

State of Connecticut
Department of Housing
Special Priority Projects and Program NOFA

NOFA Frequently Asked Questions – 2/27/14

1. Q: We are currently considering applying for either Low Income Housing Tax Credits or financing through CHFA. Which application should I complete?
A: Any proposal contemplating assistance in any form from CHFA must use the standard DOH/CHFA Consolidated Application available on either agency's website. The Small Project Application cannot be used for these projects.

2. Q: What will be the source of the funds?
A: Funding for this NOFA is expected to be provided under the Affordable Housing Program, aka the Flexible Housing Program.

3. Q: Is there a Rating and Ranking form for this NOFA?
A: The Rating and Ranking criteria can be found in the NOFA under section **G**.

4. Q: Can an application under this NOFA be submitted electronically through the Biznet portal?
A: Yes. Three categories have been created for this NOFA in the Biznet portal; Consolidated Application, Small Project Application, and Program Application. Each Biznet category has been individually tailored so that only applicable items from each application are identified as exhibit attachments.

5. Q: We started to complete the application forms and noticed that certain dropdown boxes did not provide the full range of eligible choices?
A: This issue has been brought to DOH's attention and these issues have been corrected and new application forms dated 2/24/14 have been uploaded to the DOH Special Priority Projects and Program NOFA webpage.

6. Q: In the NOFA the application deadline was identified as March 3, 2014 but DOH's website says the deadline is now March 17, 2014. Which is correct?
A: As announced in DOH's Special Round webpage on January 28, 2014, the original deadline has been extended by two weeks to provide applicants additional time to complete applications.

7. Q: Can the same developer submit two applications under this NOFA, either for two separate projects or a project and a program?
A: No. The NOFA limits one application per developer.
8. Q: How do I know if my proposal is a program or a project?
A: A project is defined as a site-specific proposal that includes the rehabilitation/development of one or more known project sites. A program entails assistance to a number of non-site specific properties which have not yet been determined at the time of application. Examples of programs are scattered site housing rehabilitation, downpayment assistance, etc. Programs have their own separate application which is located on the Special Priority Projects and Program NOFA webpage.
9. Q: Can I request funding for a homeownership project, such as the purchase, rehab, and resale of 6 houses on the same street?

A: No. Homeownership projects are not allowed under the Special Priority Projects and Program NOFA. Homeownership programs are allowed as long as such programs are designed to recycle DOH funding for the purposes of undertaking the completion of additional homeownership units.
10. Q: An application for the project is going to be submitted for the 2014 CHFA LIHTC 9% round. Can I submit a gap funding request for this application under the NOFA?
A: No. Since the CHFA funding would not be in place prior to awards, any such application would lack a credible financing plan. As in previous years, DOH intends to make some State capital funding available for applications under the next 9% LIHTC round.
11. Q: Is there a minimum percentage of units that must be dedicated to ending homelessness or serving veterans to qualify under the NOFA priority 1?
A: No. The NOFA does not establish minimum standards for such assistance. However, the application must demonstrate that ending homelessness is a key aspect of the proposal to meet this priority goal.
12. Q: How many copies of the application must be submitted?
A: If submitting a hard copy for a program request, one original and one copy must be submitted. Project applications must be submitted electronically.
13. Q: After reviewing a Program application, will DOH provide applicants with a letter listing any deficiencies or questions and provide applicants with an opportunity to provide additional information?
A: No. There is no deficiency period built into the process. Applications need to be complete at the point of submission.

14. Q: We're considering the submission of an application to purchase/rehabilitate/resell a number of properties. How do I know if this is a program or a project?

A: If the funding plan shows that the assistance requested will assist the development of a defined number of units, that would be a project. But if you plan to use the funds in a temporary manner during construction and would then recycle the funds into other sites, that would be a program.

15. Q: Is site control required at the point of application.

A: Yes.

16. Q: What type of documentation is DOH requiring to demonstrate financial commitments?

A: At a minimum, a soft support letter must be submitted for each proposed funding source.

17. Q: What level of architectural drawings must be submitted at the time of application?

A: Design development documents, or what is commonly referred to as 40% drawings.

18. Q: Will DOH funding be provided as a grant or loan?

A: For projects, the amount and terms of DOH's funding will be determined by DOH based on the project need as demonstrated through the underwriting process. It is always DOH's preference to provide soft loans rather than grants. For programs, it is anticipated that the assistance will be in the form of grants, though DOH would likely require that mortgages be placed on properties to protect DOH's security interest.

19. Q: Do all projects have to complete the financial Assistance Worksheet?

A: No, this document is only required if the proposal is to address a property within the State Housing Portfolio currently managed by CHFA.

20. Q: Are the RAPs available under the NOFA project based or tenant based?

A: The RAPs are project based and are intended to be provided to developers to allow for deeper income targeting of subject units.

21. Q: We're proposing to rehabilitate a property for residential use. The property will be leased to our organization by a local religious organization. How long will the lease need to be to meet eligibility criteria?

A: The lease should be for a period of at least 30 years. If the lease includes a leasehold payment that is acting as a purchase price, then the lease would have to be for a minimum of 99 years.

22. Q: Can program funds be used to pay off existing debt or to pay off an equity holder?

A: Acquisition costs are an eligible expense under the program. However, refinancing costs are not eligible. For acquisition costs to be considered an eligible project expense, the purchase must be an arm's length transaction. To the extent that a party with an interest in the property will continue to have an interest in the property after the acquisition, the value of such party's interest must be provided to the project in the form of equity or subordinated debt.

23. Q: What is the timeframe for the completion of either a project or a program?
A: Projects should be completed and occupied within 18 months of closing. Programs will be evaluated in part on how quickly they will benefit the target beneficiaries.
24. Q: Does a project have to meet all of the priority goals under the NOFA to be eligible?
A: No. An application only has to demonstrate that it meets one of the three priority goals.
25. Q: Do architectural drawings and specifications need to be submitted electronically?
A: No. Architectural drawings and specifications must be submitted in hard copy.
27. Q: Can funding under the NOFA be used for acquisition and construction costs related to new housing development?
A: Yes. DOH funding under the NOFA is limited to \$3.5million.
28. Q: For the census tract can more than one be utilized?
A: Yes. For such cases clearly define the situation in the application narrative.
29. Q: What are the loan terms?
A: Loan terms will be based on DOH underwriting.
30. Q: Are single room occupancy units (SRO) eligible under the NOFA?
A: Yes. SRO's are an eligible property type under this NOFA. However, the application needs to clearly demonstrate that there is a need and local desire for this type of housing.