

# Low-Income Housing Tax Credit Program

## Frequently Asked Questions

9/13/2022 - 10/31/2022



Q1. Is a preliminary application and conference required for a 4% LIHTC project?

A. Yes although 4% applications are not held to the timeframe that 9% applications are, an applicant still needs to submit a preliminary application and attend a conference. An applicant can submit a preliminary application at any time and a conference will be scheduled shortly thereafter. In the event that a 4% applicant has submitted a Developer Engagement Profile (DEP) and has subsequently been invited to apply, a preliminary application may not be necessary; however, a preliminary application conference is still required.

Q2. The QAP limits 9% credits to \$30,000 per qualified unit and 20% of the Population Component. What is the estimated 20% of the Population Component number?

A. CHFA is estimating this to be \$1,983,078. This is based on Connecticut's 2022 population number and is subject to change when the official population numbers are released by the IRS in the spring of 2023.

Q3. Is CHFA changing the way credits are calculated on hybrid 4%/9% transactions?

A. There are no changes to the QAP contemplated for the 2023 9% LIHTC Round. As per the QAP, the 9% credits are limited to \$30,000 per qualified unit in the 9% portion of the hybrid only. The limit cannot be calculated based on the total number of qualified units in the entire development.

<u>Example:</u>	<u>9% Portion</u>	<u>4% Portion</u>
Qualified Units	40	20
Unrestricted Units	10	10

9% credits are limited to  $\$30,000 \times 40$  qualified units in the 9% portion = \$1,200,000

There is no limit on 4% credits

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- Q4. Given the recently adopted building code updates in the State of CT, would a 9% LIHTC application that will be submitted this January 2023 need to comply with the new code at submission or could we complete this step between application submission and construction docs?
- A. All funding applications should be in full conformance with all building, fire and housing codes in effect at the time applications are due.
- Q5. If I filled out a Spring 2022 DEP Preliminary Application and I intend to apply for 9% LIHTC, do I need to participate in the Fall 2022 DEP and submit a new Preliminary Application?
- A. There is no need to submit a new Preliminary Application in the Fall 2022 DEP unless something has substantively changed from the Preliminary Application submitted in the Spring 2022 DEP. Please contact Debbie Alter to confirm this and to arrange a Preliminary Application conference.
- Q6. Will CHFA require payment of the appraisal/market study fees with the application submission?
- A. No, the appraisal and market study fees are not due with submission of an application. Should a development receive an award, CHFA will provide instructions for payment of these fees.
- Q7. We received a letter from SHPO requesting that a professional archaeological assessment and reconnaissance survey be completed prior to construction. How does this impact my application?
- A. If SHPO determines that archaeological resources may be affected, a professional cultural resources assessment survey must be completed prior to construction. The survey should assess all areas of anticipated ground disturbance that are considered to have a moderate/high sensitivity for containing significant archeological deposits, unless sufficient research or fieldwork documents that this level of effort is unwarranted. All work should be in compliance with the Environmental Review Primer for Connecticut's Archaeological Resources and no

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construction or other project-related ground disturbance should be initiated until SHPO has had an opportunity to review and comment upon the requested survey. A list of qualified consultants is available from SHPO. Failure of applicants to properly comply with the 90 day submission requirements or the failure to adequately address impacts to historic properties or comply with SHPO recommendations will result in the removal of the application from consideration for funding in the applicable funding round.

Q8. Would an applicant receive transit-oriented development points if their proposed development is located close to a planned train station?

A. No, the 2022 and 2023 QAP provides an opportunity for points for a development located within a half mile of an existing station. From the QAP:

*“Proximity to Transit. Mixed income development located within a half mile of an existing station or hub along the CTfastrak corridor or the Hartford rail line, Shoreline East or MetroNorth’s New Haven, New Canaan, Danbury and Waterbury lines, or other public transit facilities that meet transit supportive standards for land uses, built environment densities and walkable environments, in order to facilitate and encourage the use of those services...”*