

Department of Housing and Community Development

Request for Proposals: Low Income Housing Tax Credit (9%) and Department of Mental Health Grant Funds

Frequently Asked Questions

The Rent Allowances were not published with the RFP. Are they available?

Yes, we have included them on the DHCD website with the RFP.

Is there any guidance on the HUD-required utility allowances for green buildings?

No. They have not updated those to reflect Green Communities Standards

Will the 202 be updated with the new Developer fees?

Yes

If there is a gap when underwriting to the amount a syndicator has offered, how should we underwrite?

DHCD recommends underwriting the deal using the amount the syndicator has offered. In addition, develop a second scenario based on the \$.85 possible through monetization.

Can we assume a basis boost?

If it is in a qualified census tract, you can write it to that.

What is the total number of credits available in this RFP?

Currently, about \$3.5 million.

In exhibit L, you ask that if it's going to be bid out to get further instructions from the department before application. What are the further instructions?

The general instructions are that if you're bidding it out, you should have at least three competitive bids. Often we're faced with situations where for some reason, the contract may have been in the development team already. In that case, all major subcontractors would have to be competitively bid out.

How is the TCAP money going to be distributed?

Because we only have 5 or 6 deals each year with our \$2 million in tax credits, we will look at each deal individually to see what the needs are and underwrite accordingly. However, our broad goal with the exchange is to have an investor in every deal and to move deals through the pipeline rapidly.

The TCAP will be used to move existing projects through our pipeline that, for reasons of funding or timing need additional gap funds to move forward.

We do not feel that a change in the QAP will be necessary as long as we allocate according to the rules and criteria of our existing QAP.

Is it required that we partner with a CHDO?

No.

Is there a transcript available from the information session held April 14?

We are working through the transcript to provide answers to all questions asked at the Pre-Proposal conference. However, please see the attached documents to answer some of the most imminent questions from the April 14th event.

Where are the instructions for completing the application and narrative? The CD and website include the Form 202 and the RFP, but I see no instructions for actually completing the narrative and other sections.

The Exhibit checklist provides instructional information.

We would like to meet with someone at DHCD to discuss the specifics of our project. How can we arrange that?

After the deadline, if your project is selected for further review meetings will be held after the initial screening process. We have to keep within the constraints of uniformity so an individual meeting before screening cannot be arranged.

Is email the best way to ask these and future questions?

Yes, most certainly.

Is there a list of Difficult Development Areas which we can review? HUD's website seems to indicate there is none in DC, but the QAP refers to them.

The QAP refers to them as a general rule for the tax credit program. However, there are no DDAs in DC. There are Qualified Census Tracts however and those can be found at <http://www.huduser.org/Datasets/qct/DDA2009M.PDF>.

The QAP mentions a Special Needs Set-aside. Our project is a HUD Section 202 which serves very low income elderly and has a 100% project based Section 8 contract. In what way will this set-aside benefit projects that serve special needs populations since the points in the QAP seem to provide minimal support.

The set-aside allows us to prioritize special needs projects – ie, use up to 75% of the credits for special needs projects.

Points are allocated for a "Plan of Development" that is approved by DCRA. Does this apply to rehab projects? If so, what is this "Plan?"

On page 12 of the QAP under Section A (Readiness), the first category states, “The plan of Development is approved by the Department of Consumer and Regulatory Affairs (“DCRA”) without substantive modification and no earlier than (3) months before the reservation application deadline.”

This was meant to reinforce the concept of readiness. This should additionally read, “The plan of Development is approved by the Department of Consumer and Regulatory Affairs (“DCRA”) without substantive modification or is deemed matter of right and no earlier than (3) months before the reservation application deadline.”

There are 75 points available for "Efficient Use of Resources." The formula is very confusing. Can you clarify? Can projects that will be 100% LIHTC be eligible for the points?

These points are formula-based and would be calculated per project where the cost per unit by type is divided by the overall highest per unit cost and multiplied by the percentage of those types of units in the building. This is then multiplied by 75. This would mean that 100% LIHTC buildings are eligible for some points under this category.

There are bonus points available for units that are rent-restricted to 40% of AMGI. Does that amount apply to the portion the tenant pays, or the entire rent charged? We are trying to understand how this applies to project-based Section 8 units where all the residents pay no more than 30% of their income for rent and virtually all of the tenants have incomes below 50% of AMGI and most are at or below 40%.

Unless the unit would dedicated to below 40%, these would not count in this rating.

Regarding TOPA, is the requirement that the residents receive the initial notification of their rights under TOPA or that they be presented with an Offer?

Landlords must notify tenants of their opportunity to purchase in the case of an offer of sale. The offer of sale must be given to the tenants along with forms that can be acquired from the Housing Regulation Administration at DHCD: 202-442-9505.

What electronic portions of the application should be on the CD that we submit along with the binder?

The files submitted on the CD should be the same documents included in the binder.