

November 12, 2003

Dear Applicant:

The Connecticut Housing Finance Authority ("CHFA") is pleased to forward the Low-Income Housing Tax Credit ("LIHTC") application package. Applications are accepted on an ongoing basis. LIHTCs for 2004 will be allocated in one scheduled Round. The application submission deadline and funding decision dates are listed below:

<u>Application Deadline</u>	<u>Funding Decision</u>
Round 1: February 27, 2004 by 5:00 p.m.	anticipated May or June 2004

To be considered, applicants must submit an original of a completed tax credit application and duplicate copies of Pages 1-16 of the application form and trade payment breakdown to Sheila Stone at (860) 571-4237 or Joseph Marsan at (860) 517-4313, Mortgage Underwriters, no later than February 27, 2004 by 5:00 p.m. EST. All applicants are encouraged to submit their application and to meet with Sheila or Joe to review the proposal in advance of the funding round application deadline.

The tax credit underwriting process will include, but is not limited to, a thorough analysis of the following:

- The qualifications of the development team;
- Suitability of the site;
- Threshold criteria;
- Project operating income and expenses; and
- Projected construction costs.

Please read the enclosed 2003 Qualified Allocation Plan (QAP) and proposed amendment to the QAP currently out for public comment, CHFA application processing Procedures (Procedures) and General Information sections thoroughly and familiarize yourself with the LIHTC Definitions prior to completing the application.

All processing and award decisions made by CHFA will be subject to the QAP, Procedures and Section 42 of the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder. CHFA is not liable to any applicant or other parties for any expenses incurred in preparation of the LIHTC application package. CHFA, in its award decisions, makes no representation as to ongoing financial feasibility or viability of the proposed development.

Sincerely,

Michael J. Ward

MJW/maj

Enclosures

x:\word\tech\lihtc\gen'l\cover2003.ltr.doc

LIHTC INDEX

	<u>Page</u>
Introduction	i
Definitions	ii
General Information	
I. Application Submission	1
II. Project Selection Criteria	2
A. Threshold Eligibility	
B. Allocation Priority Classification	
C. Ranking Procedure	
III. Underwriting Criteria	5
A. Market Study and Appraisal	
B. Rent Levels	
C. Income and Expense Trend Assumptions	
IV. Tax Credit Budget	6
V. Credit Reservation/Allocation	7
VI. Long-Term Use of Units/Compliance Monitoring	9
VII. Fees	9
Application	
Attachment 1 - Previous Participation Certificate & Instructions	
Attachment 2 - Consultant Cost Disclosure	
Attachment 3 - Contractor's and/or Mortgagor's LIHTC Cost Breakdown	
Attachment 4 - Specification Form	
Attachment 5 - Affirmative Fair Housing Marketing Plan and Contract	
Attachment 6 - Affirmative Action in Employment	
Attachment 7 - Application Checklist	
Attachment 8 - Exhibit 31, Certification regarding number of years LIHTC units will remain affordable	
Attachment 9 - Fair Housing Law Violations Form – General Partner	
Attachment 10 - Fair Housing Law Violations Form – Management Agent	
LIHTC Maximum Affordable Rents	Appendix 1
Urban Centers/Urban Conservation Areas	Appendix 2
Rental Housing Construction Location Index	Table 1
Rental Rehabilitation Location Index	Table 2
Homeownership Need-Location Index	Table 3
Qualified Census Tracts/Difficult Development Areas	Appendix 3
LIHTC Qualified Allocation Plan & Procedures	Appendix 4
Section 42 of the Internal Revenue Code	Appendix 5

INTRODUCTION:

The Low Income Housing Tax Credit (LIHTC) Program is a housing program contained within the Internal Revenue Code of 1986, as amended (the Code) which is administered by the U.S. Department of the Treasury and the Internal Revenue Service. The Connecticut Housing Finance Authority (CHFA) has been designated as the housing credit agency responsible for the allocation of low income housing tax credits for the State of Connecticut (the State). The Qualified Allocation Plan (the Plan) establishes the guidelines and procedures for the acceptance, scoring and competitive ranking of applications and the administration of the program. The Plan was developed to be appropriate to State housing needs and consistent with State housing priorities in Connecticut.

The LIHTC reduces the federal tax liability of owners in exchange for the acquisition, rehabilitation or construction of low-income rental housing units. The amount of tax credits for which a sponsor is eligible represents a fixed percentage of certain costs of developing a low-income housing project and the number of qualified low-income units that meet federal rent and income targeting requirements. However, the actual amount of tax credits awarded to the sponsor cannot exceed the amount that CHFA deems necessary for the project's financial feasibility and its viability as a low-income housing project throughout the compliance period.

The LIHTC Program plays a vital role in helping the State to address its low-income rental housing needs by increasing the amount of funds available to the projects. For example, a project sponsor might sell its tax credits to a group of investors who are able to use them to reduce their federal tax liability. The proceeds of this sale would reduce the amount of financing the project requires. This resulting reduction in project debt service could (1) allow a project that is otherwise infeasible to achieve a high enough debt service coverage ratio to qualify for financing or (2) permit a project that is already feasible to reduce its rents. Consequently, whether the tax credits provide an equity contribution necessary to make a project feasible or increase the affordability of otherwise feasible projects, low-income housing tax credits provide a valuable tool for producing rental housing for low- and very low-income persons.

The information summarized in this application package is provided for your convenience as an overview of the LIHTC Program, and if any statements in the package conflict with the laws governing the Program, those laws take precedence. Applicants are ultimately responsible for providing the information necessary for the determination of the project's eligibility and compliance under the LIHTC Program. In addition, the materials should not be relied upon solely or as a substitute for your own tax or legal counsel or interpretation of laws relating to the Program. If you need further assistance understanding the LIHTC Program and how it might benefit your low-income housing project, you may wish to call Sheila Stone at (860) 571-4237 or Joe Marsan at (860) 571-4313, but for certain specific questions about your project you may need to consult your tax or legal advisor.

LIHTC DEFINITIONS:

The language of tax credits combines terms from finance, real estate, federal tax law and state regulations. In order to understand and use the LIHTC Program successfully, you may first need to learn the language. To assist you in using the Program, we have listed definitions of some key terms frequently used within the Program. We hope these help you to understand tax credit concepts more easily. Some of these definitions represent simplified summaries of federal tax law, and we have used footnotes to direct you to the actual text of the appropriate sections of the Code that we have summarized. Nothing in these materials constitutes or substitutes for tax advice, and you may wish to consult a tax advisor to determine how to apply these tax laws to your project. If you need clarification of other language, please contact Sheila Stone at (860) 571-4237 or Joseph Marsan at (860) 571-4313.

Annual Tax Credit:¹ To calculate the maximum annual tax credit for which a project is eligible, multiply the "qualified basis"² by the applicable tax credit percentage." However, the actual tax credit award cannot exceed the amount CHFA determines is necessary for the financial feasibility of the project and its viability as a "qualified low-income housing project" throughout the "credit period."

Applicable Fraction:³ Equals the lesser of the "unit fraction" and the "floor space fraction." The "unit fraction" is calculated by dividing the number of low-income units in a building by the total units in the building, and the "floor space fraction" is calculated by dividing the total floor space of the low-income units in a building by the total floor space of the residential units in the building.

Applicable Tax Credit Percentage:⁴ The amount of tax credit available to a project depends upon its development and financing characteristics. Specifically, a 30 percent present value tax credit ("NPV") applies to new construction and substantial rehabilitation expenditures that are "federally subsidized" as well as to the acquisition of "eligible existing buildings," regardless of the financing source. A 70 percent NPV applies to new construction and substantial rehabilitation expenditures treated as a new building that is not federally subsidized. Consequently, a single project may receive two different tax credits. For example, a project might receive a 30 percent NPV for the acquisition of an existing building and a 70 percent NPV for the expenditures incurred for the rehabilitation of that building if it is financed without a federal subsidy. In these circumstances, the tax credit must be calculated separately for these separate project components.

Each month the Secretary of the Treasury calculates percentages that will yield over a ten-year period amounts of credit with present values equal to 30 percent and 70 percent of a building's qualified basis. In 1987 these tax credit rates were four percent for 30 percent NPV cost and nine percent for 70 percent NPV costs. Even though these rates now change monthly, they are commonly referred to as the four percent tax credit and the nine percent tax credit. The applicable federal rate percentage is the rate for the month when the building is placed-in-service or the owner may elect to set the rate as the month when the housing credit agency issues the carryover tax credit allocation. For projects with tax-exempt bond financing, owners may elect the month in which tax-exempt obligations are issued.

¹IRC Section 42(a) & 42(m)(2).

²Terms that are defined elsewhere in this Definitions section are set off with quotation marks.

³IRC Section 42(c)(1)(B), (C), & (D).

⁴IRC Section 42(b)(2).

Compliance Period:⁵ Means the period of 15 taxable years beginning with the first year of a building's ten-year "credit period." In addition, each building must have an extended low-income housing commitment which requires, at a minimum, a 15-year extended use period that begins on the first day of the compliance period and ends 15-years after the close of the compliance period.

Construction Costs: Broadly speaking, these include all costs incurred in bringing a building to completion, excluding land acquisition, finance or sales costs.

Cost of Intermediaries: Those costs associated with third party services relating to the project development (eg., architect/engineer/appraiser/historic consultant, etc.)

Credit Period:⁶ Means the period of ten taxable years beginning with the taxable year in which the building is placed-in-service or, at the election of the owner, the succeeding taxable year, but only if the building is a qualified low-income building at the close of the first year of the period. In addition, the credit period for the acquisition of an existing building may not begin until the first year of the credit period for the rehabilitation expenditures for that building.

Debt Service: The periodic amount spent to pay the principal and interest on a loan.

Debt Service Ratio: The ratio between the project's net operating income and debt service.

Depreciable Costs: Those development costs incurred in connection with a capital asset that is subject to a loss of value brought about by age, physical deterioration or functional or economic obsolescence.

Development Costs: Costs incurred for the purpose of preparing raw land for the construction of buildings or the rehabilitation of existing building. Development costs may include planning, oversight, relocation, demolition, construction or rehabilitation, equipment, interest and carrying charges, on-site streets and utilities, any contingency reserve, insurance premiums and all other costs necessary to develop the housing project.

Developer/Sponsor Financing: Financing invested by the owner exclusive of developer fee and tax credit equity.

Effective Gross Income: Means the stabilized income that a property is expected to generate after a vacancy.

Eligible Basis:⁷ With respect to a new building, the eligible basis is the cost of construction determined at the end of the first year "credit period". For substantial rehabilitation expenditures treated as a new building, eligible basis is the sum of all rehabilitation costs determined at the end of the first year of the credit period. For an existing building, eligible basis is the cost of acquiring the building. Eligible basis includes those costs used to determine the cost basis of the property. Only the adjusted basis of depreciable property (without regard to depreciation) may be included. This includes cost such as engineering studies, architectural specifications, relocation expenses, certain legal and accounting costs, construction period interest and taxes, developer's fees and general contractor fees. Eligible basis also includes the cost of personal property for use by the residents, such as major appliances. A project owner may also include the cost of facilities and extra amenities such as common areas, parking facilities and recreation equipment in the project's eligible basis if there is no separate

⁵IRC Section 42(i)(1) &(h)(6)(D).

⁶IRC Section 42(f)(1)&(e)(4)(A).

⁷IRC Section 42(d).

fee for the use of the facilities and they are available to all residents on a comparable basis. Moreover, costs of the residential units in a building which are not low-income units may be included but only if such units are not above the average quality standard of the low-income units or if such excess costs are deducted from the eligible basis.

Project buildings located in "qualified census tracts or difficult to develop areas" are entitled to an increase in their eligible basis. Specifically, the project owner, in the case of a newly constructed building, multiplies the eligible basis by 130 percent. In the case of substantial rehabilitation of an existing building, the project owner multiplies the eligible basis of the rehabilitation expenditures by 130 percent, excluding the eligible basis arising from the cost of acquiring the building.

Eligible Existing Building:⁸ A taxpayer may normally receive a 30 Percent Value Credit for the acquisition of an existing building if (1) it was purchased from an unrelated entity that owned it for at least ten years and kept it in active use; (2) for the ten-year period preceding the purchase, it did not undergo any rehabilitation in excess of 25 percent of its basis; and (3) no 15-year compliance period is in effect for any previously received low-income housing tax credits. Please note that these ten-year ownership requirements may be waived in certain circumstances where federal mortgage or FDIC funds are at risk. The requirements also do not apply to certain non-taxable transfers or to single-family houses that have been used as primary residences and sold by one owner-occupancy to another.

Federally Subsidized or Federally Subsidized Building:⁹ A building is generally deemed to be federally subsidized if the construction or rehabilitation is financed directly or indirectly with tax-exempt bond proceeds or a federal loan with below market rate interest. A taxpayer may elect to subtract the amount of this federal subsidy from the eligible basis of a building in order to qualify for the 70 percent NPV for the remaining eligible basis. A building is not federally subsidized if the tax-exempt financing or below market federal loan is used only for construction financing and this financing is replaced by non-subsidized financing before the building is placed-in-service.

Gross Annual Income:¹⁰ Means adjusted annual income as calculated in conformance with Section 8 of the U.S. Housing Act of 1937 and according to the most recent regulations of "HUD".

Gross Rent:¹¹ Means an amount that does not exceed 30 percent of the applicable income limitation. Gross rent:

1. does not include any payment under Section 8 of the U.S. Housing Act of 1937 or any comparable rental assistance program;
2. does not include fees for supportive services paid by governmental or nonprofit organizations if such programs include rental assistance and rent is not separable from the amount of assistance provided for supportive services;

⁸IRC Section 42(d)(2).

⁹IRC Section 42(i)(2).

¹⁰IRC Sections 42(g)(4)& 142(d)(2)(B)

¹¹IRC Section 42(g)(2)(B)

3. does include utility allowance determined by the Secretary of the U.S. Department of Treasury after taking into account such determination under Section 8 of the 1937 Housing Act; and
4. does not include any rental payments to the owner of the unit to the extent such owner pays an equivalent amount to the Rural Housing Service of the U.S. Department of Agriculture under Section 515 of the Housing Act of 1949.

Supportive services, as used in clause (2) above, means any service provided under a planned program of services designed to enable residents of a residential rental property to remain independent and avoid placement in a hospital, nursing home or intermediate care facility for the mentally or physically handicapped. In the case of a single-room occupancy unit or building providing transitional housing to the homeless, this term includes any service provided to assist residents in locating and retaining permanent housing.

HUD: Is the United States Department of Housing and Urban Development.

IRS: Is the Internal Revenue Service.

Net Operating Income: Is the difference between effective gross income and expenses including taxes and insurance. The term refers to net income before depreciation and debt service.

Non-Amortizing Assistance: Funding sources such as grants or where principal and/or interest is deferred until a capital transaction occurs or payment is not required or forgiven.

Operating Expenses: Are generally regarded as all expenses of a property with the exception of real estate taxes, depreciation, interest and amortization.

Placed-In-Service:¹² The placed-in-service date for a new or existing building is the date on which the building is ready and available for its specifically assigned function. This is usually the date the first unit in the building is certified as being suitable for occupancy under state or local law. Substantial rehabilitation expenditures are treated as placed-in-service at the close of any 24-month period elected by the owner over which the minimum expenditures are aggregated.

Private Resources: Development funds from sources other than the federal government, state or quasi-state agencies, public agencies and local municipalities.

Qualified Allocation Plan:¹³ Means the CHFA's Qualified Allocation Plan for Connecticut. The plan: (1) sets forth the selection criteria to be used to determine housing priorities of CHFA which are appropriate to its conditions; (2) gives preference in allocating housing credits dollar amounts among selected groups to (a) projects serving the lowest income residents and (b) projects obligated to serve qualified residents for the longest periods; and (3) provides a procedure that CHFA will follow in monitoring for noncompliance with the provisions of Section 42 of the Code and in notifying the IRS of any noncompliance which the Department becomes aware of.

Qualified Basis:¹⁴ The product of the "eligible basis" and the "applicable fraction."

¹²IRS Notice 88-16.

¹³IRC Section 42(m)(1)(B).

¹⁴IRC Section 42(b)(1).

Qualified Census Tract or Difficult Development Area:¹⁵ Means those areas designated by the Secretary of HUD which are eligible for the amount of credit calculated to be greater by increasing the eligible basis by 130 percent.

Qualified Low-Income Housing Project:¹⁶ Means any project for residential rental property if the project meets the "20-50 Test" or the "40-60 Test," whichever is elected by the taxpayer. Any such election, once made, is irrevocable.

20-50 Test This test is satisfied if at least 20 percent of the residential units in a project are both rent-restricted and occupied by individuals whose income is no more than 50 percent of the area median gross income as adjusted for family size.

40-60 Test This test is satisfied if at least 40 percent of the residential units in a project are both rent-restricted and occupied by individuals whose income is no more than 60 percent of the area median gross income as adjusted for family size.

Qualified Nonprofit Organization:¹⁷ Means an organization described in IRC Section 501(c)(3) or 501(c)(4) of the Code that is exempt from federal income tax under Section 501(a) of the Code.¹⁸

Replacement Reserve: Means a cash reserve for the future replacement of fixed assets.

Soft Costs: Means architectural, engineering, legal fees, etc., as distinguished from land and construction costs.

Substantial Rehabilitation:¹⁹ Projects qualify for the 70 percent present NPV if they have not received any federal subsidies and have total rehabilitation and related expenditures attributable to or benefiting one or more unit(s) in an amount equal, aggregated over a 24-month period elected by the owner, to the greater of not less than ten percent of the adjusted basis of the building, or \$3,000 or more per low-income unit.

Tax Credit: Under the Code a tax credit is a dollar-for-dollar reduction in the tax liability or tax bill of the property owner or investor. The use of tax credits can be limited, for example, by the application of the passive loss provisions, the alternative minimum tax and limits on the use of general business credits.

Tax Credit Syndication: Owners of an LIHTC project may sell (syndicate) the tax credits to investors, for example, limited partners who contribute equity for the project in return for the use of the tax credit and other tax benefits generated by the project. The project developer usually retains an ownership interest in the project, for example, serving as the general partner. The investors are usually not involved in the management of the project, but will be concerned that the project is maintained in compliance with the Plan, application process

¹⁵IRC Section 42(d)(5)(C).

¹⁶IRS Section 42(g)(1).

¹⁷IRC Section 42(h)(5)(C).

¹⁸IRC Section 42(h)(5)(C).

¹⁹IRC Section 42(e)(3).

Procedures, the Code and any tax credit regulations promulgated thereunder. If not, they may be subject to recapture and penalties.

Total Development Resources: All development funding sources exclusive of tax credit equity.

Transitional Housing for Homeless:²⁰ A housing unit does not qualify for the LIHTC program as a low-income unit if it used on a transient basis. An exception exists for certain transitional housing for the homeless if the units contain sleeping accommodations, bathroom and kitchen facilities and are located in a building (1) in which a governmental entity or qualified nonprofit organization provides residents with temporary housing and supportive services designed to assist them in locating and retaining permanent housing and (2) which is used exclusively to facilitate the transition of homeless individuals (as the term is used in Section 103 of the Stewart B. McKinney Homeless Assistance Act) to independent living within 24 months. The qualified basis of a building that provides transitional housing for the homeless may be increased by the amount of the eligible basis of the building that is used throughout the year to provide supportive services designed to assist residents in locating and retaining permanent housing to the extent that this amount does not exceed 20 percent of the building's other qualified basis.

Vacancy Rate: Means the percentage loss from gross rental income due to vacancy and collection losses.

tech\lihtc\gen'l\intro.app

²⁰IRC Section 42(1)(3)(B)(iii).

GENERAL INFORMATION

Each application will compete and be evaluated pursuant to the Plan, the Procedures and the Internal Revenue Code, Section 42 (the "Code"). **Please familiarize yourself with this information prior to completing the application.**

I. APPLICATION SUBMISSION

Application submissions consist of a complete original application including all exhibits and a duplicate copy of Pages 1-16 of the application form and the trade payment breakdown. Modifications may be made until the deadline established for each funding decision. Modifications will only be accepted if they are presented in their original form. Facsimiles will not be accepted. The review process will begin at the time of submission. Applications should be submitted early in the funding period to enhance the probability of receiving a tax credit reservation by the funding decision date. Application packages must be mailed or hand delivered to:

Underwriting & Technical Services Unit
Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067-4005

All application packages must be submitted no later than the close of business (5:00 p.m. EST) on the following date: February 27, 2004. The funding decision date is tentatively scheduled commencing in May or June 2004.

II. PROJECT SELECTION CRITERIA

The application rating system awards points based upon satisfying defined housing need. CHFA will allocate credits based upon the selection criteria and application ranking procedures set forth in the Plan, with each application undergoing the following process.

A. Threshold Eligibility

The following requirements must be satisfied **IN TOTAL** before ranking and credit evaluation will occur:

1. The proposed development must meet the income occupancy and rent restriction requirements of Section 42 of the Code.
2. The proposed development must be ready to proceed as documented by submission of:
 - a. The appropriate application fee (see page 10).
 - b. A completed LIHTC application package inclusive of:
 - i. A credible financing plan: See Application Process Procedures at A-4.(c)(1).
 - ii. Evidence of site control in the form of a Contract For Sale, Option Agreement, Purchase Agreement, Deed, a fully executed ground lease, or other documentation acceptable to staff for a site suitable for the intended purpose, including the acquisition and terms of the sale, as appropriate.
 - iii. Written evidence of zoning approval and compliance therewith for the proposed development.
 - iv. Resumes of members of the development team stating who the principals are including developer, architect, general contractor, management agent, consultant, if any, and evidence that the team is in place.
 - v. Schematic drawings, including site plan to scale and outline specifications: See Application Process Procedures at A-4.(5) and the Qualified Allocation Plan, Section 2.II.K.5.
 - vi. Trade Payment Breakdown signed by the general contractor, if applicable.
 - vii. Certification by applicant of access and availability of utilities to the site.
 - viii. Certification by applicant that a Transfer Act Site Assessment (TASA) will be conducted in accordance with the scope of the Connecticut Department of Environmental Protection's TASA Guidance Document.
 - ix. Minimum threshold rehabilitation expenditures of \$9,000 per qualified unit.

3. Non-Profit Requirements

In addition to the requirements enumerated in paragraph 2 above, non-profit organizations seeking to compete for a portion of the non-profit set-aside or to receive intermediate ranking points assigned to qualified non-profit sponsors must be a CHDO and must satisfy the following requirements:

- a. The non-profit sponsor must be a qualified non-profit organization as defined in Section 42(h)(5)(C) of the Code; and
- b. The non-profit organization **must** be a general partner in the partnership or managing member of the limited liability corporation that owns the project and committed to participating materially in the development and operation of the project throughout the compliance period.

B. Allocation Priority Classification

All applications satisfying the above threshold requirements will be placed in the appropriate Allocation Priority Class. Each application will be evaluated, rated and ranked against other applications in its Class according to the criteria outlined in the Plan.

1. General Class I - Credit-eligible development as defined on Pages 10-12 of the Plan.

A.1.a. Applicants proposing new construction projects must be consistent with and part of a municipally approved plan to revitalize the economic, social and/or physical environment of the municipality. A copy of such plan must be provided at the time of application.

A.1.b. Applications must be part of and consistent with a formal municipally approved plan for a Neighborhood Revitalization Zone (NRZ) and fall within the designated geographic boundaries of such NRZ.

A.1.c. Applicants must provide written evidence from City/Town planner or regional planner stating that the project is located in (1) an urban neighborhood conservation area, (2) an urban growth area, or (3) a rural community center.

A.1.e. Applicants must provide a copy of the comprehensive plan to replace and/or rehabilitate public housing units developed through the State Moderate Rental Program. The Plan must include objectives of reducing density, integrating units into the community, encouraging economic integration and providing social services.

2. General Class II - Credit-eligible development as defined on Pages 12 and 13 of the Plan.

A.2.a. Applicants must provide written evidence from City/Town planner or regional planner stating that the project is located in (1) an urban neighborhood conservation area, (2) an urban growth area, or (3) a rural community center.

A.2.b. Applicants must provide evidence that they will following the appropriate remedy under the provisions of Federal law.

3. General Class III – Applications not classified as General Class I or II will be given this general allocation priority designation (see Page 13 of the Plan). Applications for subsequent allocations will be placed in Class III (see section A-9(d) of the Procedures for further information).
4. Special Classes – Credit-eligible development as defined on Pages 13 and 14 of the Plan. Applicants must provide the comprehensive plan to replace and/or rehabilitate public housing units. The plan must include the objectives of reducing density, integrating units into the community, encouraging economic integration and providing social services.
5. Projects with Tax-exempt Financing – Projects with tax-exempt bond financing receive tax credits without a charge against the State's tax credit allocation. Nonetheless such projects must satisfy the requirements for allocations under the Plan, Procedures and the Code (see LIHTC Procedures Section A-15). In addition, the governmental unit which issued the bonds must determine the amount of tax credits necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the credit period. The amount of credits is limited to the thirty percent (30%) of present value percentage under IRC Section 42(b) of 1986, as amended. Projects with tax-exempt financing are required to obtain a building identification number from CHFA. Such requests must be accompanied by the financing agency's determination of the credit amount.
6. Non-profits – Ten percent of all credits available in Connecticut will be reserved exclusively for development involving non-profit housing development organizations meeting certain participation criteria. Applicants applying under the non-profit set-aside will be evaluated, rated and ranked only against other non-profit applicants applying under, and to the extent the set-aside is available.

C. Ranking Procedure

1. State Ranking

The ranking system includes several sections, which require supporting documentation in order to be awarded the points. For example:

- a. Allocation Plan, Public Housing Authority Waiting Lists, Page 14: must be accompanied by a letter from the local housing authority stating that the sponsor has committed in writing to be bound by a regulatory agreement with the housing authority giving priority to households on waiting lists for public or assisted housing, or the recipients of HUD vouchers or State RAP certificates.
- b. Allocation Plan, Part of Formal plan for Redevelopment, Page 16: must be evidenced by a copy of the municipally approved plan designating a specific targeted geographic area.
- c. Allocation Plan, Effort To Address Needs of the Disabled, Page 17: must be evidenced by a certification from the project architect identifying the number of units specifically targeted to and set-aside for persons with disabilities.
- d. Allocation Plan, Adds New Housing Units Page 19: applicants proposing rehabilitation projects must provide from the appropriate City/Town official evidence that the buildings intended for rehabilitation are blighted and vacant.
- e. Allocation Plan, Women and Minority Participation, Page 19: must be documented by the appropriate corporation/partnership legal papers or a notarized statement from the female(s)/eligible minority(s) that they hold a 51 percent or greater interest in the project ownership entity, development entity or management firm.

In addition:

Refer to Appendix 2 of the application for the definition of Urban Centers and Urban Conservation Areas.

Refer to Table 1 (new construction) or Table 2 (rehabilitation) for the areas of high rental income disparity as referenced on Page 16 of the Allocation Plan, High Rent and Low-Income Communities.

Refer to Table 2 for the definition of a community with a high percentage of residential structures being single family detached homes as referenced on Page 16 of the Allocation Plan, Communities with Comparatively Less Rental Housing.

2. **Federal Ranking**

Federal ranking involves the modification of the previous ranking from lowest to highest within the Allocation Priority Classes according to certain federally mandated priorities. Refer to the Allocation Plan, Section 2.VI. Page 20, Ranking on Required Federal Priorities.

III. UNDERWRITING CRITERIA

A. Market Study and Appraisal

1. The Authority requires an independent, professional Market Study on all proposed developments. The Market Study/Appraisal is solicited by the Authority from an approved list of professionals and paid in advance by the applicant. The Authority, at its discretion, may accept a market analysis prepared by an acceptable alternative source provided the sponsor is a not-for-profit and the proposed development is 15 units or less.
3. Independent professional "As Is" and "To-Be-Developed" Appraisals are required on all proposed multifamily developments. The proposal may be modified for not-for-profit sponsored developments of 15 units or less at the Authority's discretion.
4. Independent professional Capital Needs Assessment may be required on all proposed multifamily rehabilitation developments.

B. Rent Levels

Refer to the Maximum Affordable Rent levels, which are included in the application, (Appendix 1). These rents are gross rents and include all utilities with the exception of telephone. The applicable utility allowance amount must be deducted to arrive at the net maximum affordable rent.

C. Income and Expense Trend Assumptions

When calculating the Operating Budget and the 15-year cash flow projections, the following vacancy assumptions and income trends are to be used:

1. Vacancy Assumptions

a. Residential Properties

The vacancy rates will be based on the percentage of the Area Median Income (AMI) of the intended tenant population to reside as of the stabilized year. The stabilized year is projected as the first 12 months after 100% occupancy less vacancy assumption.

<u>AMI</u>	<u>Vacancy Rate</u>
0-50%	2.5 - 5%
51-80%	5.0 - 10%
81% + Year 1	10 - 15%
Year 2	10 - 12%
Year 3+	10%

b. Commercial Properties

Commercial Income Vacancy Rates: Year 1: 20%, Year 2+: 15%.

Allowances may be made for pre-leased AAA tenants. Rates may be adjusted upward depending on market conditions.

2. Income/Expense Trends

a. Income Trends

Income will be forecast on an annual basis to the stabilized year as determined by the financing institution. However, the Authority reserves the right to modify income trends based on relevant information. Commercial space income will be determined based on market value. Other documentation, including Consumer Price Index (CPI) and other indices may be considered.

b. Expense Trends

Expenses may be forecast as determined by the financing institution. However, the Authority reserves the right to modify expense trends based on relevant information. Other documentation, including CPI and other indices, may be considered. Tax abatement and/or deferment agreements approved by the governing body of the municipality are the only acceptable sources of lower tax trends.

IV. TAX CREDIT BUDGET

A. Letter of Attestation

The application budget **must** be accompanied by a letter from your tax attorney/accountant stating that he/she has reviewed the budget and that he/she attests to the calculation of eligible basis and sources of funds.

B. Qualified Census Tract/Difficult Development Areas

If your project is within either a HUD designated "difficult development area" or "qualified census tract," then the eligible basis may be increased by 130 percent. These HUD designations are included in your application package (Appendix 3). You will need to submit documentation of the census tract from the local Planning Office or Regional Planning Office.

C. Developer's Fee

The developer's fee is a non-mortgageable item, and will be funded by the equity proceeds. To the extent economically feasible, the developer's fee shall not exceed ten percent (10%) of the Total Development Cost, inclusive of non-profit overhead and exclusive of land, building and syndication fees. For properties in default and which are being purchased from an insured depository institution, a fee on the acquisition (net of land) of up to 6.70 percent shall be considered at the Authority's sole discretion. This portion of the developer's fee shall be based on the lesser of the as-is appraised value or purchase price.

D. Contractor's Profit, Overhead and General Requirements

The Authority will allow a range of acceptable general requirements, contract profit and overhead maximums depending upon the complexity of the job. An acceptable range is 12 to 20 percent of the site and building costs. The general requirements may not exceed 4 percent of site and building costs. The Authority will determine the appropriate number for each job.

E. Total Development Cost

The total development cost will be reviewed for overall reasonableness. CHFA will rely on Marshall & Swift hard cost database, Means cost database and for CHFA cost data which is historical data of similar type and size projects.

F. Consultant's Fees

All consultant fees will be paid from the proceeds of the developer's fee. The definition of consultant includes any person or firm hired for their professional advice in compiling the information and packaging the financial and/or tax credit funding applications and syndication agreements, including historic consultants.

G. Syndication Costs

The costs of syndication shall not exceed a rate acceptable to the Authority based on fees as a percentage of syndication proceeds. Syndication costs include all direct and indirect costs incurred in securing syndication proceeds (e.g., inclusive of any fee paid to the syndicator and developer's legal costs).

V. CREDIT RESERVATION/ALLOCATION

A. Credit Reservation

The tax credit reservations will be awarded according to classification and ranking within each Class based upon the credits available for the particular funding decision period. Non-profit organizations will be eligible to receive credit reservations from the non-profit set-aside. If the non-profit set-aside is not sufficient to cover the proposed reservation, the non-profit applicant may receive the balance of the credits from the other Priority Classes in accordance with their rank in the corresponding class subject to credit availability.

B. Reservation Agreement

Upon CHFA Board approval, the applicant will receive a Credit Reservation setting forth the annual credit amount. This agreement must be executed by the applicant and submitted to CHFA with the appropriate fee (see Fees, page 11). The agreements will be issued at the end of each funding decision period to all approved applicants.

C. Carryover Allocation Agreement/Allocation Form 8609

1. Prior to the end of the allocation year, CHFA will issue to all applicants with credit reservations a Form 8609 or a Carryover Tax Credit Allocation Agreement. A Form 8609 will be issued when the building(s) are placed in service (see discussion below). A Carryover Tax Credit Allocation Agreement will be issued when the applicant has satisfied Section 42(h)(1)(E) of the Code for each qualified building, which is part of the project.
2. The Carryover Tax Credit Allocation Agreement allows the applicant two years additional time to complete projects and have the units placed-in-service. In order to qualify, the limited partnership or other ownership entity must have been formed and proper documentation filed with the Secretary of State, and the project must satisfy the ten-percent test mandated by the Code.
3. Owners must secure building permits (where required by local law) by the end of the first calendar year after the allocation is made. Failure to do so will result in a rescinded allocation.
4. The owner must submit a cost certification documenting the actual total project cost. A General Contractor's cost certification will be required as well. The cost certifications must include a certified public accountant's audit report. In addition, all cost certifications must be accompanied by final Certificate(s) of Occupancy, affidavit of financing and such other information as the Authority deems appropriate for purposes of making the financial feasibility and viability determinations under the Code. The cost certifications must be completed by an IPA/CPA for projects with 12 units or more. The owner may complete the cost certification for projects with less than 12 units. The CHFA Low-Income Housing Cost Certification Form **must** be used. CHFA will issue Form(s) 8609 upon review and acceptance of cost certification.
5. The amount of tax credits originally reserved will be reduced accordingly if the review of the certified costs shows the financing gap is less than the one originally projected. The tax credit amount will not change if the certified costs are higher than the estimated project costs, unless the owner applies for an additional allocation due to reasonable unforeseen hard cost overruns. Applications for an additional allocation after Form 8609 has been issued are placed in a General Class III and will compete against other applicants requesting an additional allocation in that funding round, assuming credits are available, after all first-time applicants have received consideration and a credit reservation, if appropriate.
6. The final credit amount referenced in the Form 8609 is predicated upon the Applicable Federal Rate (AFR). The AFR is established as the month when the building is placed in service or, at the election of the owner, the month when the Authority and the owner have entered into a binding agreement to allocate the credits, such as the Carryover Tax Credit Allocation Agreement. For projects financed with tax-exempt bonds, the owner may elect to set the AFR percentage as the month in which the tax-exempt obligations are issued.

D. Subsidy Layering

The Authority will take into account the combination of tax credits with other subsidies or Federal, State and governmental programs, including but not limited to, the Section 8 Preservation and Recapitalization Program, Low-Income Housing Preservation, Resident Homeownership Act, etc., when allocating credits, and the Authority will also allocate credits in accordance with any Federal law or procedures (i.e., HUD Revised Subsidy Layering Guidelines), where appropriate.

VI. LONG-TERM USE OF UNITS/COMPLIANCE MONITORING

A. Long-term Use of Units

At the time of allocation, all applicants will execute an Extended Low-Income Housing Commitment Agreement that will be recorded on the land records. The Agreement sets forth the number of low-income and rent restricted units in the project, the parameters of a qualified tenant, the resale restrictions, the term that the units will remain qualified, the default and remedies governing the rent restricted units.

B. Monitoring Compliance

In order for a project to continue to qualify for Low-Income Housing Tax Credits, compliance with the LIHTC Program is required throughout the qualified project period. To facilitate this process, CHFA has developed procedures and guidelines to ensure the owner's compliance with the IRC Section 42 and CHFA's policies. Refer to the Plan, Section 4, Page 21 for further information.

VII. FEES

A. **The application and tax credit servicing fee is NON-REFUNDABLE and is established each year by the Board of Directors. PAYMENT MUST BE BY EITHER A CERTIFIED OR BANK CHECK, PAYABLE TO CHFA.**

1. Application Fee

a. For-profit Sponsors

The application fee is \$1,000 for proposals in excess of 20 units and \$500 for proposals of 20 units or less.

b. Non-profit Sponsors

The fee for non-profit sponsors is \$250 regardless of the number of units.

2. Tax Credit Servicing Fee

a. For-profit Sponsors

A servicing fee in the amount of 8 percent (8%) of the first year's credit, to be paid as follows:

- i. 4 percent (4%) of the first year's credit is due upon reservation or threshold satisfaction in the case of tax-exempt projects; and
- ii. 4 percent (4%) of the first year's credit is due upon allocation of the tax credit (either at Carryover Allocation or placed-in-service date, whichever occurs first).

b. Non-profit Sponsors

- i. 2 percent (2%) of the first year's credit is due upon reservation or threshold satisfaction in the case of tax-exempt projects; and
- ii. 6 percent (6%) of the first year's credit is due at construction loan closing or syndication closing, whichever occurs first.

3. Late Documentation Fee

A late documentation fee will be charged to applicants who do not submit Quarterly Reports on a timely basis. The late fee will be 0.2% of annual allocation per occurrence.

Please identify the members of your Development Team. If you have not identified all components, indicate accordingly. Please list on a separate sheet any direct or indirect financial interest members of the Development Team may have with other members.

General Partner	Legal Name	_____
	Address	_____ _____
	Principals	_____
	Soc. Sec. #/Fed Tax ID #	_____
	% of Ownership	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____

Architect	Firm Name	_____
	Address	_____ _____
	Principals	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____

General Contractor	Firm Name	_____
	Address	_____ _____
	Principals	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____		

Management Agent	Firm Name	_____
	Address	_____ _____
	Principals	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____		

Consultant	Firm Name	_____
	Address	_____ _____
	Principals	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____		

Syndicator	Firm Name	_____
	Address	_____ _____
	Principals	_____
	Contact Person	_____
	Telephone No.	_____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____		

Legal Counsel

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

Tax Counsel

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

Other

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

Other

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

Other

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

Other

Firm Name _____
Address _____

Principals _____
Contact Person _____
Telephone No. _____ Fax No. _____
Identity of interest with applicant? Yes _____ No _____

3. Non-Profit Determination: Please attach Articles of Incorporation, copy of Bylaws and IRS documentation. **The Bylaws must include the development and/or management of low-income housing as one of the goals of the organization.**

_____ 501(c)(3) Organization -or- _____ 501(c)(4) Organization

_____ Exempt purposes include fostering low-income housing

Describe the non-profit's participation in the development and operation of the proposed project:

List the names of Board Members for the non-profit organization:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Identify all paid, full-time staff and sources of funds for annual operating expenses and current programs:

To qualify for the non-profit set-aside, the applicant must be a Connecticut Housing Development Organization and materially participate in the development and operation of the project throughout the compliance period and, therefore, must be a general partner in the partnership. Within the meaning of IRC 469(h), "a (non-profit) shall be treated as materially participating in an activity only if the (non-profit) is involved in the operations of the activity on a basis which is regular, continuous, and substantial."

Are you requesting an allocation from the non-profit set-aside? _____ Yes _____ No

C. SITE INFORMATION

Please indicate which document pertains to your proposal. Site control is evidenced by:

_____ Deed _____ Option _____ Purchase _____ Long-Term
 Agreement Contract Ground Lease

Expiration Date of contract or option: _____ Acquisition Price \$ _____
(mo./yr.)

	<u>Area in Sq. Feet</u>	<u>Area in Acres</u>
Parcel 1	_____	_____
Parcel 2	_____	_____
Parcel 3	_____	_____
Parcel 4	_____	_____
Parcel 5	_____	_____
Total	_____	_____

Seller _____
 Address _____ Tel. # _____
 City _____ State _____ Zip Code _____

Does an identity of interest (direct or indirect) exist between the Applicant and the owner of the property?
 If **YES**, specify such relationship: _____

Is the acquisition an "arms length" transaction? If not, describe. Also indicate if the seller is a related person to the buyer pursuant to IRC Section 42.

1. Site Utility Information: Please indicate which utilities, if any, need to be brought to the site:

	<u>Yes</u>	<u>No</u>
Gas	_____	_____
Electric	_____	_____
Water	_____	_____
Storm Sewers	_____	_____
Sewers	_____	_____

2. Zoning Information Present zoning classification: _____

Check one of the following:
 _____ To be re-zoned to _____ zone.
 _____ No re-zoning is necessary.
 _____ Variances or special permits are required (specify): _____

Provide narrative of zoning classification as applicable: existing and/or anticipated re-zoned classification. **Description should be consistent with information provided in Exhibit 8 of the application.**

3. Environmental Information

Has an environmental site assessment been prepared? See General Information, Page 3.

_____ Yes _____ No

D. BUILDING INFORMATION (If rehabilitation)

1. How many existing buildings on site? _____

2. Building Address	Date Constructed
_____	_____
_____	_____
_____	_____
_____	_____

3. Historical Significance:

To your knowledge, are any existing site structures of historical significance? _____ Yes _____ No

If Yes, describe: _____

Has the State Historical Commission determined that the building has historical significance?

_____ Yes _____ No

If Yes, documentation must be submitted under Exhibit 11.

Will you use Historic Tax Credit Proceeds as a source of funds? _____ Yes _____ No

4. Building Type:

Free standing _____ Semi-attached _____ Duplex _____

Multi-unit _____ Town house _____ Walkup _____

Other _____

(Describe)

5. Building Demolition Is demolition required? _____ Yes _____ No

If Yes, describe: _____

6. Is building(s) currently occupied? _____ Yes _____ No

7. Current occupant(s)? Business _____ Residents _____ Other _____

If proposal is acquisition of an occupied rental housing development, please provide information on current residents including income, rent and family size, under Exhibit 11.

If building(s) is occupied by a business or "other," provide under Exhibit 11 name of lessee, lease conditions and remaining term.

8. Tenant Relocation: Any tenant relocation? _____ Yes _____ No

If Yes, proposed relocation plan and a detailed budget must be submitted under Exhibit 14. Additionally, indicate if relocation plan is subject to the Uniform Relocation Act or any other guidelines imposed by the development's financing or other aspects of the proposal.

E. ACQUISITION INFORMATION (If Applicable)

Building(s) acquired or to be acquired with Buyer's Basis:

- _____ Determined with reference to Seller's Basis
 _____ Not Determined with reference to Seller's Basis

List below by building address, the date the building was previously placed-in-service ("PIS" as defined in IRC Section 42(d)), date the building was or is planned for acquisition, and the number of years between the date the building was previously placed-in-service and date(s) of acquisition. In the last column, include the year of the building's most recent non-qualified substantial improvement. For definition of non-qualified substantial improvement, refer to IRC Section 42(d)(2)(D).

Address of building(s)	PIS Date of Building By Most Recent Owner	Proposed Date of Acquisition	No. of Years Between PIS and Acquisition*	Year of Most Substantial Improvement

*If less than 10 years between acquisition and PIS date, please explain and provide IRS waiver under Exhibit 13. _____

F. MARKET TARGETING

Total # of Units: _____

- # of Elderly _____ # of Handicapped _____
 # of Family _____ # of Other Special Needs _____
 # Single Room Occupancy _____

If transitional housing or SRO, please describe targeted population and social services to be provided: _____

Identify targeted income group:	# Units	% of Total
- below 25% AMI	_____	_____
- 26% to 50% AMI	_____	_____
- 51% to 60% AMI	_____	_____
- 61% to 80% AMI	_____	_____
- 81% to 100% AMI	_____	_____
- at 100% AMI	_____	_____
- above 100% AMI	_____	_____
Totals	_____	_____

AMI: Area Median Income as defined by HUD. Selecting targeted income groups is an indication that qualified rents will not exceed imputed maximum limits. Refer to list of Connecticut towns in Appendix 1 for location of town by federal statistical area for maximum rents and income levels.

G. PROJECT CHARACTERISTICS

_____ New Construction _____ Rehabilitation _____ Acquisition & Rehab

1. **Type of Unit:** _____ Multifamily Rental _____ Single Room Occupancy
 _____ Transitional Housing Other (Specify): _____
 as defined by IRC

2. **Structure Types:**

	# Bldgs.	# Stories Built	Type of Construction		
			Stick	Modular	Other
Detached Buildings	_____	_____	_____	_____	_____
Row house/Town house	_____	_____	_____	_____	_____
Garden Apt/Walkup	_____	_____	_____	_____	_____
Elevator (Mid/Hi-Rise)	_____	_____	_____	_____	_____
Other	_____	_____	_____	_____	_____
Total	_____	_____	_____	_____	_____

Accessory Structures (Describe): _____

Recreational Facilities (Describe): _____

3. **Unit Mix and Areas:**

	0 BR	1BR	2 BR	3 BR	4 BR	Other	Total
No. of Units	_____	_____	_____	_____	_____	_____	_____
Avg. NSF/Unit	_____	_____	_____	_____	_____	_____	_____
Total NSF by Type	_____	_____	_____	_____	_____	_____	_____
Total Residential NSF	_____			Total Resid. Gross Sq. Ft.		_____	_____
Commercial/Non-Resid. NSF	_____			Total Comml. Gross Sq. Ft.		_____	_____
Commercial Space (Describe):	_____						

4. **Parking Summary:**

	Structured	+	Surface	=	Total
Residential Spaces	_____		_____		_____
Non-Residential Spaces	_____		_____		_____
Totals:	_____		_____		_____

5. **Residential Equipment:** (Check if included with Apartment)
 _____ Range _____ Disposal _____ Kitchen Exhaust Fan
 _____ Refrigerator _____ Dishwasher _____ Laundry Fac. On Site
 _____ Washer/Dryer Hookups Other (Describe): _____

Does any equipment in low-income units differ from market rate units?
 _____ Yes _____ No

If **YES**, describe in detail on separate sheet.

6. **Mechanical Systems:**

	Type	Energy Source
Heating	_____	_____
Domestic Hot Water	_____	_____
Air Conditioning	_____	_____

H. PROJECT UTILITY ALLOWANCE

Stabilized year is the first 12 months after sustaining occupancy (100% occupancy less vacancy allowance) has been achieved. **Indicate stabilized year: 20_____**

Annual utility escalation rate assumption (no less than 5% per annum until anticipated stabilized year): _____.

Monthly Utility Allowance Calculations:

Utilities	Indicate Energy Source Elec., Gas, etc.	Paid By:		Enter Allowance by BR Size				
		Owner	Tenant	0 BR	1 BR	2 BR	3 BR	4 BR
Heating								
Hot Water								
Cooking								
Lighting								
Air Cond.								
Other								

Source of Utility Calculation:

_____ State PHA _____ Local PHA: _____

_____ Utility Co. Other: _____

I. PROJECT INCOME INFORMATION**1. RENTAL ASSISTANCE**

Do, or will any low-income units receive Rental Assistance? _____ Yes _____ No

If **YES**, list the type of Rental Assistance:

_____ Section 8 New Constr. or Sub. Rehab. _____ Section 8 Project Based Assistance
_____ FmHA 515 Rental Assistance _____ State Assistance
_____ McKinney Homeless Assistance Act _____ Home Investment Partnership Subsidies (HOME)
_____ HUD Shelter Plus Care Rental Assistance Other, Identify _____

Number of Units

receiving Assistance: _____ 0BR _____ 1BR _____ 2BR _____ 3BR _____ 4BR _____ Other Total _____

Number of years (remaining) on the Rental Assistance Contract: _____

A fully executed contract must be submitted under Exhibit 17.

2. EXISTING SUBSIDIES WITH ACQUISITION PROJECTS

_____ Section 221(d)(3) BMIR _____ Section 236
_____ Section 8 Rent Supplement or Rental Assistance Payment

Is HUD approval for Transfer of Physical Asset (TPA) required? _____ Yes _____ No

If Yes, provide documentation under Exhibit 16. Documentation must evidence that TPA application has been received by the appropriate HUD office.

NOTE: SECTION 8 MODERATE REHABILITATION SUBSIDIES ARE PROHIBITED UNDER THE LIHTC PROGRAM UNLESS THE HOUSING IS BEING DEVELOPED PURSUANT TO THE MCKINNEY ACT.

3. PROJECT RENTS

a. Project Rents (all units) for stabilized year.

Stabilized year is the first 12 months after sustaining occupancy (100% occupancy less vacancy allowance) has been achieved. **Indicate stabilized year: 20** ____.

Income Trend: Income may be forecasted on an annual basis at 0 - 2% to the stabilized year and no more than 2.5 - 3.0% thereafter.

Annual income trend to stabilized year: _____ %

Annual income trend thereafter: _____ %

(1). Qualified Units Only:

		A	-	B	=	C x # units =	D
No. Units By BR Type	Unit Size (S.F.)	•Gross Rent or Applicable Rent*		Tenant Paid Utilities		•Contract Rent or Net Tenant Rent	Monthly Income to Owner
	0-BR	\$		\$		\$	1. \$
	1-BR	\$		\$		\$	2. \$
	2-BR	\$		\$		\$	3. \$
	3-BR	\$		\$		\$	4. \$
	4-BR	\$		\$		\$	5. \$
		\$		\$		\$	6. \$
Total Monthly Income (sum of lines 1, 2, 3, 4, 5 and 6):							7. \$
_____ Total Qualified Units Less Vacancy (line 7 times min. 5%) @ _____ %:							8. \$
Effective Gross Income (line 7 minus line 8):							9. \$

* See applicable rent calculations (Appendix 1)

• If Project Based Section 8 has been awarded, FMR may be used to calculate rents. _____

(2). Market Rate Units Only:

No. Units By BR Type	Unit Size (S.F.)	Gross Monthly Rent	Utilities included in rent? _____ Yes _____ No	Monthly Income to Owner
	0-BR	\$		10. \$
	1-BR	\$		11. \$
	2-BR	\$		12. \$
	3-BR	\$		13. \$
	4-BR	\$		14. \$
		\$		15. \$
Total Monthly Income (sum of lines 10, 11, 12, 13, 14, and 15):				16. \$
_____ Total Market Rate Units Less Vacancy (line 16 times min. 10%) @ _____ %:				17. \$
Effective Gross Income (line 16 minus line 17):				18. \$
Qualified Effective Gross Income (total line 9):				19. \$
TOTAL RESIDENTIAL EFFECTIVE GROSS INCOME (sum of lines 18 and 19):				20. \$

b. Other Income:

Spaces Monthly Income

Parking: Covered: a. _____ b. \$ _____ (total a times b = line 21)
 Surface: c. _____ d. \$ _____ (total c times d = line 22)
 Laundry: e. \$ _____ (total e = line 23)
 Commercial: # of Sq. Ft. f. _____ Rent/Sq. Ft. g. \$ _____ (total f times g = line 24)
 Other (describe): h. \$ _____ (total h = line 25)

Less Vacancy on Other Income (total lines 21, 22, 23, 24 and 25 times **min. 20%** = line 26):

Total Monthly Non-Residential Effective Gross Income (total lines 21, 22, 23, 24, 25 minus line 26 = line 27):

Total Monthly Residential Effective Gross Income (sum of lines 20 and 27 = line 28):

TOTAL PROJECT ANNUAL EFFECTIVE GROSS INCOME (multiply total on line 28 by 12):

21. \$
22. \$
23. \$
24. \$
25. \$
26. \$
27. \$
28. \$
29. \$

4. PROJECT EXPENSES

a. Annual Expenses for stabilized year.

Stabilized year is the first 12 months after sustaining occupancy (100% occupancy less vacancy allowance) has been achieved. **Indicate stabilized year: 20 ____.**

Expense Trend: Expenses may be forecasted at 0-4% annually.

Annual Expense trend to stabilized year: _____ %

Annual Expense trend thereafter: _____ %

b. Administrative:

- 1. Advertising _____
- 2. Management Fee _____
- 3. Legal _____
- 4. Accounting/Audit _____
- 5. Other _____

c. Maintenance:

- 1. Decorating _____
- 2. Repairs _____
- 3. Exterminating _____
- 4. Ground Expense _____
- 5. Supplies _____
- 6. Snow Removal _____

d. Operating:

- 1. Elevator _____
- 2. Fuel _____
- 3. Lighting _____
- 4. Water/Sewer _____
- 5. Gas _____
- 6. Trash Removal _____
- 7. Payroll _____
- 8. Payroll Taxes _____
- 9. Insurance _____
- 10. Other _____

e. Replacement Res.: _____

•f. Total Annual Operating expenses: \$ _____

g. Plus Real Estate Taxes: \$ _____

h. Total Annual Expenses (sum f & g): \$ _____

n. Debt Service Coverage Ratio*: _____ %

i. Annual E.G.I (total line 29 p. 9): \$ _____

j. Enter Total on Line 4 h: \$ _____

k. N. O. I. (line i minus j): \$ _____

l. Annual Debt Service: \$ _____

m. Cash Flow (k-l): \$ _____

*Debt service coverage ratio = net operating income ÷ annual debt service •Sum sections 4 b, c, d & e

J. 1. SOURCES OF FUNDS: (PERMANENT)

	Amount	Interest Rate	Term	Amort. Period	Annual Debt Service Cost
	\$				\$
	\$				\$
	\$				\$
	\$				\$
Proceeds Low-Inc. Tax Credits	\$				TOTAL
Proceeds Historic Tax Credits	\$				
Other Equity proceeds**	\$				
TOTAL FUNDING	\$				

** Please specify source _____

Are any of the Sources of Funds financed directly or indirectly with Federal, State or local government funds?

_____ Yes _____ No

If **YES**, check the type and list the amount involved:

_____ Tax-Exempt Financing: \$ _____

_____ UDAG Financing: \$ _____

_____ HODAG Financing: \$ _____

_____ FmHA 515 Financing: \$ _____

_____ Rental Rehab. Financing: \$ _____

_____ State Grant: \$ _____

_____ HOME Funds: \$ _____

_____ UDAG Grant: \$ _____

_____ HODAG Grant: \$ _____

_____ Other: \$ _____

2. Permanent Financing:

If volume-capped tax-exempt financing is used, what is the percentage of this type of financing to the total project costs: _____ %

Source of Funds/Commitments:

Source of Funds	Amount	Date of Commitment	Name & Tel. No. of Contact Person
	\$		
	\$		
	\$		
	\$		
	\$		
	\$		
Total Funding	\$		

Additional documentation of financing plan must be submitted.

3. Construction Financing:

Source of Funds	Amount	Date of Commitment	Name & Tel. No. of Contact Person
	\$		
	\$		
	\$		
	\$		
Total Construction Financing	\$		

4. Credit Enhancements:

Will permanent financing have any type of credit enhancement: _____ Yes _____ No

- FHA Insurance
- Letter(s) of Credit
- Private Mortgage Insurance

Specify Source _____

5. SYNDICATION INFORMATION:

Provide information concerning syndication and estimated proceeds from the sale of tax credits:

Low-Income Housing Tax Credits	\$ _____	Historic Tax Credits	\$ _____
Gross equity proceeds	\$ _____		
Less syndication expenses	\$(_____)		
Net equity proceeds	\$ _____		
Net/Gross proceeds	\$ _____		

K. PROJECT BUDGET - PLEASE HAVE TAX COUNSEL ATTEST TO ELIGIBLE BASIS.

ESTIMATED PROJECT COSTS:		ESTIMATED COSTS	30% PV OR "4%" CREDIT	70% PV OR "9%" CREDIT
1. SITE WORK	Site Work			
2.	Off-Site Improvement			
3.	Other:			
4. REHABILITATION & NEW CONSTRUCTION	New Building			
5.	Rehabilitation			
6.	Accessory Building			
7.	General Requirement*			
8.	Contractor Overhead*			
9.	Contractor Profit*			
10.	Bond Premium			
11.	Construction Contingency			
12.	Demolition			
13.	Environmental			
14. ARCHITECT & ENGINEER FEES	Architect Fee: Design			
15.	Architect Fee: Supervision			
16.	Engineering Fees			
17.	Other:			
18. INTERIM COSTS	Construction Interest			
19.	Construction Insurance			
20.	Construction Loan Origin. Fee			
21.	Constr. Loan Credit Enhanc.			
22.	Real Estate Taxes			
23.	Other:			
24. FINANCING FEES & EXPENSES	Permanent Loan Origin. Fee		XXXXXXXXXX	XXXXXXXXXX
25.	Permanent Loan Credit Enhanc.		XXXXXXXXXX	XXXXXXXXXX
26.	Cost of Iss./Underw. Disc		XXXXXXXXXX	XXXXXXXXXX
27.	Counsel's Fee			
28.	Other:			

Refer to the General Information, Section IV. 4. for general requirement, contractor overhead and profit maximums.

ESTIMATED PROJECT COSTS:		ESTIMATED COST	30% PV OR "4" CREDIT	70% PV OR "9%" CREDIT
29. SOFT COSTS	Appraisal			
30.	Market Study			
31.	Environmental Report			
32.	Tax Credit Fees			
33.	Rent-up		XXXXXXXXXX	XXXXXXXXXX
34.	Other:			
35.	SUBTOTAL:			
36.	SUBTOTAL PREV. PAGE:			
37. TOTAL DEV. COSTS:				\$
38. DEVELOPER'S FEES:*	(to include all consultants)			
39. Purchased Land & Bldgs.	Land**		XXXXXXXXXX	XXXXXXXXXX
40.	Existing Structure**			XXXXXXXXXX
41. Bridge Loan Constr. Int.				\$
42.	Total Replacement Costs:			\$
43. SYNDICATION COSTS:	Organization (Partnership)		XXXXXXXXXX	XXXXXXXXXX
44.	Bridge Loan Fees/Exp.		XXXXXXXXXX	XXXXXXXXXX
45.	Tax Opinion		XXXXXXXXXX	XXXXXXXXXX
46. OPER. RESERVES***				
47. Placement Fee	Other:		XXXXXXXXXX	XXXXXXXXXX
48. Net Worth				
49. Other				
50.	TOTAL USES			\$

LESS: Portion of federal grant used to finance qualifying development costs:	()	()
LESS: Amount of non-qualified nonrecourse financing:	()	()
LESS: Non-qualifying units of higher quality:	()	()
LESS: Non-qual. excess portion of higher quality units:	()	()
LESS: Historic Tax Credit (residential portion):	()	()
Multiplied by 130%, if applicable:		
TOTAL Eligible Basis		
Multiplied by Applicable Fraction:	%	%
TOTAL Qualified Basis:		
Multiplied by Applicable Percentage:	%	%
TOTAL AMOUNT OF TAX CREDIT:		

*Maximum Developer Fee - 10% of TDC (Line 37) inclusive of non-profit overhead (Line 38).

**Provide documentation under Exhibit 26 indicating land and separate existing structure values.

***Attach explanation of (a) who requires, (b) purpose of, (c) who administers and (d) when and how released.

L. PROJECT SCHEDULE

Activity	Date: Month/Year	CHFA Use Only
Site: Option/Contract		
Site Acquisition		
Zoning Approval		
Site Analysis		
Financing: Construction Loan		
Loan Application		
Conditional Commitment		
Firm Commitment		
Permanent Loan		
Loan Application		
Conditional Commitment		
Firm Commitment		
Other Loans & Grants		
Type & Source _____		
Application		
Award		
Other Loans & Grants		
Type & Source _____		
Application		
Award		
Other Loans & Grants		
Type & Source _____		
Application		
Award		
Plans & Specifications:		
Working Drawings		
Closing & Transfer of Property		
Construction Start		
Completion of Construction		
Lease-up		
Credit Placed-In-Service Date		

Will project construction be in phases? _____ Yes _____ No

If Yes, please indicate schedule on separate sheet.

I declare the information contained in this application, including any exhibits, attachments, and any further or supplemental documentation is true and correct to the best of my knowledge and belief. I understand that misrepresentation may result in cancellation of a credit reservation or the termination of this application.

Dated this ____ day of _____, 200__

By: _____
Original Signature

Typed or Written Name and Title

STATE OF CONNECTICUT }

} ss.

COUNTY OF _____ }

_____, _____

Personally appeared, _____ of _____, duly authorized as aforesaid Signer and Sealer of the foregoing application and acknowledged the same to be his free act and deed and the free act and deed of said corporation/limited partnership, before me.

Commissioner of the Superior Court
Notary Public

INSTRUCTIONS

A-9 Previous Participation Certification

If you need more space, attach extra sheets to the forms. Be sure to type "continued on Attachments" wherever appropriate. Also sign each additional page that is attached if it refers to you or your record.

Sign the certificate **ONLY** after you have read it carefully. You need to submit only one copy. Additional copies are not necessary.

Line 1: Fill in the name of the Project, such as "Greenwood Apts." Below that, fill in the name of the municipality in which the Project is located and the Zip Code of the site location.

Line 2: Fill in the total development cost of the project.

Line 3: Fill in the number of dwelling units proposed, such as "40 units."

Line 4: Check the appropriate box to indicate whether your application involves REHABILITATION or NEW CONSTRUCTION.

Line 5: List the name of the partnership or corporation.

Line 6: List the type of business, i.e., real estate development and/or management.

Line 7: Fill in the percentage ownership in the proposed project that firm is expected to have. Beside the name of those parties who will not be owners, write "None."

Line 8: List the Social Security or IRS Employer Number of the firm.

Instructions for Completing Schedule A

No Previous Record - If you have no records of previous Projects to list, fill in the firm name in Column 1 of Schedule A and write across the form by your name "No previous participation, first experience."

Column 1: List each firm principal in alphabetical order with last name first.

Column 2: List all of your previous programs(s) (Tax Credit) and projects. In addition, list the project or contract identification of each previous project. **THE PROJECT OR CONTRACT IDENTIFICATION OF ALL PREVIOUS PROJECTS MUST BE INCLUDED OR YOUR CERTIFICATION CANNOT BE PROCESSED.** Also, give the name of all Projects, the cities in which they are located and the Government agency that was involved.

At the end of your list of Projects in Column 2, draw a straight line across the page to separate your record of Projects from that of others signing this form which have a different record to report.

Column 3: List your role in all previous Projects (a list of all possible roles is given in the instructions to line 8).

Give the month and year your participation began and/or ended because you do not want your record confused with possible problems caused by others for which you are not responsible.

Column 4: Indicate all defaults, mortgage assignments and foreclosures. Write "Default," "Assignment," or "Foreclosure" and give the date it occurred. If a default has been cured by payment, write the word "Cured" after the word default. If there were none of these on a Project, write "None."

If you cannot certify and sign the certificate as it is printed because some statements do not correctly describe your record, do not become discouraged. On the face of the certificate use a pen and strike through those parts that differ with your record, then sign and certify to that part you permitted to remain and which does describe you or your record.

Attach a signed letter, note or explanation of the areas you have stricken on the certification and report the facts of your correct record. Item A (2)(e) relates to felony convictions within the past 10 years. If you have been convicted of a felony within 10 years, strike out all of A (2)(e) on the certificate and attach your statement giving your explanation. A felony conviction will not cause your participation to be disapproved unless there is a criminal record or other evidence that your previous conduct or method of doing business has been such that your participation in the Project would make it an unacceptable risk from the underwriting standpoint of an insurer, lender or governmental agency.

Privacy Act Information and Authority

This information is collected to evaluate your record. Disclosure is mandatory and you cannot be approved for participation unless you disclose the requested information. Information CHFA has about you may be given to other federal, state and local agencies for checking on your previous participation record for business practices, for law violations and for other lawful purposes.

A-9 New 4/93

Schedule A - List of Previous Participation Certification

Applicant: _____

Project Name: _____

By my name below is the complete list of my previous projects and my participation history as a principal in programs of CHFA/HUD/DOH/FmHA, State and Local Housing Finance Agencies.

Note: Read and follow the attached instructions sheet carefully. Abbreviate where possible. Make full disclosure. Add extra sheets if you need more space. Double check for accuracy. If you have no previous projects write by your name "No previous participation - First Experience."

1. List each Principal's Name (list in Alphabetical Order, Last Name First)	2. List Previous Program(s) (Tax Credit) and Projects (Give the I.D. Number, Project Name, City of Location, Government Agency involved and number of Units in the Project)	3. List Principal's Participation Role and interest - Give Month and Year Participation began and ended	4. Disclose Defaults, Mortgage Relief, Assignments, Foreclosures. If None, write "None"

Part II - Internal Processing Only

1. Received by CHFA checked by me for accuracy and completeness and found ready for processing:

2. Tax Credit Coordinator: _____ Telephone Number: () _____ Date: ____/____/____
Administrator: _____

3. A. No adverse information - approval is recommended; B. Problems exist, my memorandum on them is attached.

ATTACHMENT 2

**CONNECTICUT HOUSING FINANCE AUTHORITY
CONSULTANT COST DISCLOSURE**

Project Name: _____ CHFA # _____
Address: _____
City: _____

Sponsor Name: _____
Address: _____ Phone: _____

List each consultant to be utilized during the planning and development of this project:

Consultant: _____ Type: _____
Social Security #/Federal Tax ID #: _____
Address: _____
Contact Person: _____ Telephone #: _____

Is this firm a certified Small Business firm? _____ Yes _____ No

Is this firm a certified Minority/Women-Owned Enterprise? _____ Yes _____ No

Services to be provided: _____

Estimated Cost: _____ Estimated Hours: _____

Consultant: _____ Type: _____
Social Security #/Federal Tax ID #: _____
Address: _____
Contact Person: _____ Telephone #: _____

Is this firm a certified Small Business firm? _____ Yes _____ No

Is this firm a certified Minority/Women-Owned Enterprise? _____ Yes _____ No

Services to be provided: _____

Estimated Cost: _____ Estimated Hours: _____

Consultant: _____ Type: _____
Social Security #/Federal Tax ID #: _____
Address: _____
Contact Person: _____ Telephone #: _____

Is this firm a certified Small Business firm? _____ Yes _____ No

Is this firm a certified Minority/Women-Owned Enterprise? _____ Yes _____ No

Services to be provided: _____

Estimated Cost: _____ Estimated Hours: _____

Consultant: _____ Type: _____
Social Security #/Federal Tax ID #: _____
Address: _____
Contact Person: _____ Telephone #: _____

Is this firm a certified Small Business firm? _____ Yes _____ No

Is this firm a certified Minority/Women-Owned Enterprise? _____ Yes _____ No

Services to be provided: _____

Estimated Cost: _____ Estimated Hours: _____

I hereby certify that the above is true and correct.

Name & Date

Title

**ATTACHMENT 4
SPECIFICATION FORM**

Proposed Construction

No. _____

Under Construction

Property Address _____ City _____ State _____

Mortgagor or Sponsor _____
(Name) _____ (Address) _____

Contractor or Builder _____
(Name) _____ (Address) _____

INSTRUCTIONS

1. Indicate in the spaces below all information applicable to the building or renovation of the development.
2. The scope of work for renovations vary based on condition of the building. Therefore, all areas cannot be completed. Pay special attention to items 17-Windows, 23-Heating, and 26-Insulation.
3. Include signatures required at the end of the form.

1. EXCAVATION:
Bearing soil, type _____

2. FOUNDATIONS:
Footings: concrete mix _____; strength psi _____ Reinforcing _____
Foundation wall: material _____ Reinforcing _____
Interior foundation wall: material _____ Party foundation wall _____
Columns: material and sizes _____ Piers: material and reinforcing _____
Girders: material and sizes _____ Sills: material _____
Basement entrance areaway _____ Window areaways _____
Waterproofing _____ Footing drains _____
Termite protection _____
Basement-less space: ground cover _____; insulation _____; foundation vents _____
Special foundations _____
Additional information: _____

3. CHIMNEYS:
Material _____ Prefabricated (make and size) _____
Flue lining: material _____ Heater flue size _____ Fireplace flue size _____
Vents (material and size): gas or oil heater _____; water heater _____
Additional information: _____

4. FIREPLACES:
Type: solid fuel; gas-burning; circulator (make and size) _____ Ash dump and clean-out _____
Fireplace: facing _____; lining _____; hearth _____; mantel _____
Additional information: _____

5. EXTERIOR WALLS:
Wood frame: wood grade, and species _____ Corner bracing. Building paper or felt _____
Sheathing _____; thickness _____; width _____; solid; spaced _____" o.c.; diagonal; _____
Siding _____; grade _____; type _____; size _____; exposure _____"; fastening _____
Shingles; grade _____; type _____; size _____; exposure _____"; fastening _____
Stucco _____; thickness _____; Lath _____; weight _____ lb.
Masonry veneer _____ Sills _____ Lintels _____ Base flashing _____
Masonry: solid faced stucco; total wall thickness _____"; facing thickness _____";
facing material _____"; backup material _____"; thickness _____"; bonding _____
Door sills _____ Window sills _____ Lintels _____ Base flashing _____
Interior surfaces: dampproofing, _____ coats of _____; furring _____
Additional information: _____

Exterior painting: material _____; number of coats _____

Gable wall construction: same as main walls; other construction _____

6. FLOORING FRAMING:

Joists: wood, grade, and species _____; other _____; bridging _____; anchors _____

Concrete slab: basement; first floor; ground supported; self-supporting; mix _____; thickness _____
reinforcing _____; insulation _____; membrane _____

Fill under slab: material _____; thickness _____; Additional information: _____

7. SUB-FLOORING: (Describe underflooring for special floors under item 21.)

Material: grade and species _____; size _____; type _____

Laid: first floor; second floor; attic _____ sq. ft.; diagonal; right angles. Additional Information: _____

8. FINISH FLOORING: (Wood only. Describe other finish flooring under item 21.)

Location	Rooms	Grade	Species	Thickness	Width	Bldg. Paper	Finish
First Floor							
Second Floor							
Attic Floor	sq. ft.						

Additional information: _____

9. PARTITION FRAMING:

Studs: wood, grade, and species _____ size and spacing _____ Other _____

10. CEILING FRAMING:

Joists: wood, grade, and species _____ Other _____ Bridging _____

Additional information: _____

11. ROOF FRAMING:

Rafters: wood, grade, and species _____ Roof trusses (see detail): grade and species _____

Additional information: _____

12. ROOFING:

Sheathing: wood, grade, and species _____; solid; spaced _____ "o.c.

Roofing _____; grade _____; size _____; type _____

Underlay _____; weight or thickness _____; size _____; fastening _____

Built-up roofing _____; number of plies _____; surfacing material _____

Flashing: material _____; gage or weight _____; gravel stops; snow guards

Additional information: _____

13. GUTTERS AND DOWNSPOUTS:

Gutters: material _____; gage or weight _____; size _____; shape _____

Downspouts material _____; gage or weight _____; size _____; shape _____; number _____

Downspouts connected to: Storm sewer; sanitary sewer; dry-well. Splash blocks: material and size _____

Additional information: _____

14. LATH AND PLASTER:

Lath walls, ceilings: material _____; weight or thickness _____; Plaster: coats _____; finish _____

Dry-wall walls, ceilings: material _____; thickness _____; finish _____

Joint treatment _____

15. DECORATING: (Paint, wallpaper, etc.)

Rooms	Wall Finish Material and Application	Ceiling Finish Material and Application
Kitchen		
Bath		
Other		

Additional information: _____

16. INTERIOR DOORS AND TRIM:

Doors: type _____; material _____; thickness _____

Door trim: type _____; material _____; Base: type _____; material _____; size _____

Finish: doors _____; trim _____

Other: trim (item, type and location) _____

Additional information: _____

17. WINDOWS:

Windows: type _____; make _____; material _____; sash thickness _____

Glass: grade: _____; sash weights; balances, type _____; head flashing _____

Trim: type _____; material _____ Paint _____; number coats _____

Weather-stripping: type _____; material _____ Storm sash, number _____

Screens: full; half; type _____; material _____; screen, cloth material _____

Basement windows: type _____; material _____; screens, number _____; Storm sash, number _____

Special windows _____

Additional information: _____

18. ENTRANCES AND EXTERIOR DETAIL:

Main entrance door: material _____; width _____; thickness _____". Frame: material _____; thickness _____

Other entrance doors: material _____; width _____; thickness _____". Frame: material _____; thickness _____

Head flashing _____; Weather-stripping: type _____; saddles _____

Screen doors: thickness _____", number _____; screen cloth material _____ Storm doors: thickness _____", number _____

Combination storm and screen doors: thickness _____"; number _____; screen cloth material _____

Shutters: hinged; fixed. Railings _____, Attic louvers _____

Exterior millwork: grade and species _____ Paint _____; number coats _____

Additional information _____

19. CABINETS AND INTERIOR DETAIL:

Kitchen cabinets, wall units: material _____; lineal feet of shelves _____; shelf width _____

Base units: material _____; counter top _____; edging _____

Back and end splash _____ Finish of cabinets _____; number coats _____

Medicine cabinets: make _____; model _____

Other cabinets and built-in furniture _____

Additional information: _____

20. STAIRS:

STAIR	TREADS		RISERS		STRINGS		HANDRAIL		BALUSTERS	
	Material	Thickness	Material	Thickness	Material	Size	Material	Size	Material	Size
Basement										
Main										
Attic										

Disappearing: make and model number _____

Additional information: _____

21. SPECIAL FLOORS AND WAINSCOT:

FLOORS	MATERIAL, COLOR, BORDER, SIZES, GAGE, ETC.	THRESHOLD MATERIAL	WALL BASE MATERIAL	UNDERFLOOR MATERIAL
Kitchen				
Bath				
WAINSCOT	MATERIAL, COLOR, BORDER, CAP, SIZES, GAGE, ETC.	HEIGHT	HEIGHT OVER TUB	HEIGHT IN SHOWERS (From Floor)
Bath				

Bathroom accessories: Recessed; material _____; number; Attached; material _____; number

Additional information _____

22. PLUMBING:

FIXTURE	NUMBER	LOCATION	MAKE	MFR'S FIXTURE IDENTIFICATION NO.	SIZE	COLOR
Silk						
Lavatory						
Water closet						
Bath tub						
Shower over tub						
Stall shower						
Laundry trays						

Curtain rod Door Shower pan: material _____
 Water supply: public; community system; individual (private) system.
 Sewage disposal: public; community system; individual (private) system.
 House drain (inside): cast iron; tile; other _____ House sewer (outside): cast iron; tile; other _____
 Water piping: galvanized steel; copper tubing; other _____ Sill cocks, number _____
 Domestic water heater: type _____; make and model _____; heating capacity _____
 _____ gph. 100 rise. Storage tank: material _____; capacity _____ gallons.
 Gas service: utility company; liq. pet. gas; other _____ Gas piping: cooking; house heating.
 Footing drains connected to: storm sewer; sanitary sewer; dry well. Sump pump; make and model _____
 _____; capacity _____; discharges into _____

23. HEATING:

Hot water Steam Vapor One-pipe system Two-pipe system
 Radiators Convectors Baseboard radiation. Make and model _____
 Radiant panel: floor; wall; ceiling. Panel coil: material _____
 Circulator Return pump. Make and model _____ Output _____ Btu; net rating _____ Btu.
 Additional information: _____
 Warm air: Gravity Forced. Type of system _____
 Duct material: supply _____; return _____ Insulation _____, thickness _____ Outside air intake.
 Furnace: make and model _____ Input _____ Btu; output _____ Btu.
 Additional Information: _____
 Space heater; floor furnace; wall heater. Input _____ Btu; output _____ Btu; number units _____
 Make, model _____ Additional information: _____
 Controls: make and types _____
 Additional information: _____
 Fuel: Coal; oil; gas; liq. pet. gas; electric; other _____; storage capacity _____
 Additional information: _____
 Firing equipment furnished separately: Gas burner, conversion type. Stoker: hopper feed ; bin feed
 Oil burner: pressure atomizing; vaporizing _____
 Make and model _____ Control _____
 Additional information: _____
 Electric heating system: type _____ Input _____ watts; @ _____ volts; output _____ Btu.
 Additional information: _____
 Ventilating equipment: attic fan, make and model _____; capacity _____ cfm.
 Kitchen exhaust fan, make and model _____
 Other heating, ventilating or cooling equipment _____

24. ELECTRIC WIRING:

Service: overhead; underground Panel: fuse box; circuit-breaker; make _____
 AMP's _____ # Circuits _____
 Wiring: conduit; armored cable; nonmetallic cable; knob and tube; other _____
 Special outlets: range; water heater; other _____
 Doorbell Chimes Push-button locations _____ Additional information: _____

25. LIGHTING FIXTURES:

Total number of fixtures _____ Total allowance for fixtures, typical installation, \$ _____

Non-typical installation _____

Additional information: _____

26. INSULATION:

LOCATION	THICKNESS	MATERIAL, TYPE, AND METHOD OF INSTALLATION	VAPOR BARRIER
Roof			
Ceiling			
Wall			
Floor			

27. MISCELLANEOUS: (Describe any main dwelling materials, equipment, or construction items not shown elsewhere; or use to provide additional information where the space provided was inadequate. Always reference by item number to correspond to number used on this form.)

HARDWARE: (make, material, and finish) _____

SPECIAL EQUIPMENT: (State material or make, model and quantity. Include only equipment and appliances which are acceptable by local law, custom and applicable FHA standards. Do not include items which, by established custom, are supplied by occupant and removed when he vacates premises of chattels prohibited by law from becoming realty.) _____

PORCHES: _____

TERRACES: _____

GARAGES: _____

WALKS AND DRIVEWAYS:

Driveway: width _____; base material _____; thickness _____"; surfacing material _____; thickness _____"

Front walk: width _____; material _____; thickness _____". Service walk: width _____; material _____ thickness _____"

Steps: material _____; treads _____"; risers_". Check walls _____

LANDSCAPING, PLANTING, AND FINISH GRADING:

Topsoil _____" thick: front yard; side yards; rear yard to _____ feet behind main building.

Lawns (seeded, sodded, or sprigged): front yard _____; side yards _____; rear yard _____

Planting: as specified and shown on drawings; as follows:

- _____ Shade trees, deciduous, _____" caliper.
- _____ Low flowering trees, deciduous, _____' to _____' Evergreen trees_' to _____', B & B
- _____ High-growing shrubs, deciduous, _____' to _____' Evergreen shrubs _____' to _____', B & B
- _____ Medium-growing shrub, deciduous, _____' to _____' Vines, 2-year _____
- _____ Low-growing shrubs, deciduous, _____' to _____'

Complete the following condition information if this building is to be rehabilitated.

<u>Existing Condition</u>	<u>Good</u>	<u>Fair</u>	<u>Poor</u>	<u>Age</u>
Roof	_____	_____	_____	_____
Exterior	_____	_____	_____	_____
Interior	_____	_____	_____	_____
Windows	_____	_____	_____	_____
Mechanical Systems	_____	_____	_____	_____
Insulation	_____	_____	_____	_____
Electrical Systems	_____	_____	_____	_____
Floor/Structural Systems	_____	_____	_____	_____

IDENTIFICATION - This exhibit shall be identified by the signature of the builder, or sponsor, and/or the proposed mortgagor if the latter is known at the time of application.

Date _____

Signature _____

Signature _____

CONNECTICUT HOUSING FINANCE AUTHORITY
HOUSING TAX CREDIT CONTRIBUTION PROGRAM

AFFIRMATIVE FAIR HOUSING MARKETING PLAN AND CONTRACT

Applicant's Name and Address	Project or Application No	Program
Identification of Subdivision Location of Proposed Project	Census Tract	No. of Units

1. Direction of Marketing Activity

C.G.S. Section 8-265 provides that all housing assisted by the Connecticut Housing Finance Authority shall be open to all persons regardless of race, creed, color, national origin, or ancestry, or sex. CHFA requires that each applicant agrees to carry out an affirmative program to attract prospective buyers or tenants of all minority and majority groups to the housing. State which group(s), in your judgment, are normally not likely to apply for the housing without special outreach because of factors such as existing neighborhood racial or ethnic patterns, pride and other factors:

2. Applicant Agrees to Undertake the following Marketing Program:

Newspapers (approximate frequency and description of use):

Radio and TV (approximate frequency and description of use):

Brochures and Signs (enclose description or, where possible, copies, drafts or pictures):

Community Contacts (list organizations to be contacted and describe method of contact):

State what results applicant reasonably expects in terms of occupancy from special outreach efforts:

Describe the marketing program you intend to use in filling vacancies (in multifamily projects) as they occur after the project has been fully occupied:

3. Staffing

Which staff will be responsible for the marketing program?

What is the staff's experience in marketing successfully to a racially and ethnically varied population?

Who will be responsible for sales or initial and continuing rental?

Describe nondiscrimination hiring policy applicable to staff engaged in sale or rental or properties and indicate present racial composition of sales/rental staff:

If you have a written policy, please submit it with this Plan.

Indicate any new positions to be filled in sales/rental staff, and describe steps which have been or will be taken to recruit from both majority and minority groups:

Enclose a copy of instructions given to all employees regarding compliance with local, State and Federal fair housing laws.

Describe any training given to all employees regarding implementation of fair housing laws and this affirmative fair housing marketing plan:

4. Please describe other efforts planned as part of your outreach program not adequately covered by this form:

Agreed to by:

Name of Organization

Signature Date

Name (type or print)

Title

AFFIRMATIVE ACTION IN EMPLOYMENT

 (Name of Development)

The Connecticut Housing Finance Authority requires that all contractors and subcontractors engaged in the construction or rehabilitation of housing assisted by the Authority shall take affirmative action to provide equal opportunity for employment without discrimination as to race, creed, color, national origin, ancestry, or sex. The developer and contractors shall utilize creative and aggressive approaches to provide equal opportunity for employment.

During the performance of any contracts for the construction of the above-captioned development (the "Development") assisted under the Low-Income Housing Tax Credit Program, the undersigned contractor (the "Contractor") agrees to comply with CHFA policy as follows:

1. To abide by the provisions of Executive Order 11246 and incorporate the Order in all nonexempt contracts entered into by the Contractor.
2. Not to discriminate against any employee or applicant for employment because of race, color, religious creed, age, marital status, national origin, ancestry, sexual orientation, sex or any other classifications protected by state and federal law in connection with performance of work under this Program, or other classifications protected by state or federal law. The aforesaid provisions shall include, but not be limited to, the following: advertising, recruitment, layoff, termination, rates of pay or other forms of compensation, conditions or privileges of employment, and selection for apprenticeship. The contractor shall hereafter post on the Development site in conspicuous places, available for employees and applicants for employment, notices to be provided by the Authority citing the applicable provisions of the Connecticut General Statutes.
3. In hiring minority journeymen, helpers, apprentices, and trainees (where applicable), to advertise in minority newspapers, and to rely on referrals from the Authority, as well as traditional referral methods utilized by the construction industry.
4. In the performance of any contracts for the construction of the Development, and prior to completion of such contracts, not to discriminate in hiring or employment on grounds of race, color, creed, national origin, ancestry, sex or sexual orientation or on grounds of any other classifications protected by state or federal law, or to discriminate on such grounds in the selection or retention of subcontractors, or in the procurement of materials or services or rentals of equipment.

Agreed to by:

 Name of Contractor

 Signature

 Date

 Name (type or print)

 Title

2004 APPLICATION CHECKLIST

For CHFA staff only Put X if attached or "N/A" if not applicable (Column 2 to be completed by applicant. Checklist must be submitted with application.)

(1) (2)

Exhibit 1

- _____ _____ Incorporation Certificate/Partnership Papers **REQUIRED**
- _____ _____ IRS documentation (non-profit) **REQUIRED**
- _____ _____ Bylaws (**mission must include the development and/or management of low-income housing**) **REQUIRED**
- _____ _____ Certificate of Legal Existence for 2003 **REQUIRED**

Exhibit 2

_____ _____ Documentation from the City/Town Planner or Regional Planning Office of the project census tract. Applicable only if increasing the qualified basis 130%.

Exhibit 3

- _____ _____ Resumes of entire development team. Each resume must include the firm principals. **REQUIRED**
- _____ _____ Developer
- _____ _____ Architect
- _____ _____ Contractor
- _____ _____ Management agent
- _____ _____ Consultant
- _____ _____ Tax counsel
- _____ _____ Syndicator

Exhibit 4

_____ _____ If an identity of interest between any members of the development team exists, please identify the pertinent members. **REQUIRED**

Exhibit 5

- _____ _____ Previous Participation Certificates for the developer, architect, contractor, management agent (See Attachment 1).
- _____ _____ Developer
- _____ _____ Architect
- _____ _____ Contractor
- _____ _____ Management agent
- _____ _____ Consultant

Exhibit 6

_____ _____ Documentation of Site Control (Option, Deed, sales contract, long-term ground lease, See General Information, Page 2). **REQUIRED**

Exhibit 7

_____ _____ Applicant's certification that all utilities are available and accessible to the site (See General Information, Page 2). **REQUIRED**

2004 APPLICATION CHECKLIST

For Put
CHFA X if attached
staff or "N/A" if
only not applicable

Exhibit 8

____ Evidence of zoning approval from the appropriate local official. **REQUIRED**

Exhibit 9

____ Applicant's certification that a Transfer Site Assessment (TASA) will be conducted (See General Information, Page 3). **REQUIRED**

Exhibit 10

____ Applicant's certification of complicity with all applicable federal, state and local building, fire and safety codes, asbestos removal and hazardous waste regulation. **REQUIRED**

Exhibit 11

____ Historic Tax Credit Eligibility documentation from federal, state or local Historic Commission and determination of historic tax credit eligible basis/net proceeds.

Exhibit 12

____ If an acquisition of occupied rental residential housing, provide information on the current tenants including incomes, rents and family size. **REQUIRED**

Exhibit 13

____ If applying for acquisition credits and a waiver of the 10-year ownership rule is necessary, provide a letter from the appropriate federal official that states that the project qualifies for a waiver under IRC Section 42(d)(6). **REQUIRED**

Exhibit 14

____ If an acquisition of occupied rental residential housing, please provide a detailed relocation plan and identify the source of financial assistance to be provided to existing tenants. **REQUIRED**

Exhibit 15

____ Description of equipment and fixture differences, if applicable. (See application, Page 8).

Exhibit 16

____ Evidence of utility allowances from elected source. **REQUIRED**

Exhibit 17

____ Executed Rental Assistance Contract.

Exhibit 18

____ Certification of terms and conditions of a proposed real estate tax agreement from the appropriate town official or documentation from the Assessor regarding the real estate taxes. **REQUIRED**

2004 APPLICATION CHECKLIST

For CHFA staff only Put X if attached or "N/A" if not applicable

- _____ Exhibit 19
Documentation of financing plan (See General Information, Page 2). **REQUIRED**

- _____ Exhibit 20
Itemized list of all syndication related expenses.

- _____ Exhibit 21
Syndication letter setting forth the discounted value of the credit.

- _____ Exhibit 22
Attestment letter from tax counsel re: eligible basis (See General Information, Page 7). **REQUIRED**

- _____ Exhibit 23
Consultant Cost Disclosure form(s) (See Attachment 2). **REQUIRED**

- _____ Exhibit 24
Cost Breakdown (See Attachment 3). **REQUIRED**

- _____ Exhibit 25
Letter from appropriate local official or project attorney concerning the site/project vis-à-vis floodplain. **REQUIRED**

- _____ Exhibit 26
Capital Needs Assessment (See Attached CHFA guidelines). **REQUIRED for rehabilitation.**

- _____ Exhibit 27
Preliminary Market Study (See Attached CHFA guidelines).

- _____ Exhibit 28
Appraisal/Market Study. If the proposed development is less than 15 units, please submit a "Demand Letter." (See General Information, Page 6). **REQUIRED**

- _____ Exhibit 29
Schematic drawings including site plan, to scale, showing the layouts of the buildings, unit configurations and amenities. (See QAP, Section 2.II.K.5) **REQUIRED**

- _____ Exhibit 30
Outline Specifications (See Attachment 4). Concise narrative describing the proposed rehabilitation indicating that the outline specifications and drawings are based on a capital needs analysis performed by a licensed architect or engineer. (See LIHTC Procedures, Section A-4(5)). **REQUIRED**

2004 APPLICATION CHECKLIST

For Put
CHFA X if attached
staff or "N/A" if
only not applicable

- _____ Exhibit 31
Affirmative Fair Housing Marketing Plan and Contract (See Attachment 5). **REQUIRED**
- _____ Exhibit 32
Affirmative Action in Employment (See Attachment 6). **REQUIRED**
- _____ Exhibit 33
Fair Housing Law Violations, General Partner (See Attachment 9). **REQUIRED**
- _____ Exhibit 34
Fair Housing Law Violations, Management Agent (See Attachment 9). **REQUIRED**
- _____ Exhibit 35
Fifteen-year cash flow projections. (Please use trending assumptions in General Information, Pages 6 and 7). **REQUIRED**
- _____ Exhibit 36
Certification by owner regarding number of years tax credit units will remain qualified (30 year minimum period) (See Attachment 8). **REQUIRED**
- _____ Exhibit 37
Project Construction Phase Schedule (See application Page 15).
- _____ Exhibit 38
Application fee in the form of a certified or bank check. REQUIRED

EXHIBIT 31

To: Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067

I certify that the LIHTC units will remain affordable for _____ years beyond the extended use period (30-year minimum) for a total of _____ years for the _____ housing development.

By: _____

FAMILY SIZE FOR DETERMINING
MAXIMUM RENT

<u>Unit Size</u>	<u>Family Size</u>
Efficiencies	One Person
One Bedroom	1.5 Persons
Two Bedrooms	3 Persons
Three Bedrooms	4.5 Persons
Four Bedrooms	6 Persons
Five Bedrooms	7.5 Persons
More Than 5 Bedrooms	1.5 Persons Per Bedroom

AREA DEFINITIONS

URBAN REGIONAL CENTERS

Regional Centers encompass land areas containing traditional core area commercial, industrial, transportation, specialized institutional services and facilities of intertown significance, and contiguous built-up residential areas with either:

- a very high population density or
- a high concentration of pre-1940 structures, multi-family structures, households without an automobile, persons in poverty and households with median income below 80% of the state median household income.

URBAN NEIGHBORHOOD CONSERVATION AREAS

Neighborhood Conservation Areas are typically characterized by land without the high incidence of the structural, occupancy, and income characteristics of Regional Centers, yet are significantly built-up and well populated. These areas generally reflect stable, developed neighborhoods and communities and are often contiguous to regional centers.

RURAL COMMUNITY CENTERS

In the State's more rural communities, Rural Community Centers reflect existing mixed use areas or places suitable for future clustering of the more intensive housing, shopping, employment, and public service needs of municipalities outside of urban development areas. Rural Community Centers are areas where small scale community systems of water supply, waste disposal, and public services are appropriate but large scale public service systems should be avoided.

QUALIFIED CENSUS TRACTS: BY METROPOLITAN AREA

METROPOLITAN AREA: BRIDGEPORT - MILFORD, CT

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT FAIRFIELD				
	T 0703.00	T 0705.00	T 0706.00	T 0707.00
	T 0708.00	T 0709.00	T 0712.00	T 0713.00
	T 0714.00	T 0715.00	T 0716.00	T 0717.00
	T 0736.00	T 0738.00	T 0739.00	T 0740.00
	T 0741.00	T 0742.00	T 0743.00	T 0744.00

METROPOLITAN AREA: DANBURY

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT FAIRFIELD				
	T 2101.00	T 2306.00		

METROPOLITAN AREA: HARTFORD

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT HARTFORD				
	T 4159.00	T 4161.00	T 4162.00	T 4166.00
	T 5001.00	T 5002.00	T 5003.00	T 5004.00
	T 5008.00	T 5009.00	T 5010.00	T 5011.00
	T 5013.00	T 5014.00	T 5015.00	T 5016.00
	T 5018.00	T 5019.00	T 5027.00	T 5028.00
	T 5030.00	T 5031.00	T 5032.00	T 5033.00
	T 5035.00	T 5038.00	T 5041.00	T 5043.00
	T 5049.00			T 5046.00

METROPOLITAN AREA: HARTFORD

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT MIDDLESEX				
	T 5416.00	T 5418.00		

METROPOLITAN AREA: HARTFORD

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT WINDHAM				
	T 8001.00	T 8003.00		

METROPOLITAN AREA: NEW HAVEN - MERIDEN

STATE AND COUNTY	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT NEW HAVEN				
	T 1402.00	T 1403.00	T 1405.00	T 1406.00
	T 1407.00	T 1408.00	T 1413.00	T 1415.00
	T 1416.00	T 1417.00	T 1421.00	T.1423.00
	T 1424.00	T 1426.02	T 1701.01	T 1701.02
	T 1702.01	T 1702.02	T 1710.00	

METROPOLITAN AREA: NEW LONDON - NORWICH				
STATE AND COUNTY TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT NEW LONDON				
	T 6901.00	T 6905.00	T 6906.00	T 6906.99
	T 6968.00	T 6969.00		

METROPOLITAN AREA: STAMFORD - NORWALK				
STATE AND COUNTY TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT FAIRFIELD				
	T 0201.00	T 0214.00	T 0441.00	T 0445.00

METROPOLITAN AREA: WATERBURY				
STATE AND COUNTY TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT NEW HAVEN				
	T 3501.00	T 3502.00	T 3503.00	T 3504.00
	T 3505.00	T 3506.00	T 3522.00	

METROPOLITAN AREA: WORCESTER, MA - CT				
STATE AND COUNTY TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED	TRACT/ED
CT WORCESTER				
	T 7312.01	T 7312.02	T 7313.00	T 7314.00
	T 7315.00	T 7317.00	T 7318.00	T 7319.00
	T 7320.01	T 7325.00	T 7384.00	T 7421.00

QUALIFIED CENSUS TRACTS: BY NON-METROPOLITAN AREA

NON-METROPOLITAN AREA: LITCHFIELD COUNTY	
TRACT/ED	
	T 3103.00

**LOW-INCOME HOUSING TAX CREDIT PROGRAM
QUALIFIED ALLOCATION PLAN & PROCEDURES**

SECTION 42 OF THE INTERNAL REVENUE CODE