

**REQUIREMENTS and INSTRUCTIONS
for the Fall 2022 Development Engagement Process
and Completing the Profile Using the New Preliminary Application**
Opportunities for Affordable Housing Funding

BACKGROUND:

On August 25, 2022, the Department of Housing (DOH), in collaboration with the Connecticut Housing Finance Authority (CHFA), issued a [Notice for the Development Engagement Process Fall 2022](#) (DEP Fall 2022), which is intended to identify and facilitate the creation of a pipeline of potential projects for future funding opportunities. Projects for new construction, substantial rehabilitation or preservation of affordable housing are invited under the Notice. The DOH/CHFA DEP has been developed for interested parties to submit the description of the project based on the best available information at the time of submittal.

Please note that the DEP Fall 2022 assumes the potential of State bond funding of the projects whose applications are ultimately selected; however, DOH reserves the right to allocate Federal funds to projects, in which case applicable Federal requirements must be adhered to.

Projects interested in CHFA funding are advised to contact Terry Nash Giovannucci, CHFA's Community Engagement Manager at terry.nash@chfa.org for information and eligibility criteria.

Participation in the DEP does not constitute a commitment of any DOH/CHFA financing or other assistance and matters outside the control of DOH/CHFA could affect any and all expectations and/or representations made during the Development Engagement Process.

Interested parties should monitor <https://portal.ct.gov/DOH/DOH/Housing/Funding-Opportunities> for updates and additional notices.

ELIGIBILITY AND REQUIREMENTS:

Projects for which a DEP was submitted previously and that have not yet submitted a full CHFA DOH Consolidated Application may be required to participate in this or a future round of Development Engagement, using the Preliminary Application, before continuing DOH discussions. Such Applicants should contact Nathan Karnes at DOH-DevelEngage-2022@ct.gov for determination as to whether earlier consideration of their proposal has been extended.

- There are no requirements to engage a consultant, prepare formal documentation, obtain local approvals, or expend funds in order to complete and submit the Development Engagement Profile.
- Sponsors or an organization backing them should be an existing enterprise able to, upon request, submit audited financial statements.

- All respondents to the DEP Fall 2022 should review the Qualified Allocation Plan (QAP) as a guide regardless of whether the project will be seeking LIHTCs. The QAP is discussed later.
- A prior commitment of DOH financial assistance is not a requirement of making application to CHFA, but readiness to proceed is a critical component of CHFA application evaluation.
- Responding parties must be eligible under Section 8-37pp of the Connecticut General Statutes to apply for DOH financial assistance and the subject activity must be an eligible project as defined in that statute. Please see statutory requirements on page 7.

Homeownership:

Sponsors interested in homeownership development projects, as opposed to fully rental activities, should contact rivera.miguel@ct.gov to discuss their specific proposal and the possibility of DOH financial assistance. Complete the Preliminary Application to the extent possible for the homeownership development project and upload your relevant documents. Some form questions may require a response even though the question is not relevant. Provide an answer if needed however we will understand it is a placeholder in the form. Homeownership is not exempt from CEPA intake. Homeownership project review will include examination of a construction and sale cash flow demonstrating subsidy need.

Limitation:

Multiple projects should not be combined into one Preliminary Application (with the exception of “Phases”, of a similar nature). Activities requiring a different approach to review, different municipal approval, unique construction contracts or separate financing, should be submitted as separate applications.

Organizations and their affiliates are limited to three (3) DEP submissions for distinct projects in the DEP Fall 2022. Consultants and their organizations are also limited to three (3) DEP submissions for unique projects. Those acting in the role of owner or developer on one or more projects and consultant on a different project are limited to a total of three (3) DEP submissions.

Any future award of DOH state bond funding is limited to \$100,000 per unit or \$4,000,000 maximum per project. This does not include Federal funding which DOH might make available to a project.

Concepts and Projects with Eligibility Concerns:

If you have a project concept you want to discuss with the Department of Housing prior to completing the DEP, please send an email describing your project and requesting a conversation to rivera.miguel@ct.gov.

Exclusions:



This process is not intended for the following activities:

- Proposals for the funding of programs for administration are not included in the Notice and invitation.
- Projects anticipating applying to CHFA for 9% Low-Income Housing Tax Credit (LIHTC) in any application round later than January 2023.
- This process is not intended for properties included in the State Sponsored Housing Portfolio (SSHP). Representatives of such projects should contact their CHFA Asset Manager to discuss opportunities for assistance.
- Projects that have received, been approved for, or are in active discussion with DOH for predevelopment loan assistance should determine applicability before participating in DEP Spring 2022. Contact your DOH project manager or Miguel Rivera at rivera.miguel@ct.gov.

POLICIES:

DOH has published [Interim Policies for Housing Development](#) in April 2022. Review and consider the comprehensive information in this document before your preparation of a Preliminary Application or submittal to the Development Engagement process. DOH expect projects to adhere to these Policies, which may be refined or revised while they are still in Interim form, so please check back for the most recent version on our website.

ENVIRONMENTAL REVIEW:

Connecticut Environmental Policy Act (CEPA) / National Environmental Policy Act (NEPA):

DOH must complete CEPA or NEPA process prior to awarding financial assistance to a project. CEPA and NEPA are broad reviews that include assessments such as: flood zone impacts, historic implications and requirements, and environmental reviews.

For most projects this involves a simple review of characteristics and confirmation that 'scoping' is not required. For some, through scoping, the extent of further review is defined and then undertaken, which might include review by other State agencies with applicable jurisdiction. For a few projects, more extensive review and even special permitting are required. Generally, projects in this third category will need to substantially complete that process before being seriously considered for financial assistance.



Therefore, prior to submission of an application for financial assistance (a step after the DEP), submission of a CEPA Intake Form and supporting documentation including 40% drawings is required. The DOH standard is for new construction and conversion projects to provide this information ninety (90) days prior to application and for rehabilitation of existing housing to provide it sixty (60) days prior to application for financial assistance. At your own expense, you are welcome to pursue these reviews before responding to the DEP or while your DEP submission is under consideration.

In your DEP submission, please describe efforts to date regarding each of these reviews and the expected timing of these approvals. Also describe any challenges or impediments to obtaining these approvals, specifically, if scoping is required.

The [CEPA Intake Form](#) is available at:

https://portal.ct.gov/-/media/DOH/ConApp/cepa_intake_form-2021.pdf

CONSOLIDATED APPLICATION:

The full application for financial assistance is called the CHFA / DOH Consolidated Application and a primary intent of the Development Engagement Process is to aid DOH in determining which projects to invite, at a later date, to submit a ConApp.

All applicants are required to use [the most recent published version of the form](#), which has its own submission process and is available at <https://portal.ct.gov/DOH/DOH/Applications/Consolidated-Application>

The submission of 40% drawings and specifications is a minimum threshold requirement for the Consolidated Application.

All Fall 2022 DEP respondents should have sufficient capacity and preparation to anticipate delivering a completed CHFA / DOH Consolidated Application. Applicants not seeking 9% LIHTC should be capable of delivering the full ConApp by March 31, 2023. For Applicants seeking 9% LIHTC, an invitation to apply is not required and the ConApp due date is January 11, 2023.

PRELIMINARY APPLICATION FILE UPLOADS:

Supporting Exhibits and Financials:

The Preliminary Application supports the upload of specific exhibits which, if the information is available, should be included so that we may better consider the readiness of your project to proceed. Do not email these exhibits. Other exhibit types may be welcomed by DOH once the follow up conversation has begun. The Preliminary Application exhibits are optional and limited to:

- PROJECT NARRATIVE (PJNAR) according to the requirements of the Consolidated Application
- CEPA INTAKE (CEPA) form if you have the signed DOH response
- SITE CONTROL (STCTR) document showing evidence of status
- SITE PLAN (STPLN) approved or proposed to your town

- UNIT MATRIX (UNMTX) if preliminary information is known
- SOURCES AND USES (SRCUS) for the project as available at this time
- PROCUREMENT PLAN (PRPLN) for all major project team participants if available

Please be aware that evaluation of project financial and other exhibit documents is a cursory review only and a full underwriting review and approval will still be required upon application.

Project Narrative for Upload:

If in addition to the space limited project description in the Preliminary Application you are preparing your own narrative for uploading, include: the type of housing, population served, number of building and number of units and other significant site characteristics or amenities. Provide a projection of key project steps and discuss applicable milestones, including Planning and Zoning approvals, and release of property from existing commitments, approval to demolish or renovate historic property, completion of environmental site assessments and hazardous materials surveys, etc. Or you may choose to follow the form from the Consolidated Application, linked here: <https://portal.ct.gov/-/media/DOH/43a--Project-Narrative.pdf>

Planning and Zoning Approval:

Please provide information regarding the status of the Planning and Zoning site plan or full approval and if not approved, a timeframe. If your project has approval, address meeting any conditions.

Procurement:

While the DEP does not require you to have your team in place, if you are assembling one, DOH requires proper procurement of General Contractor or Construction Manager, Development Consultant, Project Architect and other major professional service providers on the team. This may include professionals involved in your predevelopment activities. Requirements can be found under Procurement on this web page: <https://portal.ct.gov/DOH/DOH/Applications/Consolidated-Application> Please refer to the DOH website for additional information relating to specific procurement requirements or reach out to DOH Architectural and Technical Services.

Site Control:

Prospective property owners must, at a minimum, have an active option on the proposed development property. Prospective developers should be in partnership with an owner or prospective owner, and prospective consultants should be representing an owner or developer. A speculative interest only in a project is not a sufficient relationship to participate.

Relocation:

If the property is the dwelling for individuals or households, Sponsors should at the time they are contemplating DOH funding also prepare to comply with the Connecticut Uniform Relocation Assistance Act and regulations, CGS 8-266.

The DEP submission should include a description of the circumstances and developer's intentions and expected costs related to the compliant administration of a relocation plan, whether such relocation is temporary (on-site or off-site), or permanent.

Projects selected for financial assistance must comply with the act and regulations and the approved costs of such compliance are eligible project expenses.

Rental Assistance:

If the proposed development anticipates the need for RAP or Section 8 rental assistance subsidy, or if an occupied property seeking rehabilitation funding currently has rental subsidies, please include this in the project description.

Supportive Services:

If the proposed development anticipates offering supportive services to tenants, please include a full description of the services to be offered, an estimated budget (with source), and name the proposed service plan provider.

Qualified Allocation Plan (QAP):

All respondents to the DEP should review the [CHFA Qualified Allocation Plan \(QAP\)](#) for applicable policies and priorities of affordable housing and for its Glossary of Terms. The QAP is available on the CHFA LIHTC page on CHFA's website and is linked on page 8 below.

These sections of the QAP are relevant to all DEP respondents; please review and adhere to:

- State Housing Plans
- Basic Threshold Requirements
- Financial Feasibility
- Opportunity Characteristics
- Rental affordability – (for DEP Fall 2022, 'affordable housing' is at or below 80% AMI only)
- Hard Costs, Experience of the sponsor/applicant and development team

How to access the Preliminary Application:

THE PRELIMINARY APPLICATION AND DEVELOPMENT ENGAGEMENT PROCESS FALL 2022

The following link will be available through Noon on Friday November 18, 2022.

https://forms.chfa.org/CHFAdocs/form/2022FallDevelopmentEngagementProfilePreliminaryApp/formparmer/EbzulwaiNHVHjzd3bMNtps6P4nCRV_FF6ZIP9MjP6Lg

The online form is estimated to take 30 to 45 minutes to complete. Your signature will be electronic. Respondents that have submitted Preliminary Applications will receive an email confirmation that includes a .pdf copy of their DEP response.

During completion of the Preliminary Application, partial work can be saved, and the system will provide a link, by email, for you to return and complete the form and process.



On the last tab of the Preliminary Application, you may upload select supplemental exhibits as listed in the Preliminary Application and described elsewhere in these instructions.

At the close of the DEP Fall 2022 participation period, partial / unsubmitted applications will be deleted and applicant notification will be attempted once. Preliminary Applications must be submitted by Noon on Friday November 18, 2022, after which no further submissions will be accepted.

Deadline:

Submissions will be accepted according to this Notice and the Requirements and Instructions beginning Thursday, September 22, 2022 through Noon on Friday, November 18, 2022.

Next Steps After the Acceptance Period for Preliminary Applications:

DOH Only, 4% LIHTC and Other Projects:

At the close of the Fall 2022 DEP acceptance period, responses will be categorized and reviewed by staff of the Agencies. We ask for your patience while the Agencies follow up with each respondent in a manner determined to be most appropriate based on the information they have provided. A follow-up meeting with the developer/owner and DOH/CHFA may be scheduled on a case-by-case basis to discuss the proposed project. It is the expectation of DOH and CHFA that the process will result in a number of developers being invited to submit full ConApp materials for their project, subject to funding availability.

2023 9% LIHTC Projects:

The Fall 2022 DEP submission and subsequent Pre-Application Conference meets the requirements of CHFA's Procedures. Applicants will be contacted by CHFA staff within ten days of submitting a DEP submission to schedule a Pre-Application Conference. Invitations to submit a full ConApp are not required for 9% LIHTC applicants and will not be issued. Applicants must ensure that they submit a full ConApp prior to the deadline of 4:00 PM on January 11, 2023 if they wish to participate in the 2023 9% LIHTC round.

Inquiries:

Please direct any inquiries regarding the Profile to the DOH-DevelEngage-2022@ct.gov address which will be monitored by Nathan Karnes, Community Development Specialist at DOH. This address is not for submitting any Development Engagement Profile, exhibits or forms as part of your initial Development Engagement submission.

End of Instructions and Requirements - Continue for **Resources**

RESOURCES

The Connecticut Affordable Housing Statute:

Connecticut General Statutes, Affordable Housing, Section 8-37pp (2019)

a(4) "Eligible applicant" means: (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 basic documents of organization approved by the commissioner; or (F) any combination thereof;

a(6) "Eligible project" means a project designed for the purpose of providing affordable housing, and shall include, but not be limited to, (A) acquisition, construction, rehabilitation, repair and maintenance of residential or mixed use structures, (B) acquisition, construction, rehabilitation, repair and maintenance of related infrastructure, facilities and amenities incidental and pertinent to the provision of affordable housing and intended primarily to serve the residents of the affordable housing project, that may include, but not be limited to, a community room, laundry, day care space, computer center, management office or playground, or (C) demolition, renovation or redevelopment of vacant buildings or related infrastructure.

(c) An application for financial assistance shall be in the form and manner prescribed by the commissioner. In determining whether and to what extent to fund an application received from eligible applicants, the commissioner may consider relevant factors including, but not limited to, the following: (A) The ability of the project to affirmatively further racial and economic integration, including expanding multifamily rental housing opportunities in suburban and rural communities; (B) the ability of the project to meet the housing needs of the lowest income populations; (C) the ability of the project to revitalize urban neighborhoods, including expanding homeownership and increasing multifamily rehabilitation in the central cities; (D) the ability of the project to provide a full range of supportive housing options for people with special needs or who are at risk of becoming homeless; (E) impact of the project on the local neighborhood, region and the state; (F) short-term and long-term benefits of the project; (G) impact on affordable housing needs of the neighborhood, community, municipality and region; (H) project feasibility; (I) potential for leveraging other public and private investments; (J) applicant's ability to implement the project in a timely manner; (K) the relative need for the project; (L) the applicant's financial commitment to the project, except in the case of a nonprofit entity or a housing authority created pursuant to section 8-40; and (M) the extent



to which the project will advance the public purposes set forth in this subdivision.

Policies:

As of April 2022, the Department of Housing has published **Interim Policies for Housing Development**. The comprehensive information in this document should be reviewed and considered before your preparation of a Preliminary Application or submittal to the Development Engagement process. DOH expect projects to adhere to these policies, which may be refined or revised while they are still in Interim form, so please check back for the most recent version on our website.

Links:

(These links are provided for convenience. please report a broken link, but applicants should otherwise search out the document on their own)

Connecticut Department of Housing

www.ct.gov/doh

[DOH HOME \(and National Housing Trust Fund\) Compliance Manual](#)

[2022-2023 DOH DRAFT Action Plan for Housing and Community Development](#)

[State of CT HOME Investment Partnerships Program – American Rescue Plan HOME – ARP Allocation Plan](#)

Connecticut Housing Finance Authority

www.chfa.org

CHFA Qualified Allocation Plan 2022-23.

[https://www.chfa.org/assets/1/6/FINAL_2022-23_QAP_\(July_2021\).pdf](https://www.chfa.org/assets/1/6/FINAL_2022-23_QAP_(July_2021).pdf)

(for additional definitions please refer to the [QAP Glossary of Terms](#))

CHFA Multifamily Standards and Guidelines of Design, Construction and Sustainability (also adopted by DOH)

<https://www.chfa.org/developers/design-and-construction-criteria/>

Connecticut Plan of Conservation and Development

<https://portal.ct.gov/OPM/IGPP/ORG/Conservation-and-Development-Policies-Plan/Conservation-and-Development-Policies-Plan>



HUD Environmental Review Information

<https://www.hudexchange.info/programs/environmental-review/>

CT DOH Environmental Review Information

CEPA: https://portal.ct.gov/-/media/DOH/ConApp/cepa_intake_form-2021.pdf

CDBG: https://portal.ct.gov/-/media/DOH/Sandy_Relief_Docs/EnvReviewGuidepdf.pdf?la=en

CT DECD Historic Properties Requirements Approvals and Incentives

<https://portal.ct.gov/DECD/Services/Historic-Preservation>

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