



Dannel P. Malloy
Governor

STATE OF CONNECTICUT
DEPARTMENT OF HOUSING



**2016 Affordable Homeownership
Application Deadline 2/29/2016**

NOFA Questions and Answers

Q1: If awarded funding, will the funds be provided in the form of a loan or a grant?

A1: The DOH form of assistance will be a loan or a grant depending on the other sources of funds in the deal and the specific underwriting for each transaction. For example, DOH funds may be provided to the developer in the form of a construction loan with partial payment due in connection with the sale of each unit. Applicants may propose other financing structures to minimize DOH's subsidy per unit.

Q2: If the developer/ homeowner subsidy is not paid by the homebuyer so is not reimbursed anyway, therefore remains unpaid, are the funds provided as a loan or a grant to the homeowner?

A2: No funds are paid to the homebuyer. The DOH funds are paid to the DOH borrower (applicant) who develops homeownership units that will be sold at an affordable price to eligible homebuyers. If DOH funds will not be repaid in connection with the sale of the homeownership units, they may be i) treated as a loan that is forgiven if the units remain affordable to subsequent low income homebuyers for the entire affordability period, or ii) repaid from net proceeds at the time of sale or transfer.

Q3: Are there any limits on amount of subsidy allowed?

A3: We do not have a per unit subsidy limit. However, DOH will only provide funding up to an amount that is necessary to create affordable housing. DOH provides gap financing and expects applicants to maximize all other sources of funds to minimize the per unit DOH subsidy.

Q4: Are there any consultants available who can assist with preparing the project application since this is our first time?

A4: We do not recommend specific consultants. However, CHFA maintains a list of development consultants that have previous CHFA experience on rental development deals. These consultants may be able to assist with a homeownership development application. You may request a copy of this list by contacting Colette Slover at Colette.slover@ct.gov. The Connecticut Housing Coalition also has compiled a list of developer consultants in Connecticut may be able to provide referrals or technical assistance to member applicants.

Q5: We understand that only projects (not programs) are eligible for this funding round and that the applicant must have site control. We are in the process of acquiring five tax liens that have been placed by the city on properties in our neighborhood. Even if an expedited foreclosure process were to be

implemented, actual acquisition of the properties is still a year away. Would we be eligible to apply for funding during this round?

A5: For a project funding round it is vital that the applicant demonstrate site control. Site control can be demonstrated in one of the following ways: Deed, Option Agreement, Purchase Contract, Ground Lease, and Designated/ Preferred Developer Agreement. A potential applicant may submit a detailed explanation of a means of demonstrating site control other than the ways listed here as soon as possible in advance of the application deadline and DOH will provide further guidance on a case by case basis.