

# The State of Connecticut Department of Housing

## NOTICE OF FUNDING AVAILABILITY

### Competitive Housing Assistance for Multifamily Properties 5 (“CHAMP 5”)

#### **Deadline for Submission of Applications: Monday, June 16, 2014.**

This Notice of Funding Availability (this “NOFA”) is directed to owners of either existing affordable rental developments or developers of proposed new affordable multifamily rental developments seeking funding from the Department of Housing (“DOH”).

#### A. Goal of this NOFA:

The State of Connecticut (the “State”) is committed to expanding opportunities for safe, decent and affordable multifamily rental housing for its residents. Investment in affordable multifamily rental development and preservation creates jobs and increases local revenue. The goal of this NOFA is to foster the creation and/or preservation of affordable multifamily rental housing in Connecticut to promote healthy lives, strong communities and a robust economy. Applications for homeownership proposals will not be accepted under CHAMP 5. DOH will continue to evaluate the eligibility of homeownership projects for future CHAMP rounds.

#### B. Funding:

Approximately \$25 million is anticipated to be made available pursuant to this NOFA. Funding available under this NOFA may, at DOH’s discretion, include Housing Trust Fund Program (“HTF”) funds, Affordable Housing Program (“FLEX”) funds, and/or federal HOME Investment Partnership Program (HOME) funds. Under state law housing units assisted with HTF funds must be affordable for persons and families with incomes up to 120% of Area Median Income (“AMI”) and housing units assisted with FLEX funds must be affordable for persons and families with incomes up to 100% of AMI. Note, however, that in this competitive funding program, lower affordability thresholds are required unless certain conditions are satisfied. DOH funds may be provided in the form of grants, loans or a combination thereof based on project needs and DOH’s underwriting. Loans may be offered by DOH at a reduced interest rate and/or with extended terms. DOH funding under this NOFA may not exceed \$5,000,000 per development.

In addition, DOH will make available to Projects selected in connection with this NOFA up to approximately 30 rental assistance certificates subject to the rules and regulations of the State’s Rental Assistance Program (each, a “RAP”). Such RAPs must be targeted to units restricted to households earning 30% of AMI or less and will be considered project based. No proposal should contemplate the use of more than 5 RAPs. If an applicant is contemplating one or more RAPs, the applicant should describe in the narrative portion of the application how the project would differ if fewer RAPs were allocated by DOH. The amount and terms of the RAPs are subject to the review and modification of DOH in connection with its underwriting and application review.

An applicant for funding under this NOFA may also simultaneously apply for Connecticut Housing Finance Authority (“CHFA”) Taxable Bond or Tax-Exempt Bond financing paired with 4% Low-Income Housing Tax Credits (“LIHTCs”). CHFA will continue to accept 4% LIHTC applications on a rolling basis for non-DOH co-funded proposals. For further details, please contact CHFA at 860-721-9501.

C. Eligible Applicants:

Applicants eligible for consideration under this NOFA include any entity that is an “Eligible applicant” under the Affordable Housing Program, Connecticut General Statutes (“CGS”) § 8-37pp. CGS § 8-37pp defines an eligible applicant as “(A) A nonprofit entity; (B) a municipality; (C) a housing authority; (D) a business corporation incorporated pursuant to chapter 601 or any predecessor statutes thereto or authorized to do business pursuant to said chapter 601 having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; (E) any partnership, limited partnership, limited liability company, joint venture, sole proprietorship, trust or association having as one of its purposes the construction, financing, acquisition, rehabilitation or operation of affordable housing, and having a certificate or articles of incorporation approved by the commissioner; or (F) any combination thereof.”

Notwithstanding the above, housing developments currently in the State Sponsored Housing Portfolio are not eligible to apply under this NOFA unless the proposal includes the creation of at least 20 new residential units and the number of newly created rental units is equal to or exceeds 20% of the existing project units. Units which are currently offline which will be returned to occupancy are not considered newly created units.

D. Application Submission Requirements:

Applicants must use the CHFA/DOH Consolidated Application version 6.2 (the “ConApp”) which will be available at DOH’s website at [www.ct.gov/doh](http://www.ct.gov/doh) (the “Website”) no later than April 10, 2014. All application materials must be submitted via electronic submission through the State’s Biznet portal for the ConApp. The Biznet portal can be found at <http://das.ct.gov> or by clicking the Biznet button on the right side of the DOH Website. **Hard copies of application materials will not be accepted** except for architectural drawings and project manuals, which must be submitted in hard copy to DOH and/or CHFA by the June 16, 2014 4:00 p.m. deadline.

- Applications must include, at a minimum, architectural drawings which meet the 40% completion standard. Applications not accompanied by 40% architectural drawings will not be considered.
- DOH has eliminated its application deficiency period and accompanying deficiency letter and response process. All CHAMP 5 applications must be complete as of submission on or before the submission deadline of June 16, 2014.

DOH is also instituting the following new requirements for CHAMP 5:

- For affordable housing units proposed to be assisted with CHAMP 5 funds, the AMI range served must be below 80% of the applicable AMI, provided, however, that DOH will accept applications for developments where DOH assisted units are serving income

levels between 80% and 120% of AMI if the applicant demonstrates to the satisfaction of DOH that the proposed project:

- will be located in an area designated by the municipality for downtown revitalization and the applicant demonstrates that there is sufficient demand for units to be rented at the higher affordable income levels; and/or
- is necessary for the financial feasibility of a mixed income development which includes a range of income bands, including units at or below 30% AMI;
- There is a limit of one application per developer for the CHAMP 5 round. The one application limit will apply to any developer, co-developer, and/or sponsor.
- Proposals including the rehabilitation of existing affordable housing, including, but not limited to, properties currently restricted by LIHTC, DOH, HUD, CHFA, or other affordability restrictions, will only be considered if there is a demonstrated need that the rehabilitation activities are of an immediate nature and threaten the continued feasibility of the development ***OR*** if the property is at risk of losing the current affordability requirements with three calendar years of the application deadline.
- Developer fees are limited to 8% of the total project development costs less acquisition costs. The 8% developer fee maximum does not include deferred developer fees.
- Each application for CHAMP 5 funding must provide that for at least ***2 units, there will be a preference for homeless veterans***. Applicants may propose the use of state RAPs for these 2 homeless veteran units.

E. Application Submission Schedule and Process:

Applications for funding under this NOFA, including, if applicable, all materials required by CHFA, must be submitted no later than Monday, June 16, 2014 at 4:00 p.m.

Application materials and questions should be submitted to the attention of Edward LaChance. On or before June 10, 2014, applicants may contact Mr. LaChance via email at [edward.lachance@ct.gov](mailto:edward.lachance@ct.gov) with questions related to this NOFA. Questions and DOH's answers thereto will be periodically posted on the Website. Any questions received after June 10, 2014 will receive responses at DOH's discretion. In addition, an overview conference for questions and answers regarding this NOFA will be held on:

**April 14, 2014**  
**At 10 a.m.**  
At The Lyceum  
227 Lawrence Street  
Hartford, CT

Please e-mail [marilyn.taylor@ct.gov](mailto:marilyn.taylor@ct.gov) to register for this overview conference on or before April 10, 2014.

F. Selection Criteria:

Applications will be rated and ranked by DOH using the CHAMP 5 Rating and Ranking form. DOH and CHFA staff will coordinate the review of applications seeking funding from both organizations. The CHAMP 5 Rating and Ranking form will be available on the Website on or before April 14, 2014.

G. Reservations:

All applications submitted in response to this NOFA are the sole property of the State and subject to the provisions of Connecticut's Freedom of Information Act, CGS §1-200 et seq., which provides that public records and documents are subject to public access and copying unless specific exemptions to disclosure exist. If an applicant believes that portions of its application are exempt from disclosure, the applicant should mark the specific portions as confidential. Acceptance of an application by DOH which contains such reservations is not an agreement that the material is confidential or exempt from disclosure. DOH reserves the right to amend or cancel this NOFA, to modify or waive any requirement, condition or other term set forth in this NOFA or the Consolidated Application, to request additional information at any time from one or more applicants, to select any number of applications submitted in response to this NOFA, or to reject any or all such applications, in each case at DOH's sole discretion. DOH may exercise the foregoing rights at any time without notice and without liability to any applicant or any other party. Applications to this NOFA shall be prepared at the sole expense of the applicant and shall not obligate DOH to procure any of the services described therein or herein from any applicant. DOH shall not be obligated to any applicant until a final written agreement has been executed by all necessary parties thereto and all applicable approvals have been obtained.