

**Additional Information Regarding Preliminary Financing Proposals
2009 - 9% LIHTC Round**

From: Nancy I. Obrien, Administrator, Multifamily Housing Development Programs

This notice is directed to Developer/Sponsor organizations interested in obtaining multifamily construction and/or permanent financing from the Connecticut Housing Finance Authority (the "Authority") in conjunction with a potential Reservation of 9% Low-Income Housing Tax Credits ("LIHTCs") in the upcoming 2009 competitive tax credit round (the "2009 9% LIHTC Round"). Note that Authority-provided financing is not a requirement for an applicant to submit an application for a Reservation in the 2009 9% LIHTC Round.

The Authority contemplates offering low-cost, long-term mortgage financing, subject to availability of funds, at an annual permanent interest rate of 4.00% for those developments that the Authority determines to be financially feasible and that subsequently receive a Reservation in the 2009 9% LIHTC Round. As a prerequisite to an applicant receiving a non-binding letter of financing interest from the Authority (such letter supporting a credible financing plan under an application in the 2009 9% LIHTC Round), each applicant must first submit a Preliminary Financing Proposal.

Preliminary Financing Proposals must be submitted using the CHFA / DECD Consolidated Application (the "Consolidated Application"). The Consolidated Application may be found in the following link: [CHFA/ DECD Consolidated Application](#). The Consolidated Application is divided into two sections: *Workbook 1: General Information and Rental Developments*, and *Workbook 2: Homeownership, Community Impact and Certifications*. Please note that applicants must complete both workbooks. For Preliminary Financing Proposals, refer to the Financing column in the Exhibit Checklist in each workbook and complete the **threshold** exhibits only. Appendices with reference materials are also provided on the Consolidated Application's web page.

Two (2) copies of a completed Preliminary Financing Proposal, in the form of a completed Consolidated Application (in printed form), must be received at the Authority's offices in Rocky Hill no later than 5:00pm on **Friday, February 6, 2009** at the following address:

Connecticut Housing Finance Authority
999 West Street
Rocky Hill, CT 06067-4005
Attn: Nancy O'Brien, Administrator
Multifamily Housing Development

Preliminary Financing Proposals must be accompanied by a non-refundable fee in the amount of **\$500** for for-profit applicants and **\$250** for non-profit applicants. Checks should be made payable to the ***Connecticut Housing Finance Authority***.

Except for larger format supplemental materials such as site plans, schematic drawings, etc., each of the two (2) required proposal sets must be submitted in 3-ring, loose-leaf binders. Binders should include the title *2009 CHFA LIHTC Preliminary Financing Proposal*, the name of the Development and the name of the Developer/Sponsor entity.

Proposals should be ordered as follows:

1. Transmittal Letter: Please provide a letter on the Developer's/Sponsor's or the proposed mortgagor entity's letterhead indicating the intent to apply to the Authority for financing and a Reservation in the 2009 9% LIHTC Round.
2. Application worksheet from the Consolidated Application.
3. Summary worksheet from the Consolidated Application.
4. Exhibit Checklists for Workbook 1 and Workbook 2 from the Consolidated Application with all threshold items in the Financing column checked off.
5. Exhibits from the Consolidated Application, tabbed numerically by exhibit number. Please note that, if an exhibit is not applicable, no tab is required.

Proposal Processing

The Authority's staff requires sufficient time to interact with each potential applicant well in advance of the application submission deadline for the 2009 9% LIHTC Round, currently anticipated in April, 2009. Future announcements regarding specific submission timeframes will be forthcoming

Upon receipt of a completed Preliminary Financing Proposal, a member(s) of the Authority's Multifamily Underwriting staff will (i) contact you with any questions on your submission, (ii) coordinate and conduct a site visit, (iii) assess your proposed development's architectural design and preliminary construction costs with the Authority's Technical Service staff, (iv) review your proposed development's operating pro forma with the Authority's Asset Management staff, and (v) evaluate the overall financial feasibility of your development proposal.

If the Authority determines financial feasibility and a potential interest in providing mortgage financing, then an applicant will receive from the Authority a non-binding "letter of interest," as required by Section A-4(c)(1)C of the Authority's *LIHTC Program Procedures*, for inclusion with an application under the 2009 9% LIHTC Round. Upon receipt of a "letter of interest", applicants are encouraged,

but not required, to formalize the financing application with the Authority by completing all **non-threshold** items in the Consolidated Application and submitting those items to the assigned underwriter. Under this scenario, the Authority's underwriting of the proposed development will occur concurrently with the Authority's rating and ranking of the proposal under the 2009 9% LIHTC Round.

Please note that the Authority also offers construction and permanent financing for multifamily rental developments using proceeds from the sale of taxable and tax-exempt bonds as well as other funds as approved by its Board of Directors. Information regarding the Authority's financing and tax credit programs may be found at www.chfa.org.

The Authority looks forward to receiving your Preliminary Financing Proposal (s) in conjunction with the 2009 LIHTC Round. If you have any questions regarding the above, please do not hesitate to contact Mr. Stenman at (860) 571-4276 or via email at carl.stenman@chfa.org. Should you have other affordable multifamily housing financing needs or questions, please contact me at (860) 571-4263 or via email at nancy.obrien@chfa.org.