



Ned Lamont
Governor

STATE OF CONNECTICUT DEPARTMENT OF HOUSING



Seila Mosquera-Bruno
Commissioner

Parameters and Process for DOH Funding for the 2024 9% LIHTC Round

The Department of Housing (DOH) plans to make commitments of its subordinate financing for use in the 2024 9% Low-Income Housing Tax Credit (LIHTC) funding round administered by the Connecticut Housing Finance Authority (CHFA). DOH has established separate subordinate financing targets for both State and Federal resources. Applicants may request allocations from both.

Due to limited resources, DOH funding awards are limited up to two projects per developer/sponsor/owner. Applications must be submitted simultaneously with the 9% LIHTC Application and are due by 4:00 PM on Wednesday, January 17, 2024. Applicants will submit one CHFA & DOH Consolidated Application (“ConApp”) for use by both CHFA and DOH. Applicants must meet all Application criteria required by the ConApp. Select DOH Large Project and include the required items with the application submission. Applicants must also meet all Basic Threshold Requirements identified in the Qualified Allocation Plan.

DOH State Subordinate Financing Targets: \$100,000 per LIHTC qualified unit, or a limit of \$150,000 per LIHTC qualified unit that targets 50% of the Area Median Income (AMI) or lower. For standard rental projects, there is an up to a maximum of \$4 million per project.

DOH Federal Subordinate Financing Targets: \$100,000 per LIHTC qualified unit and up to a maximum of \$1.5 million per project.

**Sponsors of projects that include units to primarily serve persons with disabilities, veterans, homeless families, and individuals are encouraged to contact DOH to discuss subordinate financing limits for their projects.

Parameters for all DOH Subordinate Financing

- Applicant must submit a plan compliant with State and Federal Procurement requirements
- Applicable Environmental Reviews and requirements
- If any portion of the site is within a flood plain defined as FEMA Flood Zone Designation other than B, C or X: Applicant must provide approval by the Department of Energy and Environmental Protection. Levy protection, if applicable, must be active and maintained
- Applicants will be expected to demonstrate in the ConApp that they have made efforts to:
 - Maximize the amount of debt the development can carry
 - Maximize the amount of deferred developer fee
 - Seek supplemental funding sources
 - Value engineer proposals to minimize costs
- Awards will be sized based on CHFA’s underwriting of the proposal and CHFA underwriting will determine the amount of debt a development can reasonably support



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- DOH reserves the right to make awards based on development team capacity
- Awards shall not be made to Applicants who have a direct or indirect ownership interest in or significant affiliation with two or more developments that received a commitment from DOH for financing, but have not initial closed by March 29, 2024 (the “Prior Closing Requirement”)
- DOH funding is subject to the availability of funds and Bond Commission allocation and authorization.

Process for DOH Subordinate Financing Issuance and Recommendations

- CHFA Staff will review applications to confirm:
 - Development Team Eligibility
 - All Basic Threshold Requirements are met
 - Proposals meet the parameters of the DOH funding, including the Prior Closing Requirement as of March 29, 2024
- If necessary, clarifications to information submitted will be requested simultaneously for the 9% LIHTC, DOH subordinate financing and CHFA financing submissions
- Upon receipt of clarified information, CHFA staff will fully underwrite qualifying applications for need and size of the DOH subordinate financing
- Financing terms of DOH subordinate financing commitments will be determined in connection with the “Financial Feasibility” review and “Competitive Ranking based on Points” set forth in the Qualified Allocation Plan, and by review and final determination by the Commissioner of DOH.
- It is CHFA & DOH’s intent that the 2024 LIHTC award recommendation to the CHFA Board of Directors and the issuance of DOH subordinate financing commitments both include financing terms that deploy state resources and 9% low-income housing tax credits effectively and minimally relative to other proposed sources of funds in order to achieve the stated purposes of the Qualified Allocation Plan and the State of Connecticut.
- Following the announcement of the 9% LIHTC awards and issuance of DOH commitments for subordinate financing, CHFA staff will work with DOH staff and awardees to finalize the terms of the DOH subordinate financing and confirm availability of funds.

Questions on this DOH Subordinate Financing should be directed through Debbie Alter at CHFA (deborah.alter@chfa.org). The primary contact at DOH is Miguel Rivera (rivera.miguel@ct.gov).