

**2016 LOW-INCOME HOUSING TAX CREDIT (LIHTC)
PROGRAM**

**QUALIFIED ALLOCATION PLAN
(QAP)
AND PROCEDURES**

OVERVIEW SESSION

SEPTEMBER 19, 2016



Background

December 2015 – April 2016

- CHFA's Board of Directors Task Force met

April 2016

- Proposed amendments to the QAP and LIHTC Procedures approved for public comment

June 2016

- Board approved both revised amended QAP and LIHTC Procedures

August 2016

- Governor approved the 2016 QAP as revised



Classifications

Two Classifications only: 50 / 50 split

- State and Federal Public Housing
- General Class

Set-Aside:

- Eliminated set-aside for one new construction family development located in a municipality according to the C.G.S. Section 8-30g(k)

Amended QAP from Public Comments



- Tenant homeownership opportunities removed from threshold criteria and returned to points category – reinstated 1 pt
- Removed specific funding level for supportive services in supportive housing proposals
- Resident Service Coordinator – reinstated 1 pt
- CT-based General Contractor – reinstated 1 pt



	2015 Max Points	2016 Change	2016 Max Points
2016 Qualified Allocation Plan Point Categories			
Rental Affordability	37		33
a. Supportive Housing Units	6		6
Veterans Supportive Housing	1	-1	0
b. Serves Households Below 25% AMI	7		7
c. Serves Households 25% to 50% AMI	6		6
d. Mixed Income Housing	5		5
e. Preserves At-Risk Affordable Housing	5		5
Provides Housing for Veterans	2	-2	0
f. Production and Preservation of Units	4	-1	3
g. On-site Resident Services Coordinator	1		1
Financial Sustainability	23		26
a. Cost Effectiveness, Hard Costs	6		6
b. Credits Per Qualified Bedroom	5		5
c. Credits <50% of Total Uses	4		4
d. Building Plans and Specs (>90% complete)	3		3
e. Sustainable Design (energy saving measures)	3	3	6
f. Cost Effectiveness, Intermediary Costs	2		2
Municipal Commitment & Impact	22		18
a. Priority Location (C&D Plan)	5		5
b. Village Priority Funding Area (C&D Plan)	5	-3	2
c. Transit Oriented Development	4		4
d. Family Developments	0	1	1
e. Signed Agreements	3	-2	1
f. Historic Place/Adaptive Re-Use/Brownfield Dev	2		2
g. Qualified Census Tract	1		1
h. Municipal Resources Committed	1		1
i. Eventual Homeownership (Moved to Threshold)	1		1
Opportunity Characteristics	7		14
a. Municipalities with less Assisted and Deed Restricted Housing	7	-1	6
b. Development Located in an Area of Opportunity (Up to 8 points based on 5 criteria)	0	8	8
Qualifications & Experience	11		11
a. Experience of Sponsor/GP	5		5
b. Developer/Sponsor Resources	3		3
c. Women and Minority Participation	2		2
d. Connecticut-Based Contractor	1		1
SSHP Developments - Additional Points	2		2
SSHP Developments TY2019 or sooner			
TOTAL POINTS	102		104



Points removed or reduced for:

- Supportive housing for veterans
- Housing for veterans (outside of supportive housing)
- Production and preservation of units
- Village Priority Funding area
- Signed agreements
- Municipalities with less assisted or deed restricted housing

Points Added or Increased for:

- Sustainable Design: Energy efficiency criteria revised to include Passive House design standards
- Family developments
- Development located in an area of opportunity



Scoring

Total Points = 104

Priority	Points
Rental Affordability	33 points
Financial Efficiency & Sustainability	26 points
Municipal Commitment & Impact	18 points
Opportunity Characteristics	14 points
Qualifications & Experience	11 points
SSHP Developments – Additional Points	2 points
Total	104 points



Opportunity Characteristics

Intended to encourage the development of housing in areas with:

- Comparatively lower poverty rates
- Community employment opportunities
- Access to community colleges
- Better school systems



Opportunity Characteristics

- Locational [Guidemap](#) provided for Applicant's convenience



Passive House Design

- Plans/specs at 40% complete or greater with detailed wall sections, and detailed scope of Passive House design measures prepared by a Certified Passive House consultant
- Preliminary modeling analysis / output report through the Passive House Planning Package as developed by the Passive House Institute (PHI) or WUFI Passive by the Passive House Institute of the United States (PHIUS) prepared by Certified Passive House consultant



Passive House Design

- All other data and documentation required for “Pre-Certification” by PHI
([http://www.passivehouseacademy.com/images/library/certification_guidance/PHA Passive House Pre-Certification Guidance Booklet.pdf](http://www.passivehouseacademy.com/images/library/certification_guidance/PHA_Passive_House_Pre-Certification_Guidance_Booklet.pdf))
or PHIUS
([http://www.phius.org/PHIUSplusdocs/PHIUS+CertificationGuidebook v1.03.pdf](http://www.phius.org/PHIUSplusdocs/PHIUS+CertificationGuidebook_v1.03.pdf))
- **Adjustments in hard cost analysis will be made for construction costs** clearly defined as due to Passive House or other energy measures such as solar, geothermal, etc.



Other Related Updates

- *Glossary*
- *LIHTC Guidelines*
- *Multifamily Rental Housing Program Guideline – Underwriting Standards*
- *Opportunity Characteristics Guideline*
- *Supportive Housing Guideline*

All found online in the [Document Library](#) on CHFA's website

- *LIHTC Procedures*

Found online at www.chfa.org "About Us"



LIHTC Program Underwriting Guidance

September 19, 2016



Process

- All Applicants for 9% LIHTCs must apply during the funding round
- Applications, architectural drawings, and specifications for the 2016 9% LIHTC round are due no later than 4:00 pm on November 9, 2016
- One hard copy of plans and specs must be submitted by the deadline to CHFA at 999 West Street in Rocky Hill
- If DOH funding is requested, submit one hard copy plans and specs to DOH by the application deadline as well.



Process

- There will not be a deficiency period
- Threshold items must be submitted for an application to be considered
- Announcements anticipated at March 2017 Board meeting



- Trending: 2% Income
3% Expenses
- 1.15 Debt Service Coverage Ratio
- Developer Allowance/Fee Up to 15%
TDC (sliding scale)

[See Multifamily Underwriting Standards Summary](#)



Application Fees

Financing (Taxable Bonds):

- For-profit applicants: \$2,500
- Not-for profit applicants: \$1,250

Non-refundable fee to be paid at submission of a CHFA financing application.

LIHTC:

- For-profit applicants: \$1,000
- For-profit applicants (less than 20-units): \$500
- Not-for profit applicants: \$250

Non-refundable fee to be paid at submission of 9% LIHTC application.

[See Multifamily Underwriting Standards Summary](#)



Lessons Learned – Underwriting

- Funding Commitments must be firm for points consideration
- Municipal Commitments should be firm and quantifiable over 20 years
- Organizational Documents for Applicant and Co-Sponsor including organization chart



Lessons Learned – Underwriting

- If applicant is submitting expenses outside the specified range, clear, detailed justification must be provided
- Supportive housing service budgets shall be supported by documented funding sources and such evidence provided
- Qualified Development Team Members
- Historic Preservation



Lessons Learned – Underwriting

Items often missing that *must* be provided:

- HUD Involvement Letter required if Section 8 development
- Correct financing terms in Sources and Uses and Cash Flow Schedule exhibits
- Attestment Letters confirming tax credit basis
- Evidence of real estate tax abatement

Caution: There will be no deficiency period and applications must be complete.



Lessons Learned – Technical Services

- Scope of work described in narrative should match information on drawings/specs/construction costs
- Exploded Trade Breakdown and Project Cost Summary
- Include Prevailing Wages or Federal Davis Bacon if applicable and DOL wage rate sheets
- General Requirements 9% max, OH&P 7% max
- Construction contingency typically 10%



Lessons Learned – Technical Services

- Drawings/specs should be labeled with the correct development name and address
- No points awarded for 40% drawings/specs; only 90% and above
- Any energy efficient measures should be included in drawings/specs and construction costs
- Building GSF etc. should be noted on drawings in tabular format provided in ConApp



Lessons Learned – Technical Services

- Environmental abatement costs noted in reports should be included in the Environmental line item on PCS and ETPB
- If Phase I ESA recommends additional testing, this testing should be done, additional report included in application submission and all remediation costs included
- Radon testing is needed for existing buildings; for new construction, a radon mitigation system should be included in drawings/specs and construction costs



Department of Housing



September 19, 2016

DOH Gap Funding

- Soft commitments up to \$50 million
- \$25 million funding available
- \$5 million available exclusively for SSHP
- DOH soft commitments issued in accordance with DOH selection criteria
- DOH review to occur simultaneously with CHFA application review

September 19, 2016



DOH Gap Funding: Soft Commitment Threshold

Minimum Criteria:

- Demonstrated Marketability
- Appropriate Location
- No Feasibility Issues

Guidance on DOH website



DOH Gap Funding Priorities

- *Four Cascading Tiers*
- *Tier 1*
 - High Opportunity **or**
 - Local Revitalization Plan
 - \$6MM max and 33% or lower of TDC
- *Other Tiers based on funding requested and % of TDC*
 - \$4 - \$6MM max
 - 30% -33% of TDC



DOH RAP Commitments

**No RAPs are available for the
2016 9% LIHTC Round**





Department of Economic and Community Development

State Historic Preservation Office

September 19, 2016



- State Historic Tax Credit funding is incredibly scarce and constrained
- Federal Historic Tax Credits are available as in the past
- Applicants should contact Julie Carmelich at (860) 256-2762 immediately if an application for State Historic Tax Credits is contemplated as a component of a proposed development submitting in the 2016 9% LIHTC round
- Part I must be submitted with the ConApp for the 2016 9% LIHTC round
- Development applicants seeking State Historic Tax Credits must be fully ready to proceed

Questions and Answers

September 19, 2016



SHAREPOINT



What is SharePoint?

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



What does SharePoint offer?

- Application Checklist/Task list
- Built in Consolidated Application workbook
- Reference Library
 - This section includes templates and fillable forms to be used in conjunction with submission of the application.
- Application specific website that can be shared with unlimited users allowing multiple team members to upload files as needed



How to get access to SharePoint

- The Applicant should send an email to applicationrequest@chfa.org providing:
 - Funding Round (e.g. 9% LIHTC, CHAMP, SSHP, etc.)
 - Application Name
 - Company Name
 - Primary Contact Name
 - Primary Contact Email
 - Primary Contact Phone
- Each application request will require a separate email to be sent
- Allow 2-3 business days for website to be created
- Receive email with access to the application specific website
- A Microsoft Account will have to be created for each email address used in SharePoint

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SharePoint – Task List

- Shows list of tasks associated with the application
- The list can be edited by team members as needed
- Tasks can be assigned to specific team members and be given due dates
- Provides a timeline of activity prior to application submission date
- **Once all items are checked off, the application website will lock and your application will be submitted.**



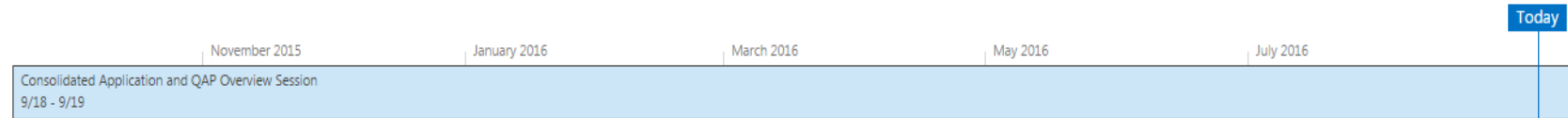
SharePoint – Task List

2. Application Checklist

Use this checklist to keep your team focused on the upcoming tasks related to completing this funding application. New tasks can be created and assigned to individual team members that this application site has been shared with. The timeline below shows important upcoming dates. Below are tasks to be completed. (For help on how to use this checklist, [click here.](#))

IMPORTANT: To submit this application for review, check-off all items on the task list below. (Once submitted, you will not be able to make further changes to this application.)

Task List



+ new task or edit this list

✓ <input checked="" type="checkbox"/>	Title	Due Date	Assigned To
<input type="checkbox"/>	Ensure that you meet the technological prerequisites (Section 1. above)	...	
<input type="checkbox"/>	Consolidated Application and QAP Overview Session	... September 19	
<input type="checkbox"/>	(Optional) Set up Pre-Application Meeting with CHFA and DOH (if needed)	...	
<input type="checkbox"/>	Share this site with your Development Team	...	
<input type="checkbox"/>	Upload all appropriate documents/exhibits as noted in the Consolidated Application Workbook	...	
<input type="checkbox"/>	Complete the Consolidated Application Workbook (see below)	... November 9	
<input type="checkbox"/>	Ready for Review (Check when ready to submit application)	... November 9	

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)**

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Consolidated Application Workbook





3. Consolidated Application Workbook

The Microsoft Excel Consolidated Application Workbook is listed below. Click the workbook to open it, and then press the appropriate buttons on the Exhibit Checklist form. Be sure to click the "Core Items" button to automatically upload your latest changes here. (For help on how to complete this workbook, click [here](#).)

ConApp Workbook

 New  Upload  Share

✓		Name	Modified	Modif
		Consolidated Application Workbook 2016.3 *	... About a minute ago	<input type="checkbox"/> Cl

Drag files here to upload



File Uploads

- Section of website specifically for file uploads
- Can upload multiple files at once, and place them into section folders
- “Drag and Drop” available for convenience
- Uploaded items can be removed (to a Recycle Bin) if done incorrectly, or can be replaced




















File Uploads

File Uploads ⓘ

Upload exhibits to this application by dragging files onto the upload area, below or by clicking the "Upload" link. Organiz

 New  Upload  Sync  Share  More ▾

Folders All Documents Flat ... 

✓ 	Name	Item	Child	Count	M
	SECTION I - APPLICANT & CO-SPONSOR	...	0		Jt
	SECTION II - REGULATORY COMPLIANCE	...	0		Jt
	SECTION III - DEVELOPMENT TEAM	...	0		Jt
	SECTION IV - DEVELOPMENT	...	0		Jt
	SECTION V - RENTAL DEVELOPMENTS (NA for Homeownership Projects)	...	0		Jt
	SECTION VI - FINANCING	...	0		Jt
	SECTION VII - HOMEOWNERSHIP DEVELOPMENTS (NA for Rental Properties)	...	0		Jt
	SECTION VIII - DOH FEDERAL PROGRAMS	...	0		Jt
	SECTION IX - AFFIRMATIVE ACTION FAIR HOUSING & EQUAL OPPORTUNITY	...	0		Jt
	SECTION X - CERTIFICATIONS (Signed documents should be included in Tab B)	...	0		Jt
	SECTION XI - OTHER	...	0		Jt
	SECTION XII - HTCC APPLICATION EXHIBITS	...	0		Jt
	SECTION XIII - POINTS CALCULATION WORKSHEETS	...	0		S
	SECTION XIV - POINTS DOCUMENTATION	...	0		Jt
	SECTION XV - MISCELLANEOUS EXHIBITS	...	0		Jt
	SECTION XX - CLARIFICATIONS	...	0		Jt

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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



Help Section

- There is a Help section available to walk users through the steps to use each section of the SharePoint website
- Accessed through the menu in the upper left section of the Home screen, or by clicking help links in each section description



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

2. Application Checklist

Use this checklist to keep your team focused on the upcoming tasks related to completing this funding application. New tasks can be created and with. The timeline below shows important upcoming dates. Below are tasks to be completed. (For help on how to use this checklist, click here.)



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

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Submitting the Application

- 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
- 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 or DOH
- **To submit your application and lock your website, mark all the items in the Task List section as complete.**

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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

Using the Consolidated Application cont'd



 = Not applicable

N = Non-Threshold Item - if applicable, required prior to approval. If available, include with application.

T = Threshold Item - if applicable, required at application submission

Protect All (CHFA/DOH USE ONLY)

THIS FORM MUST BE SUBMITTED WITH INITIAL APPLICATION & ALL RESUBMISSIONS		CHFA Funding							
Exhib Number	Core Items	CHFA/DOH Use only	Financing	Supportive Housing	LIHTC	HTCC			Sp Prog
						Housing	Loan Fund	Development	
A	Completed Exhibit Checklist (Form Provided)		T	T	T	T	T	T	T
B	Cover Sheet (Form Provided)		T	T	T	T	T	T	T
C	Summary Sheet (Form Provided)								(Self-Generating)
D	Application (Form Provided)		T	T	T	T	T	T	T
SECTION I. APPLICANT and CO-SPONSOR									
1.1	Applicant Info		T	T	T	T	T	T	T
1.2	Applicant Type		T	T	T	T	T	T	T
1.3	Co-Sponsor Info		T	T	T	T	T	T	
1.4	Co-Sponsor Type		T	T	T	T	T	T	
1.5	Organizational Documents		T	T	T	T	T	T	
1.6	Financial Statements		N	N	 	 	 	 	
SECTION II. REGULATORY COMPLIANCE									
2.1	Previous Financial Involvement		T	T	T	 	 	 	
2.2	Organizational History and Experience		 	 	 	 	 	 	

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		
PITAL, GRANTS, Etc.	Construction Sources	Permanent Sources	Grant [Y] or [N]
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]			
Sub-Total	\$0	\$0	

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
- If something needs to be modified, a request to unlock specific sections can be made, but must include an explanation.

Contact Information



Chris Polek	christopher.polek@chfa.org	Consolidated Application and SharePoint process
Joe Voccio	joe.voccio@chfa.org	LIHTC Program and Financing
Terry Nash	terry.nash@chfa.org	QAP, Procedures and Guidelines, Supportive Housing
Jennifer Landau	jennifer.landau@chfa.org	Technical Services Requirements
Chuck Emerson	charles.emerson@chfa.org	Sustainable Design / Passive House
Jon Cabral	jonathan.cabral@chfa.org	Opportunity Characteristics
Marcus Smith	marcus.smith@chfa.org	Energy Efficiencies / Rate Lock Information
<i><u>DOH Funding:</u></i>		
Ed LaChance	edward.lachance@ct.gov	Consolidated Application and DOH Gap Funding
Helen Muniz	helen.muniz@ct.gov	SSHP Developments
<i><u>DECD/SHPO:</u></i>		
Julie Carmelich	julie.carmelich@ct.gov	State and federal historic tax credits