



Low-Income Housing Tax Credit Program

Glossary of Terms

2026

The purpose of this Glossary is to facilitate a common language for Connecticut's community of affordable housing development stakeholders. The citations and summaries of other sources contained in the Glossary are not intended to be the sole authoritative source, but rather a handy reference to help familiarize the reader with some of the housing-specific terms that may be encountered in CHFA's publications and website.

AMGI: Area Median Gross Income as defined by HUD.

AMI: Area Median Income is the median income level for a given metropolitan statistical area (MSA) or rural area as defined by HUD. AMI is used to determine income eligibility for affordable housing and to set maximum allowable rents under the LIHTC program.

BIN: The state credit agency assigns a Building Identification Number (BIN) to each building. The IRS uses the nine-digit BIN to identify buildings and monitor compliance. The BIN consists of a two-character state designation, followed by the two-digit year the credit is allocated, the three-digit project number and a two-digit numbering designation. For example, the BIN for a building allocated credit in 2015 by CHFA might be CT-15-02301.

CFR: Code of Federal Regulations

CHFA: Connecticut Housing Finance Authority

CNA: Capital Needs Assessment, a physical assessment and evaluation of all building components. For additional information, refer to the Construction Guidelines: Project Planning and Technical Services Review.

ConApp: See Consolidated Application, below.

CONPLAN: The current State of Connecticut Consolidated Plan for Housing and Community Development.

DECD: (State of Connecticut) Department of Economic and Community Development

DOH: (State of Connecticut) Department of Housing.

HUD: (United States) Department of Housing and Urban Development.

IACSH: (State of Connecticut) Interagency Council on Supportive Housing and Homelessness

IRC: Internal Revenue Code.

IRS: Internal Revenue Service.

LIHTC: Low-Income Housing Tax Credit.

LTC: Loan to cost ratio.

LTV: Loan to value ratio.

NOFA: Notice of Funding Availability.

PBRA: Project-Based Rental Assistance.

PBV: Project-Based Voucher

PILOT: Payment In Lieu Of Taxes, an agreement regarding a reduction in real estate taxes that is negotiated by and between an owner or developer and the municipality in which a property is located.

4% Credits: The 30% present value tax credit, which is also known as the 4% tax credit, covers new construction or substantial rehabilitation developed with a federal subsidy. Tax credits are equal to approximately 4% of qualified costs each year for 10 years. For example, in a project with \$100,000 in qualified costs, tax credits can equal \$40,000 over 10 years. Projects financed through tax-exempt private-activity bonds serving families with incomes below 60% of AMI, and meet other eligibility criteria, qualify for the 4% LIHTC.

4% Credits for Acquisition: The 4% tax credit for the acquisition cost of an existing building. The building must be substantially rehabilitated to qualify for the acquisition cost credit.

9% Credits: The 70% present value tax credit, or 9% tax credit, supports new construction or substantial rehabilitation of an existing building without a federal subsidy. Tax credits are equal to 9% of the qualified costs each year for 10 years. For example, in a rehabilitation project with \$100,000 in qualified costs, tax credits can equal \$90,000 over 10 years. The 9% credits are competitive and are subject to certain selection criteria and housing priorities set forth in the Qualified Allocation Plan. Refer to Rehabilitation Credit for more information.

10%Test: At least 10% of reasonably anticipated costs of the project must be incurred by the end of twelve (12) months from the executed Carryover Allocation Agreement.

40% and 90% Plans & Specifications: Development plans and specifications that comply with the Construction Guidelines: Project Planning and Technical Services Review at specified levels of 40% complete and 90% complete.

10-Year Rule: The building is eligible for acquisition credit so long as the existing building was not placed-in-service during the 10-year period preceding the acquisition. A building is considered placed-in-service under §42 upon its first use and upon a change in ownership interests. The exceptions include placements in service in connection with: (1) carry-over basis transactions, in which the transferee determines his basis in whole or in part from the transferor's basis, (2) certain transfers from decedents, (3) certain nonprofit or governmental agencies, (4) foreclosures, and (5) technical partnership terminations. Refer to 26 U.S. Code §42(d)(2).

20/50 Set-aside: One of three Minimum Set-asides (20/50, 40/60 or Average Income), 20/50 Set-aside means 20% or more of the residential units must be rented to households with an aggregate gross income of 50% or less of the AMGI adjusted for household size.

20/50 Test: This test is satisfied if at least 20% of the residential units in a project are both rent-restricted and occupied by individuals whose income is no more than 50% of the AMGI as adjusted for household size.

40/60 Set-aside: One of three Minimum Set-aside options (20/50, 40/60 or Average Income), 40/60 Set-aside means 40% or more of the units must be rented to households with an aggregate gross income of 60% or less of the AMGI adjusted for household size.

40/60 Test: This test is satisfied if at least 40% of the residential units in a project are both rent-restricted and occupied by individuals whose income is no more than 60% of the AMGI as adjusted for household size.

8609 Form: The IRS form used by LIHTC allocating agencies to allocate tax credits to a building. Part II of the form is used by building owners to make their first-year certifications for the building.

8823 Form: The IRS form used by LIHTC allocating agencies to report events of noncompliance or building disposition.

8823 Guide: IRS compliance manual providing guidelines for determining noncompliance, reporting property dispositions, and instructions for completing the 8823 Form.

Adaptive Re-use: A change of use or occupancy of an existing building, particularly for use as residential housing. For example, existing vacant/abandoned schools, industrial buildings/mills, hotels, and office buildings may be considered for conversion into housing. Adaptive re-use is considered new construction.

Additional Review: A process that may be required when an owner submits information to CHFA or its Authorized Delegate past the deadline imposed in accordance with 26 CFR 1.42-5(e)(4) of the LIHTC compliance regulations and in the Authorized Delegate's 'Forwarding of Non-compliance Letter' and after submission of IRS Form 8823 by CHFA to the IRS. CHFA may require additional reviews on all transactions.

Adjusted Cash Flow: An annual amount determined by CHFA in its sole discretion for the applicable fiscal year equal to audited net income *plus* all non-cash expenses including amortization and depreciation, *plus* any and all finance charges unrelated to the Loan, *less* interest income earned on reserves, *less* annual amounts disbursed for debt service and required reserves (except to the extent such disbursements are already accounted for in the audited net income).

Affiliated Entity: An individual or organization that includes, but is not be limited to, a person that directly or indirectly is: (a) in control of another person; (b) is under the control of another person; or (c) is under common control with another person; (d) is a director or officer (or a member of the immediate family of a director or officer) of another person. For purposes of the foregoing, (a) "control" means possessing the power to directly or indirectly direct the management or policies

of another person, whether through ownership of voting securities, by contract, or otherwise, including the power to elect a majority of the directors or trustees of a corporation or trust; and (b) “person” means any natural person, sole proprietorship, corporation, general partnership, limited partnership, limited liability company, limited liability partnership, limited liability limited partnership, joint venture, association, joint stock company or any other form of entity.

Affordable Housing Plan: In accordance with CGS §8-30j, each municipality shall prepare or amend and adopt an affordable housing plan for the municipality at least once every five years. For purposes of the LIHTC program, Affordable Housing Plan means an affordability plan that shall include at least the following: (A) designation of the person, entity or agency that will be responsible for the duration of any affordability restrictions, for the administration of the affordability plan and its compliance with the income limits and sale price or rental restrictions specified in the affordable housing plan; (B) an affirmative fair housing marketing plan governing the sale or rental of all dwelling units; (C) a sample calculation of the maximum sales prices or rents of the intended affordable dwelling units; (D) a description of the projected sequence in which, within a set-aside development, the affordable dwelling units will be built and offered for occupancy and the general location of such units within the proposed development; and (E) draft zoning regulations, conditions of approvals, deeds, restrictive covenants or lease provisions that will govern the affordable dwelling units.

Annual Financial Review: An alternative form of financial compliance that owners of small properties (approximately 30 units or less) may submit instead of an Annual Financial Statement. A written request must be made and should justify the reason for the request (i.e., cost, other program requirements, etc.). The request will be subject to CHFA review and approval.

Annual Financial Statement (AFS): A collection of reports about an organization's financial results, financial condition, and cash flows, based on a 12-month consecutive time period. The most common set of financials are based on the calendar year, but they can also be based on a company's fiscal year. CHFA requires developments with CHFA multifamily mortgage financing to submit an audited AFS, prepared by a Certified Public Accountant, at the end of each fiscal year. The AFS must be prepared in accordance with Generally Accepted Accounting Principles and HUD Multifamily Financial Assessment guidelines.

Annual Household Income: Gross annual income of all persons who intend to permanently reside in a unit. Annual income is income as of the date of occupancy for the next 12 months.

Annual Income Certification: Document by which the tenant certifies household income for the purpose of determining whether the tenant will be considered eligible to occupy a LIHTC unit according to the provisions of the LIHTC Program.

Annual Tax Credit: To calculate the maximum annual tax credit for which a project is eligible, multiply the Qualified Basis by the Applicable Tax Credit Percentage. However, the actual tax credit award cannot exceed the amount CHFA determines is necessary for the financial feasibility of the project and its viability as a Qualified Low-Income Housing Project throughout the Credit Period. Refer to IRC §42(a) and 42(m)(2).

Applicable Fraction: The lesser of the unit fraction and the floor space fraction. The unit fraction is calculated by dividing the number of low-income units in a building by the total units in the building. The floor space fraction is calculated by dividing the total floor space of the low-income units in a building by the total floor space of the residential units in the building. The Tax Code refers to this low-income occupancy percentage as the Applicable Fraction.

Applicable Tax Credit Percentage: The amount of tax credit available to a project depends upon its development and financing characteristics. Specifically, a 30% present value tax credit applies to new construction and substantial rehabilitation expenditures that are federally subsidized, as well as to the acquisition of "eligible existing buildings," regardless of the financing source. A 70% present value tax credit applies to new construction and substantial rehabilitation expenditures treated as a new building that is not federally subsidized. Consequently, a single project may receive two different tax credits. For example, a project might receive a 30% present value tax credit for the acquisition of an existing building and a 70% present value tax credit for the expenditures incurred for the rehabilitation of that building if it is financed without a federal subsidy. In these circumstances, the tax credit must be calculated separately for these separate project components. Refer to IRC §42(b)(2) and §42(i)(1) and 42(h)(6)(D).

Area of Economic Distress: A location as defined by the U.S. Treasury Community Development Finance Institution (CDFI) Fund for its Capital Magnet Fund (CMF) program. Areas of Economic Distress (AED) means census tracts identified by the CDFI Fund: (a) where at least 20 percent of households that are Very Low-Income spend more than half of their income on housing; or (b) that are designated Qualified Opportunity Zones under 26 U.S. Code Section 1400Z-1; or (c) that are Low-Income Housing Tax Credit Qualified Census Tracts; or (d) where greater than 20 percent of households have incomes below the poverty rate and the rental vacancy rate is at least 10 percent; or (e) where greater than 20 percent of the households have incomes below the poverty rate and the homeownership vacancy rate is at least 10 percent; or (f) are Underserved Rural Areas as defined in the CMF Regulations.

Authorized Delegate: An agent or other private contractor of an entity such as CHFA that is given authority to act on its behalf in certain matters, including signing documents binding the entity to contractual obligations.

Average Income Set-aside: An IRS-designated set-aside option that may be elected under which units serving households earning up to 80% AMI may be designated as LIHTC Qualified Units so long as the average income of the Qualified Units is 60% or less and at least 40% of the total units are designated as Qualified Units. Refer to LIHTC Guideline on CHFA's website.

Basis Boost: An increase in the building's eligible tax credit basis. Proposed developments located in a Qualified Census Tract/Difficult Development Area will receive a 30% basis boost to the 9% Credit calculation. Specifically, the project owner, in the case of a newly constructed building, multiplies the eligible basis by 130%. In the case of substantial rehabilitation of an existing building, the project owner multiplies the eligible basis of the rehabilitation expenditures by 130%, excluding the eligible basis arising from the cost of acquiring the building. The applicant must demonstrate the basis boost is necessary to achieve financial feasibility.

Basic Threshold Requirements: Basic Threshold Requirements are those criteria specified in the QAP that an applicant must submit for its application to be deemed complete. Additional items may be included in the QAP and/or other NOFA that an applicant will need to submit, but these additional items, including items that may include points incentives for submission, will not be reviewed or considered if the Basic Threshold Requirements have not been provided.

Blight: A structure and/or unit that is both unoccupied and exhibits signs of interior and exterior physical deterioration sufficient to constitute a threat to human health, safety, and public welfare as determined by a municipal building official, an objective third-party construction specialist (i.e., architect, engineer), or CHFA.

Brownfield: Any abandoned or underutilized site where redevelopment and reuse has not occurred due to the presence or potential presence of pollution in the buildings, soil or groundwater that requires remediation before or in conjunction with the restoration, redevelopment and reuse of the property.

Building: Residential rental property that may be an apartment building, a single-family dwelling, a townhouse or other qualified property. A tax credit development may contain one or more buildings. Tax credits are awarded to a building and each building is assigned a Building Identification Number (BIN).

Capacity of Development Team Members: The resources, expertise and ability of the participating development team members as defined herein to complete a project given its current staffing levels and workload considering all projects that the organization has in process. This includes projects in the predevelopment planning, development, or construction phases. A workload list should include all projects being funded or potentially assisted with public and/or private funds and is not limited to projects being completed by the developer under this application. Refer to LIHTC Guideline on CHFA's website.

Carryover Allocation Agreement: An agreement that permits an award of low-income housing tax credits to be carried forward to subsequent year if the building(s) under the current year's award will not place in service in the year of the award. In accordance with the Code, an allocation agreement allows 24 months for the developer to place the units in service and receive Form 8609 from CHFA.

Certification Year: The 12-month time period beginning on the date a unit is first occupied and each 12-month period commencing on the same date thereafter.

Charge for Amenities: Not allowed. There may be no charge for amenities if the tenant facility is included in Eligible Basis under IRC §42(d), as it must be provided as a comparable amenity to all residential rental units in the building without charge.

Clean Site: Means a proposed development site with no existing environmental or other hazards and/or that has had an acceptable level of remediation completed as needed prior to acquisition by the seller or property transferor.

Code: Refers to 26 USC §42 of the IRC of 1986, as amended.

Community Revitalization Plan: See "Concerted Community Revitalization Plan" below.

Completion Date: The specified date a project is completed and ready for occupancy.

Compliance: The act of meeting the requirements and conditions specified under the law and the requirements of the LIHTC Program.

Compliance Monitoring Fee: See "Tax Credit Servicing Fee".

Compliance Period: The period of 15 taxable years beginning with the first year of a building's 10-year Credit Period. In addition, each building must have an Extended Low-Income Housing Commitment that requires, at a minimum, a 25-year extended use period under CHFA's Qualified Allocation Plan.

Concerted Community Revitalization Plan (also referred to as “Community Revitalization Plan”): A plan that is formally adopted by the State, municipality, or other regional, community or municipally-recognized organization with a coordinated and comprehensive approach to revitalize a defined geographic area that includes the site of the proposed housing development along with specific investments committed by the State, municipality, or other regional, community or municipally-recognized organization in non-housing infrastructure, amenities, or services.

Consolidated Application (or “ConApp”): A joint funding application for sources of funds from the DOH and CHFA.

Construction Costs: See Hard Costs and refer to *Construction Guidelines: Construction Costs* on the CHFA website for more information.

Construction Financing: A short-term loan to a builder or developer to finance the costs of construction. The lender generally requires repayment from the proceeds of the borrower's permanent mortgage loan. The lender may make periodic payments to the borrower as the construction work progresses.

Consultant (or Development Consultant): A person or entity hired for their professional services compiling the information and packaging the financing and/or Low-Income Housing Tax Credit applications and syndication agreements, and/or managing the construction process through project completion. Such Consultants include housing development consultants, Clerks of the Work, construction manager, or others with similar roles and responsibilities. These Consultants are to be paid from the Developer Fee. Consultants of a specialized nature are defined below as “Specialized Consultants”. Note that neither Consultant nor Specialized Consultant includes legal representation.

Co-Sponsor: See “Sponsor”.

Credentialed Resident Services Coordinator: A social service staff person hired or contracted by the development's owner or Management Company that has an advanced degree in social work (MSW, LCSW, or similar) and/or has a minimum of five years of experience in a leadership role providing social services to residents of a residential community or residents of a municipality through its social services department.

Credit Enhancement: A method to reduce credit risk by requiring collateral, letters of credit, mortgage insurance, corporate guarantees, or other agreements to provide an entity with some assurance that it will be recompensed to some degree in the event of financial loss.

Credit Period: The period of time, normally 10 years, over which the LIHTCs are claimed by the owner. The Credit Period commences with the taxable year in which the building is placed-in-service or, at the election of the owner, the succeeding taxable year. The project owner is deemed to defer the start of the Credit Period unless the owner affirmatively elects to start it in the year each low-income building in the project is placed-in-service.

Cure Period: A reasonable time (determined by CHFA) for an owner to correct any violations as a result of non-compliance.

Debt Service Coverage Ratio (DSCR): The ratio of the net operating income to a project's debt service. The DSCR can be calculated by dividing the net operating income by the debt service.

Debt Service: The periodic amount required to pay the principal and interest on a loan.

Deed Restrictions: Additional restrictions placed on a property that are publicly recorded in priority position and conveyed with the property to future property owners. These restrictions can include, but are not limited to, requirements that a property's rental units be leased to residents meeting specific income guidelines. Properties with Deed Restrictions are "deed restricted".

Depreciable Costs: Development costs incurred in connection with a capital asset subject to a loss of value brought about by age, physical deterioration or functional or economic obsolescence.

Developer/Sponsor Resources: An investment by the developer/owner of its own funds in the permanent sources of funds to a development, exclusive of a deferred developer's fee, tax credit equity, and other awards obtained by the Applicant. Examples may include cash, land contribution, and long-term loan from the developer/owner. Evidence is required in the form of a certified letter from a third-party CPA stating the funds are available and allocated for the development, OR a bank statement along with a certified letter from the Applicant stating the funds are allocated for the development. Land contributions must be evidenced by an as-is appraisal that is no older than 12 months from the application due date. Please note that other sources of funds including, but not limited to, project-specific competitive grants, pass-through loans obtained by a developer/owner, energy rebates, government-sponsored incentives or project cost savings cannot be used to offset or replace the commitment of Developer Resources and are not considered Developer Resources. Developer/Sponsor Resources do not qualify as Other Permanent Funding Sources.

Development Budget: The projection of costs to develop a real estate project, and covers the planning, acquisition and construction period expenses.

Development Consultant: See "Consultant".

Development Team Member(s): Participant(s) in a development activity including, but not limited to, the owner, developer, sponsor, consultant, architect, general contractor, property manager, and service provider.

Difficult Development Area (DDA): For the LIHTC program, this is an area designated by HUD with high construction, land, and utility costs relative to its AMGI. Those areas designated by the Secretary of HUD as DDAs are eligible for the amount of credit calculated to be greater by increasing the eligible basis by 130%.

Effective Gross Income: The stabilized income a property is expected to generate after vacancy allowance is subtracted from total rent revenue.

Effective Term of Tenant Verification: Third-party verifications are valid for 120 days from the date of receipt by the owner. If verifications are more than 120 days old from the date of receipt by the owner, the owner must obtain new verifications. Time limits do not apply to information that does not need to be re-verified, such as: age, disability status, family membership or citizenship.

Eligible Basis: For new construction, the eligible basis is the cost of construction determined at the first year of the credit period. For substantial rehabilitation, the eligible basis is the sum of all rehabilitation costs aggregated over 24 months. For an existing building, the eligible basis is the cost of acquiring the building.

Eligible Existing Building: The project is eligible for acquisition credit so long as the existing building was not placed in service during the 10-year period preceding the acquisition. Refer to 10-Year Rule and IRC §42(d)(2).

Eligible Person: One or more individuals of a household determined to be income qualified as per the requirements of a particular program.

Employment Income: Wages, salaries, tips, bonuses, overtime pay or other compensation for personal services from a job.

Extended Low-Income Housing Commitment (ELIHC): The agreement between CHFA and the owner restricting the use of the project during the term of the Low-Income Housing Tax Credit compliance period for an *additional period* beyond the initial 15 years that is equal to the longer of (i) an additional 15 years or (ii) such further period as may be specified by CHFA.

Extended Use Period: The timeframe which begins the first day of the initial 15-year compliance period, on which such building is part of a qualified low-income housing project and ends 15 years after the close of the initial compliance period, or the date specified by CHFA in the ELIHC Agreement.

Extremely Low-Income Household (ELI): Households whose incomes are not more than 30% of the AMI for the local area adjusted for family size. Refer to CHFA's website for HUD published AMI bands.

Fair Housing Laws: Federal, state, and local fair housing laws protecting people from discrimination in housing transactions such as rentals, sales, lending, and insurance.

Fair Market Value: An amount that represents the value of the property if it were to be sold on the open market. It is the price at which a property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or to sell and both having reasonable knowledge of relevant facts.

Family Housing: Non-age-restricted housing that contains a majority of multiple bedroom units, i.e., greater than 50% of the units contain two or more bedrooms.

Federally Subsidized or Federally Subsidized Building: A building is generally deemed to be federally subsidized if the construction or rehabilitation is financed directly or indirectly with tax-exempt bond proceeds or federal funds with a below market rate interest.

First Year of the Credit Period: Either the year a building is placed-in-service, or the following year, at the owner's option.

Full-time: In the context of hours worked for Resident Service Coordinators and others, full-time generally means 35-40 hours per week. The IRS Affordable Care Act defines full-time as 30 hours per week or 130 hours per month; less than that is considered part-time.

General Partner (GP): The partner in a limited partnership ownership entity that is financially responsible for the development obligations and day-to-day oversight of the general contractor during construction and the management agent during rental operations.

Good Standing: Refer to the [Program Eligibility Requirements Policy Statement](#) on CHFA's website.

Gross Rent: Gross rent is the sum of the rent paid to the owner plus any utility costs incurred by the tenant. Utilities include electricity, gas, water, sewer, and trash removal services but not cable, internet, telephone or cell phone service. If the owner pays for all utilities, then gross rent equals the rent paid to the owner.

Guideline: A statement of general parameters to guide staff and inform the public on the implementation of the policy and Procedures to insure consistency with CHFA expectations. Guidelines are not rules but a set of parameters within which management discretion and authority can be exercised.

Hard Costs: Construction hard costs represent expenditures related to the site and building structure of a proposed development including, but not limited to, costs associated with environmental remediation, grading and excavation, demolition, unusual site conditions, building materials and labor, general contractor overhead/profit, and general requirements. Refer to the current *Construction Guidelines: Construction Costs* on CHFA's website for more information.

Household: An individual, family or group of individuals living together as a unit.

Housing for Homeless Persons: Qualified new construction or acquisition and rehabilitation of rental housing with supportive services for households experiencing homelessness. Refer to the current [Supportive Housing Guideline](#) on CHFA's website.

Hybrid Transaction: The use of separate and discrete, but simultaneous, financing plans utilizing both 9% LIHTCs and 4% LIHTCs and tax-exempt bonds. Refer to the current [LIHTC Program Hybrid Financing Structure Guideline](#) on CHFA's website.

IACSH Recognized Service Provider: Means a community-based service provider organization experienced in the provision of tenancy sustaining services, often for specialized and specific populations, that has been recognized by the Interagency Council on Supportive Housing and Homelessness (IACSH) as an acceptable substitute for a Qualified Service Provider. Applicants are advised to contact the IACSH through CHFA and/or DOH for guidance and to request that a service provider entity be recognized. A list will be developed as service providers are recognized.

Imputed Income: The estimated earning potential of assets held by a tenant using the potential earning rate established by HUD. The current rate is provided by CHFA in its instructions to the Annual Income Certification.

Income Averaging: See "Average Income Set-aside".

Income Qualified: A resident or household that has completed an income certification and meets the income requirements established for the development.

Income Restrictions: The requirement that units in a development are restricted to maximum income levels that are established by HUD and published by CHFA, including for extremely low-income, very low-income, and low-income units. Income Restrictions will be adjusted periodically by CHFA based on AMI figures provided by HUD and published on CHFA's website.

Ineligible Person: One or more persons, or a family who apply for residency in a rent-restricted income-restricted unit and whose combined income exceeds the income limitation that was selected by the owner. Someone living in a set-aside unit who is not certified or under the lease would be considered ineligible.

Initial Compliance: The 12-month period commencing with the date the building is placed-in-service, in which the minimum set-aside must be met to receive the tax credits. Projects consisting of multiple buildings with phased completion must meet the set-aside requirements on a building-by-building basis within the 12 months commencing on the individual date each building is placed-in-service.

Intermediary Costs: Those costs associated with third-party services relating to project development (e.g., architect/engineer/appraiser/historic consultant/legal, etc.).

Joint Venture: This is a temporary partnership that two development entities form to gain mutual benefits by sharing costs, risks and rewards. An applicant with little or no experience in LIHTC development can use a joint venture partnership to gain skills and access to the LIHTC program.

Justice-involved Persons: Individuals who have had contact with the criminal justice system, including individuals who are currently or were formerly incarcerated, are on probation or parole, or have been involved in other ways.

Lease: The legal agreement between the tenant and the owner which determines the terms and conditions of the rental of a unit.

Loan to Cost (LTC): LTC compares the financing amount of a development project to its cost. LTC is calculated as the loan amount divided by the total development cost.

Loan to Value (LTV): LTV compares the loan amount to the expected market value of the completed project. LTV is calculated as the loan amount divided by the prospective market value.

Locational Guide Map (LGM): The interactive [Locational Guide Map](#) provided by the State of Connecticut Office of Policy and Management in conjunction with its published [Connecticut Conservation and Development Policies Plan](#), adopted March 2025, designed to identify the existing criteria for priority funding areas by specific address or location.

Low-Income Household (LI household): Households whose incomes are not more than 80% of the AMI for the local area adjusted for family size. Refer to CHFA's website for HUD published AMIs.

Low-Income Unit: Any unit in a building that is rent restricted in accordance with IRC §42(g)(2). The individuals occupying such a unit meet the income limitation applicable for the unit, and the unit must be suitable for occupancy and used other than on a transient basis.

Management Company: A firm selected by the owner to oversee the operation and management of the project and who accepts LIHTC program compliance responsibility. Refer to the [Management Agent Approval Requirements](#) on CHFA's website.

Market Rate: The amount of money that a given property would command per month or per year, if it were available for lease in a competitive, fair and open market. This term also refers to any unit that is not income restricted.

Material Change: Any significant change to an original application that is under review and consideration or that has received a reservation of 9% LIHTCs such that, in CHFA's sole discretion, represents a change to application features including, but not limited to, a points computation, work scope, unit mix, project location, design, site plan, zoning, site control, development team member, project budget, etc.

Material Participation: In general, an owner, sponsor or co-sponsor shall be treated as materially participating in a development only if it is involved in the operations of the development on a basis that is regular, continuous and substantial within the meaning of 26 USC §469(h) of the IRC.

Maximum Allowable Rent Calculation: Maximum allowable rent in the LIHTC program is gross rent. It includes a utility allowance representing the average monthly cost for utilities paid directly by the residents. Residents keep the utility allowance to offset their utility expense and pay the remaining portion of the gross rent as their tenant rent. Utilities include heat, electricity, air conditioning, water, sewer, oil or gas where applicable, but does not include cable television, cell or telephone service.

Maximum Mortgage Letter (MML): The MML is provided by CHFA to the borrower on a financing transaction in preparation for a Final Closing. The letter describes the calculation of the maximum mortgage amount and is based on the lesser of the statutory loan limit or the applicable loan-to-value (LTV) limit.

Median Income: A statistical determination establishing a middle point for use in determining income limits. Median is the amount that divides the distribution into two equal groups: one group having income above the median; one group having income below the median.

Minimum Set-Aside (MSA): Per the IRC, the minimum portion of units in a project to be set-aside or reserved as rent-restricted units for tenants in a targeted income group in order to qualify for a credit allocation. There are three options for Minimum Set-Asides for the LIHTC, which are (1) 20% of units set-aside for households at or below 50% of AMI; (2) 40% of the units set-aside for households at or below 60% of AMI or (3) Average Income Set-aside under which qualified units may include up to 80% AMI units as long as the average income for all units does not exceed 60% AMI. (See Average Income Set-aside for more details.) A housing project will not qualify for any credit unless it includes a minimum set-aside of qualified low-income rental units per the chosen MSA option.

Mixed-Income Housing (aka Mixed Income Development): A housing development that includes homes for people with a range of income levels. Mixed-income housing includes housing that is priced based on the dominant housing market (market-rate units) with units priced for lower-income residents, or it may not include any market-rate units and be built exclusively for low- and moderate-income residents. Pricing units at certain percentages of AMI most often determines the income mix of a mixed-income housing development. Mixed-income housing is an important tool to eliminate neighborhoods of concentrated poverty, combat residential segregation, and encourage diversity.

Mixed-Use Development: For purposes of the LIHTC and other CHFA programs, Mixed-Use Development includes neighborhood amenities such as pharmacy, restaurant, market, studio or other retail, commercial, or cultural opportunity(ies) that encourage community revitalization.

Monitoring Agent: CHFA or Authorized Delegate responsible for monitoring the LIHTC Development's owner's compliance with the terms and conditions specified under the law and the LIHTC Program.

Moving-On Household: Means any individual or family that is exiting a service-subsidized setting because they no longer have a need for intensive services and may require no- or light-supports on an ad hoc basis.

Municipal Approved Plan: A detailed plan of development designed by and approved by the local municipality.

Municipal Resources: Funds from a housing authority or municipality may be counted as "Other Permanent Funding Source" provided that (1) the housing authority is not a co-sponsor or does not have an ownership interest in the development; (2) the funding source is documented and credible; (3) monetary resources are evidenced by an award or commitment letter; and (4) the commitment is firm as documented by formal action. Tax-abatements or PILOT agreements require evidence of approval and if in place already, confirmation required from the municipality that the agreement will remain in place post-rehabilitation. Land contributions must be evidenced by an as-is appraisal that is no older than 12 months from the application due date.

Neighborhood: A geographically localized community within a larger city, town, suburb or rural area. Neighborhoods are often social communities that share common values and/or experiences. For purposes of the LIHTC program in Connecticut, a neighborhood is measured as a one-mile radius around a development, with the development at its theoretical epicenter.

Neighborhood Revitalization Zone (NRZ): Any municipality may, by resolution of its legislative body, establish neighborhood revitalization zones, in one or more neighborhoods, for the development by neighborhood groups of a collaborative process for federal, state and local governments to revitalize neighborhoods where there is a significant number of deteriorated property and property that has been foreclosed, is abandoned, blighted or substandard or poses a hazard to public safety. NRZs represent a new kind of partnership and cooperation between neighborhoods and municipal government to bring planning to the neighborhood level. Refer to The State of Connecticut's Office of Police and Management's Neighborhood Revitalization Zone Guideline.

Net New: The result of subtracting the original unit count (exclusive of the recognized blighted units) from the proposed unit count after construction completion.

Net Operating Income (NOI): The difference between effective gross income and expenses, including taxes and insurance. The term refers to net income before depreciation and debt service.

New Construction: A completely new structure built from the ground up, as opposed to minor, moderate, substantial or gut rehab work which is related to existing buildings that are being renovated to various degrees. Adaptive re-use of a building not formerly used as permanent housing is considered new construction.

New Production: The creation of housing units that did not previously exist. Refer to New Unit.

New Unit: A unit that did not previously exist and adds to the overall housing inventory; or a previously vacant and blighted unit that will be rehabilitated for occupancy.

Next Available Unit Rule: If, upon recertification, a low-income tenant's income is greater than 140% of the applicable income limit adjusted for household size, the unit will continue to be counted toward satisfaction of the required set-aside, providing the unit continues to be rent-restricted and the next available unit of comparable or smaller size in the project is rented to a qualified low-income household.

Non-Amortizing Assistance: Sources of funds which are not subject to installment payments over a specific time period (e.g., grants, deferred loans, cash donations, appraised value of land donation, etc.). Includes funding sources such as grants or assistance agreements wherein principal and/or interest are deferred until a capital transaction occurs, or payment is not required, or is forgiven.

Non-Qualified Units: Non-qualified units are those residential rental units that are not income-restricted or that are non-residential components of a LIHTC development.

Obsolete: Property that is unable to be used to adequately perform the function for which it was intended. This is due to a substantial loss in value resulting from factors such as: systems age exceeding useful life, overcapacity, changes in technology, deficiencies, inadequacies in design, marketability, any factors that affect the property itself or the property's relationship with other surrounding real estate.

On-Site Inspection: A review of a project made periodically by CHFA or its agent which includes an examination of records, a review of operating procedures and a physical inspection.

Operating Expenses: All expenses of a property leased or available for lease, except for real estate taxes, depreciation, interest and amortization.

Opportunity Characteristics: The attributes associated with key indicators of opportunity used in determining a census tract's opportunity level. These characteristics, or indicators, include median income, school performance, unemployment, access to jobs, retail job access, job growth, poverty rate, homeownership and safety.

Other Permanent Funding Sources: Commitment(s) for non-debt permanent funding sources including but not limited to local housing trust funds, grants, foundation awards, or other non-debt commitments such as land contributions, tax abatement, block-grant funds, or similar. Individual NOFA's or programs may specify which funding sources are includable (or not) as an "other permanent funding source".

Owner or Developer: Any individual, association, corporation, joint venture or partnership that owns or develops a multifamily rental housing project.

Permanent Financing: A long-term mortgage usually intended to finance both land and improvements after completion of construction.

Personal Property Considered as Assets: Property held as an investment (e.g., gems, jewelry, coin collections, antique cars, etc.). Necessary items (e.g., clothing, furniture, cars, etc.) are not considered assets.

Placed In Service (PIS): The “placed in service” date for a new or existing building is the date on which the building is ready and available for its specifically assigned function, usually the date the first unit in the building is certified as suitable for occupancy under state or local law. Substantial rehabilitation expenditures are treated as placed-in-service at the close of any 24-month period elected by the owner over which the minimum expenditures are aggregated.

Plan of Conservation and Development: A plan prepared, amended, and adopted by a municipal planning commission at least once every ten years. In preparing such plan, the commission or any special committee shall consider the following: (1) The community development action plan of the municipality, if any, (2) the need for affordable housing, (3) the need for protection of existing and potential public surface and ground drinking water supplies, (4) the use of cluster development and other development patterns to the extent consistent with soil types, terrain and infrastructure capacity within the municipality, (5) the state plan of conservation and development adopted pursuant to chapter 297, (6) the regional plan of conservation and development adopted pursuant to section 8-35a, (7) physical, social, economic and governmental conditions and trends, (8) the needs of the municipality including, but not limited to, human resources, education, health, housing, recreation, social services, public utilities, public protection, transportation and circulation, and cultural and interpersonal communications, (9) the objectives of energy-efficient patterns of development, the use of solar and other renewable forms of energy and energy conservation, (10) protection and preservation of agriculture, (11) the most recent sea level change scenario updated pursuant to subsection (b) of section 25-68o, and (12) the need for technology infrastructure in the municipality.

Preservation Development: Developments that primarily constitute substantially rehabilitating or replacing existing and occupied affordable multifamily rental housing with or without net new unit production, and that maintains or improves current affordability so that no existing residents are displaced. Developments must have been occupied last within the 12 months preceding an application deadline to be considered Preservation and not New Construction.

Private Resources: Funds that an owner or developer obtains from an independent third-party financial institution; development funds from sources other than the federal government, state governments, public agencies, and local municipalities. It includes confirmed owner or developer capital assets.

Project Cost: See “Total Uses”.

Public Drinking Water Supply Plan: A Public Drinking Water Supply Plan is a comprehensive strategy to ensure a safe and adequate drinking water supply for the long term. It involves evaluating water supply needs, proposing strategies to meet them, and addressing potential threats and vulnerabilities. Connecticut General Statutes § 25-32d outlines the requirements for water supply plans submitted by water companies serving over 1,000 people.

Public Resources: Funds from sources such as the federal government, state governments, public agencies, and local municipalities.

Qualified Allocation Plan (“The Plan” or QAP): A policy document that outlines the rules, priorities, and scoring criteria for distributing federal LIHTC to affordable rental housing developers. The QAP describes an allocating agency’s priorities and specifies the criteria it will use to select projects competing for tax credits. The priorities must be appropriate to local conditions. CHFA is Connecticut’s allocating agency.

Qualified Basis: Qualified basis is a portion of a low-income building's eligible basis associated with the low-income units. It represents the amount of money spent on development that benefits low-income residents. The qualified basis equals the applicable fraction times the eligible basis. Refer to IRC §42(d).

Qualified Census Tract (QCT): An area designated by the Secretary of HUD that is any census tract (or equivalent geographic area defined by the Census Bureau) in which at least 50% of households have an income less than 60% of the AMGI, or which has a poverty rate of at least 25%. Refer to IRC §42(d)(5)(B)(ii).

Qualified Contract: Per the IRC, is “a bona fide contract to acquire (within a reasonable period after the contract is entered into)” a building by “any person who will continue to operate...as a qualified low-income building.” It is an agreement to (1) purchase an existing Section 42 property that has completed its credit and compliance period but is still in extended use and (2) maintain compliance for the duration of the extended use period. Under CHFA’s LIHTC program, Qualified Contracts are not available. As a Basic Threshold Requirement under the QAP, applicants are required to waive their right to request a Qualified Contract. The waiver requirement applies to applicants for both 9% LIHTCs and 4% LIHTCs and is binding upon the eventual ownership entity and any successor entities.

Qualified Development Team: Means a cohesive, experienced team organized for the purpose of affordable multi-family housing development consisting of an Owner, Developer, General Contractor, Architect, Attorney, Property Manager, and may include a Syndicator/Investor, Development Consultant and/or a Qualified Service Provider or IACSH Recognized Service Provider. Characteristics of a Qualified Development Team may include, but is not limited to, experience in:

- the delivery of affordable multi-family housing developments, some with mixed-income and/or mixed uses, with a variety of funding sources both public and private;
- meeting benchmarks and timelines to ensure on-time and on-budget delivery of finished product to promised specifications; and
- the production of quality housing with amenities and efficiency features that enables extremely low, low and moderate-income families to secure affordable rental homes in a neighborhood of their choosing.

Qualified Low-Income Building: Any building that is part of a qualified low-income housing project at all times during the period beginning on the first day in the compliance period on which such building is part of such a project and ending on the last day of the compliance period with respect to such building. Refer to IRC §42(c)(2).

Qualified Low-Income Housing Project: Any project for residential rental property if the project meets the 20-50 Test, the 40-60 Test, or the Average Income Test, whichever is elected by the taxpayer. Any such election, once made, is irrevocable. Refer to IRC §42(g)(1).

Qualified Non-profit Organization: An organization described in IRC Section 501(c)(3) or 501(c)(4) that is exempt from federal income tax. Refer to IRC §42(h)(5)(C), which is evidenced by an IRS determination letter.

Qualified Persons: Individuals and families who, at the time each such household first occupies a unit in the development, have income that is certified to fall within the unit's income limit.

Qualified Rent: Gross rent as adjusted annually that is not greater than 30% of the imputed income limitation applicable to a particular unit. Refer to IRC §42(g)(2).

Qualified Service Provider: A community-based service provider organization experienced in the provision of supportive housing and tenancy sustaining services that has received extensive Connecticut Department of Mental Health and Addiction Services (DMHAS), Connecticut Department of Children and Families (DCF) or Connecticut Department of Developmental Services (DDS) training and is currently receiving funds from DMHAS, DCF or DDS under contract in good standing. A list of Qualified Service Providers, qualified at the time of publication, is available in the Supportive Housing Guideline, which is updated annually and may be found on CHFA's website.

Qualified Unit: A unit that is both available for occupancy and is occupied by a household that is income qualified and has completed a LIHTC file.

Quality Assurance Monitoring: A system for auditing the services provided and compliance with program standards in units set-aside as permanent supportive housing. Refer to the Supportive Housing Guideline on CHFA's website.

Quality Control Review (QCR): "Quality Control Review" is the workflow process an applicant, or its designee performs for evaluating completed work against the design intent to determine conformance with requirements. The primary purpose of the QCR is to determine whether the submitted 90% drawings and specifications are in compliance with all required building and fire codes and accessibility guidelines and regulations. A 90% drawings and specification set is a bid-ready set and the associated QCR includes internal quality oversight such as coordination between trades, review of all details and schedules, and includes general review of all page numbering, keying of details, dimensional thoroughness. A thorough and complete QCR assists in mitigating hard cost increases during construction by reducing change orders since any errors and omissions within the set should be uncovered during this review and addressed before final application submission. The QCR is also conducted in accordance with the recommendations of the CHFA Multifamily Design, Construction and Sustainability Standards posted on CHFA's website.

Reasonably Expected Basis: Reasonably expected basis means the adjusted basis of land and depreciable property. The adjusted basis of land and depreciable property is generally the direct and indirect costs of acquiring, constructing, and rehabilitating the property.

Regulated Use: Applies to those developments that are covered under use restrictions and regulatory agreements for affordable housing.

Rehabilitation: Rehabilitation is the improvement of an existing multifamily residential building(s) that may be vacant or occupied, in a deteriorated or substandard condition, and in need of repair or renovation to provide a decent, safe, and sanitary residence.

Rehabilitation Credit: The IRC §47 Rehabilitation Credit provides a federal credit based on the cost of substantially rehabilitating qualifying buildings. The credit for any taxable year is computed as the sum of:

- 10% of the qualified rehabilitation expenditures for any qualified rehabilitated building other than a certified historic structure, and
- 20% of the qualified rehabilitation expenditures for a certified historic structure, as defined in IRC §47(c) (2) (B) (iv).

Renewable Energy System: Energy from a source that is not depleted when used such as roof-top, building-integrated or landscape-integrated photovoltaic (PV) generation or solar hot water system or an Energy Star®-qualified geothermal heating, ventilating and air-conditioning system.

Replacement Reserve: A cash reserve established and maintained for the future replacement of fixed assets in a development. Typically funded through a development's operating budget on a monthly basis.

Resident Participation Plan: A written description of a specific and ongoing process to enable meaningful resident participation during the planning, implementation and monitoring of major physical transformation or disposition activities, beginning with the earliest stages of concept and design. Refer to CGS §8-64c.

Resident Services Coordinator (RSC): A social service staff person hired or contracted by the development's owner or Management Company. The RSC is a member of the management team in an affordable housing community that typically has social work or human services education and experience. The RSC is responsible for assuring that residents, especially those who are at risk and with disabilities, are linked to the specific services they need to continue living independently in that housing development including connections to case management providers.

Residential Rental Unit: The term residential rental unit has a specific meaning for purposes of IRC §42. Units for resident managers or maintenance personnel are residential rental property because they are functionally related and subordinate to residential rental projects, not because they are residential rental units. A unit occupied by a full-time security officer is not a residential rental unit. Only residential rental units are includable in a building's Applicable Fraction.

Scarce Resources: Funding sources with a demand that exceeds availability are deemed to be scarce resources and may include Tax-Exempt Bonds (limited by volume cap), tax credits, state and federal soft resources and subsidies, among other resources in CHFA's determination.

Signed Agreement: A resident participation plan that is signed by a housing authority, a duly elected and constituted tenant organization, the developer undertaking the major physical transformation, if any, of the housing authority property and the entity that will own, lease or otherwise control the real property or portion thereof, if any. Refer to CGS §8-64c.

Soft Costs: Development costs that may consist of architectural, engineering, legal fees, etc., as distinguished from construction costs (Hard Costs), and land and acquisition costs.

Specialized Consultant: A Specialized Consultant is a person or entity that brings specialized expertise to the development process. These may include energy efficiency specialists, historic tax credit specialists, and relocation specialists. The cost of retaining a Specialized Consultant

may be included in the development budget as an approved use of funds with the prior approval of CHFA.

Sponsor: An entity that materially participates or has a defined role that is essential to the development and operations of the property.

Substantial Rehabilitation: Substantial Rehabilitation for application purposes is the improvement of an existing multifamily residential building(s) a significant portion of which development is in a deteriorated or substandard condition and/or there is a continuing pattern of vacancy, abandonment or underutilization and/or the development is at least 50 years old, to provide a decent, safe, and sanitary residence. Substantial Rehabilitation projects qualify for the 70% present value credit if they have not received any federal subsidies and have total rehabilitation and related expenditures attributable to or benefiting one or more unit(s) in an amount equal, aggregated over a 24-month period elected by the owner, to the greater of not less than 20% of the adjusted basis of the building, or \$6,000 or more per low-income unit, or the amount per low-income unit specified by CHFA in its most recent QAP. Additionally, refer to definitions in the most recent [CHFA Construction Guidelines: Construction Costs](#) for the full detail of activities that constitute Substantial Rehabilitation.

Supportive Services: Individualized services that has as its primary purpose assisting an individual or family to live independently in the community and meet the obligations of tenancy. Additional goals include flexible, individualized services for as long as they are needed in order that the consumer may achieve and retain permanent housing, increase their life skills and income, and achieve greater self-determination. Refer to the current [Supportive Housing Guideline](#) for detailed information and requirements.

Sustainable Design (also referred to as “Sustainability”): An integrated, holistic approach that encourages decisions at each phase of the design process to reduce negative impacts on the environment and the health and comfort of building occupants, thereby improving building performance. The basic objectives of sustainability are to reduce consumption of non-renewable resources, minimize waste, and create healthy, productive environments without compromising the bottom line.

Tax Credit: Under the Code, a federal tax credit is a dollar-for-dollar reduction in the tax liability or tax bill of the property owner or investor. The use of tax credits can be limited, for example, by the application of the passive loss provisions, the alternative minimum tax and limits on the use of general business credits.

Tax Credit Servicing Fee: A mandatory fee in the amount of a specified percentage of the development’s annual tax credit allocation to support the compliance monitoring activities of CHFA and/or its designee. Projects allocated Tax Credits are required to pay an upfront Tax Credit Servicing Fee in the amount of 8% of the annual allocation.

Tax Credit Syndication: Owners of a LIHTC project may sell (syndicate) the tax credits to investors or limited partners who contribute equity for the project in return for the use of the tax credit and other tax benefits generated by the project.

Tenant: Occupant of a unit.

Tenant Files: Complete and accurate records pertaining to each dwelling unit containing: the rental application for each tenant, verification of income and assets of each tenant, Annual Income Certification, utility schedules, rent records, lease and lease addendum.

Total Construction and Soft Costs: The sum of costs identified in the development budget that are incurred for the purposes of preparing raw land for the construction of building(s) or the rehabilitation of existing buildings. Total construction and soft costs may include construction hard costs, architectural and engineering, finance, interim and soft costs including planning, oversight, relocation, furnishings, fixtures, equipment, interest and carrying charges, on-site streets and utilities, any contingency reserve, insurance premiums, and any other costs necessary to the physical completion of the rental housing development.

Total Development Resources (TDR): All development funding sources exclusive of Low-Income Housing Tax Credit equity, net rental income and/or cash from operations, deferred/pledged developer fees and rental subsidy reserve funds.

Total Development Costs (aka TDC, Total Uses or Total Project Costs): The sum total of all costs incurred in the development of a housing project, which are approved by CHFA as reasonable and necessary, including, but not limited to (1) costs of land acquisition and any buildings thereon; (2) costs of site preparation, demolition and development; (3) architectural, engineering, legal, CHFA's and other fees and charges paid or payable in connection with the planning, execution and financing of the project; (4) cost of necessary studies, surveys, plans and permits; (5) insurance, interest, financing, tax and assessment costs and other operating and carrying costs during construction; (6) cost of construction or reconstruction, and fixtures and equipment related to such construction or reconstruction; (7) cost of land improvements; (8) necessary expenses in connection with the initial occupancy of the project; (9) a reasonable profit or fee to the builder and developer; (10) an allowance established by CHFA for replacement and contingency reserves, and reserves for any anticipated operating deficits; (11) the cost of such other items, including tenant relocation, as CHFA shall deem to be reasonable and necessary for the development of the project, less any and all net rents and other net revenues received from the operation of the real and personal property on the project site during construction.

Transit-Oriented Development: Pursuant to CGS § 13b-79o and CGS § 13b-79kk, Transit-oriented development means the development of residential, commercial and employment centers within one-half mile or walking distance of public transportation facilities, including rail and bus rapid transit (i.e., CT Fastrak) and services, 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.

Urban Infill: New construction of a development that is sited on vacant or undeveloped land within an existing highly developed community and that is enclosed by other types of development and where public facilities such as sewer systems, roads, schools, and recreation areas are already in place.

Utility Allowance: An amount of money intended to offset the utility expenses of a resident of a particular unit established and published in a utility allowance schedule either by HUD, DOH or a Public Housing Authority, or a study from the utility company that stipulates the rates based on typical usage.

Vacancy Rate: The percentage loss of gross rental income, projected from unrented units and collection expenses.

Verification Request Form: The form used by management to request verification of tenant income from the source of income or assets. The form must state the purpose of the request, include a release statement by the applicant/resident, and request the frequency and amount of pay or interest.

Very Low-Income Household: Households whose incomes are not more than 50% of the AMI for the local area adjusted for family size. Refer to CHFA's website for HUD published AMIs.

Walking Distance: A maximum of one-half mile via a pedestrian's path from one location to another. A mapping program such as Google Maps is typically used to evidence Walking Distance.

Wastewater Facility Plan: Wastewater Facility or Facilities Plan is a document or series of documents that outlines a municipality's plan for managing wastewater. It complements the Water Pollution Control Program and addresses complex wastewater issues, including existing conditions, potential problems, analysis of alternatives, costs, and long-term disposal strategies.