



**The State of Connecticut  
Department of Housing**

in partnership with the

**Connecticut Housing Finance Authority**

**NOTICE OF FUNDING AVAILABILITY**

**State-sponsored Housing Portfolio Moderate Rehabilitation Projects**

**Deadline for Submission of Applications:  
Monday, January 13, 2014**

This Notice of Funding Availability (this “NOFA”) is directed to owners of properties in the State-Sponsored Housing Portfolio (the “Portfolio”) seeking funding from the Department of Housing (“DOH”) for projects that involve a moderate level of rehabilitation of the existing premises.

A. Background

In 2003, pursuant to CGS §8-37uu, the State conveyed its interest in the Portfolio to the Connecticut Housing Finance Authority (“CHFA”) with all statutory program requirements remaining in place. In 2012, the Governor announced an ambitious 10-year \$300 million initiative to revitalize the Portfolio. The first \$90 million of that initiative have been authorized to date. Last year, CHFA engaged a consultant to prepare a capital plan to inform and prioritize the revitalization of the Portfolio properties in accordance with the Governor’s initiative (the “Capital Plan”). Over the course of this 10-year period, guided by the Capital Plan, DOH and CHFA expect to invest the funds authorized under this initiative to rehabilitate or redevelop each of the properties in the Portfolio.

B. Funding

Funding under this NOFA will include approximately \$10 million of Affordable Housing Program (“FLEX”) funds. Under state law, housing units assisted with FLEX funds must be affordable for persons and families with incomes not greater than 100% of Area Median Income (“AMI”). DOH funds may be provided in the form of grants, loans or a combination thereof based on

project needs and DOH/CHFA underwriting. All terms of the financial assistance provided under this NOFA will be subject to the discretion of DOH, which may determine that all or a portion of the available financing for a project will be in the form of debt. Loans may be offered by DOH at a reduced interest rate and/or with extended terms. Funding per project under this NOFA may not be less than \$150,000 or greater than \$4,000,000. In addition, hard costs for the project cannot exceed \$35,000 per unit. Applicants may request Tax-exempt Bond Fund financing from CHFA to supplement DOH's Flex funds.

C. Eligible Applicants

An applicant must be an owner of a property within the Portfolio (or a new affiliated entity created for the purpose of financing the project). Each applicant must also be an entity that is an "Eligible applicant" under the Affordable Housing Program, CGS § 8-37pp. Priority consideration will be given to owners of properties for which the Capital Plan targets a transaction in 2014, 2015 or 2016, or properties listed in the Capital Plan without a target transaction year.

D. Eligible Uses of the Funding

Funding under this NOFA must be used for the rehabilitation of a Portfolio property in accordance with a scope of work that is substantially consistent with the capital needs identified for such property in the Capital Plan. Such work may include, for example: major systems repairs, upgrades, or installations (e.g. roofs, HVAC, windows, mechanical systems, security, energy efficiency upgrades, and paving); remediation or abatement of hazardous materials including lead-based paint, radon, or mold; installation or augmentation of, or upgrades to, mobility and sensory impaired accessibility in units and common areas; and renovations of obsolescent conditions such as renovations of kitchens and bathrooms. To the extent an applicant proposes a scope of work that is inconsistent with the Capital Plan, an explanation for such inconsistency is required.

E. Application Submission Requirements

Applicants must use the State-sponsored Housing Portfolio Moderate Rehabilitation Projects application (the "Mod Rehab Application"). The Mod Rehab Application will be available on DOH's website at [www.ct.gov/doh](http://www.ct.gov/doh) as well as the CHFA website at [www.chfa.org](http://www.chfa.org) (together, the "Websites") in November. Please note, in particular, that applications must include architectural drawings that, at a minimum, meet the 40% completion standard and have been completed by an architect licensed in Connecticut. Applications not accompanied by 40% architectural drawings will not be considered. Additional threshold requirements will be set forth in the application.

Applications for funding under this NOFA must be submitted no later than Monday, January 13, 2014 at 4:00 p.m. Applications should be submitted to the attention of Jacqueline Simpson, DOH. Prior to December 31, 2013, applicants may contact Jacqueline Simpson via email at [Jacqueline.simpson@ct.gov](mailto:Jacqueline.simpson@ct.gov) with questions related to this NOFA. Questions and DOH's answers thereto will be periodically posted on the Websites.

An applicant may submit its application for funding under this NOFA either electronically through the State's Biznet portal OR as a hard copy binder submission. Each applicant must

choose only one method for submission and therefore may not submit one or more portions electronically and other portions in hard copy. The Biznet portal can be found at <http://das.ct.gov> or by clicking the Biznet button on the DOH website home page. Note that hard copies of architectural drawings and project manuals cannot be submitted electronically and therefore must be submitted in hard copy to DOH (two copies are required if financing from CHFA is being sought).

F. Selection Criteria

All applications that meet threshold requirements will be evaluated and scored based on (a) the project's readiness to proceed (40%); (b) the capacity of the development team (10%); (c) the availability of affordable housing in the municipality where the project is located (10%); (d) the extent to which the project will enable the property to operate sustainably over the long term (10%); (e) the extent to which the project is designed to minimize displacement of residents; (10%); (f) the number of currently uninhabitable units that will become habitable as a result of the project (10%); (g) the extent to which State funding provided under this NOFA will leverage non-State funding, for which the applicant has a firm commitment (10%).

G. Reservations

All applications submitted in response to this NOFA are the sole property of the State and subject to the provisions of Connecticut's Freedom of Information Act, CGS §1-200 et seq., which provides that public records and documents are subject to public access and copying unless specific exemptions to disclosure exist. If an applicant believes that portions of its application are exempt from disclosure, the applicant should mark the specific portions as confidential. Acceptance of an application by DOH which contains such reservations is not an agreement that the material is confidential or exempt from disclosure. DOH reserves the right to amend or cancel this NOFA, to modify or waive any requirement, condition or other term set forth in this NOFA or the application, to request additional information at any time from one or more applicants, to select any number of applications submitted in response to this NOFA, or to reject any or all such applications, in each case at DOH's sole discretion. DOH may exercise the foregoing rights at any time without notice and without liability to any applicant or any other party. Applications to this NOFA shall be prepared at the sole expense of the applicant and shall not obligate DOH to procure any of the services described therein or herein from any applicant. DOH shall not be obligated to any applicant until a final written agreement has been executed by all necessary parties thereto and all applicable approvals have been obtained.