HOUSING TAX CREDIT CONTRIBUTION (HTCC) PROGRAM OVERVIEW
APRIL 27, 2021

2021 HTCC Program Overview Agenda

- Program Objectives

- Changes for 2021

- Application Process & Timeline

- SharePoint

- Consolidated Application

- Compliance Reminders

- Project Closeout Reminders

- Questions and Answers

HTCC Program Objectives

- CHFA administers the HTCC Program which was established by statute to assist nonprofit entities creating Affordable Housing Programs

- Affordable Housing Programs eligible for use of HTCC Funds:
  - Affordable Housing Developments, including:
    - Workforce Housing (rental), and
    - Supportive Housing (rental)
  - Revolving Loan Funds, including:
    - Affordable Housing; and
    - Workforce Housing

Eligible Applicants

An applicant must be:

- a Nonprofit Corporation or a Community Development Financial Institution (CDFI);
- established for a minimum period of three years;
- in compliance with the requirements of the HTCC Program for any prior awards;
- in compliance with any applicable CHFA Board policy statements; and
- able to provide evidence of the applicant's general administrative capability to build or rehabilitate and able to undertake the project for which it has applied in a timely fashion if awarded tax credits.

Eligible Applicants

IMPORTANT –

- If you have funding from DOH you must reach out to your project manager to inform them of your intent to apply for HTCCs and obtain approval. Use the Justification Form found on the CHFA website.

  – These approvals must be in place before applying for HTCCs

- If you have a prior funding commitment from CHFA, you must obtain approval from your CHFA underwriter to apply for HTCCs. Use the Justification Form found on the CHFA website

  – These approvals must be in place before applying for HTCCs

- Group Home sponsors may need to contact their primary funder based on a consideration of existing terms prior to requesting additional funds

Eligible Uses of HTCC Program Funds:

- Rehabilitation or new construction of rental or homeownership housing
- Capitalizing a Revolving Loan Fund that lends money to families purchasing affordable homes
- Capitalizing a Workforce Housing Loan Fund that lends money to families purchasing a home in the municipality in which they work

Application Evaluation

Full applications received prior to the deadline are reviewed, rated and ranked based on the following criteria:

- o Project Feasibility and Readiness to Proceed;
- o Affordability;
- o Applicant Capacity/Goals Accomplished;
- o Livability Initiatives; and
- o Compliance

Application Evaluation Cont'd

- The HTCC review will include input and review from CHFA's Technical Services staff:
    - Development Scope
    - Flood Zone if applicable
    - Planning and Zoning Approval
    - ETPB and Project Cost Summary
    - Development Budget
    - Historic Significance
    - Environmental Concerns
    - Permits

2021 HTCC PROGRAM CHANGES

Streamlining of Submissions

- Consolidated Application – Threshold items eliminated for HTCC applicants (tip: use the exhibit checklist it is a threshold item)
  - Property manager approved by CHFA
  - Justification of development team
  - Construction procurement plan
  - Resident service coordinator
  - Applying for acquisition credit

Streamlining Cont'd

- – CEPA information

- – Income average explanation

- – Explanation for OE

- – Detailed attachment to development budget

- – Fair Housing Impacts Form

- – Affirmatively Further Fair Housing Form

Streamlining Cont'd

- Consolidated Application – Threshold items eliminated for applicants with CHFA and/or DOH funds
  - Site Control Documentation
  - Planning & Zoning Board Approval
  - Site Plan

2021 Updates to Threshold Requirements

- Consolidated Application Threshold Requirements
  - Completed Exhibit Checklist
  - Development Team Tab (GC & Architect)
  - Housing Program Calendar
  - Administrative Capacity
  - Resolution authorizing application

2021 Guideline Changes

- General Program Guidelines Changes
  - Written approval from DOH
    - Documentation confirming the increase in costs via change orders or contractor's estimates
  - Explanation if funds needed in consecutive years
  - OH, profit & GR shouldn't exceed percentages set forth in the Procedures
  - Clarified definition of firm commitment
  - Revolving Loan Funds – evidence of its loan loss reserves, charge off history and delinquencies

Guideline Changes Cont'd

- Guidelines for Workforce Housing Set-aside
  - New sections explaining evidence needed to be considered under the workforce housing set-aside
    - Workforce Housing is defined as affordable housing for low- and moderate-income wage or salaried workers in the municipalities where they work
    - Funds must be used to establish assistance to individuals to purchase or rent Workforce housing.
    - Applicant must clearly explain what the Housing Program is to assist renters (i.e. rent concessions, security deposit concessions, on-site childcare, etc.)
    - Evidence of reduction of commuting distance should be incorporated into the application
    - Clarifies what is considered an acceptable marketing strategy

Guideline Changes Cont'd

- Guidelines for Reporting & Compliance
  - Point deductions for failure to submit or late submission of quarterly reports remain unchanged – notification will be provided
  - New 10 point deduction if HTCC funds are not used in accordance with the allocation of funds in the original application. Per the Guidelines – contact CHFA to seek guidance regarding the magnitude of a change.

2021 Point Changes

- ## POINTS CHANGES
  - ### Building permit points
    - Reduced from 10 to 5
    - No longer pro-rated
    - Applicant to consult with municipality to determine type of permit required
    - The dollar value of the permit(s) should be within 5-10% of hard costs estimate
    - Points determined by Tech
  - ### Balanced Sources & Uses
    - New 3 point category

Point Changes Cont'd

- Experience
  - New 3 point category
- Neighborhood Revitalization
  - Reduced from 4 to 1
- New Point Workbook for Workforce Housing Rental Applicants

Quarterly Report Revised

- ## Quarterly Report Form
  - New quarterly report form
  - Anticipated to take effect for submission of 2nd Quarter 2021 reports

CHFA Procedures

- HTCC Program Procedures are unchanged from the last revision of early 2015

- HTCC Program Procedures may be found in Section IV TAX CREDIT PROGRAMS of the CHFA Procedures located on the CHFA website.

Income Limit Updates

- CHFA establishes maximum household income limits that should be noted by applicants for Revolving Loan Funds

- Income limits apply to borrowers of funds from Revolving Loan Funds

- Income and sales price limits may be adjusted annually

Applicable Policies

CHFA Board Policy Statements apply to the HTCC Program, and include:

- Program Eligibility Requirements: Delinquent or Non-Performing Applicants - Policy Statement

- Multifamily Rental Housing Development Costs - Policy Statement

- Any other policies as may be applicable

APPLICATION PROCESS AND FUNDING TIMELINE

Process and Timeline

- Applicants must use version 2021 of the CHFA-DOH Consolidated Application (which is available through the required SharePoint application site)

- Complete applications must be submitted through SharePoint no later than June 1, 2021 by 4:00 p.m.

- Deficiency Letters will not be sent.

- Applications missing "T" or Threshold items from the Exhibit Checklist will not be given further consideration.

Process and Timeline

- Applications scored against the program criteria

- Top scoring Housing Programs will be recommended for reservations until the pool of $10,000,000 is exhausted

- Announcements made in September

- Approved applicants will have 60 days to provide executed Business Firm commitments

Process and Timeline

- The Business Firm makes the HTCC payment or "contribution" to the award recipient for its Housing Program

- The award recipient provides evidence in the form of a notarized statement with a copy of the check <u>and evidence that the funds are in a segregated account</u>

- CHFA issues a tax credit voucher to the Business Firm

Process and Timeline

- Any uncommitted funds become available to the highest ranked applicants who are able to secure Business Firm commitments

- Business Firm commitments for these uncommitted funds will be due 30 days from notification of funds availability

2021 Calendar

June

o Applications due to SharePoint on June 1, 2021 by 4:00 PM

September

o Announcement posted on CHFA's website of eligible Housing Programs to which Business Firms contribute

November

o Contributing Business Firm applications are due at CHFA offices in Rocky Hill, CT by November 2021

o Uncommitted funds become available to the highest ranked applicants who are able to secure Business Firm commitments

December

o Applications for contributing Business Firms for uncommitted funds are due at the CHFA offices in Rocky Hill, CT by December 2021

SHAREPOINT
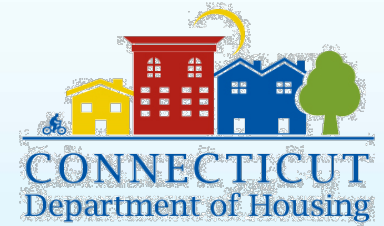
What is SharePoint?

- SharePoint is used as a means to submit a Consolidated Application to CHFA and DOH

- It is a Microsoft-based product that will create a website for each application submitted, and then allow direct download of information for the recipient

How to get access to SharePoint

- The Applicant should send an email to applicationrequest@chfa.org providing:
    - Funding Round (e.g. HTCC, 9% LIHTC, CHAMP, SSHP, etc.)
    - Application Name
    - Company Name
    - Primary Contact Name
    - Primary Contact Phone
    - Primary Contact Email
- Each application request will require a separate email to be sent
- All requests to set up a SharePoint application site must be submitted by 4:00 PM on Tuesday, May 25, 2021 to allow time to create the application websites
- Receive email with access to the application specific website
- A Microsoft Account will have to be created for each email address used in SharePoint

Consolidated Application Workbook

- Built into SharePoint

- Can be edited and saved directly to site allowing team members to work on the same file, most updated version

- Can be downloaded to individual PC's to be edited and uploaded when complete (prior to submission deadline)

- Can be downloaded from CHFA and DOH websites, then uploaded to SharePoint when complete (prior to submission deadline)

  - **The version submitted must be the same as what is available to download from the SharePoint application site (Home page and Reference Library)**

Sharing the Site

- SharePoint allows site sharing, which means once the site is created, and one team member is able to log in, they can then share the site with anyone else

- This allows multiple users to:
    - Assign and complete tasks
    - Update one Consolidated Application workbook
    - Upload files as necessary

Submitting the Application

- Applications for HTCCs are due by June 1, 2021 no later than 4:00 p.m.
  - o SharePoint will be locked for further editing after this time, and any items that are not completely uploaded by then will be considered deficient

- It is recommended to upload documents as they are completed to avoid any potential submission errors due to attempts to upload to the site at the cutoff time

- If you can view the uploaded file from the SharePoint site it has been successfully uploaded and will be considered part of your application

Submitting the Application

- CHFA will not review any uploads to the SharePoint site until after the application submission date/time

- Nothing submitted via email will be considered as part of the application, unless requested specifically by CHFA

- **To submit your application and lock your website, mark all the items in the Task List section as complete.**

Reference Library

- This section includes a downloadable version of the Consolidated Application, as well as several templates and forms that are to be completed and submitted with each application (as applicable)

Reference Library

Overview
Completing this application may require input from various reference materials located on the CHFA and DOH websites.

CHFA Reference Materials:
- Consolidated Application Workbook 2016.3.xlsm

- 4.3.a - Project Narrative.pdf
- 4.3.b - Homeownership Development Projects Narrative.pdf
- 4.3.c - Market Assessment.pdf
- 4.3.d - Program Narrative.pdf
- 4.11 - Program Guideform - Relocation Assistance Plan.pdf
- 8.1.a - NEPA Statutory Checklist.pdf
- 8.1.b - NEPA Environmental Assessment Checklist.pdf
- 9.1.a - Fair Housing Impacts.pdf
- 10.1 - Certifications.pdf
- 10.3 - Affirmative Action Policy Statement.pdf
- 10.4 - Fair Housing Policy Statement.pdf
- 10.5 - Certification to Affirmatively Further Fair Housing.pdf
- 10.6 - HTCC Certification.pdf
- 12.6 - Building Schedule.pdf

Home
Task List
ConApp Workbook
File Uploads
Reference Library
Help
Recent
Recycle Bin

CONSOLIDATED APPLICATION

Consolidated Application

- Large Excel workbook designed to be used for numerous funding rounds

- Includes templates for required forms and instructions

- Shows Threshold Requirements for each type of application (Exhibit Checklist)

- Has links throughout for ease of navigation and reference

- Includes buttons on the Exhibit Checklist to show only necessary items based on the funding round

Using The Consolidated Application

- Start on the Exhibit Checklist, by clicking the "Core Items" button, then clicking the appropriate funding round buttons

- This will hide any items not needed for that specific round

- If a mistake is made, or additional exhibits are needed, click "Show All"
  - Information will not be lost, just hidden until "Show All" button is selected

- Fill out blank fields, checkboxes, drop downs on the Application worksheet

Consolidated Application cont'd

4.1 Development Information

Development Name _____

Development Type [yellow dropdown field ▼]

Family
Elderly
Supportive Housing

Development Address _____

City _____

Metropolitan Area _____

Drop Downs

Data Tables

DEVELOPMENT NAME	0		
PITAL, GRANTS, Etc.	Construction Sources	Permanent Sources	Grant [Y] or [N]
DOH / HUD HOME Funds			
DOH Affordable Housing Program - FLEX			
DOH Housing Trust Fund			
DOH / HUD CDBG Small Cities Funds			
DOH Other [Specify]			
Other Public Funds [Specify]			
Federal LIHTC Net Proceeds		0	N/A
Federal Historic Tax Credit Net Proceeds			N/A
State Historic Tax Credit Net Proceeds			N/A
CT HTCC Tax Credit Proceeds			N/A
Developer / Investor Cash Equity			N/A
Homeownership Sales Proceeds			
Energy Rebates			
Existing Property Reserves			
Other [Specify]			
Other [Specify]			
Sub-Total	$0	$0	

1.1 Applicant (Owner/Mortgagor)

Applicant Name _____

Applicant Address _____

City _____

Contact Name _____

Phone _____

Email _____

Website _____

If awarded funds pursuant to this application, will the applicant or co-sponsor be-formed and anticipated name and date formed.

Please check appropriate Applicant type:

☐ Housing Authority   ☑ For-Profit Entity
☐ Partnership*   ☑ Limited Liability Company
☐ Other

If "Other" _____

Checkboxes

Using The Consolidated Application

- Complete other required worksheets to be included with submission

- Print and sign any applicable signature documents.
  - Scan and upload signature documents with application submission via SharePoint

- Version # 2021 must be used for submission

- If something needs to be modified, a request to unlock specific sections can be made, but must include an explanation

COMPLIANCE REMINDERS

HTCC Compliance

- Program compliance begins after credits are awarded

- Compliance consists of Quarterly Report submissions and site visit inspections with CHFA staff and the sponsor

- Quarterly Reports are due no later than the 15th of January, April, July, and October of each year for three years or until the project has closed out

HTCC Compliance

- Quarterly Reports and all back-up documentation must be uploaded to the HTCC dropbox via the link on the CHFA website

- Quarterly reports must be accompanied by a disbursement/accounting summary of the Housing Programs segregated account, applicable invoices, and progress photos taken at the properties.

- Information must match submitted quarterlies, if permits and financing commitments weren't provided during application they should be provided once obtained.

HTCC Compliance

- In accordance with the HTCC Guidelines, changes to the allocation of HTCC funds must be discussed with CHFA. Their intended use is not fungible.

- Any material deviation requires CHFA written consent, failure to obtain written consent shall be considered an event of noncompliance.

HTCC Compliance

- Failure to submit Quarterly Reports and/or respond to findings of non-compliance will have a negative impact on all future applications by the sponsor or any affiliated entities

- Applicants who fail to timely provide four (4) quarterly reports or those with Housing Programs in material non-compliance may be ineligible to apply for funds and will be classified as programmatic noncompliant

HTCC Compliance

- Applicants are advised to familiarize themselves with CHFA's Policies, Procedures and Guidelines so that they are aware of the penalties for noncompliance.

HTCC Closeout

- Upon project completion, each applicant is required to complete a project closeout form

- Applicants should additionally provide:
  - Certificates of Occupancy
  - Original, notarized CHFA Certificate(s) of Completion
  - Summary of expenditures
  - Evidence of non-profit continued compliance (tracked by CHFA)

HTCC Closeout

- Failure to submit final completion documents within three (3) years and ninety (90) days from the date of the reservation letter will result in the ineligibility of the applicant in the HTCC Program for a period of two (2) consecutive funding rounds.

2021 HTCC Program Overview

Top 10 Tips!

10. Cultivate potential relationships: the pool of investors is not deep.

9. Don't wait until the last minute to submit your application – give yourself time to address questions or issues with your submission.

8. Follow the Exhibit checklist and read the application to clearly understand what is required - If there is a "T" on the checklist, it is a threshold requirement.

7. If you are an applicant checking "Yes" that there is an identity of interest between development team members, you must submit certification explaining the relationship.

6. Total expected sources should not include the current HTCC request. There is a separate line for prior round HTCCs.

5. Issues arise when applicants alter, edit, or delete parts of the Consolidated Application, including formulas, which causes errors because many of the worksheets are linked and are threshold exhibits.

4. Avoid having conflicting information, like the unit mix on the application tab vs. rental income sheet – double check your application before submission.

3. Applicants submitting an application that is missing threshold item(s), no matter how minor they may seem may not move forward in the round due to missing threshold items.

2. Applicants should read the Guidelines and ensure they meet application requirements. This includes getting CHFA and/or DOH approval to apply if you have prior CHFA and/or DOH funding.

1. Remember there is NO DEFICIENCY PERIOD – double check and triple check your application submission to make sure all required items are included.

Tips for Applicants *Previously Funded*

- Maintain program compliance and eligibility to apply.

- If an applicant needs to make changes to their housing program after they have been awarded, they should submit their request as soon as possible.

- Be sure to close the project upon completion.

Contacts

HTCC application or compliance questions:

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ConApp or SharePoint questions:

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2021 HTCC Program Overview

QUESTIONS & ANSWERS