

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

**A1.** 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 subsequently invited to apply, a preliminary application may not be necessary, however, a pre-application conference is still required.

**Q2. Does the high speed broadband access simply mean that all units are wired for it or does the owner need to provide access at a specific price range for tenants?**

**A2.** “High-speed Broadband access” means that developers provide infrastructure for High-speed Broadband internet access to units, free High-speed Broadband wireless internet access to community rooms and evidence of engagement with Internet Service Providers (ISPs) to provide subsidized monthly subscription plans for residents, and document any barriers or hardships that may exist. This guidance is found on page 13, item #6 of the CHFA Construction Guidelines – Energy Conservation and Sustainability, 6. Sustainable Development with Digital Literacy and Connectivity.

**Q3. Under the preservation classification, it was stated that to be eligible it must be existing occupied multifamily rental dwellings. What is CHFA’s definition of multifamily?**

**A3.** Multifamily rental housing typically consists of detached, semidetached, row, walk-up, or elevator type structures in one or more buildings with five or more units intended to provide rental homes to multiple families, one per unit. It does not include residential units with commercial services provided on a regular basis to occupants, i.e., hotels, motels, inns, nursing homes and similar businesses.

**Q4. Allocation of 4% LIHTC will be limited to the feasibility of a project. Does this mean that a project cannot maximize tax credits to reduce leverage? In other words, if a project can support greater debt, the credit allocation will be reduced?**

**A4.** It is anticipated that a development will first maximize debt and other resources before tax credits complete the capital stack. If a project can support greater debt, yes the tax credit allocation will be reduced. This applies to both 4% and 9% LIHTC projects.

Q5. For the preservation classification, sustainability design measures, what are the classifications for the “energy consultant” who is required to issue recommendations for the highest energy efficiency and sustainable design measures appropriate to the proposed development?

A5. Professional Engineer and/or BPI-RESNET HERS- or ENERGY STAR-certified assessors/raters may serve as energy consultants. Refer to CHFA Energy Conservation and Sustainability Guideline.

Q6. Since Preservation projects are not awarded points, how are they compared and judged? Is it an informal ranking system loosely based on the quantified point system for New Construction?

A6. Each Preservation project will be analyzed based on all of the criteria listed in the QAP to the extent appropriate and practical for the proposed development. The points scoring mechanism for new construction development proposals does not apply to Preservation project proposals.

Q7. Is there a definition for minor, moderate and substantial rehabilitation for Preservation deals?

A7. Yes, there are definitions for the various scopes of work covered in CHFA Construction Cost Guideline. Here they are for quick reference:

**Minor Rehabilitation:** Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens and bathrooms; A/C unit and sleeve replacement, etc.

**Moderate Rehabilitation:** Construction renovations to existing buildings, consisting of items such as: kitchen cabinet replacement; bathroom vanity replacement; new wall, ceiling and floor finishes in kitchens, bathrooms and various other rooms in each apartment; exterior door replacement; exterior window replacement; roof replacement; exterior siding repair or replacement; new hot water heaters; hot water boilers; A/C unit and sleeve replacement; electrical service upgrade, etc.

**Substantial Rehabilitation:** Construction renovations to existing buildings, consisting of all items listed for moderate rehabilitation above, and the

inclusion of up to 50% of the items listed for gut rehabilitation in the Guideline.

Q8. Does the designation of minor, moderate and substantial rehabilitation for Preservation impact the degree to which a Preservation project must be upgraded to meet all standards described throughout the Multifamily Design and Construction Standards?

A8. Yes it does. In addition to the standards described throughout the Multifamily Design and Construction Standards, be sure to refer to the CHFA Energy Conservation and Sustainability Guideline where you will find guidance on sustainable design measures corresponding to the level of rehabilitation. Here it is for quick reference:

The proposed energy performance-related improvements shall provide for projected reductions in annual energy use as follows:  $\geq 10\%$  for minor rehabilitations,  $\geq 15\%$  for moderate rehabilitations and  $\geq 20\%$  for substantial rehabilitations.

Q9. With respect to Preservation deals and rehabilitation work, is the process that the development team should point all deviations out to CHFA with an accompanying narrative describing the limitations of site/budget (including items such as emergency generator/potable water system, existing building systems, etc.)?

A9. Yes, the process is to provide a narrative in the form of a modification request if you cannot meet CHFA standards as rationale to evaluate the request.

Q10. What is a historic resource?

A10. A "historic resource" is a property/site listed or determined eligible for listing on the State or national register of Historic Places.

Q11: Will CHFA and/or DOH provide feedback on application materials during or after the pre-application calls? Can staff "pre-review" application materials such as threshold items or points items? What is the purpose of these calls?

A11: The purpose of the preliminary application call is to allow an applicant to introduce its development project to CHFA and DOH and to consider questions from development teams regarding their potential projects. The preliminary application is to be submitted

for the discussion at the pre-application conferences. No other materials should be submitted. On these calls, staff will be available to answer questions on the criteria outlined in the QAP, but cannot provide definitive feedback on other application materials before, during or after these calls. Staff will not be performing a “pre-review” of any application materials, especially concerning points items.

Q12. If a project in the 9% LIHTC round is awarded DOH funding, will the funds be State Bond dollars or Federal funds which trigger additional environmental and accessibility reviews? Should the project team plan for the use of Federal funds now regarding environmental testing requirements and accessibility?

A12. The Department of Housing reserves the right to restrict the overall amount of funding committed to the 2022 9% LIHTC competition, based on the availability of federal and state resources. Project teams should plan for the use of Federal funds and the corresponding requirements such as, but not limited to, procurement, environmental requirements and design and building standards.

Q13. There appear to be a couple of typos in the QAP. Could you please clarify “Credits per Qualified Bedroom” points? And is the points award for “Cost effectiveness, Intermediary Costs” two points for each of two developments or four points?

A13. Yes, the “Credits per Qualified Bedroom” and “Cost Effectiveness, Intermediary Cost” is unclear. The points indicated in the grid are correct. Please see below for the grid with correct and clarifying information.

Typo

Credits Per Qualified Bedroom. Proposed Developments will be ranked lowest to highest credits per LIHTC Program qualified bedroom and awarded incremental Points in accordance with their ranking. Points will be awarded in rank order accordingly with the lowest credits per qualified bedroom **receiving 5 Points** and the highest receiving 0 Points. Per-bedroom figures may be modified by the results of the Authority’s financial feasibility analysis. With respect to any Proposed Hybrid Development, Points in this category will be calculated based on the total number of qualified bedrooms in the Proposed Hybrid Development and the sum of the Proposed Hybrid Development’s 9% Credits and 4% Credits.



	Correct maximum points available
Lowest Credits per bedroom	4 Points
Incremental Credits (based on rank order)	1-3 Points
Highest Credits per bedroom	0 Points

Cost Effectiveness, Intermediary Costs. Cost efficient designs and reasonable soft costs, such as professional fees, are strongly encouraged. 4 Points will be awarded to the top 2 Proposed Developments with the lowest percentage of intermediary costs.

2 Points

Two points each to top two developments

Q14. How does an applicant document “concerted community revitalization plan” for the new points category under Local Impact for the New Construction classification?

A14. Applicants shall provide a copy of the applicable concerted community revitalization plan (CCRP) along with a letter from the municipality stating how the project contributes to the CCRP.

Q15. Regarding CHFA’s benchmarking requirements, is collecting tenant utility bills to enter into the ES Portfolio Manager sufficient after final?

A15. For Benchmarking, CHFA will require teams to upload project energy and water performance data in EPA ENERGY STAR Portfolio Manager for at least five years from time of construction completion, and provide CHFA access to the data. In order to facilitate that, at lease-up, get release from residents as part of the lease agreement granting permission to collect energy and water usage information from the utility company.