants? Is that an eligible project?

A2: A developer proposing to build units that will ultimately be sold to owner-occupants is an eligible project under this NOFA.

Q3: Is it permissible to develop an owner-occupied 1-4 unit building in which the other units are rented? Will there be income restrictions associated with those rental units?

A3: Yes, it is permissible to develop an owner-occupied 1-4 unit building in which the other units are rented. The owner would be required to rent the units to eligible households that are at or below 100% AMI; rents would be limited to the rent limits allowable by DOH FLEX funds. Please note that the Rating and Ranking form will provide points to applicants that will further restrict income eligibility on rental units that are created as part of a homeownership project or program.

Q4: Are administrative costs and design costs eligible expenditures?

A4: Yes, both costs are eligible and could be covered by DOH Affordable Homeownership funds. Administrative funds would only be considered for applicants proposing to administer a homeownership program (as opposed to a project). DOH evaluates the reasonableness of all costs and generally will not approve requests for administrative funds that exceed more than ten percent of the program funds.

Q5: Are condominium projects eligible? Are condominium buildings restricted to 4 units, or could they exceed that unit count? Or, are both scenarios acceptable?

A5: New construction condominium projects are eligible. Due to the fact that all units in a condominium project are owner-occupied, there is no restriction on the number of units in each building.

An applicant that is proposing to rehabilitate and/or convert existing rental units into condominiums is subject to State law that governs these types of transactions (Section 47-282 thru 47-293 CGS, Common Interest Communities Containing Conversion Buildings). Any entity proposing to convert rental units (regardless of whether they are applying for public subsidies) is required to submit a formal application to DOH. Applicants that are contemplating rental unit conversion are encouraged to contact DOH immediately for further guidance.

Q6: Can we leverage other state funding with this program, i.e. CHFA HTCC or other Dept of Housing Funds?

A6: Yes. Applicants are encouraged to leverage other sources of funds. All sources of funds must be realistic and likely; a project/ program cannot be contingent on any future competitive funding award of funds from DOH or any other source. The “Leverage” category in the Rating and Ranking form provides points based on the amount of leverage an applicant has compared to the DOH investment. Other state funds are not considered leverage for the purposes of the “Leverage” category.

Rating and Ranking

Q7: It appears that a revised version of the Rating and Ranking form was posted on 11/12/14. What revisions were made?

A7: The Rating and Ranking form was revised and reposted on 11/12/14 to correct a calculation error in the total number of points achievable. In addition, the category “Affordability Level for any rental units that are DOH Restricted Units” was added to “Other Towns and Cities” to order to provide points to applicants that further restrict rental units that are created as part of an owner-occupied 2-4 unit building.

Q8: How would DOH score an application proposing to develop an owner-occupied 2-4 unit building under the Rating and Ranking “DOH Cost Per Unit” and “Total Cost Per Unit” categories? Would a four unit building with one owner and, say, three tenants be considered 4 units for this purpose?

A8: The “DOH Cost Per Unit” category would be calculated based on the number of DOH units in the property (both rental and owner-occupied). For the “Total Cost Per Unit” point category, all units in the building would be considered, regardless of whether they were DOH restricted.

Q9: How will DOH compare projects to programs?

A9: Due to the fact that the total number of achievable points will differ amongst projects and programs, and amongst “Statutorily Designated Areas” and “Other Towns and Cities”, DOH will utilize the following ratio to compare applications: total points earned / total points possible. An applicant that is proposing a singular “project” or “program” yet will serve both “Statutorily Designated Areas” and “Other Towns and Cities” will be provided one score for each area served; serving both areas will not result in the ability of an application to achieve an overall higher point score.

Proposal Type and Consolidated Application (ConApp)

Q10: I’m not certain whether we should apply as a project or a program. We are proposing a scattered site homeownership initiative.

A10: A scattered site proposal would be considered a “project” if the following conditions are met: the applicant has site control for all of the properties; there is one development budget; shared sources and uses; one development schedule exists for the project and construction is expected to be completed for all units at approximately the same time.

A scattered site proposal would be considered a “program” if it does not meet the conditions above. The development process and homebuyer closings for a “program” would not be synchronized and would most likely occur independently of each other. A “program” would be administered in accordance with a policies and procedures manual which is formulated by the applicant and submitted in conjunction with an application for funding. Streamlining of program development activities is encouraged with a “program”, but not always feasible.

Q11: If possible, we’d like to submit a request for funding for scattered sites in multiple municipalities both in and outside of a “Statutorily Designated City”. Is this possible, or would we need to submit separate applications for properties in and out of the Statutorily Designated City?

A11:

- If an applicant is proposing a “project” and a “program”, then two separate applications must be submitted.
- If an applicant is proposing two “projects”, then two applications must be submitted.
- If an applicant is proposing two program types (for example a downpayment assistance program and an acquisition/ rehabilitation program), the applicant must submit two separate applications.
- If you are proposing one “project” **or** one “program”, but the proposed sites or service areas are located in more than one town and/or city, then one application shall be submitted. This is regardless of whether the town and cities served are both part of the “Statutorily Designated Cities” and “Other Towns and Cities” classifications.

Q12: What is the deadline for the completion of the homeownership units?

A12: The initial period of performance for DOH grants will not exceed twenty-four months. For this purpose, applicants may assume that grant agreements will be executed by August 2015.

Q13: We are planning on proposing a 15 scattered site homeownership development project. Would this be considered a “project” or a “program”? Would we select a “small” or “large” project in the ConApp?

A13: Refer to question 10 (Q10) for clarification on discerning a “project” from a “program”. Projects proposing less than five total units may use the “DOH Small Project” application in the ConApp.