



Ned Lamont
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



Seila Mosquera-Bruno
Commissioner

REVISED NOTICE

DEVELOPMENT ENGAGEMENT PROCESS SPRING 2022

APRIL 18, 2022

The Department of Housing (DOH), in collaboration with the Connecticut Housing Finance Authority (CHFA), is for a limited time inviting participation in the Spring 2022 Development Engagement Process (DEP Spring 2022). The DOH development engagement process facilitates the creation by DOH of a pipeline of identified potential projects for future DOH funding opportunities and is also used by those who will be seeking CHFA Low-Income Housing Tax Credits (LIHTC), with or without a DOH subsidy. All respondents to the DEP Spring 2022 interested in 4% and/or 9% LIHTC must rely on the [2022 and 2023 LIHTC Qualified Allocation Plan \(QAP\)](#).

DEP Spring 2022 is our third such round seeking participation from developers in this pipeline, and it is not competitive. Participants have an opportunity to introduce their prospective developments, receive early feedback, and gain knowledge of priorities and focus areas that are important to DOH and CHFA.

Welcome potential projects include new construction, substantial rehabilitation, or preservation of affordable rental housing. In particular, DOH will be seeking projects that address our targets for affordability:

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

DEP Spring 2022 is not intended for projects in the State Sponsored Housing Portfolio, those proposing Homeownership activities or for proposals contemplating third party administration of programs. If in the future DOH were to open these types of activities to new applications, each would have their own intake process.

The funding resources to be made available by DOH may be inclusive of State and/or Federal funds and will be offered with associated requirements. CHFA may also have financing resources available to lend to eligible projects. DEP Spring 2022 will utilize the online Preliminary Application, recently developed jointly by the agencies, which is a modified application of limited scope, content and requirements.

The web-based Preliminary Application is an improved submission and information capture method that joins the DOH development engagement process and the CHFA LIHTC project intake process. The Preliminary Application is intended to be used by a variety of solicitations and funding notices by CHFA and DOH, giving applicants a common means to provide information under the specific notice they are responding to. Preliminary Application submittals should meet both the general requirements of the Preliminary Application and the specific supporting document requirements published for the funding notice, in this case, DEP Spring 2022.

Respondents must reasonably believe they are able to prepare and deliver a complete and compliant CHFA & DOH Consolidated Application within five calendar months. At the close of the DEP participation period, responses will be categorized and reviewed by the staff of the agencies. The agencies will follow up with each respondent in the manner determined to be most appropriate based on the information submitted and available for that project with the ultimate goal of DOH inviting them to submit a full consolidated application. *Example: if the DEP Spring 2022 closes for new submittals in mid-May and after consultation the DOH notifies a selected developer in late July that they are invited to prepare a full application, the developer applicant will be expected to complete any prerequisite steps and the application by December 2022 (5 months from notification).*

For DEP Spring 2022, we are anticipating publishing all necessary guidance and opening for applications on or about April 15, 2022 with a response cut-off deadline of May 15. The basic information in the Notice alone is not enough to complete the Preliminary Application. Interested parties will visit www.ct.gov/doh and select the 'Funding Opportunities' page on the DOH website, then 'Development Engagement Process Spring 2022' (as of April 15). Follow the detailed Requirements and Instructions for DEP found on that site to submit a Preliminary Application and any required exhibits with additional information. The following are generalized lists of what is and is not required for the DEP.

LEVEL OF READINESS REQUIRED FOR DEP 2022 BY THE SUBMISSION DEADLINE

- Predevelopment resources sufficient to meet project needs through to submission of full application
- Site control or a plan to achieve site control within 3 months of DEP Spring 2022 submittal
- Site plan approved or pending municipal approval within 3 months of DEP Spring 2022 submittal
- Project details including tentative unit count by bedroom size and affordability (AMI) levels
- Procurement plan compliant with DOH requirements and acceptable procurement of any development team members under contract
- Procurement and engagement of a Development Consultant or Development Partner
- Basic information on the environmental condition of the site
- Basic information on any required residential or commercial relocation, temporary or permanent
- Rough estimate of project cost, other likely sources and amount of gap DOH assistance requested
- Expectation that a complete Consolidated Application would be ready to submit within 6-8 months of Preliminary Application but certainly within 5 months of DOH notification to make full application.

NOT REQUIRED FOR DEP 2022 SUBMISSIONS

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

OF NOTE (the fine print):

- DOH refers to Affordable Housing as described in the Connecticut General Statute for Affordable Housing CGS Sec. 8-37pp. Responding parties seeking DOH assistance must be eligible under the statute to apply for DOH financial assistance and the subject project must be an affordable housing activity eligible under the statute.
- Applicants whose Preliminary Application includes 9 %LIHTCs in the capital stack are advised that 9% LIHTCs are awarded only through a highly competitive application process based on program set-asides, the point scoring system, and the ranking process outlined in the approved [2022 and 2023 - LIHTC Qualified Allocation Plan \(QAP\)](#).
- Prospective property owners must, at a minimum, have an active option to purchase or otherwise obtain site control of the project property. Prospective developers must be in partnership with an owner or prospective owner. Prospective consultants must be representing an owner or developer. Speculative interest in a project is not a sufficient relationship to participate in the 2022 DEP.
- The 2020 and 2021 solicitations received overwhelming responses and resulted in over 80 submissions which are expected to result in at least 24 invitations for full application. Also, for dozens of proposals we are working closely with the developer to complete their predevelopment activities. These results do not include projects of the State Sponsored Housing Portfolio.
- Because our process has changed, projects for which a DEP was submitted in 2021 but did not receive an invitation to apply must complete the new Preliminary Application under the DEP 2022 notice and requirements.
- Participation in the DEP does not constitute a commitment of any DOH or CHFA financing or other assistance and matters outside the control of DOH and CHFA could affect any and all expectations and/or representations made in the notice.
- Proposals for the funding of programs for administration are not included in the notice and invitation.

This advance notice incorporates the public information for the DOH Development Engagement Process 2022 known on this date. Distribution of a final announcements, Notice, will include posting at www.ct.gov/doh

Questions about the eligibility of specific projects and requirements of specific funding sources should be addressed to Miguel Rivera, Director of Housing Development, at rivera.miguel@chfa.org

Questions about CHFA funding programs and requirements, including CHFA participation in the Development Engagement process and about LIHTC, please contact Terry Nash Giovannucci at terry.nash@chfa.org or <mailto:PreliminaryApplication@chfa.org>

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

<end>