CONNECTICUT HOUSING FINANCE AUTHORITY

Low-Income Housing Tax Credit

2024 and 2025

Qualified Allocation Plan

Adopted by the Connecticut Housing Finance Authority Board of Directors on ______, 2023 and approved by the Governor of the State of Connecticut on ______, 2023

Table of Contents

I. GOVERNING AUTHORITY

This 2024 and 2025 Qualified Allocation Plan (the "Plan") hereby establishes procedures for the reservation, allocation and compliance monitoring of the federal Low-Income Housing Tax Credit Program (the "LIHTC Program") in the State of Connecticut (the "State") and establishes policies, procedures and requirements for the use of federal Low-Income Housing Tax Credits (the "Credits") in the State in order to meet the purposes contained in Section 252 of Public Law No. 99-514 (October 22, 1986), known as the federal Tax Reform Act of 1986, as amended and as codified in Section 42 of the Internal Revenue Code (the "Code"). The Connecticut Housing Finance Authority (the "Authority") is a public instrumentality and political subdivision of the State created by virtue of Chapter 134 of the Connecticut General Statutes (as amended, the "Act"). The Authority is designated as the housing credit agency for the State and has adopted the Plan in order to set forth selection criteria to be used to determine housing priorities which are appropriate to local conditions in the State in accordance with the requirements set forth in Section 42(m) of the Code and with other applicable law. LIHTC Program applicants, awardees and other participants in the State shall be subject to, and shall be required to comply with, all rules and requirements governing the LIHTC Program set forth herein and set forth in: the Act, other applicable provisions of the Connecticut General Statutes, Section 42 of the Code, other applicable sections of the Code, and all federal and state administrative and regulatory law promulgated thereunder, including, without limitation, all Internal Revenue Service ("IRS") regulations, revenue rulings, procedures and notices and all applicable provisions of the procedures (the "Procedures") adopted by the Authority in accordance with the Act and Section 1-121 of the Connecticut General Statutes. In the event that any statutory, administrative or regulatory requirements governing the LIHTC Program are changed, amended or modified, applicants, awardees and other participants in LIHTC Program shall be subject to such changes, amendments or modifications and such changes, amendments and modifications are incorporated herein.

In addition, each Application (as defined below) submitted in accordance with the Plan, and any resulting reservation award or allocation, shall be subject to, and shall be required to comply with, all rules and requirements governing the LIHTC Program set forth in the following procedures, policies and other guidance materials published by the Authority (as amended, collectively, the "LIHTC Materials"):

1. Article IV(A) of the Procedures;

2. Article II of the Procedures;

3. The CHFA/DOH Consolidated Application (the "ConApp");

4. The CHFA 2024 and 2025 Multifamily Design, Construction and Sustainability Standards (the "Construction Standards");

5. The Authority's Board Very Low-Income Construction Employment Policy Statement (the "VLI Policy");

6. The Authority's Board Program Eligibility Requirements: Delinquent or Non-Performing Applicants Policy Statement (the "Eligibility Policy"); and

7. The 2024 and 2025 Authority Guidelines, including, without limitation, the CHFA Low-Income Housing Tax Credit (LIHTC) Program Guideline, the CHFA Construction Guideline: Project Planning & Technical Services Review, the CHFA Low-Income Housing Tax Credit (LIHTC) Program Opportunity Characteristics Guideline, the CHFA Pre-Construction Guideline, the CHFA Supportive Housing Guidelines, the CHFA Market Study Guidelines, the Construction Guideline: Energy Conservation, the CHFA Hybrid Financing Structure Guidelines, the CHFA LIHTC Program Glossary of Terms and all other LIHTC Program and construction guidance or materials published in connection with the Plan (collectively, the "Guidelines").

In the event that any requirements or terms contained in the LIHTC Materials shall contain provisions contradictory, or in opposition to terms expressly set forth in the Plan, the terms or requirements set forth in the Plan shall be controlling and supersede any requirements in conflict therewith.

The Plan governs all applications (each an "Application") for proposed developments (each, a "Proposed Development") submitted by a developer or sponsor (together with any affiliate, subsidiary or other related party, as determined by the Authority, each an "Applicant") requesting 9% Credits (the "9% Credits") to be reserved from the 2024 and/or 2025 Credit Ceiling (as defined below) and/or requesting Credits in accordance with the requirements of Section 42(h)(4) of the Code (the "4% Credits"). Applications submitted for 9% Credits should be identified by the Applicant for consideration in either the Preservation Classification or the New Construction Classification, both of which are described further in Section III(C) below.

The amount of 9% Credits available for annual award and reservation pursuant to the Plan shall be equal to the annual amounts estimated by the Authority, in its sole discretion, to be available under Section 42(h)(3)(C) of the Code for the calendar years 2024 and 2025 (each annually, a "Credit Ceiling"), which amount shall include, without limitation, unused 9% Credits from prior calendar years, population based 9% Credits for the applicable calendar year, eligible returned 9% Credits and national pool 9% Credits. Notwithstanding the foregoing, in its sole discretion and in order to accomplish the objectives of the Plan, the Authority may make awards and reservations for the purpose of forward allocations from future year credit ceilings which may affect each annual Credit Ceiling.

In order to provide continuity and stability to the LIHTC Program development community, the Authority intends to make every effort to publish the estimated 2024 9% Credit ceiling to be administered under a qualified allocation plan adopted by the Authority upon the announcement of awarded reservations under the Plan, which estimate shall be subject to change.

II. State Housing Plans

The Authority and the State of Connecticut Department of Housing ("DOH") work closely to align the Plan with State housing policy. To that end, the focus of the Plan for 2024 and 2025 is on the most current priorities within State housing policy in support of the State's mission and vision to achieve a Connecticut where affordable housing, in strong, vibrant, and inclusive communities, is accessible to individuals and families across the state and homelessness is a thing of the past. The Plan for 2024 and 2025distributes Points (as defined below) to reflect the State's priorities. It does this by ensuring consistency and coordination with the State of Connecticut's three long range and large scale Plans related to affordable housing: the Consolidated Plan for Housing and Community Development ("ConPlan"), the Conservation and Development Policies: The Plan for Connecticut (the "C&D Policies Plan"), and the Analysis of Impediments to Fair Housing Choice 2015 ("AI").

The Plan for allocating Credits in the State supports the needs and priorities as defined in the current State of Connecticut ConPlan and the current Annual Action Plan, as required by the National Affordable Housing Act of 1990 (the "National Housing Act"). The National Housing Act requires that the ConPlan govern the allocation of Federal funds by the State. The Plan will not undertake a separate needs assessment or establishment of goals and objectives, but incorporates by reference the needs assessment of the ConPlan and adopts its specific priorities for rental housing for use in the Plan. Additionally, the Plan similarly adopts relevant housing policies of the C&D Policies Plan and the AI.

A. ConPlan

The overall goal of the community planning and development programs covered by the ConPlan is to develop decent housing available to all, ensure a suitable living environment and expand economic opportunities principally for low- and moderate-income persons.

The affordable housing development objectives of the ConPlan adapted for use in the Plan may include the following:

1. Prevent and end homelessness.

2. Increase the supply of affordable housing, which includes preservation, rehabilitation and creation of affordable housing with the goal of expanding housing choice and opportunity.

3. Increase the supply of quality affordable housing in order to support economic growth and the development of stable and healthy communities and neighborhoods.

4. Make housing investments that support responsible growth and development in the state and the efficient use of existing infrastructure investment in transportation, water, sewer, and other utility systems.

B. C&D Policies Plan

Affordable rental housing development policies of the C&D Policies Plan adapted for use in the Plan incorporate the Growth Management Principles of the C&D Policies Plan, which call for revitalizing regional centers, expanding housing opportunity and choice, as well as concentrating investments that support both development and transportation. In addition, the Plan is also consistent with the C&D Policies Plan regarding its policy to promote, "housing mobility and choice across income levels utilizing current infrastructure and the preservation of existing residential neighborhoods and housing stock." In accordance with C.G.S. § 16a-35d, exceptions may apply to the funding of growth-related developments located in priority funding areas and will be considered as applicable at the discretion of the Authority's Board of Directors.

C. Analysis of Impediments to Fair Housing Choice 2015

The AI is intended to satisfy the State's obligation to analyze the impediments to fair housing choice and to then take steps to overcome the impediments it identifies, in order to enable the State to more quickly overcome the barriers to full and equal access to safe, decent, affordable housing in economically vibrant, diverse communities statewide.

III. CREDIT AWARD PROCESS

Each Application for a Proposed Development received by the Authority on or before the applicable deadline published by the Authority from time to time: (i) seeking an awarded reservation of 9% Credits from an annual Credit Ceiling, or (ii) requesting an allocation of 4% Credits in accordance with the requirements of Section 42(h)(4) of the Code and the Plan, shall be evaluated for full compliance with the Basic Threshold Requirements (as defined below). ***No Applications or included Application materials will be considered for review if they are submitted after the applicable deadline published by the Authority, provided, however, the Authority may seek clarification of any Application submissions in its sole discretion at any time.*** All Completed Applications (as defined below) seeking an awarded reservation of 9% Credits from an annual Credit Ceiling shall be evaluated for their achievement of Financial Feasibility (as defined below) and shall receive a priority or competitive ranking described further in Sections III(C), III(D) and III(E) below.

In making such evaluations and rankings, the Chief Executive Officer – Executive Director shall have discretion to interpret the intent of the requirements set forth in the Plan and to evaluate and score applications accordingly in order to address the State's housing policy goals.

Notwithstanding anything contained herein to the contrary, awarded reservations for 9% Credits from an annual Credit Ceiling shall be Completed Applications (as defined below) that demonstrate Financial Feasibility (as defined below) and receive a priority or competitive ranking which is deemed by the Authority to be sufficient to receive an awarded reservation of 9% Credits from an annual Credit Ceiling.

The Authority's Board of Directors shall approve all awarded reservations of 9% Credits from each annual Credit Ceiling and the Board of Directors retains the full discretion to independently review proposed awarded reservations and not award 9% Credits on account of non-compliance with requirements of any adopted housing policies, standards, or objectives of the State.

A. Basic Threshold Requirements.

At any time during the Authority's review of Applications and in order to further the housing policies and goals of the Plan, the Chief Executive Officer – Executive Director shall have the discretion to determine that an Application is completed (each, a "Completed Application") upon the presentation of documented evidence demonstrating the Proposed Development's compliance with the following Basic Threshold Requirements (the "Basic Threshold Requirements"):

1. State Housing Policy. The Proposed Development shall address at least one (1) of the following State housing policy goal criteria set forth in the C&D Policies Plan:

a. Enhance housing mobility and choice across income levels and promote vibrant, mixed-income neighborhoods through rental opportunities;
b. Support adaptive reuse of historic and other existing structures for use as residential housing;
c. Support local efforts to develop appropriate urban infill housing and neighborhood amenities to make better use of limited urban land;

d. Promote housing and/or affordable housing as part of mixed use and transit oriented developments within walking distance of public transportation facilities;
e. Revitalize rural villages and main streets by promoting the rehabilitation and appropriate reuse of historic facilities, such as former mills, to allow a concentration of higher density or multiple use development where practical and consistent with historic character;
f. Access to parks and recreational opportunities, including trails, greenways, community gardens and waterways, for affordable and mixed-income housing;
g. Focus on infill development and redevelopment opportunities in areas with existing infrastructure, such as in cities or town centers, which are at an appropriate scale and density for the particular area; or
h. Promote the continued use or adaptive reuse of existing facilities and developed prosperity, including brownfields in strategic locations.

2. Proposed Credible Financing Plan. The Application shall include a proposed credible financing plan that demonstrates a balanced sources and uses of funds essential to the viability of the Proposed Development with: (a) a proposed amount of awarded reservation of 9% Credits which does not exceed: (i) $30,000 per LIHTC Program qualified unit in the Proposed Development, and (ii) 20% of the population component of the annual Credit Ceiling as determined in accordance with Section 42(h)(3)(c)(ii) of the Code, and (b) sources of funds or financing that are supported by commitment letters or other proof of serious intent from the providers of said sources of funds or financing, *provided*, *however*, with respect to any proposed State source of funds or State financing from DOH or financing from the Authority, the Application need only include evidence of a pending application or pending request made to DOH or the Authority;

3. Site Control & Environmental Site Assessment. The Application shall demonstrate the Applicant's site control of the Proposed Development and shall include a Phase I environmental site assessment prepared and supplemented in accordance with the requirements set forth in the ConApp and which has been completed within one (1) year prior to the applicable deadline published by the Authority;

4. Zoning Approval. The Proposed Development shall have received appropriate planning and zoning approval from all State and municipal authorities with jurisdiction;

5. Qualified Development Team. The Application shall include a qualified development team satisfying the Guidelines, which qualified development team shall include, without limitation, an architect, a general contractor (subject to applicable bidding requirements) and a property management agent;

6. Bidding & Project Cost Adjustments. The Application shall demonstrate compliance with all applicable bidding requirements. In the event that the Proposed Development's project costs increase from the budget proposed at the time of Application, the Authority shall require the applicant to mitigate and reduce such project cost increases by virtue of, without limitation, competitive bidding and/or value engineering, or both as may be required by the Authority. *NOTE:* Applicants are advised to pre-qualify three general contractors acceptable to the Authority and competitive bidding for a general contractor or project value-engineering should be completed prior to the allocation of 9% Credits or the issuance of a 42(m) letter by the Authority;

7. Construction Oversight. The Proposed Development shall commit to provide construction observation reports to the Authority on a regular basis in accordance with the Guidelines;

8. No Resident Displacement. The Proposed Development shall be affordable to current residents (if any) so that no permanent displacement is required for reasons of affordability;

9. Affordability Commitment. The Proposed Development shall include a commitment of at least forty (40) years of affordability by virtue of the LIHTC Program Extended Low-Income Housing Commitment (the "ELIHC"). The Proposed Development shall include a minimum of 20% of the units in the Proposed Development that shall serve households with incomes greater than 30% but less than or equal to 50% of the Area Median Income ("AMI"). If a Proposed Development includes units that have a rental or supportive housing subsidy that subsequently becomes unavailable, upon the request of the owner, and with the authorization of the Authority in its sole discretion, the designated units, including supportive housing units, may revert to 50% AMI or 60% AMI units as stated in the ELIHC until new subsidy or funding becomes available;

10. Plans and Specifications. The Application shall include plans and specifications that are in compliance with the Construction Standards and shall be submitted at a minimum level of 40% complete in accordance with the Construction Standards and the applicable Guidelines;

11. Preservation Classification Construction Hard Costs. For Proposed Developments in the Preservation Classification (as further described in Section III(C) below) or seeking an allocation of 4% Credits, the Application shall include minimum construction hard cost expenditures of $25,000 per unit (*For reference please see* Divisions 3-16, as noted on the ConApp Project Cost Summary form);

12. Re-syndication. If the Proposed Development, or a portion of the Proposed Development, seeking an awarded reservation of 9% Credits from an annual Credit Ceiling shall have received an allocation of Credits in a prior year, the Application deadline under the Plan shall be more than twenty (20) years after said Proposed Development's placed-in-service date with respect to such prior allocation of Credits;

13. Very-Low Income Construction Employment. The Application shall include a commitment to undertake good faith efforts to hire or train very low-income persons in accordance with the VLI Policy;

14. Preservation Capital Needs Assessment. For Proposed Developments in the Preservation Classification (as further described in Section III(C) below), the Application shall include a capital needs assessment of the structure to be rehabilitated, in form and content consistent with the Construction Standards;

15. Prior Applicant Non-compliance. The Applicant shall not have failed to comply with the requirements of the LIHTC Program with respect to any prior reservation award or allocation of Credits, including, without limitation, (a) failing to comply with the terms of any ELIHC for a project they previously sponsored or developed, (b) being removed as a general partner, managing member or manager or management agent from any previous LIHTC Program development, or (c) being affiliated with a project against which a foreclosure was commenced;

16. Public Housing Resident Participation. If the Proposed Development includes existing public housing unit residents, the Applicant shall certify that it has a plan that ensures meaningful resident participation in the planning and implementation process in accordance with Section 8-64c of the Connecticut General Statutes (See ConApp);

17. Public Housing Preference. The Application shall include a commitment to: (a) give preference in its tenant selection plan to eligible households on waiting lists of the public housing authority(ies) (each, a "PHA") in the local market area, subject to HUD regulations, and (b) make on-going efforts to request that the PHA make referrals to the Proposed Development, or request that the PHA include relevant information about the Proposed Development on any listing that the PHA makes available to persons on its waiting list(s), and to persons least likely to apply;

18. Waiver of Qualified Contract. The Applicant and the Proposed Development shall waive the right to request a "qualified contract" as such term is defined in Section 42(h)(6)(F) of the Code and Section 1.42-18 of the U.S. Treasury Regulations, which waiver shall be set forth in the ELIHC governing the Proposed Development;

19. Market Study. In accordance with the requirements of the Code, the Application shall include a an acknowledgement that any allocation of Credits shall be subject to the submission of a housing market study, in form and content consistent with the Procedures and the Authority's Market Study Guidelines, demonstrating a sufficient demand for the housing to be developed;

20. Tenant Ownership Proposals. If the Application includes a proposal to establish tenant ownership of the Proposed Development (or all of the individual units) after the initial 15 year compliance period, the Application shall include a specific and credible plan that demonstrates owner capacity and identifies the resources necessary for tenant organization and representation, the acquisition(s), and all transaction costs;

21. LIHTC Program Developments in Prior 2 Years. If the Applicant shall have or shall have had a direct or indirect ownership interest in a LIHTC Program application or development that received an awarded reservation of 9% Credits in both of the preceding two (2) calendar years, the Application shall demonstrate that said previously awarded reservations of 9% Credits are on track to meet LIHTC Program benchmarks, as determined by the Authority in its sole discretion; and

22. Preservation Classification Energy Efficiency. All Proposed Developments in the Preservation Classification or seeking an allocation of 4% Credits: (i) shall propose a scope of work based on recommendations from an energy consultant for the highest energy efficiency and sustainability design measures appropriate, and (ii) to the extent appropriate and practical for the Proposed Development, shall include the required items set forth on ***Exhibit A-1: Preservation Sustainable Design***, attached hereto and made a part hereof, which required items shall be subject to Authority review.

B. Financial Feasibility

Each Completed Application seeking an awarded reservation of 9% Credits from an annual Credit Ceiling shall be required to demonstrate the financial feasibility of the Proposed Development ("Financial Feasibility"). At any time during the Authority's review of Applications and in order to further the housing policies and goals of the Plan, the Chief Executive Officer – Executive Director shall have the discretion to determine that a Completed Application demonstrates Financial Feasibility upon the presentation of documented evidence demonstrating the following:

1. Population Component Cap. The Completed Application shall not require an awarded reservation of 9% Credits from an annual Credit Ceiling in an amount greater than 20% of the population component of the annual Credit Ceiling, as determined in accordance with Section 42(h)(3)(c)(ii) of the Code;

2. 9% Credits Per Qualified Unit. The Completed Application shall not require an awarded reservation of 9% Credits from an annual Credit Ceiling in an amount greater than the product of $30,000 and the number of LIHTC Program qualified units in the Proposed Development;

3. Debt and Credit Sizing. The Application shall include proposed financing terms that deploy 9% Credits effectively and minimally relative to other proposed sources of funds in a Proposed Development and the Chief Executive Officer – Executive Director shall retain the discretion to set the amount of any awarded reservation of 9% Credits from an annual Credit Ceiling to a Proposed Development, notwithstanding the amount of 9% Credits proposed or sought for said Proposed Development in a Completed Application;

4. Hybrid Financing Structures. In order to maximize the use of public resources and to otherwise accomplish the objectives of the Plan, the Authority reserves the right to consider Proposed Developments seeking an awarded reservation of 9% Credits from an annual Credit Ceiling that are paired in a hybrid financing structure with a separate and simultaneous financing plan seeking an allocation of 4% Credits (together, a "Proposed Hybrid Development"). Any Proposed Hybrid Development shall: (i) satisfy all applicable requirements set forth in the Plan, (ii) be subject to the limitation set forth in Section III(B)(1), and (iii) be subject to the limitation set forth in Section III(B)(2), *provided*, *however*, for purposes of the Section III(B)(2) calculation of the number of LIHTC Program qualified units, all LIHTC Program qualified units in the entire Proposed Hybrid Development shall be included so long as the Authority determines, exercising full discretion allowed by law, that the award of 9% Credits to the Proposed Hybrid Development is consistent with the objectives of the Plan. The Authority will require Proposed Hybrid Developments to be of a scale necessary to produce demonstrable savings of resources in exchange for the higher complexity of the execution and to otherwise meet the requirements set forth in the Guidelines. In evaluating such Proposed Hybrid Developments, the Authority will consider, among other things: (a) the Applicant's experience in successfully completing the proposed hybrid structure and organizational depth and capacity to undertake complex transactions; (b) simultaneous financing for each building/phase/condominium unit; (c) the Applicant's demonstrated ability to adhere to strict timelines; and (d) the Completed Application's demonstration of cost savings, increased unit production, and reduction in the needed volume of 9% Credits or resources, as required; and

5. Completed Applications Viable with 4% Credits. In order to further the housing policies, objectives and goals of the Plan, at any time during the Authority's Financial Feasibility review, the Chief Executive Officer – Executive Director shall have the discretion to determine that a Completed Application appears to leverage funding or financing sources essential to the viability of the Proposed Development more effectively with an allocation of 4% Credits, will need to proceed seeking an allocation of 4% Credits in connection with proposed tax-exempt bond financing, and will be deemed ineligible for an award or reservation of 9% Credits from the applicable annual Credit Ceiling.

C. Preservation and New Construction Classifications.

For purposes of furthering State policy and in order to further the housing policies, objectives and goals of the Plan, the Authority will accept Applications for 9% Credits to be reserved or awarded from each annual Credit Ceiling for Proposed Developments in either the "Preservation Classification" or the "New Construction Classification." Proposed Developments that primarily constitute the substantial rehabilitation or replacement of existing occupied multifamily rental housing shall be eligible to apply under the Preservation Classification. Proposed Developments that do not qualify for the Preservation Classification shall be eligible to apply under the New Construction Classification. Notwithstanding the foregoing, the Authority may designate any Proposed Development as solely eligible to apply in the New Construction Classification depending on relevant considerations necessary to achieve the objectives of the Plan.

It is the intent of the Authority to make 25% of the awards or reservations from each annual Credit Ceiling to Completed Applications in the Preservation Classification and 75% of the awards or reservations from each annual Credit Ceiling to Completed Applications in the New Construction Classification. Notwithstanding the foregoing, the amount of annual awards or reservations made in each Classification may vary depending on relevant considerations and limitations necessary to achieve the objectives of the Plan.

D. Preservation Classification Priority Ranking.

In the Preservation Classification, all Completed Applications shall be evaluated based solely on their satisfaction of the following ranked Preservation priorities. As determined by the Authority in its sole discretion, the satisfaction of each Preservation priority will result in a Completed Application achieving a higher priority for an award of 9% Credits from an annual Credit Ceiling. The Preservation priorities are listed in declining order of significance, as follows:

1. The largest scope of rehabilitation work on a per square foot basis, as demonstrated by a capital needs assessment and by Authority review;

2. Proposed Developments identified by the State, the municipality, or other regional, community or municipally-recognized organization as in need of rehabilitation for community revitalization purposes;

3. Proposed Developments seeking re-syndication of a prior allocation of Credits or at risk of losing affordability through expiring restrictive covenants and/or conversion to market rate housing;

4. Proposed Developments located in a municipality where there is less than 10% assisted and deed restricted housing according to the definition in Section 8-30g(k) of the Connecticut General Statutes and identified on the "*Affordable Housing Appeals Procedure List*" published by DOH;

5. The greatest number of sustainability design measures set forth on ***Exhibit A-1: Preservation Sustainable Design***, attached hereto;

6. The Applicant's demonstrated ownership experience with LIHTC Program properties.

E. New Construction Classification Competitive Point Ranking Categories.

In the New Construction Classification, all Completed Applications shall be scored and ranked in accordance with a total of 100 Points to support priority for housing development proposals ("Points"). The categories of Points are summarized, as follows:

Rental Affordability (31 Points) – Creates rental units dedicated to low-income families, households and individuals with incomes below 50% of the Area Median Income.

Sub-Category	*Maximum Points*
Supportive Housing Units	6
Households at or below 30% AMI	8
Households above 30% AMI and at or below 50% AMI	7
Mixed Income Housing	6
Extended Affordability Commitment	2
On-Site Resident Services Coordinator	2

Financial Efficiency & Sustainability (25 Points) – Demonstrates cost effectiveness through efficient use of Credits and other sources.

Sub-Category	*Maximum Points*
Cost Effectiveness & Hard Costs	2
Credits Per Qualified Bedroom	4
Credit Equity Less than 50% of Total Uses	2
Other Permanent Funding Sources	1
Building Plans and Specifications	1
Sustainable Design	13
Cost Effectiveness, Intermediary Costs	2

Local Impact (18 Points) – Supports use of land and resources in ways that enhance the long-term quality of life which contributes to a vibrant and resilient economy and maximizes existing infrastructure while preserving natural resources, giving priority to projects that reuse or capitalize areas within built-up lands, existing commercial properties, and brownfield sites.

Sub-Category	*Maximum Points*
Priority Location	5
Transit-Oriented Development	4
Family Developments	1
Signed Resident Participation Agreement	1
Historic Place, Adaptive re-use or Brownfield Development	3
Located in a Qualified Census Tract	1
Concerted Community Revitalization Plan and/or Affordable Housing Plan	3

Opportunity Characteristics (15 Points) – Promotes diverse housing opportunities in municipalities with defined opportunity characteristics, including better outcomes in education, greater employment opportunities and economic health.

Sub-Category	*Maximum Points*
Municipalities with Less Assisted and Deed Restricted Housing	6
Development Located in Area of Opportunity	9

Qualifications & Experience (11 Points) – Promotes an experienced development team's strong track record in the LIHTC Program and affordable housing development.

Sub-Category	*Maximum Points*
Experience of Sponsor/ Applicant/General Partner	5
Developer/Sponsor Resources	3
Women and Minority Participation	2
Connecticut-based General Contractor	1

F. New Construction Classification Tie Breaker Policy.

In the event that two Applications shall receive equal Point rankings, the Authority shall use the following tie-breaker preferences, in the following order:

1. Lowest Credit per qualified unit;
2. Highest total score in "*Rental Affordability"* category;
3. Highest total score in "*Local Impact*" category;
4. Highest total score in "*Financial Efficiency & Sustainability*" category.

G. Qualified Non-Profit Set-Aside.

Notwithstanding Point rankings or Classifications to the contrary, the Authority retains the discretion to afford ranking priority to Applications satisfying the 10% non-profit set-aside of credit authority for "qualified nonprofit organizations" within the meaning of Section 42(h)(5)(c) of the Code. Non-profit organizations must satisfy the following requirements in order to receive a non-profit designation: (i) the non-profit organization must commit to participating materially (within the meaning of Section 469(h) of the Code) in the development and operation of the project throughout the compliance period; and (ii) the non-profit sponsor must be a qualified non-profit organization as defined in Section 42(h)(5)(C) of the Code.

H. New Construction Classification Competitive Points.

All Completed Applications seeking 9% Credits in the New Construction Classification shall be ranked in accordance with the Points received in accordance with the following parameters:

1. ***Rental Affordability***.

(a) Supportive Housing Units. Points will be awarded based on documentation of supportive services from a "Qualified Service Provider" specifically for residents identified as homeless or chronically homeless, as defined in the Supportive Housing Guideline. Documentation must include a Services Plan, a description of funding sources, and a budget for supportive services. (Reference must be made to the current Supportive Housing Guideline for definitions, service funding criteria and the list of Qualified Service Providers).

Percentage of Units	Points
≥ 20%	6
≥ 10% and < 20%	2

(b) Households at or below 30% Aggregate Median Income. Points will be awarded based on the percentage of qualified units that serve households at or below 30 percent of AMI and provide rents pursuant to HUD guidelines adjusted for family size throughout the extended use period.

Percentage of Units	Points
≥ 25%	8
≥ 20% and < 25%	5
≥ 15% and < 20%	3
≥ 10% and < 15%	2

(c) Households above 30% of AMI and at or below 50% of AMI. Points will be awarded based on the percentage of total units that serve households above 30 percent of AMI and at or below 50 percent of AMI and provides rents pursuant to HUD guidelines adjusted for family size throughout the extended use period.

Percentage of Units	Points
≥ 40%	7
≥ 30% and < 40%	4
Over 20% and < 30%	3

(d) Mixed Income Housing. Proposed Developments that promote economic integration by creating mixed income housing will receive Points based on the percent of non-qualified units (market rate housing without income restrictions) included.

Percentage of Non-qualified units	Points
≥ 20%	6
≥ 10% and < 20%	2

(e) Extended Affordability Commitment. Proposed Developments that: (i) are awarded at least 6 Points in the "*Opportunity Characteristics*" category of "*Development Located in Area of Opportunity*" (See Section (H)(4)(b) below), and (ii) include a commitment of at least 50 years of affordability by virtue of an ELIHC, will be awarded 2 Points.

2 Points

(f) On-Site Resident Services Coordinator. A maximum award of 2 Points will be awarded to Proposed Developments that include staffing of a resident services coordinator by virtue of either qualifying under either subsection (i) or subsection (ii) below. Points will not be awarded for simultaneous eligibility in both subsections (i) and (ii). Resident service coordinators should be engaged in accordance with the Authority Guidelines, the objectives of the Plan, to increase diversity and bridge differences amongst residents regardless of race, disability, social, educational or cultural backgrounds, and to provide outreach and incentives necessary to attract and retain, as residents, individuals and families from historically marginalized racial and ethnic groups, immigrants, and those least likely to apply for housing at the Proposed Development.

(i) *Full-Time*. On-site resident services coordinator staff, working a minimum of one full-time equivalent hours per week, and a property budget line item or evidence of arrangement with a third party provider specifying the funding source for the resident services coordinator salary, benefits and annual training is required, as well as an executed "*Acknowledgement of Guidelines for Resident Services Coordinators.*"

2 Points

(ii) *Part-Time*. On-site resident services coordinator working a minimum of .5 full time equivalent hours per week and a property budget line item or evidence of arrangement with a third party provider specifying the funding source for resident services coordinator salary, benefits and annual training is required, as well as an executed "*Acknowledgment of Guidelines for Resident Service Coordinators*."

1 Point

2. ***Financial Efficiency & Sustainability*.**

(a) Cost Effectiveness & Hard Costs. Points may be awarded based upon deviation from the Authority's anticipated construction square foot cost. (For additional information please refer to the Construction Standards) Costs are reviewed in the context of development location and any applicable constraints in the marketplace including regional labor and material costs and applicability of prevailing wage statutory requirements. Determination of the acceptable range of hard costs shall be at the Authority's discretion.

Percentage Deviation	Points
Between +/- 5%	2
Between > 5% and 10% or between < -5% and -10%	1

(b) Credits Per Qualified Bedroom. Proposed Developments will be ranked lowest to highest credits per LIHTC Program qualified bedroom and awarded incremental Points in accordance with their ranking. Points will be awarded in rank order accordingly with the lowest credits per qualified bedroom receiving 5 Points and the highest receiving 0 Points. Per-bedroom figures may be modified by the results of the Authority's financial feasibility analysis. With respect to any Proposed Hybrid Development, Points in this category will be calculated based on the total number of qualified bedrooms in the Proposed Hybrid Development and the sum of the Proposed Hybrid Development's 9% Credits and 4% Credits.

Lowest Credits per bedroom	5 Points
Incremental Credits	1-3 Points (based on rank order)
Highest Credits per bedroom	0 Points

(c) Credit Equity Less than 50% of Total Uses. 9% Credit equity estimated by the Authority for any one Proposed Development which do not exceed 50 percent of total uses will receive Points. 9% Credit equity estimated by the Authority for developments located in federally designated Qualified Census Tracts (each a "QCT") or Difficult Development Areas (each a "DDA"), as defined in Section 42(d)(5)(B)(ii) of the Code, which do not exceed 65 percent of total uses as recognized by the Authority will receive Points.

2 Points

(d) Other Permanent Funding Sources. Commitment(s) for non-debt permanent funding sources in excess of 5% of a Proposed Development's total development resources, including local housing trust funds, grants, foundation awards, or other non-debt commitments such as land contributions, tax abatement, block-grant funds, or an AHP award will qualify for 1 Point if written documentation is provided. State or state-administered funds, including but not limited to funding from DOH, Urban Act, Brownfields, HTCC, State Historic Tax Credits, and CRDA are not eligible sources of permanent funding for purposes of qualifying for this Point.

1 Point

(e) Building Plans and Specifications. Cost estimates become more reliable with greater levels of completion of plans and specifications and to encourage fully developed plans and specifications, Applicants that submit building plans and specifications at a level of completion of 90% or higher shall be awarded 1 Point. In order to qualify for the Point, the Applicant shall certify that 90% drawings and specifications have been subjected to quality control review in order to check for errors and omissions, building code, and fire code compliance issues. Determination of completeness shall be made in accordance with the Construction Standards and in the sole discretion of the Authority.

1 Point

(f) Sustainable Design. Points will be awarded based upon the Sustainable Design Measures ("SDM") included in a Proposed Development and indicated in the plans, specifications, energy conservation plan, third-party energy consultant or professional engineer's report, and/or other supporting documents as required in the Guidelines: Energy Conservation and the Construction Standards. Points will be awarded in accordance with the criteria as set forth on ***Exhibit A-2: New Construction Sustainable Design***, attached hereto and made a part hereof, and in summary, as follows:

Criteria	Points
Energy Conservation	
Tier 1	2
Tier 2	3
Tier 3	4
Green Building	
Tier 1	2
Tier 2	3
Renewables, Electrification and Resiliency	
Tier 1	1
Tier 2	2
Additional Additive Point	1
Operations and Resiliency	
Tier 1	1
Tier 2	2
Sustainable Development with Digital Literacy and Connectivity	1

(g) Cost Effectiveness, Intermediary Costs. Cost efficient designs and reasonable soft costs, such as professional fees, are strongly encouraged. 2 Points will be awarded to each of the top 2 Proposed Developments with the lowest percentage of intermediary costs.

2 Points to each of the top 2 Proposed Developments

3. ***Local Impact***.

(a) Priority Locations. Priority is afforded to Proposed Developments located in priority funding areas and 1 Point will be given for each of the following local impact criteria, as identified by the C&D Policies Plan for the subject property:

(i) Designation as an Urban Area or Urban Cluster in the 2010 Census

(ii) Boundaries that intersect a ½ mile buffer surrounding existing or planned mass-transit stations

(iii) Existing or planned sewer service from an adopted Wastewater Facility Plan

(iv) Existing or planned water service from an adopted Public Drinking Water Supply Plan

(v) Local bus service provided 7 days a week within ½ mile of the proposed development as measured by a pedestrian's path

Criteria	Points
5 Local Impact Criteria	5 Points
4 Local Impact Criteria	4 Points
3 Local Impact Criteria	3 Points
2 Local Impact Criteria	2 Points
1 Local Impact Criteria	1 Point

(b) Transit-Oriented Development. "Transit Oriented Development", for purposes of the LIHTC Program, means the development of multi-family residential apartments within walking distance of public transportation stations serving rapid transit bus services or rail. (For the complete definition, please refer to the Glossary) Applicants shall provide maps evidencing the distance of a pedestrian's path to the transportation hub or transit station. Points are available up to a maximum of 4 Points and may be awarded based on the following criteria:

Proximity to Transit. Mixed income development located within a half mile of an existing station or hub along the CTfastrak corridor or the Hartford rail line, Shoreline East or MetroNorth's New Haven, New Canaan, Danbury and Waterbury lines, or other public transit facilities that meet transit supportive standards for land uses, built environment densities and walkable environments, in order to facilitate and encourage the use of those services:

2 Points

Proximity to Amenities. Applicants may provide documentation of the driving distances calculated by Google Maps for the amenities described below. Routes must be drivable as of the application deadline. The measurements will be between the points closest to the site entrance, to or from the amenity entrance. For scattered site properties, the measurement will be from the location with the longest distance(s).

Private amenities accessible by residents within 2 miles of the Proposed Development including, without limitation, full service grocery stores, variety shopping, pharmacies, medical and dental facilities, hospitals, doctor's offices, clinics, day care facilities and banks.

1 Point

Public amenities accessible by residents within 2 miles of the Proposed Development including, without limitation, local bus service, parks owned and maintained by a local government containing, at a minimum, playground equipment, walking/bike trails, skating rink, basketball or tennis courts and/or other family activities listed on a map or website; schools and public libraries, community centers with scheduled activities, sports facility, swimming pool, botanical or other garden, or hiking trail which is the property of the municipality or the state.

1 Point

(c) Family Developments. Proposed Developments must not be age-restricted, and must contain a mix of bedroom sizes, with more than 50% of the development's total units containing two or more bedrooms.

1 Point

(d) Signed Resident Participation Agreement. One Point shall be awarded to Completed Applications that include a signed agreement for resident participation, if signed agreements are applicable in accordance with Section 8-64c of the Connecticut General Statutes.

1 Point

(e) Historic Place, Adaptive re-use, or Brownfield Development. 3 Points shall be awarded for Proposed Developments of new multifamily rental housing which involves: (i) renovation of a designated historic building(s), provided eligibility requires evidence of such designation, or (ii) renovation and adaptive re-use of vacant or abandoned non-residential structure(s), which structures do not have to be historic, or (iii) remediation of brownfield site(s), provided such site(s) is included on a federal or state list of brownfield sites and/or has been awarded brownfield "clean-up" funds by a federal or state agency.

3 Points

(f) Located in a Qualified Census Tract. One Point shall be awarded to a Proposed Development that is located in a QCT or, if determined by the Authority, a DDA and the development of which contributes to a concerted community revitalization plan. A copy of the community revitalization plan must be provided. (For definitions, please refer to the Glossary).

1 Point

(g) Concerted Community Revitalization Plan and/or Affordable Housing Plan. 3 Points shall be awarded to a Proposed Development that is part of a concerted community revitalization plan, as demonstrated by the criteria set forth in subsections (i) through (iv) below, and/or an affordable housing plan adopted in accordance with Section 8-30j of the Connecticut General Statutes. A plan adopted for a neighborhood revitalization zone (as defined in the Guidelines) that satisfies the following criteria will also be eligible for Points in this category.

3 Points

(i) As of the preliminary application deadline under this Plan, the State, municipality, or other regional, community or municipally-recognized organization or group formally adopted a concerted community revitalization plan to revitalize a defined geographic area which includes the site of the Proposed Development, *provided*, *however*, a standard land use or comprehensive plan will not be eligible unless it contains a specific revitalization component;

(ii) The State, municipality, or other regional, community or municipally-recognized organization or group certifies that no principal initiated the adopted concerted community revitalization plan (other than a public housing authority or a related entity);

(iii) The completion of the Proposed Development would contribute to one or more of the concerted community revitalization plan's stated goals; and

(iv) The State, municipality, or other regional, community or municipally-recognized organization or group has made, or is committed to making, specific investments in non-housing infrastructure, amenities, or services beyond the Proposed Development.

4. ***Opportunity Characteristics*.**

(a) Municipalities with Less Assisted and Deed Restricted Housing. Points shall be awarded to Proposed Developments located in a municipality where there is less than 10% assisted and deed restricted housing according to the definition in Section 8-30g(k) of the Connecticut General Statutes and identified on the "*Affordable Housing Appeals Procedure List*" published by DOH.

6 Points

(b) Development Located in Area of Opportunity. For purposes of the Plan, "Development Located in an Area of Opportunity" shall mean a Proposed Development with non-age restricted units of which more than 50% of the Proposed Development's total units contain two or more bedrooms, and that is located in a municipality with measured improvements in family outcomes in education, employment and neighborhood domains. Points will be awarded in accordance with DOH/Authority "*Opportunity Map*" published on the Authority's website, as follows. Please see the Opportunity Characteristics Guideline for further detail.

Census Tract Designations	Points
Very High	9
High	8
Moderate	6
Low	2
Very Low	0

5. ***Qualifications & Experience*****.**

(a) Experience of the Sponsor/Applicant/General Partner. The Authority will award Points for demonstrated experience of the sponsor, applicant, general partner or other manager of the Proposed Development's ownership entity ("GP"), either principal or entity, in successful LIHTC Program development(s) based on the scales below up to a maximum of 5 Points combined for the number of projects and the years of LIHTC Program experience. In order to be eligible for consideration, existing LIHTC Program projects must have a minimum of 5 years of operation since being placed in service. Applicants claiming Points for experience should include a list of developments, locations, and years placed in service. Notwithstanding the foregoing, an Applicant established as a joint venture which includes a partner, member or other joint venture participant with LIHTC Program experience may qualify for Points in this category upon the determination of the Authority, *provided*, *however*, such joint venture Applicant shall partner with a property management company with appropriate experience of managing LIHTC Program developments.

Number of LIHTC Program Projects: To use the scale, add the applicable Points for projects in operation more than 5 years. A maximum of 3 Points are possible in this category:

Projects	Points
≥ 6	3 Points
≥ 4 and < 6	2 Points
≥ 2 and < 4	1 Points

Number of Years of LIHTC Program Experience: To use the scale, add the applicable Points for years of ownership. A maximum of 2 Points are possible in this category:

Years of LIHTC Program Experience	Points
≥ 10	2 Points
≥ 5 and < 10	1 Point

(b) Developer/Sponsor Resources. Points will be awarded based upon the percentage of permanent Developer/Sponsor Resources to the project's permanent Total Development Resources (for additional information, please refer to the Glossary).

Percentage of Resources	Points
≥ 10%	3 Points
≥ 5% and < 10%	2 Points
< 5%	0 Points

(c) Women and Minority Participation. Women and/or minorities are encouraged to participate in the ownership, development, or management of the project. Points may be awarded if evidence is provided that the entity meets the Supplier Diversity Eligibility Requirements of the State of Connecticut relative to women- or minority-owned business entities ("MBE"). Please refer to State Department of Administrative Services guidance for complete information.

2 Points

(d) Connecticut-Based General Contractor. Contractor is a State based organization whose principal place of business has been located in the State for a minimum of 3 years.

1 Point

IV. PROJECTS FINANCED WITH TAX-EXEMPT BONDS

Applications made to the Authority for an allocation of 4% Credits in connection with proposed tax-exempt bond financing shall be subject to full compliance with the Basic Threshold Requirements and with applicable underwriting criteria adopted from time to time by the State and by the Authority. To the extent projects are financed with the proceeds of tax-exempt bonds subject to the annual volume cap limitation under Section 146 of the Code, such projects may receive an allocation of 4% Credits if fifty percent (50%) or more of the aggregate basis of a project (including land) is financed with the proceeds of such tax-exempt bonds, and the entire project may eligible for 4% Credits based on its qualified basis. The issuance of all 42(m) letters by the Authority for 4% Credit allocations shall be subject to a determination by the Authority that the proposed project complies with the Basic Threshold Requirements and is otherwise consistent with the Plan, such consistency being determined by the following:

A. Application Criteria: Tax-exempt bond financed projects must comply with the Basic Threshold Requirements and the requirements set forth in the Procedures;

B. Underwriting Criteria: Tax-exempt bond financed projects must also meet the underwriting criteria adopted from time to time by the State Bond Commission for multifamily rental housing financed with bonds issued pursuant to an allocation of volume cap authority approved by the State Bond Commission;

C. Credit Limitation: 4% Credits available to tax-exempt bond financed projects are also limited to an amount necessary for the financial feasibility of the project, as set forth in Section 42(m)(2)(A) of the Code; and

D. Debt Sizing: In accordance with the Section 42(m)(2)(A), all tax-exempt bond projects shall include proposed financing terms that deploy 4% Credits effectively and minimally relative to other proposed sources of funds in a Proposed Development as determined by the Authority in its discretion.

V. TAX CREDIT COMPLIANCE MONITORING

Section 42(m)(1)(B)(iii) of the Code requires that a qualified allocation plan provide a procedure the agency (or an agent or other private contractor of such agency, ("Authorized Delegate") will follow in monitoring for noncompliance with the provisions of Section 42 and to notify the IRS of such noncompliance. The compliance monitoring process will determine if a project is in compliance with the requirements of the LIHTC Program pursuant to Section 1.42-5 of the Treasury Regulations. The Authority's monitoring process is outlined in the Low-Income Housing Tax Credit Compliance Manual which can be downloaded from the Authorized Delegate's website. Please refer to the Compliance Manual for detailed monitoring information. The Authority's compliance monitoring requirements apply to all tax credit projects, including those financed with tax-exempt bonds. The IRS has published guidance for state housing credit agencies, Guide for Completing Form 8823, Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition, effective January 2011. The purpose of the Guide is to standardize the treatment of non-compliance issues and it includes instructions for completing Form 8823 and guidelines for determining noncompliance and reporting dispositions. If an owner fails to comply with the requirements of the Code and the Regulations promulgated thereunder, the Authority will notify the IRS of such noncompliance by filing Form 8823. Owners and management agents of developments placing in service are required to attend the Authority's Tax Credit Compliance Monitoring Conference at least six months prior to the first building's Placed-In-Service date. However, if the owner and agent have previously attended this Conference, within the last three years, the attendance requirement may be waived with Authority approval.

A. Recordkeeping and Record Retention

Under the recordkeeping provision of Reg. Section 1.42-5 (b), the owner must keep records for each building in the project for each year in the compliance period. Under the record retention provision, Section 1.42-5 (b)(3), owners are required to keep all records for each building for a minimum of six years after the due date (with extensions) for filing the federal income tax return for that year. The original records for the first year of the credit period must be retained for at least six years beyond the due date (with extensions) (21 years) for filing the Federal income tax return for the last year of the compliance period of the building. Duplicate copies of first year files should be kept at an accessible and secure off-site location. Copies may be scanned, retained in a PDF file or recoded on a compact disc. The owner of a LIHTC project must retain the original local health, safety, or building code violation reports or notices that were issued by the State or local government unit for the Authority's inspection and submit copies with the annual certification.

B. Certification and Review Provisions

The owner of the tax credit project must certify at least annually to the Authority that for the preceding 12-month period the project met certain requirements. The Authority will review at least 20% of low income tenant files at least once every three years. New projects will be reviewed within two years following the year the last building in the project is placed in service. The required reports, certifications, and forms can be found at the Authorized Delegate's website. Annual reporting must be submitted throughout the Extended Use Period of the project. The Authority or its designee will require annual certification that the developer/owner has provided, and will continue to provide, items for which an awarded Proposed Development received Points. Additionally, the Authority or its designee will require annual certification that the developer/owner has complied with all requirements of the Violence Against Women Act (VAWA). Guidance and references are provided on the Authority's website.

C. Inspection Provision

At least once every three years the Authority or its designee will perform an on-site inspection of the project including site, building exteriors, building systems, units, and common areas. At least 20% of the project's low-income units will be inspected using standards governed by HUD and Uniform Physical Condition Standards (UPCS). These standards require properties to be in decent, safe and sanitary condition, and in good repair. The Authority or its designee will periodically perform Quality Assurance monitoring for supportive housing units pledged by a developer/owner in its development project. Monitoring visits during which the monitoring agency will review files, interview staff and meet with tenants to assess compliance are more fully described in the current Supportive Housing Guideline.

D. Notification of Noncompliance

The Authority is required to provide prompt written notice to the owner when the Authority does not receive the required certifications and other forms; does not receive or is not permitted to inspect the tenant income certifications, supporting documentation and rent records; or discovers by inspection, review or in some other manner that the project is not in compliance with the provisions of Section 42. The correction period, established by the Authority, is 30 days from the date of the notice. The Authority is required to file Form 8823 Low-Income Housing Credit Agencies Report of Noncompliance or Building Disposition with the IRS.

E. Compliance Monitoring Fees

Projects allocated Tax Credits are required to pay an upfront Tax Credit Servicing Fee in the amount of 8% of the annual allocation. The Authority reserves the right to make adjustments to annual monitoring fees due to increased monitoring requirements and or costs.

F. Asset Management Fees

The Authority will perform Asset Management functions throughout the compliance period on projects receiving American Recovery and Reinvestment Act (ARRA) funding through the Tax Credit Assistance Program (aka TCAP), 1602 Program: Payments to States for Low-Income Housing Projects in Lieu of Low-Income Housing Tax Credits (aka Section 1602 or TCEP) or other new federal credit exchange program funding. The Asset Management Fee charged for projects receiving any of the ARRA funding sources shall be $5,000 annually.

G. Other

The Authority reserves the right to revise compliance monitoring policies and procedures as required by Section 42 of the Code, including other guidance published by the IRS. The 2008 HERA Law requires the Authority to report tenant data to HUD annually, including tenant race, ethnicity, family composition, age, income, use of rental assistance or other similar assistance, disability status, and monthly rental payments. Please refer to the Authority's Compliance Monitoring Manual for detailed monitoring requirements. It can be found at www.spectrumlihtc.com.

H. Liability & Delegation

Compliance with the requirements of Section 42 of the Code is the responsibility of the owner of the building for which the Credits were allocated. The Authority's obligation to monitor for compliance with the requirements of Section 42 of the Code does not make the Authority liable for an owner's noncompliance. The Authority may choose to delegate all or a portion of its compliance monitoring responsibilities to an agent or other private contractor, Authorized Delegate. The option, if chosen, does not relieve the Authority of its obligation to notify the IRS of noncompliance. The Authority may also delegate some or all of its compliance monitoring responsibilities to another state agency. The delegation may include the responsibility of notifying the IRS on noncompliance.

Exhibit A-1
Sustainable Design Measures: Preservation

Exhibit A-2
Sustainable Design Measures: New Construction

Exhibit A-1

Sustainable Design Measures: Preservation

LIHTC applications for preservation will require a scope of work, including recommendations from the Energy consultant for the highest energy efficiency and sustainability design measures appropriate for the development. CHFA will expect the proposal to contain the following items to the extent appropriate and practical for the property.

- Benchmarking – EPA's Energy Star Portfolio Manager
- Energy Conservation
    - Average HERS Index ≤70; OR

      ≥30% reduction in pre-rehab energy use
- Green Building
    - Enterprise Green Communities 2020 (EGC 2020); OR
    - National Green Building Standard (NGBS); OR
    - Leadership in Energy and Environmental Design (LEED)
- PV system to offset annual energy demand for site interior common area lighting (onsite or offsite renewables) - Complete feasibility study and analysis of return on investment in consultation with CT Green Bank
- Backup power to provide resiliency to Critical Systems, Emergency Lighting, and Access to Potable Water
- Commissioning
- High-speed Broadband access to units

Definitions:

Benchmarking:

Benchmarking is the practice of comparing the measured performance of a device, process, facility, or organization to itself, its peers, or established norms, with the goal of informing and motivating performance improvement. When applied to building energy use, benchmarking serves as a mechanism to measure energy performance of a single building over time, relative to other similar buildings, or to modeled simulations of a reference building built to a specific standard (such as an energy code).

Recommendation is to upload project energy and water performance data in Energy Star Portfolio Manager, an online utility benchmarking platform, annually for at least five years from time of construction completion and provide CHFA access to the data.

Commissioning:

Commissioning is the professional practice that ensures buildings are delivered according to the Owner's Project Requirements (OPR). Buildings that are properly commissioned typically have fewer change orders, tend to be more energy efficient, and have lower operation and maintenance cost. The documentation of the commissioning process provides the foundation for correctly benchmarking the baseline energy consumption of the facility. Commissioning ensures that the new building operates initially as the owner intended and that building staff are prepared to operate and maintain its systems and equipment.

Sustainability Design Measures: New Construction

Benchmarking with EPA's Energy Star Portfolio Manager is a prerequisite for all Sustainability points

Energy Conservation

Prerequisites:

- DOE Zero Energy Ready Home Certification
- Balanced ventilation

Criteria	Points
Tier 1 Average HERS Index ≤50; OR Average % below ENERGY STAR Target Index ≥15%	2
Tier 2 Average HERS Index ≤46; OR Average % below ENERGY STAR Target Index ≥25%	3
Tier 3 Average HERS Index ≤42; OR Average % below ENERGY STAR Target Index ≥35%; OR Passive House; OR International Living Future Institute (ILFI) Zero Energy Ready	4

Notes:

- All HERS scores are excluding renewables
- For the purposes of meeting ZERH prerequisite and tier evaluation, projects receiving Historic Tax Credits and subject to SHPO/NPS restrictions may use projected HERS ratings in which the affected envelope assemblies are modeled according to CHFA Design Standards.

Green Building

Criteria	Points
Tier 1 Enterprise Green Communities 2020 (EGC 2020); OR National Green Building Standard (NGBS) Gold; OR Leadership in Energy and Environmental Design (LEED) Gold	2
Tier 2 National Green Building Standard (NGBS) Emerald; OR Leadership in Energy and Environmental Design (LEED) Platinum; OR Living Building Challenge (LBC) Core Ready	3

Renewables, Electrification and Resiliency

Criteria	Points
Tier 1 PV system to offset ≥75% of the annual energy demand for site and interior common area lighting.	1
Tier 2 PV system to offset ≥90% of the annual energy demand for site and interior common area lighting; AND All-Electric Buildings (excludes backup generator); AND Backup Power to provide resiliency to Critical Systems, Emergency Lighting, and Access to Potable Water	2
<u>Additional Additive Point</u> All-Electric Buildings; AND Battery storage systems or fuel cell to serve as backup power to provide resiliency Critical Systems, Emergency Lighting, and Access to Potable Water	1

Operations and Resiliency

Criteria	Points
Tier 1 Owner Paid Utilities (to cover usage for- heating, cooling & hot water at a minimum); AND Commissioning	1
Tier 2 Owner Paid Utilities (to cover usage for- heating, cooling & hot water at a minimum); AND Commissioning; AND Backup power to resiliency to Critical Systems, Emergency Lighting, and Access to Potable Water	2

Sustainable development with Digital Literacy and Connectivity

Criteria	Points
High-speed Broadband access to units	1

Definitions:

Benchmarking:

Benchmarking is the practice of comparing the measured performance of a device, process, facility, or organization to itself, its peers, or established norms, with the goal of informing and motivating performance improvement. When applied to building energy use, benchmarking serves as a mechanism to measure energy performance of a single building over time, relative to other similar buildings, or to modeled simulations of a reference building built to a specific standard (such as an energy code).

Recommendation is to upload project energy and water performance data in Energy Star Portfolio Manager, an online utility benchmarking platform annually for at least five years from time of construction completion and provide CHFA access to the data.

Commissioning:

Commissioning is the professional practice that ensures buildings are delivered according to the Owner's Project Requirements (OPR). Buildings that are properly commissioned typically have fewer change orders, tend to be more energy efficient, and have lower operation and maintenance cost. The documentation of the commissioning process provides the foundation for correctly benchmarking the baseline energy consumption of the facility. Commissioning ensures that the new building operates initially as the owner intended and that building staff are prepared to operate and maintain its systems and equipment.