

**The State of Connecticut
Department of Housing**

NOTICE OF FUNDING AVAILABILITY

Homeownership Development Projects

Deadline for Submission of Applications: February 22, 2017

This Notice of Funding Availability (this “NOFA”) is directed to applicants seeking to create homeownership opportunities for eligible households throughout the State. Assisted properties must be owner-occupied properties comprising 1 to 4 units that create affordable housing units, especially in high opportunity areas.

A. Goals of this NOFA:

The State of Connecticut Department of Housing (“DOH”) is committed to expanding opportunities for safe, decent and affordable housing for its residents. Affordable housing promotes healthy lives, strong communities and a robust economy. The goal of this NOFA is to expand affordable housing opportunities by fostering the creation of affordable homeownership properties throughout Connecticut.

B. Eligible Applicants:

Applicants eligible for consideration under this NOFA include the following eligible applicants under the Affordable Housing Program, Connecticut General Statutes (“CGS”) § 8-37pp and the Housing Trust Fund Program, CGS § 8-336m: “(A) A nonprofit entity; (B) a municipality; (C) a housing authority; (D) a business corporation incorporated pursuant to chapter 601 or any predecessor statutes thereto or authorized to do business pursuant to said chapter 601 having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; (E) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; or (F) any combination thereof.”

C. Eligible Projects:

Eligible projects under this NOFA include the construction of new, or rehabilitation of uninhabited, owner-occupied properties comprising up to four units. A project must specify one or more properties to be developed in a single phase.

D. Funding Amount:

The amount of funding to be made available under this NOFA is approximately \$8 million. It is expected that applicants will propose projects that leverage DOH’s financial assistance with substantial financial and/or in-kind resources from other sources, particularly private sources of debt and equity, but also financial and other commitments from local organizations, businesses, and associations and the local municipality to support the proposed project.

Applicants are encouraged to apply for and leverage all appropriate local, state, federal, and private funding opportunities, including, for example, resources made available for the Open Space and Watershed Land Acquisition Grant Program, and/or Urban Green and Community Gardens Grant Program from the State of Connecticut Department of Energy & Environmental Protection (“DEEP”). Applicant eligibility, project eligibility, application materials, deadlines and other information pertaining to these programs are available on DEEP’s website at www.ct.gov/deep.

No project should contemplate financial assistance from DOH in an amount greater than \$3,000,000 or less than \$500,000.

E. Funding Source:

Funding available under this NOFA may, at DOH’s discretion, include Housing Trust Fund Program (“HTF”) funds, Affordable Housing Program (“FLEX”) funds and/or other available sources. Under state law, housing units assisted with HTF funds must be affordable for persons and families with incomes up to 120% of Area Median Income (“AMI”) and housing units assisted with FLEX funds must be affordable for persons and families with incomes up to 100% of AMI. Such funding is subject to the requirements of and be eligible under CGS § 8-336m for projects funded with HTF and § 8-37pp for FLEX funded projects.

F. Application Submission Instructions and Requirements:

- 1) Applicants must use the CHFA/DOH **Consolidated Application Version 2016.4** (the “ConApp”) which will be available on the SharePoint site beginning October 15, 2016. *The use of earlier ConApp versions will not be accepted.*
- 2) All application materials (other than architectural drawings and project manuals) ***must*** be submitted via electronic submission through the DOH/CHFA SharePoint website. To obtain a SharePoint account, submit an email request after October 21, 2016, but no later than February 13, 2017, to applicationrequest@chfa.org . Include the following information in your request:
 - Funding Round (e.g. 2017 Affordable Homeownership)
 - Project Name
 - Company Name
 - Primary Contact Name
 - Primary Contact Email
 - Primary Contact Phone

Applicants will subsequently receive an email from the system administrator that contains a link to the SharePoint website.

- 3) SharePoint instructional videos and presentations are available on the DOH Website, www.ct.gov/doh (the “DOH Website”).

- 4) **Hard copies of application materials will not be accepted** except for architectural drawings and project manuals, which **must** be submitted in hard copy to DOH by the February 22, 2017 4:00 p.m. deadline.
- 5) In addition to the ConApp CORE items macro button, all applicants must also choose the DOH Large Project macro-button. All items identified as required under these two macro buttons (CORE items **and** DOH Large Project) must be submitted to be considered a complete application. The ConApp has undergone major revisions and potential applicants should carefully review the new ConApp as well as changes to the SharePoint Application site.
- 6) Applications must include, at a minimum, architectural drawings and project specifications that meet the 40% completion standard. Applications not accompanied by 40% architectural drawings and specifications will not be considered. Applicants should contact DOH if they are unsure how the 40% completion standard applies to their project (e.g. modular construction).
- 7) All properties constructed, renovated or otherwise improved must meet the DOH Affordable Homeownership Property Standards for Single Family Housing (available on the DOH Website).
- 8) Application materials must clearly demonstrate the location of the project in relation to both the 100 year and 500 year FEMA floodplain boundaries. Application materials for any project located in proximity to a designated floodplain must include supporting documentation, including, but not limited to, a survey that demonstrates that the project is located outside of the 100 and 500 year floodplain or, for development projects that are located within a 100 or 500 year floodplain, applicants must include supporting documentation that: (a) demonstrates that the project incorporates safe evacuation routes in times of a flood; (b) does not involve the placement of utilities that will promote or encourage future development within the 100 or 500 year floodplain; (c) does not increase the potential to cause or pose a hazard to human life, health or property if it is destroyed or damaged due to flooding; or (d) does not involve the placement of fill within a watercourse or any water to create dry land to allow for the construction of a structure. If any of these criteria cannot be demonstrated, an applicant must so indicate and explain how the project is nevertheless feasible and justifies an exception to the relevant statutory provisions discouraging such projects. Applications that do not clearly satisfy the criteria mentioned above or comply with the State's flood management requirements (CGS Section 25-68d(b) and Sections 25-68h-1 through 25-68h-3 of the Regulations for State Agencies) may be removed from the competition by the Commissioner at her discretion.
- 9) All applications must include a determination of effect from the State Historic Preservation Office ("SHPO"). SHPO should be provided the materials necessary to complete their review at least 6 weeks prior to the application deadline. It is recommended that potential applicants consult with SHPO as soon as possible. Failure of applicants to properly comply with historic preservation requirements will result in the removal of the application from consideration for funding.

- 10) Applicants seeking Federal or State Historic Tax Credits must meet with SHPO staff to assure that historic tax credits are a reasonably likely funding source for the proposed project. Such applicants should meet with SHPO staff as early as possible, but not later than 45 days prior to the application deadline.
- 11) A Phase I Environmental Site Assessment (“ESA”) Report must be submitted for all applications. The ESA must be prepared in accordance with current ASTM Standard E 1527 - 13 prepared by a Connecticut Licensed Environmental Professional (“LEP”) and must have been completed within 6 months of the application submission deadline. The qualifications of both a professional firm and the specific environmental consultant shall be included in the completed report. The ESA and related documents must be conducted in accordance with the “CTDEEP Site Characterization Guidance Document” (“SCGD”). If the Phase I ESA Report recommends that a Phase II ESA be completed and/or identifies Areas of Concern or Recognized Environmental Conditions, then the application must include a Phase II ESA completed in compliance with SCGD guidelines.

If any existing buildings are located on the property, the application materials must **also** include a Hazardous Materials Survey report that identifies all other environmental concerns including asbestos containing materials, lead paint, radon, PCB, etc.

In limited circumstances, DOH will accept the substitutions set forth below in lieu of a Phase I ESA. The reports must still be prepared by an LEP and have been completed within 6 months of the application submission deadline. The qualifications of both a professional firm and the specific environmental consultant must be included in the completed report.

- a. For scattered site developments that include constructing new homes on vacant sites with ***no existing buildings***, a Phase I ESA Report ***or*** an Environmental Transaction Screen/Assessment according to ASTM 1528-6 Standard Practice for Limited Environmental Due Diligence may be submitted for **each site**. This exception does not apply to subdivisions.
 - b. For scattered site development projects that are proposing substantial and/or moderate rehabilitation of **vacant and occupied buildings**, an Environmental Site Inspection Letter Report for **each site** is acceptable. The report must be completed by an LEP or by someone supervised by an LEP.
- 12) The application materials must demonstrate compliance with the following homeownership policies:
 - a. Unit sales prices must not exceed the DOH maximum sales price limitations as identified on the DOH Website.
 - b. Projected housing payments for the target households by AMI, defined as principal, interest, taxes and insurance, must not be less than 25% nor greater than 30% of the gross annual income. For projects that are proposing 2-4 unit single

family homes, 75% of the projected rental income will be counted towards the gross annual income of the eligible owner for this purpose. If the purchase is part of an approved governmental program whose housing payment ratios are higher, the applicant may submit a written request to DOH to deviate from this criteria. Approved governmental programs include, but are not limited to, CHFA, FHA, USDA, Federal Home Loan Bank, CT CDFI Alliance and Fannie Mae.

- c. Affordability period requirements must meet or exceed the following:

DOH Investment Per Unit	Length of the Affordability Period
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	15 Years

- 13) Applications must demonstrate marketability for the proposed units with reasonable absorption into the market within six months of construction completion.
- 14) Funding commitments for all sources of funds must be submitted with the application.
- 15) After the submission deadline, applicants may be requested to provide such additional information as DOH may request.

G. Application Information Session:

The “2017 Affordable Homeownership NOFA Applicant Information Webinar Session” will be held in December 2016. To register for the GoToMeeting Webinar, contact Colette Slover at colette.slover@ct.gov no later than 4:00 p.m. on Wednesday, November 30, 2016 and include “Homeownership Webinar Registration” in the subject line. Information about how to login to the Webinar will be emailed to all registered applicants.

H. Application Questions and Deadlines:

The submission deadline for funding applications under this NOFA is 4:00 p.m. on Wednesday, February 22, 2017. Applications received through the DOH/CHFA SharePoint website prior to the deadline and that meet the minimum threshold requirements described in this NOFA will be considered for funding.

Prior to the submission deadline above, applicants may contact Colette Slover via email at colette.slover@ct.gov with any questions regarding this NOFA. All such questions received before 4:00 p.m. on February 8, 2017, will be answered on a rolling basis and the questions and answers will be posted on the DOH Website. An announcement of the awards of funding under this NOFA is anticipated to be made in May 2017.

I. Selection Criteria:

Applications will be rated and ranked based on the Affordable Homeownership Rating and Ranking form available on the DOH Website. The Rating and Ranking guidelines will be issued

by October 21, 2016 and will be is available on the DOH website under “Funding Opportunities.”

J. 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 Consolidated 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.