

The State of Connecticut Department of Housing

NOTICE OF FUNDING AVAILABILITY

Competitive Housing Assistance for Multifamily Properties 6 (“CHAMP 6”)

Deadline for Submission of Applications: Wednesday, December 3, 2014.

This Notice of Funding Availability (this “NOFA”) is directed to owners of either existing affordable rental developments or developers of proposed new affordable multifamily rental developments seeking funding from the Department of Housing (“DOH”).

A. Goal of this NOFA:

The State of Connecticut (the “State”) is committed to expanding opportunities for safe, decent and affordable multifamily rental housing for its residents. Investment in affordable multifamily rental development and preservation creates jobs and increases local revenue. The goal of this NOFA is to foster the creation and/or preservation of affordable multifamily rental housing in Connecticut to promote healthy lives, strong communities and a robust economy. Applications for homeownership proposals will not be accepted under CHAMP 6. Developers of homeownership projects should consider applying for funding in DOH’s upcoming Affordable Homeownership round, for which applications are expected to be due March 2, 2015.

B. Funding:

Approximately \$22 million is anticipated to be made available pursuant to this NOFA. Funding available under this NOFA may, at DOH’s discretion, include Housing Trust Fund Program (“HTF”) funds, Affordable Housing Program (“FLEX”) funds, and/or federal HOME Investment Partnership Program (“HOME”) funds. 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. Note, however, that in this competitive funding program, lower affordability thresholds are required unless certain conditions are satisfied. DOH funds may be provided in the form of grants, loans or a combination thereof based on project needs and DOH’s underwriting. Loans may be offered by DOH at a reduced interest rate and/or with extended terms. DOH funding under this NOFA may not exceed \$5,000,000 per development.

An applicant for funding under this NOFA may also simultaneously apply for Connecticut Housing Finance Authority (“CHFA”) Taxable Bond or Tax-Exempt Bond financing paired with 4% Low-Income Housing Tax Credits (“LIHTCs”). CHFA will continue to accept 4% LIHTC applications on a rolling basis for proposals that do not seek assistance from DOH. For further details, please contact CHFA at 860-721-9501.

C. Eligible Applicants:

Applicants eligible for consideration under this NOFA include any entity that is an “Eligible applicant” under the Affordable Housing Program, Connecticut General Statutes (“CGS”) § 8-37pp. CGS § 8-37pp defines an eligible applicant as “(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.”

Notwithstanding the above, housing developments currently in the State Sponsored Housing Portfolio (“SSHP”) are not eligible for funding under this NOFA unless the proposal includes the creation of at least 20 new residential units **and** the number of newly created rental units is equal to or exceeds 20% of the existing project units. Units which are currently offline which will be returned to occupancy are **not** considered newly created units. If an SSHP applicant is proposing to construct units that represent 20% or more of the existing project’s units, but not quite 20 units, then a waiver request to the 20/20 rule can be requested. For such situations, an email request should be sent directly to Edward LaChance of DOH at edward.lachance@ct.gov.

D. Application Submission Requirements:

Applicants must use the CHFA/DOH **2014 Consolidated Application** version (the “ConApp”) which is available at DOH’s website at www.ct.gov/doh (the “Website”). The **2014 Consolidated Application** was jointly released by CHFA and DOH on September 8, 2014 and is located on both agencies’ websites. The **2014 Consolidated Application** represents a major change from prior consolidated applications, including the reduction in size to a single Excel workbook and the creation of Excel macro navigation tools. It is recommended that all applicants become familiar with the new form. A review of the form will be included in the CHAMP 6 information session on October 7, 2014 as described below. All application materials **must** be submitted via electronic submission through the State’s Biznet portal for the ConApp. The Biznet portal can be found at <http://das.ct.gov> or by clicking the Biznet button on the right side of the DOH Website. **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 and/or CHFA by the December 3, 2014 4:00 p.m. deadline.

- 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.
- DOH has eliminated its application deficiency period and accompanying deficiency letter and response process. All CHAMP 6 applications must be complete as of submission on or before the submission deadline of December 3, 2014. Note, for applicants seeking financial assistance from CHFA, CHFA does have a 30-day deficiency period.

The following requirements apply for CHAMP 6:

- For affordable housing units proposed to be assisted with CHAMP 6 funds, the AMI range served must be below 80% of the applicable AMI, provided, however, that DOH will accept applications for developments where DOH assisted units are serving income levels between 80% and 120% of AMI if the applicant demonstrates to the satisfaction of DOH that the proposed project:
 - will be located in an area designated by the municipality for downtown revitalization and the applicant demonstrates that there is sufficient demand for units to be rented at the higher affordable income levels; and/or
 - is necessary for the financial feasibility of a mixed income development which includes a range of income bands, including units at or below 30% AMI;
- Proposals including the rehabilitation of existing affordable housing, including, but not limited to, properties currently restricted by LIHTC, DOH, HUD, CHFA, or other affordability restrictions, will only be considered if there is a demonstrated need that the rehabilitation activities are of an immediate nature and threaten the continued feasibility of the development ***OR*** if the property is at risk of losing the current affordability requirements within three calendar years of the application deadline.
- The developer fee for a project seeking State capital funding in the CHAMP 6 funding round may not exceed 15% of the total project development costs less acquisition costs. This 15% developer fee maximum threshold includes any deferred developer fee. As always, it is expected that any proposed developer fee will be financially feasible and appropriate under the circumstances, including, for example, the complexity of the project and the applicant's upfront investment of its own funds.

E. Application Submission Schedule and Process:

Applications for funding under this NOFA, including, if applicable, all materials required by CHFA, must be submitted no later than Wednesday, December 3, 2014 at 4:00 p.m.

Application materials and questions should be submitted to the attention of Edward LaChance. On or before November 21, 2014, applicants may contact Mr. LaChance via email at edward.lachance@ct.gov with questions related to this NOFA. Questions received by DOH, if material to this NOFA, and DOH's answers thereto will be periodically posted on the Website. Any questions received after November 21, 2014 will receive a response at DOH's discretion. In addition, an overview conference for questions and answers regarding this NOFA will be held on:

**October 7, 2014
10:00 AM
Legislative Office Building
Room 1A
Hartford, CT**

Please plan on arriving early for the information since the Legislative Office Building has instituted new public safety security measures. Please e-mail marilyn.taylor@ct.gov to register for this overview conference on or before Friday, October 3, 2014.

F. Selection Criteria:

Applications will be rated and ranked by DOH using the CHAMP 6 Rating and Ranking form. DOH and CHFA staff will coordinate the review of applications seeking funding from both organizations. The CHAMP 6 Rating and Ranking form will be available on the Website on or before October 3, 2014.

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 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.