

Connecticut Housing Finance Authority

2019-2020 9% Low-Income Housing Tax Credit Round

Frequently Asked Questions

Q1. The design of my development includes energy efficiency measures, such as Passive House. May I use a reduced Utility Allowance in my ConApp?

A1. No. As there is no history available to quantify the reduction in energy consumption, CHFA requires all developments to utilize the Connecticut Department of Housing Section 8 Housing Choice Voucher Program Utility Allowance Schedule, or a utility allowance schedule published by the local housing authority, for underwriting purposes.

If the development proposes to have owner-paid utilities, CHFA will consider the use of reduced utility expenses in the proposed operating budget to account for the expected savings due to energy efficiency measures. Back-up documentation to support the reduced expenses will be required from the applicant's energy consultant.

Q2. I have applied for funding in a previous CHFA or DOH funding round. May I simply update the ConApp I completed for that round?

A2. No. The ConApp has been updated and version 2019.2 must be used for this 9% Round. A copy of the workbook is available in your SharePoint site.

Q3. I am interested in utilizing both 4% LIHTCs and 9% LIHTCs for my development. How will CHFA evaluate a hybrid or twinning scenario?

A3. To be eligible for consideration in the 9% LIHTC Round, all proposals must demonstrate a credible financing plan without the use of contingent commitments of available resources. Therefore, the 9% LIHTC portion of a proposed hybrid transaction must be able to **stand on its own** and advance independently **without** requiring the approval of the 4% LIHTC portion to move forward as proposed. This means that the 9% component cannot be a portion of a larger building. CHFA may consider the acceptance of an alternative financing structure following the announcement of the 9% LIHTC awards. Please see Section V of the [Low-Income Housing Tax Credit \(LIHTC\) Program Guideline 2019](#) found on the CHFA website for additional information.

Q4. I am planning on setting aside supportive housing units in my development for clients of DDS. What documentation will I need to provide to claim points for supportive housing for this population?

A4. You will need to provide an acceptable supportive service plan from a DDS Qualified Service Provider. A list of DDS Qualified Service Providers can be found in the Supportive Housing Guideline 2019 found on the CHFA website. CHFA has confirmed with DDS that the Qualified Service Providers will have funding for the services required by DDS-referred clients they place in your development. No additional letter of commitment for supportive services is necessary, provided the referral comes from the Planning Team of the DDS Regional Office in which your development is located. DDS agrees to provide service funding to individuals referred by DDS and selected for tenancy in the units supported by the approved service provider. Funding will be based upon the individual Level of Need (LON) funding and Planning Team identified services. The service funding will be paid directly to the approved service provider for such services.

Q5. What rents can I assume for units set aside for DDS clients?

A5. CHFA has confirmed with DDS that project-based Rental Assistance Program certificates will be available for developments that commit to setting aside units for this population and receive an award of 9% LIHTCs. Rents found on the State of Connecticut – Department of Housing Rental Assistance Certificate Maximum Allowable Rent (MAR) Schedule and utility allowances found on the State of Connecticut Department of Housing State Rental Assistance Program Housing Unit Allowances for Tenant’s Utilities for the period 01/01/2018 – 12/31/2018 should be used for underwriting purposes.

Q6. In the Consolidated Application, the link to the SHPO Pre-Application Consultation Form does not work. What do I need to provide for exhibit 4.4?

A6. The Pre-Application Consultation Form is not currently utilized by SHPO. If an application does not include a SHPO determination letter, CHFA will require evidence that the applicant did reach out to SHPO at least 60 days prior to the application deadline.

Q7. SHPO has not been able to determine if my proposed development will have an adverse impact on historical resources. What does this mean for my application?

A7. CHFA encourages applicants to provide SHPO with all of the information needed to make a determination of whether the proposal will have an adverse impact on historic resources prior to the application due date. Designation of hard costs related to historic requirements as extraordinary costs will not be accepted by CHFA without evidence that this work is required. If a determination cannot be made by SHPO, CHFA will review and consider a report from a historic consultant.

Q8. What effect might the new PHIUS+ 2018 requirements have with respect to the Sustainable Design Measure points for Passive House Design?

A8. Projects seeking points in the upcoming 9% LIHTC round for Passive House Design through Passive House Institute United States (PHIUS) will be subject to PHIUS+ 2018 requirements for pre-certification and certification. PHIUS is aware that passing all four space conditioning criteria (Heating Demand/Load, Cooling Demand/Load) has proven to be difficult in practice, and published guidance in the November 2, 2018 PHIUS+ 2018 Passive Building Standard - Standard-Setting Documentation indicating that “until end of September 2019, staff may use discretion to grant an exception on one of the four main space conditioning criteria (Heating Demand/Load, Cooling Demand/Load).” CHFA has reached out to PHIUS seeking guidance as to whether such discretion may be extended to include application projects received by CHFA for 9% LIHTCs by 4:00 PM on November 6, 2019. Unless and until PHIUS issues written guidance to that effect, project demonstrating Passive House Design through PHIUS are advised that all of the four main space conditioning criteria must be met in order to be awarded points. Applicants with projects seeking points in the upcoming 9% LIHTC round may also demonstrate Passive House Design through the Passive House Institute (PHI) requirements for pre-certification and certification.

Q9. How might the Sustainable Design Measure points for Passive House Design be affected if a project proposes Passive House dwelling units, but a proposed separate community building is not designed to Passive House Standards?

A9. As indicated in the CHFA Construction Guidelines: Project Planning & Technical Services Review, points for Passive House Design are based on the percentage of qualifying Passive House Design dwelling units: 1 point would be awarded if $\leq 33\%$ of the units are new Passive House units, 2 points would be

awarded if $\geq 34\%$ but $\leq 66\%$ are new Passive House units, and 3 points would be awarded if $\geq 67\%$ but $\leq 100\%$ new Passive House units. A separate community building must meet the minimum energy performance requirements outlined in the current Multifamily Design, Construction and Sustainability Standards – CHFA.

Q10. What effect might the new ASHRAE 90.1-2013 requirements have with respect to the Sustainable Design Measure points for High Performance Building Design?

A10. As indicated in the QAP, “Projected cost savings $\geq 23\%$ over current ASHRAE Standards” (ASHRAE 90.1-2013) is required.

Q11. What effect might the transition from the ENERGY STAR MFHR Program to the ENERGY STAR Multifamily New Construction Program (Version 1) have with respect to the Sustainable Design Measure points for High Performance Building Design?

A11. Certain projects seeking points in the upcoming 9% LIHTC round for High Performance Building Design, as determined by the EPA ENERGY STAR Multifamily New Construction Program Decision Tree (Version 2.0), may be subject to the ENERGY STAR Multifamily New Construction Program (Version 1), under which there are now three paths to ENERGY STAR Certification. Applicants are discouraged from using the Prescriptive Path to certification, since it would not qualify for EnergizeCT financial incentives, and will not qualify for an award of points under the current QAP. Applicants may use the ERI Path as provided in the EPA ENERGY STAR Multifamily New Construction Program Decision Tree (Version 2.0), which should qualify for EnergizeCT financial incentives. Under the ERI Path, the projected HERS ratings range must be ≤ 52 in order to be awarded points. Applicants may also use the ASHRAE Path, which should also qualify for EnergizeCT financial incentives. Under the ASHRAE Path, the projected energy cost savings must be $\geq 23\%$ energy cost savings over the ASHRAE 90.1-2013 Standard in order to be awarded points.

Q12. Will there be separate scoring criteria for the DOH funding being offered to support the 9% LIHTC round?

A12. No, the 9% LIHTC round is CHFA’s competitive round. DOH funding requests will not be scored separately.