



Connecticut Housing Finance Authority

SSHP Priority Needs
Program Guidelines
2025

CHFA Priority Needs Program Guidelines

These Guidelines are effective January 2025

Priority Needs Program Purpose

The Department of Housing, (DOH) through Bond Commission allotment has allocated specific funding to State Sponsored Housing Portfolio (SSHP) developments that need to make physical improvements to the property which directly address priority capital improvement needs. The Connecticut Housing Finance Authority (CHFA) is working in conjunction with DOH to administer the program funds.

I. Eligibility

All owners of SSHP developments that have a property with one or more Priority Needs, as defined in Section II, are eligible to apply for Priority Needs funding for these developments, at the discretion of DOH/CHFA.

II. Eligible Uses of Funding

Program funding may be used to address Priority Needs. A Priority Need is a capital improvement that is urgently needed to protect the health and/or safety of one or more residents as certified by a building design professional or other professional with equivalent expertise. Examples of allowable scopes of work include, but are not limited to, major system upgrades, remediation or abatement of hazardous materials, installation, augmentation or upgrades of mobility and sensory impaired accessibility equipment in units and common areas, renovations directly related to bring vacant off-line units on-line and associated architect/engineering drawings. Allowable hard and soft costs will be at the discretion of CHFA. Developer fees are not allowed. Funds for Priority Needs will be provided as grants.

Program funding may also be used to provide loans for pre-development activities required to prepare a transaction to meet threshold requirements for an application for funding of a redevelopment project. Eligible pre-development costs are expenses that are not administrative and are necessary before the construction stage of a project begins. Eligible expenses include, without limitation, architectural design up to 100% plans and specifications, feasibility and environmental studies. Loan funds may not be used for repayment of other predevelopment financing. The program does not pay for expenses incurred more than 6 months prior to the application date. Except as otherwise required by DOH, loans will be provided at 0% interest, with repayment due upon the closing of construction financing for the project, or 24 months, whichever occurs first.

III. Funding Availability

Priority Needs funding will be awarded via a needs-based application process and administered by CHFA until funds are fully committed/expended. Owners having one or more Priority Needs or an interest in applying for pre-development funds should contact their CHFA Asset Manager to discuss the need and certify preliminary eligibility. Priority Needs funding will be allocated on a case-by-case basis as selected by DOH/CHFA. There is a \$500,000 limit per project.

IV. Additional Program Criteria

The following additional criteria apply to this funding program:

- Owners are expected to contribute property reserves in excess of the recommended minimum balance of \$1,500 per unit for family properties and \$1,000 per unit for elderly housing properties.
- If the proposed scope of work involves energy-related work, the application must include a current Letter of Participation signed by the utility company.
- Owners must comply with CHFA's current Multifamily Design, Construction and Sustainability Standards - CHFA (the "Standards"), DOL prevailing wages (if applicable), the Connecticut Environmental Policy Act, State affirmative action requirements, as well as Federal, State and property procurement guidelines.

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V. Application Requirements

Complete applications must include:

- Completed application workbook
- Certification that the proposed work has been bid in accordance with the owner's procurement policy and consistent with State and Federal Requirements.
- Supporting unsigned current contract proposals, consistent with project costs; contracts may not require upfront payments unless otherwise approved by CHFA.
- For Priority Needs requests, a building design professional/consultant is to determine the scope of work, prepare the bid solicitation documents, and certify that the work has been completed in accordance with applicable building codes, Local, State and Federal regulations and the Standards.
- Appropriate contractor:
 - For general scope projects a Major Contractors License will be required.
 - For all trade specific scopes, a trade contractor with the appropriate license will be required.
- A priority needs statement consistent with a capital schedule prepared by a third-party design professional.
- Building materials, components, fabrications, assemblies and equipment for all proposed Priority Needs work shall comply with the applicable sections of the current Standards.
- Proper back-up documentation for all "other" funding commitments, if any.
- An executed W-9 for the owner.
- Pre-development loan applications must include a schedule showing the estimated completion date of each pre-development activity for which funding is sought.

For certain one-for-one replacements of building components, the requirements may be modified at the discretion of CHFA Technical Services.

VI. Review Process and Approvals

If an application package is complete, based on the Application/Award Checklist provided in the application, the internal review will commence. Incomplete applications without required supporting documents can cause a delay. Scope of work and complexity, i.e. project scopes that include environmental remediation or testing requirements, may require a longer review timeframe.

Upon approval of the project by CHFA and DOH, the applicant will be provided with the Grant Agreement package for execution. The applicant will also need to submit SEEC 10 form with the Grant Agreement package. Wiring options should be discussed with the CHFA Asset Manager.

VII. Disbursement Process

CHFA will provide the borrower with a prepared payment requisition workbook that includes payment submission guidance. Applicants may submit the first payment requisition with the return of the fully executed Grant Agreement; this is an option to consider to move the process along quickly. The first requisition is required to include a copy of all signed contracts.

The contractor is requested to use the AIA payment requisition form for payment (if applicable); invoices are acceptable for the professional fees. Any deviation from the approved scope must be approved by way of the CHFA Change-Order procedures.

Copies of cancelled checks from any prior disbursement must be submitted with subsequent payment requests.

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VIII. Project Close-out Requirements

Following receipt of all cancelled checks, photos, vendor certifications and a Design Professional Inspection Report and Certification, the Borrower and CHFA will execute a Confirmation of Completion. The Confirmation of Completion certifies costs, and that all work has been completed as per CHFA/DOH specifications and requirements, outstanding payables have been paid by the Owner and/or the Contractor (as applicable), and that no further amounts are due and owing to any creditors regarding the construction of the subject development.