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## FREQUENTLY ASKED QUESTIONS

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### REQUEST FOR PROPOSALS

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- 1. I have a few questions about the CDBG loan application for community facilities. The main question is whether or not the loans made to non-profits for community facilities are still 40-year term loans with zero percent interest and payable in full at the end of 40 years provided that the community facility remains in the non-profit's possession for its intended purpose?**

ANS: The agency does not have standard loan terms that are used automatically for any loan product. The terms on all loans are determined during the underwriting phase of the review. An applicant may request specific terms of financing; however, the agency has the right to adjust those terms.

- 2. As stated by Director John Hall, the most that DHCD would finance is 40% of the total project. If our total cost for acquisition and construction improvements are estimated at \$1,622,200 then is it right to assume that the most that DHCD could finance is \$648,880?**

ANS: Correct

- 3. My last question is whether or not a Letter of Intent which leads to a Purchase and Sale Agreement would suffice as proof to purchase the property to which we intend to move our headquarters. The dilemma we're experiencing is the timing of when we expect to finish the study period and have an actual contract to purchase the property and when the application for financing is due at DHCD.**

ANS: One of the eligibility thresholds is proof of site control. As stated in the RFP and the Application Submission Package Exhibits Checklist, acceptable evidence of site control includes current deed, fee simple ownership, long-term lease agreement with purchase option, contract of sale, etc. A Letter of Interest is not sufficient documentation for site control; however, a purchase or sales agreement with conditions would suffice as site control.

- 4. Do you need a Phase I environmental to apply for a CDBG grant?**

ANS: A Phase I is required for all submissions under the RFP. This measures the readiness of the project to move forward. If one is not available or if it is more than 180 days old, it will negatively affect the scoring of your proposal.

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- 5. How much funding is available in the different funding sources (i.e., CDBG, HOME, etc.) and is there a minimum or maximum amount of funds under each category that one may apply for?**

ANS: The agency has approximately \$35 million in CDBG, HOME and HPTF collectively to fund the submitted proposals. There is a little under \$3 million in LIHTC and approximately \$4 million in DMH grant funds. There is no minimum or maximum amount requirement; however, the agency's participation can be no more than 40% of the total project cost with exceptions. These exceptions can be found in Section V of the RFP – **Eligibility Requirements, #7(b) – Funding Limits.**

- 6. The Request for Proposals (RFP) states the submission of the Cost Estimate 215, which is much more detailed. However, in the past, the Cost Estimate 212 was sufficient. Is it necessary to submit the Cost Estimate 215 at this stage of the process?**

ANS: Yes. The Cost Estimate 215 is required for this RFP round. The Cost Estimate 212 will not be sufficient.

- 7. The Request for Application (RFA) for Services for Housing Programs, Anti-Displacement Housing Counseling in Challenge Grant Target Area does not include a menu of services as an attachment. Does this mean that one must provide all the services listed therein under Categories 1, 2 and 3 (Category I: Counseling and Training for Homeownership, Category II: Counseling and Training for Home Preservation, and Category III: Counseling for Tenants and Tenant Groups)? Is there no opportunity to choose among them?**

ANS: DHCD encourages applicants for Challenge Grant funds to propose providing as many of the services listed in the RFA as possible. With that said, applicants should only propose the services they think they can feasibly provide. If there are any services that an applicant does not plan to provide, they should be noted in the application form narrative, since no menu of services is attached.

- 8. How firm does a commitment letter need to be?**

ANS: Any commitment letter submitted need to include terms, conditions and timelines of the proposed financing.

- 9. How elaborate does the site plans need to be.**

ANS: Schematic architectural plans and specs need to be sufficient enough to be able to create the required detailed cost estimate (Form 215).

- 10. Under the Low Income Housing Tax Credits QAP, what is the maximum project size permitted in a single funding round (i.e. number of units)? If so, what is the limit?**

ANS: No maximum number of units, per project, is stated in the QAP

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**11. Under the Low Income Housing Tax Credits QAP, is there a maximum credit award per project in a single funding round? If so, what is the limit?**

ANS: The maximum credit award is \$1,000,000 per project

**12. Under the Low Income Housing Tax Credits QAP, is there a limit on the total award a single Developer can receive in a single funding round (number of projects, total tax credits, etc.)?**

ANS: There is no limit to the number of projects or total credits (except that it cannot be more than the amount of credits available) per developer in the QAP.

**13. Are you able to provide guidance on what the cutoff score for receiving tax credits was in previous years?**

ANS: No. The cutoff score, for the current round will be different from previous rounds because some of the scorings have changed.

**14. Do you know whether the following two Target Area identified by DHCD are one in the same? I've seen references to both names in DHCD RFP's and other documents and wanted to confirm whether DHCD uses the names interchangeably and if they are in fact the same area.**

- Congress Heights/Historic Anacostia/St. Elizabeth's (CHASE area)
- Challenge Grant Target Area (includes portions of the Fairlawn, Anacostia, and Congress Heights Neighborhoods)

ANS: Yes, both names refer to the same target area (There is a map in the RFA that shows the boundaries).

**15. This question is in reference to the Housing Counseling Services attachment that pertains to Insurance. It states that evidence of attempt to secure insurance is required. Not sure what this means.**

ANS: DHCD wants all serious grant applicants to understand the importance of acquiring the required insurance and meeting all District insurance requirements. If the applicant was a grantee in prior years, the applicant is advised to check its current policy and make sure it meets all requirements. If the applicant will be a first time grantee, the applicant should begin the application process for the required insurance, and provide written evidence that it has done so in its DHCD grant application. DHCD's goal is to have required insurance policies in place at the time of grant execution.

**16. Does holding an option to purchase (without having a lease) constitute site control for purposes of the 9% LIHTC app? The rules do not include that, but it seems it should.**

ANS: The RFP states in Section V. Eligibility Requirements, #1 – Site Control – “Applicants must have control of the site proposed for development. This may be in the form of a current deed, fee simple ownership, lease option (lease term must be equal or greater than the

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proposed financing term), or a contract of sale.” If site control is not in the form as stated in the RFP, it will not be considered because it will not meet the eligibility requirement.

- 17. Under the Request for Application (RFA), in the past, an electronic version of the proposal could be emailed instead of placing a copy on a diskette. Is this still acceptable or would you prefer a diskette? If an email of the electronic copy is acceptable, who should the email be sent to with the proposal and attachments?**

ANS: We do make a statement in the RFA that an email submission is acceptable. You may email your submissions to Lamont Lee – lamont.lee@dc.gov. He is listed as the primary contact person under the program area.

- 18. How should developers proceed: some developers will be motivated to submit a proposal for permanent supportive housing on the current RFP for capital funding, but will not have identified services or operating support. There may be a significant time window between the Comprehensive and the Consolidated RFPs. Can you provide some guidance on whether or not developers of Permanent Supportive Housing (PSH) should wait for the Consolidated RFP or apply to the current Comprehensive RFP with the understanding they will not have operating or services funds identified?**

ANS: No one should wait if they want to pursue any funding available. If the Consolidated RFP is announced later in 2012 and we have already reviewed proposals under the Comprehensive RFP received on May 30, 2012, DHCD reserves the right to mix/change sources of funding.