

2016 Low-Income Housing Tax Credit (LIHTC) Program Frequently Asked Questions

The following list of questions and answers will be updated as needed. For more information, applicants are strongly encouraged to review the 2016 Qualified Allocation Plan ([QAP](#)) as well as the CHFA [Procedures](#) and the 2016 [Guidelines](#).

Clarification:

Q10. How will CHFA evaluate the cost savings we anticipate our proposed development will realize as a result of including energy efficiency measures including Passive House?

A10. The introduction of Passive House Design does not automatically translate to operating budget savings. While that is the desired outcome, there is no format in place to systematically review and quantify cost savings in operations. An applicant should not assume cost savings that may not be realized.

Further, applicants are advised to use the **Utility Allowance schedule** as published by DOH in their operating assumptions. Utility allowances provided by the applicant's consultant or derived through its own analysis will not be accepted.

Note that the **Utility Allowance schedule** as published by DOH is used to underwrite operating budget proformas, whereas the **Utility assumption** is the utility consumption in an energy saving design, such as Passive House, which is a technical standard.

New Questions:

Q21. What are the requirements for the general contractor's construction contract?

A21. The Guaranteed Maximum Price (GMP) form of contract is required – the stipulated sum form is not acceptable. Please refer to the CHFA Procedures and CHFA Multifamily Design, Construction and Sustainability Standards.

Q22. Regarding energy conservation, does an applicant still need a letter from the utility company?

A22. Yes, a Letter of Agreement (LOA) or a Letter of Participation (LOP) is a threshold requirement in the Consolidated Application, 4.3 Energy Conservation. For important information, please see [Incorporating Utility Incentives into DOH & CHFA Multifamily Projects](#). Note that an applicant's project proposal must be submitted to the utility company at least 30 days prior to the 9% LIHTC submission deadline in order to allow the utility company enough time to review the submission, analyze the upgrades, estimate savings and incentives, write the LOP, and submit the final LOP to the applicant. Refer to [Construction Guidelines: Energy Conservation](#).