

**DECD Third-Party Administered Program NOFA
Frequently Asked Questions
Final Cumulative Posting**

Q. Will there be a pre-submission meeting?

A. There are no plans to hold a pre-submission meeting. The Program narrative will form the core of your application. It is much different than previous narratives so review carefully. The rating criteria can be found in the NOFA. Also, as indicated in the NOFA, questions related to the NOFA should be sent to DECDProgramNOFA@ct.gov no later than October 10, 2012. Answers to these questions will be posted periodically at <http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=433334>.

Q. Are municipalities' eligible applicants under the DECD Program NOFA?

A. Yes

Q. How much money would a municipality be able to be awarded?

A. The maximum funding amount is \$2,500,000. However, applicants requesting in excess of \$1,000,000 will need to describe how the program could be altered if the amount of DECD's financial assistance were reduced to 50% of the amount requested.

Q. My community is not currently a distressed municipality but was in 2010. It is my understanding that we qualify for all programs for which a distressed municipality may for up to five years. Would that be correct in regards to this program?

A. All municipalities are eligible for consideration under this NOFA.

Q. Which version of the Consolidated Application should I use for the DECD Program NOFA submission?

A. The direct link to the DECD Program NOFA application is listed below. This application has been tailored for the DECD Program NOFA.
<http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=433334>

Q. What parts of the Consolidated Application should we leave out and what additional information would you need?

A. Applicants should carefully review the DECD Program NOFA Consolidated Application Exhibit Checklist to determine the sections which are required under the NOFA. The DECD Program NOFA Consolidated Application Exhibit Checklist identifies all of the exhibits that must be attached. The number of attachments has been greatly reduced from the standard Consolidated Application for development projects so it is critical that applicants use the correct application.

Q. Is this the fall CHAMP funding round for affordable housing, or something different?

A. No, the Program NOFA is a separate NOFA for third party administered programs. DECD expects to issue a NOFA for the second round of CHAMP (CHAMP 2) soon. CHAMP 2 applications will be due November 28, 2012, 4:00pm.

Q. My organization is currently administering an existing DECD funded program. Does this prohibit the organization from applying under the DECD Program NOFA?

A. An organization that is currently administering a DECD funded program is not prohibited from applying for funding under the Program NOFA. However, an applicant may only submit one application under the Program NOFA.

Q. When looking at the Exhibit Checklist should applicants be utilizing the column which reads DECD Program in providing the necessary Threshold information or should they be looking at the column which reads DECD project?

A. You should refer to the DECD Program column. This column excludes many of the unnecessary documents that are only required for development projects.

Q. Are there specific criteria or guidelines which must be followed in the Exhibit 2.3 Construction Procurement Plan?

A. Yes, the construction procurement requirements can be found on the following DECD webpage under Procurement. Because applicants will be designing programs rather than projects, DECD is requiring that a plan be developed which describes how construction activities will be procured upon the event of funding.

Q. Are administrative expenses allowed under the DECD Program NOFA?

A. Yes. DECD will allow up to 10% of DECD funding to be used for administrative expenses. Applicants must clearly document how such funds will be used. Applicants should also be mindful that this is a competitive process. DECD reserves the right to reduce administrative funds requested at its discretion.

Q. Can program funds be recycled into a revolving loan fund operated by the applicant?

A. Yes. However, any recycled funds must be used for the same purpose and to the same extent as the original income generating activity. Any proposed reuse of funds should be defined in the Consolidated Application Program Narrative.

Q. For municipal applicants, would the City be able to keep the monies for a revolving loan or would they go back to the State?

A. Municipalities may also establish revolving loan funds as long as the program income is used for the same purpose and to the same extent as the original income generating activity. Any proposed reuse of funds should be defined in the Consolidated Application Program Narrative.

Q. Can an application fee be charged to prospective recipients?

A. Application fees cannot be charged to prospective recipients. For commercial loans to non-owner occupied properties, standard industry fees can be charged. Any proposed fees must be identified and supported in the application narrative.

Q. What would the rental limits be?

A. It is anticipated that Affordable Housing Program funds (FLEX) will be the source of funds under this NOFA. FLEX rents are established at 100% AMI and are identified on DECD's website at <http://www.ct.gov/ecd/cwp/view.asp?a=3680&q=428468>.

Q. Is there a timeframe for expending funds?

A. DECD is anticipating a 2 year budget period to expend all program funds. However, applicants must clearly demonstrate that the proposed program schedule is reasonable and achievable. DECD reserves the right to amend any proposed program schedule to achieve NOFA goals.

Q. Is funding for supportive / residential services an eligible cost under the Flex Program NOFA.

A. A program to provide funding for supportive/residential services would not be eligible under this NOFA.

Q. Where can we find a copy of the regulations and rules for the Flex program as referenced in the NOFA?

A. The Affordable Housing Program (FLEX) is governed foremost by the State Statute located at Connecticut General Statutes § 8-37pp. The FLEX statutes can be found at <http://www.cga.ct.gov/current/pub/chap127c.htm#Sec8-37pp.htm>. The program regulations can be found at the DECD website at <http://www.ct.gov/ecd/cwp/view.asp?a=3680&Q=433350&PM=1#AHP>.

Q. Does an Advocacy Program for the promotion and creation of affordable housing qualify under this NOFA?

A. As stated in the NOFA, all proposed programs must be eligible under CGS §8-37pp et seq. Applicants should pay particular attention to CGS §8-37pp(a)(5) and (6).

Q. Does an applicant need to have its organizational documents approved by the DECD Commissioner prior to submitting the application?

A. Prior approval of the applicant's organizational documents by DECD is not necessary.

Q. Can the funds be used to cover staff salaries?

A. Up to 10% of the funding may be used for administration expenses. Applicants must clearly document how such funds will be used. Applicants should also be mindful that this is a competitive process. DECD reserves the right to reduce administrative funds requested at its discretion.

Q. The checklist to follow for this NOFA is "Program", not "Financing"?

A. Correct. The DECD Program NOFA Consolidated Application Exhibit Checklists for Workbook 1 and workbook 2 column titled DECD PROGRAM should be followed.

Q. Where can I find the specific checklist for the Program NOFA?

A. The respective application checklist is found in both workbooks on the tab labeled "Exhibit Checklist."

Q. Are there specific criteria or guidelines which must be followed in the Exhibit 2.3 Construction Procurement Plan even if there is no construction in this program?

A. Only programs with proposed construction activities are required to complete section 2.3.

Q. What date is the application due?

A. The application is due to DECD at 4 pm on October 15, 2012.

Q. Exhibit 1.7 – Applicant Capacity Form – we are a non-profit that administers CDBG and HOME funds for [Municipality]. We run programs which fund projects that are investor owned, homeowner occupied and owned by non-profits. I am not sure how we should we fill out the Applicant Capacity Form.

A. List the projects that were funded through the various programs that you administer.

Q. Will this type of money be available in the future? If so, when?

A. It is undetermined at this time.

Q. In order to apply, would an agency need to already be in the process of buying a building to rehab?

A. No. In general it is expected that the properties to be acquired, developed, redeveloped, rehabilitated or otherwise assisted with funding under this NOFA will not be known with certainty as of the deadline for submitting an application under this NOFA.

Q. It appears from the NOFA and regulations that the Program Operator is responsible for long-term monitoring for compliance. Is this correct? If so, how long is the compliance period?

A. Yes, the third party administrator will be responsible for long-term compliance for the life of the affordability period. The affordability period will be 5 years (less than \$15,000 in DECD funding per units), 10 years (\$15,000-\$40,000 of DECD funds per unit), or 15 years (over \$40,000 of DECD funds per unit).

Q. Will the Program Operator be required to use DECD underwriting and closing documents when providing funding to a project?

A. Third-party administrators selected under this NOFA will not be required to use DECD underwriting. In its review of applications, to the extent applicable, DECD will review an applicant's underwriting and other program parameters, policies and procedures to evaluate the proposed program's feasibility and efficacy. Program-specific form closing documents can be proposed by an applicant, in which case they will be subject to DECD review and approval, or forms that mirror DECD's forms can be proposed.

Q. Will DECD disbursements be done project by project based on review of underwriting for each project, or could funds be drawn down in increments prior to completing underwriting?

A. It is anticipated that DECD funding will be available to be drawn down on a project by project basis as each such project closes. For example, if recipient A receives \$500,000 in DECD program funds to complete five \$100,000 projects, then \$100,000 can be drawn down from DECD at the closing for each project. Applicants may propose an alternative disbursement schedule, subject to DECD review and approval if the application is selected.

Q. The Workbook 2 application checklist calls for “Contracts” at 8.1. Can you tell me where I would find the documents?

A. Section 8.1 refers to any state contracts which the applicant may have with elected officials, elected officials’ spouses, or state employees or their spouses, in each case if such person has supervisory or appointing authority over the state agency administering this funding. If the applicant has any such contracts, state law requires that such contracts be disclosed at the time of application.