CONNECTICUT HOUSING FINANCE AUTHORITY

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Low-Income Housing Tax Credit

Qualified Allocation Plan

~~2019~~2020 Application Year

Adopted by the Connecticut Housing Finance Authority Board of Directors on _________, 2020, and approved by the Governor of the State of Connecticut on ________, 2020

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I. ~~FEDERAL REQUIREMENTS~~GOVERNING AUTHORITY

This 2020 Qualified Allocation Plan (the "Plan") hereby establishes procedures for the reservation, allocation and compliance monitoring of the federal Low-Income Housing Tax Credit Program (the "LIHTC Program") in the State of Connecticut (the "State") and establishes policies, procedures and requirements for the use of federal Low-Income Housing Tax Credits (the "Credits") in the State in order to meet the purposes contained in Section 252 of Public Law No. 99-514 (October 22, 1986), known as the federal Tax Reform Act of 1986, as amended and as codified in Section 42 of the Internal Revenue Code (the "Code"). The Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State created by virtue of Chapter 134 of the Connecticut General Statutes (as amended, the "Act"). The Authority is designated as the housing credit agency for the State and has adopted the Plan in order to set forth selection criteria to be used to determine housing priorities which are appropriate to local conditions in the State in accordance with the requirements set forth in Section 42(m) of the Code and with other applicable law. LIHTC Program applicants, awardees and other participants in the State shall be subject to, and shall be required to comply with, all rules and requirements governing the LIHTC Program set forth herein and set forth in: the Act, other applicable provisions of the Connecticut General Statutes, Section 42 of the Code, other applicable sections of the Code, and all federal and state administrative and regulatory law promulgated thereunder, including, without limitation, all Internal Revenue Service ("IRS") regulations, revenue rulings, procedures and notices and all applicable provisions of the procedures (the "Procedures") adopted by the Authority in accordance with the Act and Section 1-121 of the Connecticut General Statutes. In the event that any statutory, administrative or regulatory requirements governing the LIHTC Program are changed, amended or modified, applicants, awardees and other participants in LIHTC Program shall be subject to such changes, amendments or modifications and such changes, amendments and modifications are be incorporated herein.

In addition, each Application (as defined below) submitted in accordance with the Plan, and any resulting reservation award or allocation, shall be subject to, and shall be required to comply with, all rules and requirements governing the LIHTC Program set forth in the following procedures, policies and other guidance materials published by the Authority (as amended, collectively, the "LIHTC Materials"):

1. Article IV(A) of the Procedures;
2. Article II of the Procedures;
3. The CHFA/DOH Consolidated Application (the "ConApp");
4. The CHFA 2020 Multifamily Design, Construction and Sustainability Standards (the "Construction Standards");
5. The Authority's Board Very Low-Income Construction Employment Policy Statement (the "VLI Policy");
6. The Authority's Board Program Eligibility Requirements: Delinquent or Non-Performing Applicants Policy Statement (the "Eligibility Policy"); and

7. The 2020 Authority Guidelines, including, without limitation, the CHFA Low-Income Housing Tax Credit (LIHTC) Program Guideline, the CHFA Construction Guideline: Project Planning & Technical Services Review, the CHFA Low-Income Housing Tax Credit (LIHTC) Program Opportunity Characteristics Guideline, the CHFA Pre-Construction Guideline, the CHFA Supportive Housing Guidelines, the CHFA Market Study Guidelines, the Construction Guideline: Energy Conservation, the CHFA Hybrid Financing Structure Guidelines, the CHFA LIHTC Program Glossary of Terms and all other LIHTC Program and construction guidance or materials published in connection with the Plan (collectively, the "Guidelines").

In the event that any requirements or terms contained in the LIHTC Materials shall contain provisions contradictory, or in opposition to terms expressly set forth in the Plan, the terms or requirements set forth in the Plan shall be controlling and supersede any requirements in conflict therewith.

The Plan governs all applications (each an "Application") submitted by a developer or sponsor (together with any affiliate, subsidiary or other related party, as determined by the Authority, each an "Applicant") for 9% Credits (the "9% Credits") to be reserved from the 2021 Credit Ceiling (as defined below) and applications requesting Credits in accordance with the requirements of Section 42(h)(4) of the Code (the "4% Credits").

The amount of 9% Credits available for award and reservation pursuant to the Plan shall be equal to the amount estimated by the Authority in its sole discretion to be available under Section 42(h)(3)(C) of the Code for the calendar year 2021 (the "2021 Credit Ceiling"), which amount shall include, without limitation, unused 9% Credits from prior calendar years, population based 9% Credits for calendar year 2021, returned 9% Credits and national pool 9% Credits. Notwithstanding the foregoing, in its sole discretion and in order to accomplish the objectives of the Plan, the Authority may make awards and reservations for the purpose of forward allocations from future year credit ceilings which may affect the 2021 Credit Ceiling.

In order to provide continuity and stability to the LIHTC Program development community, the Authority intends to make every effort to publish the estimated 2022 credit ceiling to be administered under the 2021 qualified allocation plan upon the announcement of awarded reservations under the Plan, which estimate shall be subject to change.

~~The Federal Low-Income Housing Tax Credit Program ("LIHTC") requires each state responsible for allocating the Federal Low-Income Housing Tax Credits ("Credits") to approve a plan for the allocation of such Credits within its jurisdiction, which plan is to be relevant to the housing needs and consistent with the housing priorities of such state. This is the Qualified Allocation Plan ("Plan") for the State of Connecticut ("State").~~

~~According to Section 42(m) of the Internal Revenue Code of 1986, as amended (the "Code"), the Plan must:~~

~~1. Set forth selection criteria to be used to determine housing priorities of the Connecticut Housing Finance Authority ("Authority"), as the housing credit agency for the State, which are appropriate to local conditions;~~

~~2. Give preference to projects:~~

~~a. serving the lowest income tenants, and;~~

b. ~~obligated to serve qualified tenants for the longest period of time;~~

c. ~~which are located in qualified census tracts and contribute to a concerted community revitalization plan, and;~~

2. ~~Provide a procedure that the Authority (or its agent) will follow in monitoring for non-compliance with the provisions of Section 42 of the Code and in notifying the Internal Revenue Service ("IRS") of project non-compliance that comes to the attention of the Authority.~~

2. ~~Additionally, the Plan selection process must apply criteria addressing the following:~~

b. ~~project location;~~

b. ~~housing needs characteristics;~~

b. ~~project characteristics, including whether the project uses existing housing as part of a community revitalization plan;~~

b. ~~sponsor characteristics;~~

b. ~~tenant populations with special housing needs;~~

b. ~~public housing waiting lists;~~

b. ~~tenant populations of individuals with children;~~

b. ~~projects intended for eventual tenant ownership;~~

a. ~~energy efficiency of the project; and~~

b. ~~the historic nature of the project.~~

II. STATE HOUSING PLANS

The Authority and the State of Connecticut Department of Housing ("DOH") work closely to align the Plan with State housing policy. To that end, the focus of the Plan for ~~2019~~2020 is on the most current priorities within State housing policy in support of the State's mission and vision to achieve a Connecticut where affordable housing, in strong, vibrant, and inclusive communities, is accessible to individuals and families across the state and homelessness is a thing of the past. The Plan for ~~2019~~2020 distributes ~~points~~Points (as defined below) to reflect the State's priorities. It does this by ensuring consistency and coordination with the State of Connecticut's three long range and large scale Plans related to affordable housing: the Consolidated Plan for Housing and Community Development ("ConPlan"), the Conservation and Development Policies: The Plan for Connecticut (the "C&D Policies Plan"), and the Analysis of Impediments to Fair Housing Choice 2015 ("AI").

The Plan for allocating Credits in the State supports the needs and priorities as defined in the current State of Connecticut ConPlan and the current Annual Action Plan, as required by the National Affordable Housing Act of 1990 (the "National Housing Act"). The National Housing Act requires that the ConPlan govern the allocation of Federal funds by the State. The Plan will not undertake a separate needs assessment or establishment of goals and objectives, but incorporates by reference the needs assessment of the ConPlan and adopts its specific priorities for rental housing for use in the Plan. Additionally, the Plan similarly adopts relevant housing policies of the C&D Policies Plan and the AI.

A. ConPlan

The overall goal of the community planning and development programs covered by the ConPlan is to develop decent housing available to all, ensure a suitable living environment and expand economic opportunities principally for low- and moderate-income persons.

The affordable housing development objectives of the ConPlan adapted for use in the Plan may include the following:

1. Prevent and end homelessness.
2. Increase the supply of affordable housing, which includes preservation, rehabilitation and creation of affordable housing with the goal of expanding housing choice and opportunity.
3. Increase the supply of quality affordable housing in order to support economic growth and the development of stable and healthy communities and neighborhoods.
4. Make housing investments that support responsible growth and development in the state and the efficient use of existing infrastructure investment in transportation, water, sewer, and other utility systems.

B. C&D Policies Plan

Affordable rental housing development policies of the C&D Policies Plan adapted for use in the Plan incorporate the Growth Management Principles of the C&D Policies Plan, which call for revitalizing regional centers, expanding housing opportunity and choice, as well as concentrating investments that support both development and transportation. In addition, the Plan is also consistent with the C&D Policies Plan regarding its policy to promote, "housing mobility and choice across income levels utilizing current infrastructure and the preservation of existing residential neighborhoods and housing stock." In accordance with ~~C.G.S. § 16a-35d~~ C.G.S. § 16a-35d, exceptions may apply to the funding of growth-related developments located in priority funding areas and will be considered as applicable at the discretion of the Authority's Board of Directors.

C. Analysis of Impediments to Fair Housing Choice 2015

The AI is intended to satisfy the State's obligation to analyze the impediments to fair housing choice and to then take steps to overcome the impediments it identifies, in order to enable the State to more quickly overcome the barriers to full and equal access to safe, decent, affordable housing in economically vibrant, diverse communities statewide.

III. ~~ALLOCATION~~CREDIT AWARD PROCESS

~~A. Statutory and Procedure Requirements~~

~~All proposed projects must meet occupancy, rent restrictions and other basic statutory requirements of the Code, the Procedures of the Authority, and applicable State and Federal law.~~

~~B. Credit Availability~~

~~In order to provide predictability to the development community after a 9% round's awards are announced, the Authority will estimate and release the amount of Credits available for the subsequent round. The amount estimated to be available will be based upon the estimated Credit Ceiling, adjusted for forward allocations, if any, and any designated exceptional priorities, if any, using the following calculation:~~

1. ~~The previous round's Credit Ceiling, less;~~
2. ~~Forward Allocations awarded in the previous round, plus;~~
3. ~~Forward Allocations from the next year's Credit Ceiling.~~

~~C. Allocation Priorities~~

~~The Plan provides a total of 106 points to support priority for housing development proposals that incorporate:~~

~~Rental Affordability (35 points) – Creates or preserves rental units dedicated to low-income families, households and individuals with incomes below 50% of the Area Median Income.~~

~~Financial Efficiency & Sustainability (27 points) – Demonstrates cost effectiveness through efficient use of Credits and other sources.~~

~~Local Impact (15 points) – Supports use of land and resources in ways that enhance the long-term quality of life which contributes to a vibrant and resilient economy and maximizes existing infrastructure while preserving natural resources, giving priority to projects that reuse or capitalize areas within built-up lands, existing commercial properties, and brownfield sites.~~

~~Opportunity Characteristics (15 points) – Promotes diverse housing opportunities in municipalities with defined opportunity characteristics, including better outcomes in education, greater employment opportunities and economic health.~~

~~Qualifications & Experience (11 points) – Promotes an experienced development team's strong track record in LIHTC and affordable housing development.~~

~~State Sponsored Housing Portfolio ("SSHP") Developments – Additional Points (3 points) – Supports the redevelopment of the State's aging moderate rental housing stock.~~

~~D. 9% LIHTC Allocation Process~~

~~The Authority will allocate 9% Credits based upon the selection criteria and application ranking procedures set forth below:~~

1. ~~Applications in the 9% round will be separated into two classifications: Public Housing and General.~~
2. ~~Determine LIHTC eligibility based on the criteria in Section III. F.~~
3. ~~Score applications based on the criteria in Section III. G.~~
4. ~~Select the highest-scoring applications in the Public Housing and General Classifications subject to adjustments for the following, as necessary:~~
    - ~~Within the General Classification, skip over higher-scoring applications to fulfill the 10% non-profit requirement.~~

~~The Authority intends to distribute as evenly as possible the available 9% Credits between the Public Housing and the General Classifications, and may reallocate available Credits at its discretion.~~

~~Tie breakers: If two projects have equal scores, the Authority will use the following tie-breakers, in order:~~

0\. ~~Preference is given, within the Public Housing Classification, to applications for SSHP developments that include Family units (as defined in the Glossary) over other applications in this classification;~~

0\. ~~Lowest credit per unit;~~

0\. ~~Highest Total Rental Affordability Category score;~~

0\. ~~Highest Total Local Impact Category score;~~

0\. ~~Highest Total Financial Efficiency & Sustainability Category score; and~~

~~The results of the evaluation and ranking will be determined at the sole discretion of the Authority.~~

~~E. Application Classifications~~

~~Applications for 9% Credits are grouped into one of two classifications for evaluation. The Public Housing and General Classifications are used for allocation within the competitive round.~~

~~Public Housing Classification – Preservation, rehabilitation or qualified new construction that is part of a comprehensive plan to replace and/or rehabilitate public housing units inclusive of those in the SSHP as described below, the Rental Assistance Demonstration (RAD) program, or Choice Neighborhoods. This classification is limited to applications that address housing policy to revitalize housing developments that were financed and developed through Federal or State public housing programs. Among its purposes, the project must include but not be limited to integrating units into the community or region and encouraging economic integration.~~

~~SSHP developments eligible to apply for 9% Credits are those that have a transaction year of 2020 or sooner, or are current "at-risk" developments, and in either case, have received from DOH a preliminary approval of rental assistance subsidy prior to the application deadline if the applicant contemplates or requires such subsidy for its application to be financially feasible.~~

~~General Classification – Projects that do not qualify for the Public Housing Classification.~~

~~There is not a separate classification for projects involving qualified non-profit organizations. Credits will be allocated subject to satisfying the non-profit set-aside requirement stated in Section 42(h)(5) of the Code. Non-profit organizations must satisfy the following requirements in order to receive a non-profit designation:~~

1. ~~The non-profit organization must commit to participating materially (within the meaning of Section 469(h) of the Code) in the development and operation of the project throughout the compliance period; and~~
1. ~~The non-profit sponsor must be a qualified non-profit organization as defined in Section 42(h)(5)(C) of the Code.~~

~~The Public Housing and General Classifications apply to the 9% LIHTC application rounds only.~~

~~F. Application Criteria~~

~~A completed CHFA-DOH Consolidated Application for Housing Development ("ConApp") must be submitted by the published deadline and meet the requirements of the Authority as described in Board policy statements and in CHFA Guidelines.~~

~~In addition, the following requirements must be met or evidenced:~~

1. ~~All applications must meet at least one of the following criteria in order to be eligible to apply (criteria based upon the Policies outlined in the C&D Policies Plan):~~
   a. ~~Enhance housing mobility and choice across income levels and promote vibrant, mixed-income neighborhoods through rental opportunities;~~
   b. ~~Support adaptive reuse of historic and other existing structures for use as residential housing;~~
   b. ~~Develop housing in urban communities to people most likely attracted to working and/or living in urban environments;~~
   b. ~~Support local efforts to develop appropriate urban infill housing and neighborhood amenities to make better use of limited urban land;~~
   b. ~~Develop housing as part of mixed use and transit-oriented development within walking distance to public transportation facilities;~~
   b. ~~Increase housing density in village centers;~~
   b. ~~Access to parks and recreational opportunities, including trails, greenways, community gardens and waterways, for affordable and mixed-income housing.~~
1. ~~All applications must also meet policy and administrative requirements of the Authority as follows:~~
   a. ~~The proposed development must be ready to proceed as documented by the following **Application Threshold** items:~~

- ~~A credible financing plan as evidenced by letter(s) of commitment or other proof of serious intent from providers of other sources of funds essential to the viability of the proposed project (not including any capital subsidy contemplated from DOH, provided, however, that no project can be awarded tax credits unless DOH provides CHFA with its commitment for funding. Any capital subsidy contemplated from DOH will be evaluated by DOH following submission of the ConApp, and DOH shall communicate its determination with respect to such funding to both the Authority and the applicant.)~~
- ~~Evidence of site control.~~
- ~~Evidence of planning and zoning approval.~~
- ~~Qualified development team in place, including architect, general contractor and management agent.~~
- ~~All Sponsors are subject to bidding requirements but may be exempt from having a General Contractor in place at time of application. At any time that project costs increase from the budget proposed at the time of application, the Authority shall require the applicant to mitigate and reduce such project cost increases. Efforts may include competitive bidding and/or value engineering or both as may be required by CHFA. Applicants are advised to pre-qualify three general contractors acceptable to CHFA. Competitive bidding for a General Contractor or project value-engineering should be completed prior to the applicant's execution of a Carryover Allocation Agreement or receipt of an Authority-issued 42(m) letter.~~
- ~~All LIHTC developments must provide construction observation reports to the Authority on a regular basis as described by the Authority in its current Pre-Construction Guidelines.~~
- ~~Length of Extended Low Income Housing Commitment ("ELIHC") for a minimum of 40 years.~~
- ~~Development shall be affordable to current residents (if any) so that no permanent displacement is required for reasons of affordability.~~
- ~~A minimum of 20% of the units in the development shall serve households with incomes greater than 25% but less than or equal to 50% of the Area Median Income ("AMI"). Points will be awarded based on the percentage of the total units in a development over 20% that will serve households with incomes greater than 25% but less than or equal to 50% AMI.~~
- ~~Development plans and specifications that are in compliance with the Multifamily Design, Construction and Sustainability Standards and Construction Guidelines ("Standards") shall be submitted at a minimum level of 40% complete.~~

b. ~~For rehabilitation projects, there must be minimum construction hard cost expenditures (Divisions 3-16 as noted on the ConApp Project Cost Summary form) of $25,000 per unit.~~

b. ~~Developments that received LIHTCs in a prior year are not eligible to apply for 9% LIHTCs if less than 20 years have passed since the project, or a portion of the project, has been placed in service.~~

~~b. The proposed applicant must commit to undertaking good faith efforts to hire or train very low-income persons in accordance with the Authority's Very Low-Income Construction Employment Policy.~~

~~b. In the case of a rehabilitated housing proposal, the applicant shall provide a preliminary Capital Needs Assessment of the structure to be rehabilitated, in form and content consistent with the Standards.~~

~~b. Applications may not be filed by applicants who have (1) failed to comply with the terms of any ELIHC for a project they previously sponsored or developed; (2) been removed as a general partner or management agent from any previous LIHTC development; or (3) experienced a LIHTC project foreclosure.~~

~~b. Each application within the Public Housing Classification for a development with existing residents will be required to certify that it has a plan that ensures meaningful resident participation in the planning and implementation process, in accordance with C.G.S. §8-64c. (For additional information refer to the ConApp.)~~

~~b. Each applicant will be required to affirm its commitment, by certifying in writing to:~~

- ~~Give preference in its tenant selection plan to eligible households on waiting lists of the public housing authority(ies) (PHA) in the local market area unless HUD regulations prohibit such preference,~~
- ~~Make on-going efforts to request that the PHA make referrals to the project, or request that the PHA include relevant information about the project on any listing the PHA makes available to persons on its waiting list(s), and to persons least likely to apply.~~

~~b. As a condition of applying for and receiving an allocation, 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. This waiver by the applicant will be binding upon the eventual ownership entity and any successor entities.~~

~~b. The Authority's Board of Directors reserves the right to independently review proposals and not award Credits because of non-compliance with requirements of any adopted housing policies, standards, or objectives of the State.~~

~~1. An allocation of Credits is conditioned upon a Credit reservation by the Authority's Board of Directors and the submission of a housing market study, in form and content consistent with the Authority's Market Study Guidelines, indicating sufficient demand for the housing to be developed.~~

~~1. If a proposed development contains units that have a rental subsidy that subsequently becomes unavailable, upon the request of the owner and with the authorization of the Authority, the designated units, including supportive housing units, may revert to 50% or 60% AMI units as stated in the ELIHC until new rental subsidy funding becomes available.~~

~~1. Developments proposing to establish tenant ownership of the development (or all of the individual units) after the initial 15 year compliance period must submit a specific and credible plan that demonstrates the development of owner capacity and identifies the resources necessary for tenant organization and representation, the acquisition(s), and all transaction costs.~~

2. ~~The Authority reserves the right to consider alternative financing structures that reduce the volume of 9% LIHTCs used or reduces the need for scarce CHFA soft financing. One alternative is the use of separate, but simultaneous, financing plans utilizing both 9% LIHTCs and 4% LIHTCs and tax-exempt bonds. Developments eligible for consideration should be of a scale to produce demonstrable savings of these resources in exchange for the higher complexity of the execution. In determining such alternative financing structures, the Authority will consider, among other things:~~

- ~~Experience in successfully completing the proposed alternative structure and organizational depth and capacity to undertake complex transactions;~~
- ~~Simultaneous financing for each building/phase/condominium unit;~~
- ~~Ability to adhere to strict timelines; and~~
- ~~Demonstration of cost savings, increased unit production, and a reduction in the volume of 9% LIHTCs or resources, as required.~~

2. ~~When calculating the amount of 9% LIHTCs necessary to achieve feasibility for transactions proposing to utilize third-party financing, the Applicant shall ensure that the terms of the proposed financing are such that the use of credits is minimized and the debt is sized appropriately. The Authority shall review the terms of the proposed financing in the context of the development proposal and determine its acceptability.~~

~~G. Scoring~~

~~There are two types of LIHTCs – 9% and 4% credits. Only the 9% credits, which generate more equity, are awarded on a competitive basis through the QAP. The 4% credits are used in conjunction with bond financing, which may be competitively awarded through a Notice of Funding Availability. All applicants in the 9% round will be scored by the following criteria:~~

Each Application for a proposed development (each a "Proposed Development") received by the Authority on or before the applicable deadline published by the Authority from time to time: (i) seeking an awarded reservation of 9% Credits from the 2021 Credit Ceiling, or (ii) requesting an allocation of 4% Credits in accordance with the requirements of Section 42(h)(4) of the Code and the Plan, shall be evaluated for full compliance with the Basic Threshold Requirements (as defined below). ***No Applications or included Application materials will be considered for review if they are submitted after the applicable deadline published by the Authority, provided, however, the Authority may seek clarification of any Application submissions in its sole discretion at any time.*** All Completed Applications (as defined below) seeking an awarded reservation of 9% Credits from the 2021 Credit Ceiling shall be evaluated for their achievement of Financial Feasibility (as defined below) and shall receive a competitive ranking based on Points (as defined below).

In making such evaluations and rankings, the Chief Executive Officer – Executive Director shall have discretion to interpret the intent of the requirements set forth in the Plan and to evaluate and score applications accordingly in order to address the State's housing policy goals.

Notwithstanding anything contained herein to the contrary, awarded reservations for 9% Credits from the 2021 Credit Ceiling shall be Completed Applications (as defined below) that demonstrate Financial Feasibility (as defined below) and receive a ranking based on Points which is sufficient to receive an awarded reservation of 9% Credits from the 2021 Credit Ceiling.

The Authority's Board of Directors shall approve all awarded reservations of 9% Credit from the 2021 Credit Ceiling and the Board of Directors retains the full discretion to independently review proposed awarded reservations and not award 9% Credits on account of non-compliance with requirements of any adopted housing policies, standards, or objectives of the State.

A. Basic Threshold Requirements.

At any time during the Authority's review of Applications and in order to further the housing policies and goals of the Plan, the Chief Executive Officer – Executive Director shall have the discretion to determine that an Application is completed (each, a "Completed Application") upon the presentation of documented evidence demonstrating the Proposed Development's compliance with the following Basic Threshold Requirements (the "Basic Threshold Requirements"):

1. *State Housing Policy*. The Proposed Development shall address at least one (1) of the following State housing policy goal criteria set forth in the C&D Policies Plan:

a. Enhance housing mobility and choice across income levels and promote vibrant, mixed-income neighborhoods through rental opportunities;
b. Support adaptive reuse of historic and other existing structures for use as residential housing;
c. Support local efforts to develop appropriate urban infill housing and neighborhood amenities to make better use of limited urban land;
d. Promote housing and/or affordable housing as part of mixed use and transit oriented developments within walking distance of public transportation facilities;
e. Revitalize rural villages and main streets by promoting the rehabilitation and appropriate reuse of historic facilities, such as former mills, to allow a concentration of higher density or multiple use development where practical and consistent with historic character;
f. Access to parks and recreational opportunities, including trails, greenways, community gardens and waterways, for affordable and mixed-income housing;
g. Focus on infill development and redevelopment opportunities in areas with existing infrastructure, such as in cities or town centers, which are at an appropriate scale and density for the particular area; or
h. Promote the continued use or adaptive reuse of existing facilities and developed prosperity, including brownfields in strategic locations.

2. Proposed Credible Financing Plan. The Application shall include a proposed credible financing plan that demonstrates a balanced sources and uses of funds essential to the viability of the Proposed Development with: (a) a proposed amount of awarded reservation of 9% Credits which does not exceed: (i) $30,000 per LIHTC Program qualified unit in the Proposed Development, and (ii) $1,500,000, and (b) sources of funds or financing that are supported by commitment letters or other proof of serious intent from the providers of said sources of funds or financing, *provided*, *however*, with respect to any proposed source of funds or financing from DOH, the Application need only include evidence of a pending application or pending request made to DOH. Notwithstanding the foregoing, evidence of the preliminary approval of any required rental subsidy shall be required for any Proposed Development in the SSHP (as defined below);

3. Site Control & Environmental Site Assessment. The Application shall demonstrate the Applicant's site control of the Proposed Development and shall include a Phase I environmental site assessment prepared and supplemented in accordance with the requirements set forth in the ConApp and which has been completed within one (1) year prior to the applicable deadline published by the Authority;

4. Zoning Approval. The Proposed Development shall have received appropriate planning and zoning approval from all State and municipal authorities with jurisdiction;

5. Qualified Development Team. The Application shall include a qualified development team satisfying the Guidelines, which qualified development team shall include, without limitation, an architect, a general contractor (subject to applicable bidding requirements) and a property management agent;

6. Bidding & Project Cost Adjustments. The Application shall demonstrate compliance with all applicable bidding requirements. In the event that the Proposed Development's project costs increase from the budget proposed at the time of Application, the Authority shall require the applicant to mitigate and reduce such project cost increases by virtue of, without limitation, competitive bidding and/or value engineering, or both as may be required by the Authority. *NOTE:* Applicants are advised to pre-qualify three general contractors acceptable to the Authority and competitive bidding for a general contractor or project value-engineering should be completed prior to the allocation of 9% Credits or the issuance of a 42(m) letter by the Authority;

7. Construction Oversight. The Proposed Development shall commit to provide construction observation reports to the Authority on a regular basis in accordance with the Guidelines;

8. No Resident Displacement. The Proposed Development shall be affordable to current residents (if any) so that no permanent displacement is required for reasons of affordability;

9. Affordability Commitment. The Proposed Development shall include: (a) a commitment of at least forty (40) years of affordability by virtue of the LIHTC Program Extended Low-Income Housing Commitment (the "ELIHC"), and (b) a minimum of 20% of the units in the Proposed Development shall serve households with incomes greater than 30% but less than or equal to 50% of the Area Median Income ("AMI"), *provided*, *however*, if a Proposed Development includes units that have a rental or supportive housing subsidy that subsequently becomes unavailable, upon the request of the owner, and with the authorization of the Authority in its sole discretion, the designated units, including supportive housing units, may revert to 50% AMI or 60% AMI units as stated in the ELIHC until new subsidy or funding becomes available;

10. Plans and Specifications. The Application shall include plans and specifications that are in compliance with the Construction Standards and shall be submitted at a minimum level of 40% complete in accordance with the Construction Standards and the applicable Guidelines;

11. Rehabilitation Project Construction Hard Costs. For Proposed Developments including rehabilitation, the Application shall include minimum construction hard cost expenditures of $25,000 per unit (*For reference please see* Divisions 3-16, as noted on the ConApp Project Cost Summary form);

12. Re-syndication. If the Proposed Development, or a portion of the Proposed Development, seeking an awarded reservation of 9% Credits from the 2021 Credit Ceiling shall have received an allocation of Credits in a prior year, the Application deadline under the Plan shall be more than twenty (20) years after said Proposed Development's placed-in-service date with respect to such prior allocation of Credits;

13. Very-Low Income Construction Employment. The Application shall include a commitment to undertake good faith efforts to hire or train very low-income persons in accordance with the VLI Policy;

14. Rehabilitation Capital Needs Assessment. For Proposed Developments including rehabilitation, the Application shall include a capital needs assessment of the structure to be rehabilitated, in form and content consistent with the Construction Standards;

15. Prior Applicant Non-compliance. The Applicant shall not have failed to comply with the requirements of the LIHTC Program with respect to any prior reservation award or allocation of Credits, including, without limitation, (a) failing to comply with the terms of any ELIHC for a project they previously sponsored or developed, (b) being removed as a general partner, managing member or manager or management agent from any previous LIHTC Program development; or (c) being affiliated with a project against which a foreclosure was commenced;

16. Public Housing Resident Participation. If the Application is within the Public Housing Classification (as defined below) and the Proposed Development includes existing residents, the Application shall certify that it has a plan that ensures meaningful resident participation in the planning and implementation process, in accordance with Section 8-64c of the Connecticut General Statutes (*See ConApp*);

17. Public Housing Preference. The Application shall include a commitment to: (a) give preference in its tenant selection plan to eligible households on waiting lists of the public housing authority(ies) (each, a "PHA") in the local market area, subject to HUD regulations, and (b) make on-going efforts to request that the PHA make referrals to the Proposed Development, or request that the PHA include relevant information about the Proposed Development on any listing that the PHA makes available to persons on its waiting list(s), and to persons least likely to apply;

18. Waiver of Qualified Contract. The Applicant and the Proposed Development shall waive the right to request a "qualified contract" as such term is defined in Section 42(h)(6)(F) of the Code and Section 1.42-18 of the U.S. Treasury Regulations, which waiver shall be set forth in the ELIHC governing the Proposed Development;

19. Market Study. In accordance with the requirements of the Code, the Application shall include a an acknowledgement that any allocation of Credits shall be subject to the submission of a housing market study, in form and content consistent with the Procedures and the Authority's Market Study Guidelines, demonstrating a sufficient demand for the housing to be developed;

20. Tenant Ownership Proposals. If the Application includes a proposal to establish tenant ownership of the Proposed Development (or all of the individual units) after the initial 15 year compliance period, the Application shall include a specific and credible plan that demonstrates owner capacity and identifies the resources necessary for tenant organization and representation, the acquisition(s), and all transaction costs; and

21. LIHTC Program Developments in Prior 2 Years. If the Applicant shall have or shall have had a direct or indirect ownership interest in a LIHTC Program application or development that received an awarded reservation of 9% Credits in both of the preceding two (2) calendar years, the Application shall demonstrate that said previously awarded reservations of 9% Credits are on track to meet LIHTC Program benchmarks, as determined by the Authority in its sole discretion.

B. Financial Feasibility

Each Completed Application seeking an awarded reservation of 9% Credit from the 2021 Credit Ceiling shall be required to demonstrate the financial feasibility of the Proposed Development ("Financial Feasibility"). At any time during the Authority's review of Applications and in order to further the housing policies and goals of the Plan, the Chief Executive Officer – Executive Director shall have the discretion to determine that a Completed Application demonstrates Financial Feasibility upon the presentation of documented evidence demonstrating the following:

1. Population Component Cap. The Completed Application shall not require an awarded reservation of 9% Credits from the 2021 Credit Ceiling in an amount greater than $1,500,000, *provided*, *however*, in the event the Chief Executive Officer – Executive Director determines it to be necessary to achieve the goals and purposes of the Plan, said amount may be increased up to $1,725,000;

2. 9% Credits Per Qualified Unit. The Completed Application shall not require an awarded reservation of 9% Credits from the 2021 Credit Ceiling in an amount greater than the product of $30,000 and the number of LIHTC Program qualified units in the Proposed Development;

3. Debt and Credit Sizing. The Application shall include proposed financing terms that deploy 9% Credits effectively and minimally relative to other proposed sources of funds in a Proposed Development and the Chief Executive Officer – Executive Director shall retain the discretion to set the amount of any awarded reservation of 9% Credits from the 2021 Credit Ceiling to a Proposed Development, notwithstanding the amount of 9% Credits proposed or sought for said Proposed Development in a Completed Application;

4. Hybrid Financing Structures. In order to maximize the use of public resources and to otherwise accomplish the objectives of the Plan, the Authority reserves the right to consider Proposed Developments seeking an awarded reservation of 9% Credits from the 2021 Credit Ceiling that are paired in a hybrid financing structure with a separate and simultaneous financing plan seeking an allocation of 4% Credits (together, a "Proposed Hybrid Development"), *provided*, *however*, that certain portion of the Proposed Hybrid Development seeking an awarded reservation of 9% Credits from the 2021 Credit Ceiling shall satisfy all applicable requirements set forth in the Plan including, without limitation, those set forth in subsections (1) and (2) of this Section III(B). The Authority will require Proposed Hybrid Developments to be of a scale necessary to produce demonstrable savings of resources in exchange for the higher complexity of the execution and to otherwise meet the requirements set forth in the Guidelines. In evaluating such Proposed Hybrid Developments, the Authority will consider, among other things: (i) the Applicant's experience in successfully completing the proposed hybrid structure and organizational depth and capacity to undertake complex transactions; (ii) simultaneous financing for each building/phase/condominium unit; (iii) the Applicant's demonstrated ability to adhere to

strict timelines; and (iv) the Completed Application's demonstration of cost savings, increased unit production, and reduction in the needed volume of 9% Credits or resources, as required.

C. Competitive Ranking Based on Points.

In its sole discretion and for purposes of ranking Proposed Developments by Points, the Authority shall classify each Application as either "Public Housing" or "General Housing" (each a "Classification") and the Authority intends to distribute as evenly as possible the available 9% Credits awarded from the 2021 Credit Ceiling between the Public Housing Classification and the General Housing Classification, and may reallocate available 9% Credits in its sole discretion.

The Public Housing Classification shall include, without limitation, Proposed Developments that include preservation, rehabilitation or qualified new construction that is part of a comprehensive plan to replace and/or rehabilitate public housing units, inclusive, without limitation, of those current "at-risk" projects in the State Sponsored Housing Portfolio ("SSHP"), and projects utilizing the Rental Assistance Demonstration ("RAD") program, or the Choice Neighborhoods program. This Classification is limited to Applications that address housing policy to revitalize housing developments that were financed and developed through Federal or State public housing programs. Among its purposes, any Public Housing Classification Application must include, but not be limited to, integrating units into the community or region and encouraging economic integration.

The General Housing Classification shall include Proposed Developments that do not qualify for the Public Housing Classification.

In each Classification, all Completed Applications shall be scored and ranked in accordance with a total of 100 Points to support priority for housing development proposals ("Points"). The categories of Points are summarized as following:

Rental Affordability (34 Points) – Creates or preserves rental units dedicated to low-income families, households and individuals with incomes below 50% of the Area Median Income.

Financial Efficiency & Sustainability (22 Points) – Demonstrates cost effectiveness through efficient use of Credits and other sources.

Local Impact (15 Points) – Supports use of land and resources in ways that enhance the long-term quality of life which contributes to a vibrant and resilient economy and maximizes existing infrastructure while preserving natural resources, giving priority to projects that reuse or capitalize areas within built-up lands, existing commercial properties, and brownfield sites.

Opportunity Characteristics (15 Points) – Promotes diverse housing opportunities in municipalities with defined opportunity characteristics, including better outcomes in education, greater employment opportunities and economic health.

Qualifications & Experience (11 Points) – Promotes an experienced development team's strong track record in LIHTC and affordable housing development.

State Sponsored Housing Portfolio ("SSHP") Developments – Additional Points (3 Points) – Supports the redevelopment of the State's aging moderate rental housing stock.

Tie Breaker Policy: In the event that two Applications shall receive equal Point rankings, the Authority shall use the following tie-breaker preferences, in the following order:

i. Preference is given, within the Public Housing Classification, to applications for SSHP developments over other applications in this Classification;

ii. Lowest Credit per qualified unit;

iii. Highest total score in “*Rental Affordability”* category;

iv. Highest total score in “*Local Impact*” category;

v. Highest total score in “*Financial Efficiency & Sustainability*” category.

Qualified Non-Profit Set-Aside. Notwithstanding Point rankings or Classifications to the contrary, the Authority retains the discretion to afford ranking priority to Applications satisfying the 10% non-profit set-aside of credit authority for “qualified nonprofit organizations” within the meaning of Section 42(h)(5)(c) of the Code. Non-profit organizations must satisfy the following requirements in order to receive a non-profit designation: (i) the non-profit organization must commit to participating materially (within the meaning of Section 469(h) of the Code) in the development and operation of the project throughout the compliance period; and (ii) the non-profit sponsor must be a qualified non-profit organization as defined in Section 42(h)(5)(C) of the Code.

Competitive Points. All Completed Applications seeking 9% Credits shall be ranked in accordance with the Points received in accordance with the following parameters:

1. RENTAL AFFORDABILITY

a. Supportive Housing Units

Points will be awarded based on documentation of supportive services from a “Qualified Service Provider” specifically for residents identified as homeless or chronically homeless, as defined in the Supportive Housing Guideline. Documentation must include a Services Plan~~ and evidence~~, a description of funding sources, ~~including~~and a budget~~,~~ for supportive services. (Reference must be made to the current Supportive Housing Guideline for definitions, service funding criteria and the list of Qualified Service Providers).

Percent of units	Points
≥ 20%	6
≥10% and <20%	2

b. Households at or below ~~25~~30 Percent of Area Median Income ~~(~~(“AMI~~)~~”)

Points will be awarded based on the percentage of qualified units that serve households at or below ~~25~~30 percent of AMI and provide rents pursuant to HUD guidelines adjusted for family size throughout the extended use period.

Percent of units	Points
≥25%	7
≥20% and <25%	4
≥15% and <20%	3
≥10% and <15%	2

c. Households above ~~25~~30 percent AMI and at or below 50 ~~Percent~~percent of AMI

Points will be awarded based on the percentage of total units that serve households above ~~25~~30 percent of AMI and at or below 50 percent of AMI and provides rents pursuant to HUD

Percent of units	Points
≥40%	6
≥30% and <40%	4

guidelines adjusted for family size throughout the extended use period.

Over 20% and <30%	3

d. Mixed Income Housing

~~Projects~~Proposed Developments that promote economic integration by creating mixed income housing will receive ~~points~~Points based on the percent of non-qualified units (market rate housing without income restrictions) included.

Percent of non-qualified units	Points
≥20%	6
≥10% and <20%	2

e. Preserves At-Risk Affordable Housing

The rehabilitation ~~project~~of the Proposed Development preserves existing occupied affordable rental housing that meets one or more of the following criteria: (1) is at risk of conversion to unregulated use (expiring use restrictions) ~~and has identified rehabilitation needs. Properties must be at risk of conversion~~ within 3 years of the ~~LIHTC application~~Application due date~~. (Rehabilitation levels defined~~, (2) has identified substantial rehabilitation costs in ~~the Standards.)~~excess of $50,000 per unit in the Proposed Development (excluding acquisition and soft costs), or (3) at least 75% of the units in the Proposed Development have federal project-based rental assistance and the building was initially placed in service more than 25 years ago.

Rehabilitation Level	Points
Substantial rehabilitation	~~5~~4
~~Moderate rehabilitation~~	~~2~~

f. Production and Preservation of Affordable Housing

The Authority prefers to produce more affordable housing through the **increase in the deed-restricted housing supply**, as long as such production is appropriate to the site and the needs of the community. Renovation of a property that is not habitable, and/or is blighted or condemned will be counted as new production. Adaptive re-use is new construction. If deed-restricted housing already exists, any addition to the unit count will be considered an increase and not new construction, and only an increase in units of 10% or more may receive ~~points. Refer~~Points. Please refer to the LIHTC Program Glossary of Terms for definition of “blight”.

Effect on unit count	Points
New Construction	4
Increased units by 10% or more	2

g. On-Site Resident Services Coordinator

On-site resident services coordinator ~~(RSC)~~, working a minimum of 20 hours per week. Property budget line item or evidence of arrangement with a third party provider specifying the funding source is required, as well as an executed “Acknowledgement of Guidelines for Resident Services Coordinators.”~~.~~

1 Point

.”

2. Financial Efficiency & Sustainability

a. Cost Effectiveness, Hard Costs

~~Points will be awarded for square foot costs that fall within an acceptable range as evaluated according to the Standards for applications that include plans and specifications submitted at a level of 90% complete or better.~~ Points may be awarded based upon deviation from the Authority's anticipated construction square foot cost. (For additional information please refer to the Construction Standards~~.)~~) Costs are reviewed in the context of development location and any applicable constraints in the marketplace including regional labor and material costs and applicability of prevailing wage statutory requirements. Determination of the acceptable range of hard costs shall be at the Authority's discretion.

% Deviation	Points
Between +/-5%	2~~3~~
Between >5% and 10% or between <-5% and -10	1

b. Credits Per Qualified Bedroom

~~Projects~~Proposed Developments will be ranked lowest to highest credits per LIHTC Program qualified bedroom and awarded incremental ~~points~~Points in accordance with their ranking. Points will be ~~scaled~~awarded in rank order accordingly with the lowest credits per qualified bedroom receiving 5 ~~points~~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.

	Points
Lowest ~~credits~~Credits per bedroom	5
Incremental ~~credits~~Credits	~~Scaled pts~~1-4 based on rank order
Highest ~~credits~~Credits per bedroom	0

c. Credit Equity~~s~~ less than 50% of Total Uses

4 Points

~~LIHTCs~~9% Credit equity estimated by the Authority for any one ~~development~~Proposed Development which do not exceed 50 percent of total uses will receive ~~points. LIHTCs~~Points. 9% Credit equity estimated by the Authority for developments located in ~~QCTs~~federally designated Qualified Census Tracts (each a "QCT") or ~~DDAs,~~Difficult Development Areas (each a "DDA"), as defined in Section 42(d)(5)(B)(ii) of the Code, which do not exceed 65 percent of total uses as recognized by the Authority will receive ~~points~~Points.

d. Other Permanent Funding Sources

1 Point

Commitment(s) for non-debt permanent funding sources in excess of 5% ~~of Total Development Resources~~of a Proposed Development's total development resources, including local housing trust funds, grants, foundation awards, or other non-debt commitments such as land contributions, tax abatement, block-grant funds, or an AHP award will qualify for 1 ~~point~~Point if written documentation is provided. State or state-administered funds, including but not limited to ~~DOH~~ funding from DOH, Urban Act, Brownfields, HTCC, State Historic Tax Credits, and CRDA are not eligible sources of permanent funding for purposes of qualifying for ~~the point.~~this Point.

e. Building Plans and Specifications

% Complete	Point~~s~~
≥90%	1~~3~~

Cost estimates become more reliable with greater levels of completion of plans and specifications and to~~. To~~ encourage fully developed plans and specifications, Applicants that submit building plans and specifications at a level of completion of 90% or higher shall be awarded 1 Point~~may be awarded points~~. In order to qualify for the Point~~points~~, Applicant shall certify that 90% drawings and specifications have been subjected to quality control review to check for errors and omissions, building code, and fire code compliance issues. Determination of completeness is at the sole judgment of the Authority.

f. Sustainable Design

~~Points for SDMs described below are additive.~~ Maximum ~~points~~Points available in this category: ~~7~~5

Points will be awarded based upon the Sustainable Design Measures ~~(SDM)~~ provided and indicated in the plans, specifications, Energy Conservation Plan, third-party Energy Consultant's / Professional Engineer's report, and/or other supporting documents as ~~outlined in the Standards.~~required in the Guidelines: Energy Conservation and the Construction Standards. Prerequisites for Points in the "High Performance Design" categories shall be: (i) for Option 1 and Option 2, certain supplemental sustainable design scope and performance specifications described in the Construction Standards and the Guidelines; and (ii) for Option 3, building plans and specifications at a level of completion of 90% or higher.

~~SDM~~	~~Description~~	~~Points~~
~~Passive House Design~~	~~Points may be awarded for projects designed to meet Passive House standards. Submit plans and specifications at a level of 90% and in accordance with the Guideline for Passive House.~~	~~3~~
~~Cost Effectiveness~~	~~1 point will be awarded to the top two projects that qualify for the Passive House Design points and that have the lowest per unit construction costs.~~	~~1~~

~~High-performance Building Design~~	~~Minor, Moderate or Substantial Rehabilitations – Projected reduction in energy consumption ≥ 33%~~ ~~Gut Rehabilitations/New Construction – Projected energy cost savings ≥ 23% over current ASHRAE Standards.~~	~~2~~
~~Renewable Energy System~~	~~Provide a roof-top, building- or landscape-integrated Photovoltaic (PV) system providing ≥ 33% of site lighting energy requirements, or an ENERGY STAR-qualified central geothermal HVAC system.~~	~~1~~

Sustainable Design Measures	Points
Solar – PV: Max Available:1 Point	
Provide a solar photovoltaic (PV) system designed to off-set ≥ 50% site and interior common area annual energy demand	1
High Performance Design- Applications may only qualify under one of the following options. **-** Max Available: 5 Points	
Option 1: Proposed design provides for an ENERGY STAR HERS Index ranges ≤ 50 (low-rise) or ASHRAE ≥ 23% (high-rise), and qualifies for Enterprise Green Communities or Zero Energy Ready Home certification	3
Option 2: Proposed design provides for an ENERGY STAR HERS Index ranges ≤ 50 (low-rise) or ASHRAE ≥ 23%, and qualifies for LEED for Homes or LEED Multifamily Midrise v. 4 Silver, National Green Building Standard 2015 Silver; or PHI EnerPHit certification	4
Option 3: Proposed design qualifies for PHIUS, PHI+ Zero Energy Ready Home, National Green Building Standard Emerald or LEED for Homes/LEED Multifamily Midrise v.4 Platinum certification	4

g. Cost Effectiveness, Intermediary Costs

4 Points

Cost efficient designs and reasonable soft costs, such as professional fees, are strongly encouraged. 4 ~~points~~Points will be awarded to the top 2 ~~projects per classification~~Proposed Developments in each Classification with the lowest percentage of Intermediary Costs.

3. Local Impact

a. Priority Locations

~~Project~~Proposed Development is located in a Priority Funding Area. A ~~point~~Point will be given for each of the following criteria as identified by the C&D Policies Plan for the subject property.

Criteria	Points
5 Criteria	5
4 Criteria	4
3 Criteria	3
2 Criteria	2
1 Criteria	1

- Designation as an Urban Area or Urban Cluster in the 2010 Census
- Boundaries that intersect a ½ mile buffer surrounding existing or planned mass-transit stations
- Existing or planned sewer service from an adopted Wastewater Facility Plan
- Existing or planned water service from an adopted Public Drinking Water Supply Plan
- Local bus service provided 7 days a week within ½ mile of the proposed development as measured by a pedestrian's path

b. Transit-Oriented Development

"Transit Oriented Development" for the purposes of the LIHTC program means the development of multi-family residential apartments within walking distance of public transportation stations serving rapid transit bus services or rail. (For the complete definition, please refer to the Glossary.) Applicants shall provide maps evidencing the distance of a pedestrian's path to the transportation hub or transit station. Points are ~~additive~~available up to a maximum of 4 and may be awarded based on the following criteria ~~below~~: ~~Criteria~~	Maximum of 4 Points
• 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;	2
• Mixed use development that includes neighborhood amenities such as pharmacy, restaurant, market, studio or other retail/commercial/cultural opportunity(ies) that encourage community revitalization. Such commercial aspect of the Proposed Development must: (i) have its own exterior entrance, (ii) comprise at least 10% of the building area on the floor(s) of its location, and (iii) comprise at least 500 square feet.	2

c. Family Developments

Proposed ~~developments~~Developments must not be age-restricted, and must contain a mix of bedroom sizes, with more than 50% of the development's total units containing two or more bedrooms.

1 ~~point~~Point

d.~~ ~~ Signed Resident Participation Agreement

Point is given, within the Public Housing Classification only, to ~~applications~~Completed Applications that include a signed agreement for resident participation if signed agreements are applicable in accordance with ~~C.G.S. §~~Section 8-64c of the Connecticut General Statutes.

1 Point

e.~~ ~~ Historic Place, Adaptive re-use, or Brownfield Development

Renovation of a designated historic building (provide evidence of such designation); or

Renovation and adaptive re-use of vacant or abandoned non-residential structure (does not have to be historic); or

Remediation of Brownfield site, such site included on a federal or state list of brownfield sites and/or has been awarded Brownfield "clean-up" funds by a federal or state agency.

3 Points

f. Located in a Qualified Census Tract

One ~~point~~ Point shall be awarded to ~~projects~~ a Proposed Development that ~~are~~is located in ~~Qualified Census Tracts (QCTs), as defined in § 42(d)(5)(B)(ii) of~~a QCT or, if determined by the ~~Code,~~Authority, a DDA and the development of which contributes to a concerted community revitalization plan. ~~Difficult Development Areas (DDAs) may be included in this category. Community~~ A copy of the community revitalization plan must be provided. (For definitions, please refer to the Glossary).

1 Point

4. Opportunity Characteristics

a.~~ ~~ Municipalities Having Less Assisted and Deed Restricted Housing

~~Project~~Proposed Development is located in a municipality where there is less than 10% assisted and deed restricted housing according to the definition in ~~C.G.S. §~~Section 8-30g(k) of the Connecticut General Statutes and identified on the "Affordable Housing Appeals Procedure List" published by DOH.

6 Points

b.~~ ~~ Development located in an Area of Opportunity

"Development Located in an Area of Opportunity" means a ~~development~~Proposed Development with non-age restricted units of which more than 50% of the ~~development's~~Proposed Development's total units contain two or more bedrooms, and that is located in a municipality with: Below average poverty levels, Average to above average ratings for school performance as evidenced by GreatSchools 2013 District Ratings, Above average "Jobs to Population" ratio and access to higher education opportunities as evidenced by proximity to community/technical colleges. Refer to Opportunity Characteristics Guideline for ~~points~~Points calculations. A Locational Guideline Map will be made available on the Authority's

~~Additive to a maximum of 9 points in this category:~~Maximum of 9 Points website and will be the tool for Applicant's to use to determine their ~~points~~Points.

• Below Average Poverty Rate	2 ~~points~~Points
• Above Average Performing Schools (Scores in the 8 to 10 range) *or* Average Performing Schools (Scores in the 4 to 7 range)	2 ~~points~~Points *or* 1 ~~point~~Point
• Employment in Community	3 ~~points~~Points
• Access to Higher Education	2 ~~points~~Points

5. QUALIFICATIONS & EXPERIENCE

a. Experience of the Sponsor/Applicant/General Partner

The Authority will award ~~points~~Points for demonstrated experience of the sponsor, applicant~~ or~~, general partner or other manager of the Proposed Development's ownership entity ("GP"), either principal or entity, in successful LIHTC Program development(s) based on the scales below up to a maximum of 5 ~~points~~Points combined for the number of projects and the years of LIHTC Program experience. To count, existing LIHTC Program projects must have a minimum of 5 years of operation since being placed in service. Applicants claiming ~~points~~Points for experience should include a list of developments, locations, and years placed in service. Notwithstanding the foregoing, an Applicant established as a joint venture which includes a partner, member or other joint venture participant with LIHTC Program experience may qualify for Points in this category upon the determination of the Authority, *provided*, *however*, such joint venture Applicant shall partner with a property management company with appropriate experience of managing LIHTC Program developments.

Number of LIHTC Program Projects: To use the scale, add the applicable ~~points~~Points for projects in operation more than 5 years. A maximum of 3 ~~points~~Points are possible in this category.

Projects	Points
≥6	3
≥4 and <6	2
≥2 and <4	1

Number of Years' Experience: To use the scale, add the applicable ~~points~~Points for years of ownership. A maximum of 2 ~~points~~Points are possible in this category.

Years LIHTC Program experience	Points
≥10	2
≥5 and <10	1

b. Developer/Sponsor Resources

Points will be awarded based upon the percentage of permanent Developer/Sponsor Resources to the project's permanent Total Development Resources (for additional information, please refer to the Glossary).

% of Resources	Points
≥10%	3
≥5% and <10%	2
<5%	0

c. Women and Minority Participation

2 Points

Women and/or minorities are encouraged to participate in the ownership, development, or management of the project. Points may be awarded if evidence is provided that the entity meets the Supplier Diversity Eligibility Requirements of the State of Connecticut relative to women- or minority-owned business entities ~~(~~("MBE~~).~~"). Please ~~visit the~~refer to State Department of Administrative Services guidance for complete information.

d. Connecticut-based Contractor

1 Point

Contractor is a State based organization whose principal place of business has been located in the State for a minimum of 3 years.

6. SSHP DEVELOPMENT – ADDITIONAL POINTS

3 Points

Points will be awarded to the highest ranking SSHP development application that has an aggregate allocation need of annual LIHTCs not to exceed $1~~.2 million~~,200,000. SSHP ~~developments~~Proposed Developments must be eligible to apply. Existing SSHP developments that propose an expansion are eligible only if such expansion provides net new units of non-age restricted housing containing two or more bedrooms.

IV. PROJECTS FINANCED WITH TAX-EXEMPT BONDS

Applications made to the Authority for an allocation of 4% Credits in connection with proposed tax-exempt bond financing shall be subject to full compliance with the Basic Threshold Requirements and with applicable underwriting criteria adopted from time to time by the State and by the Authority. To the extent projects are financed with the proceeds of tax-exempt bonds subject to the annual volume cap limitation under Section 146 of the Code, such projects may receive ~~Credits without receiving~~ an allocation ~~from the Authority. If~~of 4% Credits if fifty percent (50%) or more of the aggregate basis of a project (including land) is financed with the proceeds of such tax-exempt bonds, and the entire project ~~is~~may eligible for 4% Credits based on its qualified basis~~ without receiving an allocation~~. The issuance of ~~Credits from the Authority. However,~~ all ~~credits for such projects must be determined~~42(m) letters by the Authority for 4% Credit allocations shall be subject to ~~have been~~a determination by the Authority that the proposed project complies with the Basic Threshold Requirements and is otherwise consistent with the ~~State's QAP~~Plan, such consistency being determined by the following:

A. Application Criteria: Tax-exempt bond financed projects must ~~meet~~comply with the ~~application criteria~~Basic Threshold Requirements and the requirements set forth in ~~Section III. F. and the Authority's~~the Procedures~~.~~;

B. Underwriting Criteria: Tax-exempt bond financed projects must also meet the underwriting criteria adopted from time to time by the State Bond Commission for multifamily rental housing financed with bonds issued pursuant to an allocation of volume cap authority approved by the State Bond Commission~~.~~;

C. Credit Limitation: Tax-exempt bond financed projects are also subject to the limitation on the amount of Credits available to a project contained in Section 42(m)(2)(A) of the Code; and~~.~~

D. Debt Sizing: All tax-exempt bond financed projects shall include proposed financing terms that deploy 4% Credits effectively and minimally relative to other proposed sources of funds in a Proposed Development as determined by the Authority in its discretion.

V. TAX CREDIT COMPLIANCE MONITORING

~~Compliance Monitoring Overview~~

Section 42(m)(1)(B)(iii) of the Code requires that a qualified allocation plan provide a procedure the agency (or an agent or other private contractor of such agency, ("Authorized Delegate~~"))~~")) will follow in monitoring for noncompliance with the provisions of Section 42 and to notify the IRS of such noncompliance.

The compliance monitoring process will determine if a project is in compliance with the requirements of the LIHTC Program pursuant to Section 1.42-5 of the Treasury Regulations. The Authority's monitoring process is outlined in the Low-Income Housing Tax Credit Compliance Manual which can be downloaded from the Authorized Delegate's website. Please refer to the Compliance Manual for detailed monitoring information. The Authority's compliance monitoring requirements apply to all tax credit projects, including those financed with tax-exempt bonds.

The ~~Internal Revenue Service (~~IRS~~)~~ has published guidance for state housing credit agencies, Guide for Completing Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, effective January 2011. The purpose of the Guide is to standardize the treatment of non-compliance issues and it includes instructions for completing Form 8823 and guidelines for determining noncompliance and reporting dispositions.

If an owner fails to comply with the requirements of the Code and the Regulations promulgated thereunder, the Authority will notify the IRS of such noncompliance by filing Form 8823.

Owners and management agents of developments placing in service are required to attend the Authority’s Tax Credit Compliance Monitoring Conference at least six months prior to the first building’s Placed-In-Service date. However, if the owner and agent have previously attended this Conference, within the last three years, the attendance requirement may be waived with Authority approval.

A. Recordkeeping and Record Retention

Under the recordkeeping provision of Reg. Section 1.42-5 (b), the owner must keep records for each building in the project for each year in the compliance period.

Under the record retention provision, Section 1.42-5 (b)(3), owners are required to keep all records for each building for a minimum of six years after the due date (with extensions) for filing the federal income tax return for that year. The original records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) (21 years) for filing the Federal income tax return for the last year of the compliance period of the building. Duplicate copies of first year files should be kept at an accessible and secure off-site location. Copies may be scanned, retained in a PDF file or recoded on a compact disc.

The owner of a LIHTC project must retain the original local health, safety, or building code violation reports or notices that were issued by the State or local government unit for the Authority's inspection and submit copies with the annual certification.

B. Certification and Review Provisions

~~1.~~ The owner of the tax credit project must certify at least annually to the Authority that for the preceding 12-month period the project met certain requirements. The Authority will review at least 20% of low income tenant files at least once every three years. New projects will be reviewed within two years following the year the last building in the project is placed in service. The required reports, certifications, and forms can be found at the Authorized Delegate's website. Annual reporting must be submitted throughout the Extended Use Period of the project.

~~3.~~ The Authority or its ~~Designee~~designee will require annual certification that the developer/owner has provided, and will continue to provide, items for which ~~a development received points in the competitive scoring process that led to a LIHTC award.~~

~~5.~~ an awarded Proposed Development received Points. Additionally, the Authority or its designee will require annual certification that the developer/owner has complied with all requirements of the Violence Against Women Act (VAWA). Guidance and references are provided on the Authority's website.

C. Inspection Provision

~~a.~~ At least once every three years the Authority or its designee will perform an on-site inspection of the project including site, building exteriors, building systems, units, and common areas. At least 20% of the project's low-income units will be inspected using standards governed by HUD and Uniform Physical Condition Standards (UPCS). These standards require properties to be in decent, safe and sanitary condition, and in good repair.

~~c.~~ The Authority or its designee will periodically perform Quality Assurance monitoring for supportive housing units pledged by a developer/owner in its development project. Monitoring visits during which the monitoring agency will review files, interview staff and meet with tenants to assess compliance are more fully described in the current Supportive Housing Guideline.

D. Notification of Noncompliance

~~F.~~

The Authority is required to provide prompt written notice to the owner when the Authority does not receive the required certifications and other forms; does not receive or is not permitted to inspect the tenant income certifications, supporting documentation and rent records; or discovers by inspection, review or in some other manner that the project is not in compliance with the provisions of Section 42. The correction period, established by the Authority, is 30 days from the date of the notice. The Authority is required to file Form 8823 Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition with the IRS.

~~G.~~E. Compliance Monitoring Fees

Projects allocated Tax Credits are required to pay an upfront Tax Credit Servicing Fee in the amount of 8% of the annual allocation. The Authority reserves the right to make adjustments to annual monitoring fees due to increased monitoring requirements and or costs.

~~H.~~F. Asset Management Fees

The Authority will perform Asset Management functions throughout the compliance period on projects receiving American Recovery and Reinvestment Act (ARRA) funding through the Tax Credit Assistance Program (aka TCAP), 1602 Program: Payments to States for Low-Income Housing Projects in Lieu of Low-Income Housing Tax Credits (aka Section 1602 or TCEP) or other new federal credit exchange program funding. The Asset Management Fee charged for projects receiving any of the ARRA funding sources shall be $5,000 annually.

~~I.~~G. Other

The Authority reserves the right to revise compliance monitoring policies and procedures as required by Section 42 of the Code, including other guidance published by the IRS.

The 2008 HERA Law requires the Authority to report tenant data to HUD annually, including tenant race, ethnicity, family composition, age, income, use of rental assistance or other similar assistance, disability status, and monthly rental payments.

Please refer to the Authority's Compliance Monitoring Manual for detailed monitoring requirements. It can be found at www.spectrumlihtc.com.

~~J.~~H. Liability & Delegation

Compliance with the requirements of Section 42 of the Code is the responsibility of the owner of the building for which the Credits were allocated. The Authority's obligation to monitor for compliance with the requirements of Section 42 of the Code does not make the Authority liable for an owner's noncompliance.

The Authority may choose to delegate all or a portion of its compliance monitoring responsibilities to an agent or other private contractor, Authorized Delegate. The option, if chosen, does not relieve the Authority of its obligation to notify the IRS of noncompliance. The Authority may also delegate some or all of its compliance monitoring responsibilities to another state agency. The delegation may include the responsibility of notifying the IRS on noncompliance.