



CONNECTICUT  
HOUSING FINANCE  
AUTHORITY

**HOUSING TAX CREDIT CONTRIBUTION  
(HTCC) PROGRAM OVERVIEW  
APRIL 17, 2023**



# 2023 HTCC Program Overview Agenda

- Program Objectives
- Updates & Reminders for 2023
- Application Process & Timeline
- SharePoint
- Consolidated Application
- Maintaining Compliance
- Project Closeout Reminders
- Questions and Answers



# HTCC Program Objectives

- CHFA administers the HTCC Program which was established by statute to assist nonprofit entities creating Affordable Housing
- Eligible uses of HTCC Funds:
  - Affordable Housing Developments, including:
    - General class (homeownership and/or rental)
    - Workforce Housing, and
    - Supportive Housing
  - Revolving Loan Funds, including:
    - Affordable Housing (general class); and
    - Workforce Housing

# Eligible Applicants

An applicant must be:

- a Nonprofit Corporation or a Community Development Financial Institution (CDFI);
- established for a minimum period of three years (may consider exception for a Nonprofit formed by a HA);
- in compliance with the requirements of the HTCC Program for any prior awards;
- in compliance with any applicable CHFA Board policy statements; and
- Must demonstrate administrative capability to undertake the proposed project in a timely fashion.



## Eligible Uses of HTCC Program Funds:

- Affordable Housing Developments:
  - Rehabilitation or new construction of rental or homeownership housing
- Capitalize a Revolving Loan Fund:
  - Provide low-costs loans for new construction, rehabilitation or acquisition of affordable housing
- Must benefit eligible Extremely Low-, Very Low-, Low- and Moderate-Income households



# Application Evaluation

Full applications received prior to the deadline are reviewed, rated and ranked based on the following criteria:

- Project Feasibility and Readiness to Proceed;
- Affordability;
- Applicant Capacity/Goals Accomplished;
- Livability Initiatives; and
- Compliance



# Application Evaluation Cont'd

- The HTCC review will include input and review from CHFA's Technical Services staff:
  - Qualified Development Team (Contractor and Architect)
  - Development Scope
  - Flood Zone if applicable
  - Planning and Zoning Approval
  - ETPB and Project Cost Summary
  - Development Budget (Hard costs only)
  - Historic Significance – SHPO
  - Environmental Site Assessments (Phase I ESA) and Hazardous Materials Survey
  - Permits

# 2023 HTCC PROGRAM UPDATES & REMINDERS





## 2023 ConApp –Tech Items

- 3.1.a. Qualified Dev Team updates
  - Architect to have license issued in the State of CT (submit evidence with application)
  - GC to have Major Contractor’s license issued in the State of CT (submit evidence with application)

# 2023 ConApp-Tech Items

- 3.1.a. Qualified Dev Team updates

Exceptions:

- If a licensed architect is not required by the Town/City Building Department, then not required for HTCC (provide evidence with application)
- If a major contractor's license for the GC for the work to be performed is not required by the Town/City Building Department, then not required for HTCC (provide evidence with application)
- State of CT Home Improvement Contractor license may be acceptable in this case.

# 2023 ConApp – Tech Items

- 3.1.a. Qualified Dev Team updates

## Exceptions:

- Per current CT Building Code for 1-2 family dwellings of 24,000 SF or less that does not require services of a licensed architect, CHFA will allow the work to be performed by a contractor that has an active Connecticut Home Improvement Contractor license

# 2023 ConApp-Tech Items

- 4.4 Historic Preservation Compliance
  - Required for HTCC Housing Program applications
  - Contact SHPO for determination of historical significance.
  - Applicants must comply with SHPO recommendations



# 2023 ConApp-Tech Items

- 4.8.b Phase I/II ESA:
  - Required for projects when the scope includes: 1) new construction, 2) additions or bump-outs to existing buildings, and/or 3) new site utility work or any site work which will require excavation or work disturbing existing soil. This now includes Single Family developments.

# 2023 ConApp-Tech Items

- 4.8.b Phase I/II ESA (Cont'd)
  - Applicants may request an exemption if they provide evidence they are constructing on rawland without any hazardous impacts or if they have an older Phase 1 report for a site they have retained ownership for and can attest that the site: 1) does not contain any underground storage tanks (USTs) for fuel or other potential contaminants, and 2) has not been used for illegal dumping or other prior uses which may lead to soil or water contamination.

## 2023 ConApp-Tech Items

- 4.8.b Phase I/II ESA: A Phase 1 is not required for in-place rehabilitation with no site work or any work outside of the building site such as utility work, sidewalks, parking etc.
- 4.8.b Hazardous Materials Survey
  - Hazardous Material Surveys are required for all existing buildings that are to be renovated and/or demolished. Asbestos, Lead based paint, Lead in soil, Lead in Water, PCBs, Radon, and a visual Mold survey are all required.

# 2023 ConApp – Tech Items

CHFA Technical Services Questions?





# 2023 ConApp Updates

- Exhibit 12.4 Proposal Narrative (language slightly revised; be sure to review so that your narrative addresses requirements)
- Exhibit 12.8 Building Roster Revised (identify units previously assisted with HTCC)
- Exhibit 12.9 Administrative Capacity (include org chart)
- Exhibit 12.12 HTCC Justification Form (Development Budget showing HTCC uses must be attached to form)

# 2023 ConApp Updates

- Exhibit 12.6 Environmental Concerns and Certification (Provide a certified statement attesting that the remediation requirements and recommendations made by the applicant's Licensed Environmental Professional (LEP) will be addressed as part of the proposed scope of work)
- Read the ConApp carefully when preparing your materials to make sure your responses adequately address application requirements

# 2023 ConApp **\*\*NEW\*\***

-Exhibit 14.6 Workforce Housing Use Restrictions  
Workforce Housing set-aside applicants committing to a Low-Income Service Period (points item), must provide copy of the deed or land-use restriction to be recorded that will preserve units for Workforce Housing for the duration of commitment

# 2023 ConApp **\*\*NEW\*\***



- Exhibit 14.7 Revolving Loan Fund Leveraged Funds (Points Item)
- Moving away from “committed funds” to “available funds”.

Revolving Loan Funds (RLF) - Leveraged Funds  
Exhibit – 14.7

HOUSING PROGRAM NAME:	
APPLICANT:	

Funding Source	Funding Source Type (e.g., Line of Credit, Sponsor Cash)	Available Balance (within 90 days of application date)	Available Balance Verification Provided (e.g., bank statement, certified letter from CPA)	Brief Description how Leveraged Funds complement or supplement proposed HTCC RLF Program

# 2023 Guideline Updates

## Threshold Requirements

- HTCC Justification Form– who signs?
  - If you have a CHFA commitment, it MUST be signed by CHFA UW
  - If DOH commitment, with no CHFA commitment, DOH will need to approve
  - LIHTC only with DOH- DOH approval
  - Prior HTCC Only- N/A
  - REMINDER: Your project budget needs to be consistent across DOH/CHFA programs or financing
- Debt Service Coverage Ratio Minimum (NEW)- 1.0 for at least 10 years

# 2023 Guideline Updates

## Application Requirements

- Ownership Equity in land/buildings (Points Item)-evidenced with an as-is appraisal or settlement statement that is no older than 12 months from application due date



# 2023 Guideline Updates

## Application Requirements

- RLF – Evidence of Leveraged Funds (Points item, Exhibit 14.7)
  - Only funds that are available/accessible to the applicant will be considered leveraged funds (e.g- Line of Credit, Money Market, Loan/Grant Agreement)
  - Provide evidence that funds are available to be loaned and recent balance within 90 days of application deadline (e.g. bank statement or certified letter from accountant)

# 2023 Guideline Reminders

## Application Requirements

- Revolving Loan Funds
  - Provide detailed description of program copies of documents/templates to be utilized in administration of the fund (Exhibit 12.4)
  - NP certifies that uncommitted balances of previous HTCC revolving loan awarded funds do not exceed \$750,000 at the date of application. (Exhibit 12.5)
  - Committed funds do not count towards the \$750,000 limitation.



# 2023 Guideline Updates

## Application Requirements

- **Workforce Housing Set-Aside (Reminder!)**
  - In the event that units can not be sold/rented to qualified household that live and work in the municipalities where they work, the funds will need to be returned.
  - There are no waivers or adjustments to this requirement.
- **Workforce Housing committing to Low Income Housing Service Period must provide copy of proposed deed/use restriction (Exhibit 14.6)**

# 2023 Guideline Reminders

## RLF Compliance

- Funds are expected to be exhausted prior to three-year timeframe
- The fund must stay open for a minimum of three years; continue to provide quarterly reports
- Revolved funds should be receipted back to segregated account during the minimum three year period



# 2023 Guideline Reminders

## Critical Compliance Components Summarized

1. Obtain necessary project approvals (e.g.: zoning changes, municipal approvals, permits)
2. Maintain segregated bank account and accurate accounting records
3. Good faith efforts to market the Housing Program

# 2023 Guideline Reminders

## Critical Compliance Components Summarized (Continued)

4. Meet the required timeframes (complete 3 years from Date of Approval or Fund Inception for RLF)
5. Submit timely, accurate, complete Quarterly and Closeout Reports
6. **Seek approval for Housing Program changes and modifications** (e.g.: budget revision, scope changes, HTCC allocation, income targeting, unit changes etc.)

# 2023 Guideline Reminders

## Critical Compliance Components Summarized (Continued)

7. Participation in CHFA monitoring activities (e.g.: site visits, record inspections requests)

8. Avoid penalties and noncompliance designations



# 2023 Rating and Ranking Changes

## Loan Fund Workforce & Revolving Loan Points

- Points for available funds that will be leveraged (not for committed funds that are not realized)
- Complete NEW RLF Leveraged Funds (Exhibit 14.7)
- Points for Ratio of HTCC Request to Leveraged Funds
- Prior HTCC funds no longer considered in points
- 1 point moved to 3a Relevant Experience points

# 2023 Rating and Ranking Changes

## Housing Development &

### Housing Development Workforce Points










- 1.c- % of project funded by HTCC Proceeds (max 8 points)
- NEW 4.d- Housing Development is in State Sponsored Housing Portfolio- Y/N (7 points)

# 2023 Quarterly & Closeout Reports



- Reports have been revised and are posted on CHFA website
- 2023 Awards required to use new forms

## General Info & Forms

-  **2023 - HTCC Round Guidelines**  
This provides general information and guidance on the a associated with the state Housing Tax Credit Contributio
-  **HTCC - Certificate of Project Completion**
-  **HTCC - Certificate of Project Completion - Revolving L**
-  **HTCC - Overview for Business Firms**
-  **HTCC - Quarterly Progress Report Form**
-  **HTCC - Quarterly Progress Report Form - Revolving Lo**
-  **HTCC - Final Closeout Checklist Form**
-  **Reporting Forms Overview - Housing Development**
-  **Reporting Forms Overview - Revolving Loan Fund**



## CHFA Procedures

- HTCC Program Procedures are unchanged from the last revision of early 2015
- HTCC Program Procedures may be found in Section IV TAX CREDIT PROGRAMS of the CHFA Procedures located on the CHFA website.

# Income Limit Updates

- HTCC Rental Housing Programs/RLF utilize [HUD Section 8 Income Limits](#)
- HTCC Homeownership Housing Programs/RLF utilize the [CHFA Single Family Income and Sales Limits](#)
- Income and sales price limits may be adjusted annually

# Applicable Policies

CHFA Board Policy Statements apply to the HTCC Program, and include:

- [Program Eligibility Requirements: Delinquent or Non-Performing Applicants - Policy Statement](#)
- [Multifamily Rental Housing Development Costs - Policy Statement](#)
- Any other policies as may be applicable



# APPLICATION PROCESS AND FUNDING TIMELINE



# Process and Timeline

- Applicants must use version 2023 of the CHFA-DOH Consolidated Application (which is available through the required SharePoint application site)
- Complete applications must be submitted through SharePoint no later than **June 1, 2023 by 4:00 p.m.**
- Deficiency Letters will not be sent.
- Applications missing “T” or Threshold items from the Exhibit Checklist will not be given further consideration.

# Process and Timeline

- Applications scored against the program criteria
- Top scoring Housing Programs will be recommended for reservations until the pool of \$10,000,000 is exhausted
- Announcements made in September
- Approved applicants will have 60 days to provide executed Business Firm commitments

# Process and Timeline

- The Business Firm makes the HTCC payment or “contribution” to the award recipient for its Housing Program
- The award recipient provides evidence in the form of a notarized statement with a copy of the check and evidence that the funds are in a segregated account
- CHFA issues a tax credit voucher to the Business Firm

# Process and Timeline

- Any uncommitted funds become available to the next highest ranked applicants who are able to secure Business Firm commitments
- Business Firm commitments for these uncommitted funds will be due 30 days from notification of funds availability





# 2023 Calendar

## April/May

- Obtain CHFA and/or DOH signatures on HTCC Justification Form

## May

- SharePoint Site Requests must be received by **May 25, 2023**

## June

- Applications due to SharePoint on **June 1, 2023 by 4:00 PM**

## September

- Announcement posted on CHFA's website of eligible Housing Programs to which Business Firms contribute

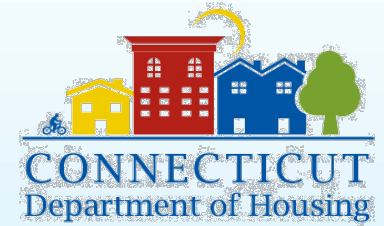
## November

- Contributing Business Firm applications are due to CHFA November 2023
- Uncommitted funds become available to the next highest ranked applicants who are able to secure Business Firm commitments

## December

- Applications for contributing Business Firms for uncommitted funds are due to CHFA by December 2023

# SHAREPOINT



## *What is SharePoint?*

- SharePoint is used as a means to submit a Consolidated Application to CHFA and DOH
- It is a Microsoft-based product that will create a website for each application submitted, and then allow direct download of information for the recipient



# *How to get access to SharePoint*

- The Applicant should send an email to [applicationrequest@chfa.org](mailto:applicationrequest@chfa.org) providing:
  - Funding Round (e.g. HTCC, 9% LIHTC, CHAMP, SSHP, etc.)
  - Application Name
  - Company Name
  - Primary Contact Name
  - Primary Contact Phone
  - Primary Contact Email
- Each application request will require a separate email to be sent
- All requests to set up a SharePoint application site must be submitted by 4:00 PM on **Thursday, May 25, 2023** to allow time to create the application websites
- Receive email with access to the application specific website
- A Microsoft Account will have to be created for each email address used in SharePoint

## ***Consolidated Application Workbook***

- Built into SharePoint
- Can be edited and saved directly to site allowing team members to work on the same file, most updated version
- Can be downloaded to individual PC's to be edited and uploaded when complete (prior to submission deadline)
- Can be downloaded from CHFA and DOH websites, then uploaded to SharePoint when complete (prior to submission deadline)
  - **The version submitted must be the same as what is available to download from the SharePoint application site (Home page and Reference Library)**



## *Sharing the Site*

- SharePoint allows site sharing, which means once the site is created, and one team member is able to log in, they can then share the site with anyone else
- This allows multiple users to:
  - Assign and complete tasks
  - Update one Consolidated Application workbook
  - Upload files as necessary



# ***Submitting the Application***

- Applications for HTCCs are due by **June 1, 2023 no later than 4:00 p.m.**
  - SharePoint will be locked for further editing after this time, and any items that are not completely uploaded by then will be considered deficient
- It is recommended to upload documents as they are completed to avoid any potential submission errors due to attempts to upload to the site at the cutoff time
- If you can view the uploaded file from the SharePoint site it has been successfully uploaded and will be considered part of your application



# *Submitting the Application*

- CHFA will not review any uploads to the SharePoint site until after the application submission date/time
- Nothing submitted via email will be considered as part of the application, unless requested specifically by CHFA
- **To submit your application and lock your website, mark all the items in the Task List section as complete.**





# Reference Library

- This section includes a downloadable version of the Consolidated Application, as well as several templates and forms that are to be completed and submitted with each application (as applicable)



- Home
- Task List
- ConApp Workbook
- File Uploads
- Reference Library
- Help
- Recent
- Recycle Bin



## Reference Library

### Overview

Completing this application may require input from various reference materials located on the CHFA and DOH websites.

### CHFA Reference Materials:

Consolidated Application Workbook 2016.3.xlsx

- 4.3.a - Project Narrative.pdf
- 4.3.b - Homeownership Development Projects Narrative.pdf
- 4.3.c - Market Assessment.pdf
- 4.3.d - Program Narrative.pdf
- 4.11 - Program Guideform - Relocation Assistance Plan.pdf
- 8.1.a - NEPA Statutory Checklist.pdf
- 8.1.b - NEPA Environmental Assessment Checklist.pdf
- 9.1.a - Fair Housing Impacts.pdf
- 10.1 - Certifications.pdf
- 10.3 - Affirmative Action Policy Statement.pdf
- 10.4 - Fair Housing Policy Statement.pdf
- 10.5 - Certification to Affirmatively Further Fair Housing.pdf
- 10.6 - HTCC Certification.pdf
- 12.6 - Building Schedule.pdf



# CONSOLIDATED APPLICATION



# *Consolidated Application*

- Large Excel workbook designed to be used for numerous funding rounds
- Includes templates for required forms and instructions
- Shows Threshold Requirements for each type of application (Exhibit Checklist)
- Has links throughout for ease of navigation and reference
- Includes buttons on the Exhibit Checklist to show only necessary items based on the funding round



## *Using The Consolidated Application*

- Start on the Exhibit Checklist, by clicking the “Core Items” button, then clicking the appropriate funding round buttons
- This will hide any items not needed for that specific round
- If a mistake is made, or additional exhibits are needed, click “Show All”
  - Information will not be lost, just hidden until “Show All” button is selected
- Fill out blank fields, checkboxes, drop downs on the Application worksheet



# Consolidated Application cont'd

**4.1 Development Information**

Development Name \_\_\_\_\_

Development Type Family  
Elderly  
Supportive Housing

Development Address \_\_\_\_\_

City \_\_\_\_\_

Metropolitan Area \_\_\_\_\_

Drop Downs

Data Tables

DEVELOPMENT NAME	0		
	Construction Sources	Permanent Sources	Grant [Y] or [N]
<b>PITAL, GRANTS, Etc.</b>			
DOH / HUD HOME Funds			
DOH Affordable Housing Program - FLEX			
DOH Housing Trust Fund			
DOH / HUD CDBG Small Cities Funds			
DOH Other [ Specify ]			
Other Public Funds [ Specify ]			
Federal LIHTC Net Proceeds		0	N/A
Federal Historic Tax Credit Net Proceeds			N/A
State Historic Tax Credit Net Proceeds			N/A
CT HTCC Tax Credit Proceeds			N/A
Developer / Investor Cash Equity			N/A
Homeownership Sales Proceeds			
Energy Rebates			
Existing Property Reserves			
Other [ Specify ]			
Other [ Specify ]			
<b>Sub-Total</b>	<b>\$0</b>	<b>\$0</b>	

**1.1 Applicant (Owner/Mortgagor)**

Applicant Name \_\_\_\_\_

Applicant Address \_\_\_\_\_

City \_\_\_\_\_

Contact Name \_\_\_\_\_

Phone \_\_\_\_\_

Email \_\_\_\_\_

Website \_\_\_\_\_

If awarded funds pursuant to this application, will the applicant or co-sponsor be-formed and anticipated name and date formed.

Please check appropriate Applicant type:

Housing Authority  For-Profit Entity

Partnership\*  Limited Liability Company

Other

If "Other" \_\_\_\_\_

Checkboxes

## *Using The Consolidated Application*

- Complete other required worksheets to be included with submission
- Print and sign any applicable signature documents.
  - Scan and upload signature documents with application submission via SharePoint
- Version # 2023.1 must be used for submission
- If something needs to be modified, a request to unlock specific sections can be made, but must include an explanation

# MAINTAINING COMPLIANCE



# HTCC Compliance

- Program compliance begins after credits are awarded
- Compliance consists of Quarterly Report submissions and site visit inspections with CHFA staff and the sponsor
- Quarterly Reports are due no later than the 15<sup>th</sup> of January, April, July, and October of each year for three years or until the project has closed out





# HTCC Compliance

- Quarterly Reports and all back-up documentation must be uploaded to the HTCC dropbox via the link on the CHFA website
- Quarterly reports must be accompanied by a disbursement/accounting summary of the Housing Programs segregated account, applicable invoices, and progress photos taken at the properties.
- Information must match submitted quarterlies, if permits and financing commitments weren't provided during application they should be provided once obtained.



# HTCC Compliance

- In accordance with the HTCC Guidelines, changes to the allocation of HTCC funds must be discussed with CHFA. Their intended use is not fungible.
- Any material deviation requires CHFA written consent, failure to obtain written consent shall be considered an event of noncompliance.

# HTCC Compliance

- Failure to submit Quarterly Reports and/or respond to findings of non-compliance will have a negative impact on all future applications by the sponsor or any affiliated entities
- Applicants who fail to timely provide four (4) quarterly reports or those with Housing Programs in material non-compliance may be ineligible to apply for funds and will be classified as programmatic noncompliant



# HTCC Compliance

- Applicants are advised to familiarize themselves with CHFA's Policies, Procedures and Guidelines so that they are aware of the penalties for noncompliance.



# HTCC Closeout

- Upon project completion, each applicant is required to complete a project closeout form
- Applicants should additionally provide:
  - Certificates of Occupancy
  - Notarized CHFA Certificate(s) of Completion
  - Summary of expenditures
  - Evidence of non-profit continued compliance (tracked by CHFA)

## HTCC Closeout

- Failure to submit final completion documents within ninety (90) days of project completion will result in the ineligibility of the applicant in the HTCC Program for a period of two (2) consecutive funding rounds.
- Failure to proceed with the Housing Program or demonstrate completion within the required timeframe with may result in funds being reclaimed and/or ineligibility of the applicant in the HTCC Program for a period of two (2) consecutive funding rounds.

# 2023 HTCC Program Overview

## Top 10 Tips!



10. Cultivate potential relationships: the pool of investors is not deep.
9. Don't wait until the last minute to submit your application – give yourself time to address questions or issues with your submission.
8. Follow the Exhibit checklist and read the application to clearly understand what is required - If there is a “T” on the checklist, it is a threshold requirement.



7. If you are an applicant checking “Yes” that there is an identity of interest between development team members, you must submit certification explaining the relationship.
6. Total expected sources should not include the current HTCC request (Housing Development Points Worksheets). There is a separate line for prior round HTCCs.



5. Issues arise when applicants alter, edit, or delete parts of the Consolidated Application, including formulas, which causes errors because many of the worksheets are linked and are threshold exhibits.
4. Avoid having conflicting information, like the unit mix on the application tab vs. rental income sheet – double check your application before submission.
3. Applicants submitting an application that is missing threshold item(s), no matter how minor they may seem may not move forward in the round due to missing threshold items.

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2. Applicants should read the Guidelines and ensure they meet application requirements. This includes getting CHFA or DOH approval to apply if you have prior CHFA or DOH funding (HTCC Justification Form).
  1. Read the instructions in the ConApp carefully. Remember there is **NO DEFICIENCY PERIOD** – double check and triple check your application submission to make sure all required items are included.

## Tips for Applicants *Previously Funded*

- Maintain program compliance and eligibility to apply.
- Submit complete quarterly reports on time, using the proper forms.
- If an applicant needs to make changes to their housing program after they have been awarded, they should submit their request as soon as possible.
- Keep track of your closeout date and make sure to submit required closeout materials on time.

# Contacts



HTCC application or compliance questions:

**Colette Slover**      [colette.slover@chfa.org](mailto:colette.slover@chfa.org)

ConApp or SharePoint questions:

**Seema Malani**      [seema.malani@chfa.org](mailto:seema.malani@chfa.org)



# 2023 HTCC Program Overview



## QUESTIONS & ANSWERS

