



Ned Lamont
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



Seila Mosquera-Bruno
Commissioner

NOTICE: DEVELOPMENT ENGAGEMENT PROCESS FALL 2022

08/25/2022

The Department of Housing (DOH), in collaboration with the Connecticut Housing Finance Authority (CHFA), is for a limited time inviting participation in the Development Engagement Process Fall 2022 (DEP Fall 2022). The DEP Fall 2022 facilitates the creation by DOH of a pipeline of identified potential projects for future DOH funding opportunities. It is also used by those who will be seeking CHFA Low-Income Housing Tax Credits (LIHTC), with or without a DOH subsidy. All respondents to the DEP Fall 2022 interested in 4% or 9% LIHTC must rely on the [2022 and 2023 LIHTC Qualified Allocation Plan](#) (QAP). With the exception of 2023 9% LIHTC applicants, for which the Consolidated Application is due January 11, 2023, the DEP Fall 2022 is for projects that, upon invitation, can apply for development funding no later than July 31, 2023. These respondents must reasonably believe they are able to prepare and deliver a complete and compliant CHFA & DOH Consolidated Application within eight calendar months of the close of the DEP Fall 2022.

With this Notice we are also informing you of the upcoming 2023 9% LIHTC round, the preapplication phase of which will open and close simultaneously with the DEP Fall 2022. *Projects seeking 9% LIHTC but not intending to apply in the 2023 9% LIHTC round should not participate in DEP Fall 2022.* The rules and priorities for LIHTC are documented separately by CHFA and will follow the 2022 and 2023 QAP. CHFA will hold a virtual LIHTC Overview Session on Tuesday, September 13, 2022. Notice of the Overview Session will be made by e-blast and posted on CHFA's website. For the 2023 9% LIHTC round, the requirements, descriptions and priorities in this Notice are superseded by all communication from CHFA regarding 9% LIHTC.

The DEP Fall 2022 helps establish a pipeline; it is not competitive, nor does it directly result in an award of financial assistance. Participants have an opportunity to introduce their prospective developments and receive early feedback as to how their proposals appear to coincide with the priorities and focus areas that are important to DOH and CHFA.

Eligible Proposals: Potential projects would be in categories such as new construction, substantial rehabilitation, or preservation of multifamily affordable rental housing. We are seeking to build a pipeline of potential projects that address our targets for affordability:

- > Projects with a minimum unit mix of 80% affordable (a maximum of 20% market-rate or unrestricted units)
- > Affordability for households at or below 30%, 50%, and 60% Area Median Income tiers

Ineligible Proposals: DEP Fall 2022 is not intended for projects in the State Sponsored Housing Portfolio, those proposing Homeownership activities, those that fall far short of 80% of units at or below 60% of AMI or proposals contemplating the third-party administration of housing programs. If DOH were to open these types of activities to new applications in the future, they would be Noticed and have their own intake process.

Discretion of Resources: For projects that come in through DEP Fall 2022 and then are invited to apply for financial assistance, the resources to be made available by DOH at its discretion could be from either State and/or Federal funds and will be offered with associated requirements. CHFA may also have financing resources available to lend to eligible projects.

DEP Fall 2022 Application Submittal: DOH and CHFA will continue to utilize the joint online Preliminary Application which is an application of limited scope, content and requirements. Preliminary Application submittals should meet both the general requirements of the Preliminary Application and the DEP Fall 2022 Requirements and Instructions, which will be forthcoming in September.

Application Review: DEP Fall 2022 responses will be categorized and reviewed by the staff of DOH and CHFA. The agencies will follow up with each respondent in the manner determined to be most appropriate based on the information submitted and available for that project with the ultimate goal of DOH inviting several to submit a full Consolidated Application.

Important Dates: For DEP Fall 2022, we are anticipating publishing all necessary guidance and opening for applications on or about Monday, September 19, 2022 with a response cut-off deadline at the end of the sixth week, on or about Friday, November 4, 2022.

The basic information in this Notice alone is not enough to complete the Preliminary Application. **Interested parties will visit www.ct.gov/doh and select the 'Funding Opportunities' page on the DOH website, then 'Development Engagement Process Fall 2022'.** Follow the detailed **Requirements and Instructions** for DEP to submit a Preliminary Application and any required exhibits with additional information. *The following are generalized lists of what is and is not required for the DEP.*

LEVEL OF READINESS REQUIRED FOR DEP FALL 2022: (by the submission deadline unless specified)

- Predevelopment resources sufficient to meet project needs through to submission of a full application
- Site control or a firm and funded plan to achieve site control by January 11, 2023.
- Site plan approved or pending municipal review with approval expected by January 11, 2023
- Project details including tentative unit count matrix by bedroom size and affordability (AMI) levels
- Documentable compliance with DOH procurement requirements for any team members under contract
- DOH compliant Procurement Plan, in writing and approved by governance body of the applicant
- If the project plan includes hiring a Development Consultant and/or using a Development Partner, applicant should demonstrate the capacity to procure and finalize such arrangement, using its own resources, by January 11, 2023.
- Ability to provide basic information on the environmental condition of the site
- Ability to provide basic information on any residential or commercial relocation, either temporary or permanent
- Recent, though rough, estimate of project cost and likely sources, amount of gap DOH assistance requested
- Demonstration that a complete and viable Consolidated Application can be submitted within 8 months, no later than July 31, 2023.

NOT REQUIRED TO SUBMIT A DEP FALL 2022

- Ownership of site or property
- Environmental Site Assessments
- 40% or greater Plans and Specifications
- Fully procured development team
- Prior engagement of the full development team
- Viable Financing Plan or Commitments for other funds
- DOH approval of any relocation plan

OF NOTE (the fine print):

- DOH refers to Affordable Housing as described in the Connecticut General Statute for Affordable Housing CGS Sec. 8-37pp. Responding parties seeking DOH assistance must be eligible under the statute to apply for DOH financial assistance and the subject project must be an affordable housing activity eligible under the statute.
- Applicants whose Preliminary Application includes 9% LIHTCs in the capital stack are advised that 9% LIHTCs are awarded only through a highly competitive application process based on program set-asides, the point scoring system, and the ranking process outlined in the approved [2022 and 2023 - LIHTC Qualified Allocation Plan \(QAP\)](#). *Applicants seeking 9% LIHTC from a round later than January 2023 should not apply to DEP Fall 2022.*
- Prospective property owners must, at a minimum, have an active option to purchase or otherwise obtain site control of the project property. Prospective developers must be in partnership with an owner or prospective owner. Prospective consultants must be representing an owner or qualified prospective developer. *Speculative interest in a project is not a sufficient relationship to participate in the Development Engagement Process.*
- Some projects that participated in past Development Engagement but did not receive an invitation to apply must complete the new Preliminary Application under the DEP 2022 Notice and Requirements. Projects that participated in a past Development Engagement either 2020, 2021 or Spring 2022 should email DOH-DevelEngage-2022@ct.gov describing your advancements in readiness and asking for a determination on whether or not to participate in DEP Fall 2022. Do not assume that you have to come in again.
- Participation in the DEP does not constitute a commitment of any DOH or CHFA financing or other assistance and the expectations and/or representations made in this Notice could be changed outside of our control.
- Again:
 - this Development Engagement is not seeking proposals for the funding of programs for administration
 - Development Engagement Fall 2022 is not for projects seeking 9% LIHTC after the round due January 2023

This Notice incorporates the public information for the DOH Development Engagement Process 2022 known on this date. Updates, if any, would be distributed through similar channels, including posting at www.ct.gov/doh

Questions regarding the Development Engagement Process can be addressed to Nathan Karnes at DOH-DevelEngage-2022@ct.gov

Questions outside of Development Engagement about the eligibility of specific projects and requirements of specific funding sources should be addressed to Miguel Rivera at rivera.miguel@ct.gov

For questions about CHFA funding programs and requirements, including CHFA's role in the Development Engagement Process and LIHTC, please contact Terry Nash Giovannucci at terry.nash@chfa.org or PreliminaryApplication@chfa.org