

## HCR Multifamily Finance 9% RFP – Fall 2020

### Questions and Answers #6

#### RFP:

**Q1: Per the RFP guidance, we are basing the affordability of our units on the NYC 2019 HUD AMI which is less than the 2020 HUD AMI. Should we also use the 2019 Utility allowances?**

A: The current utility allowance must be used.

#### Term Sheets:

**Q1: The HTF term sheet states “HTF may not be used to finance senior units serving households above 60% AMI.” Can HTF be used to finance senior units 60% AMI or less while the project as a whole includes senior units above 60% AMI? The senior units above 60% AMI would not receive HTF funding.**

A: Yes, HTF may be used to finance units at or below 60% AMI per the term sheet. The project may also include senior units above 60% AMI which are not financed by HTF.

**Q2: The SLIHC term sheet states “SLIHC may not be used to finance senior units serving households above 60% AMI.” Can SLIHC be used to finance senior units 60% AMI or less while the project as a whole includes senior units above 60% AMI? The senior units above 60% AMI would not receive SLIHC funding.**

A: Yes, SLIHC may be used to finance units at or below 60% AMI per the term sheet. The project may also include senior units above 60% AMI which are not financed by SLIHC.

**Q3: Must MIHP units be financially feasible without other HCR resources beyond the MIHP funds?**

A: Yes. There must be sufficient non-HCR sources to pay for the MIHP units beyond the MIHP funds, a bank loan, deferred fee, etc. On the operating side, the MIHP unit income must be sufficient to cover the MIHP units operating costs and debt service.

#### Application:

**Q1: Are sponsors allowed to move forward with acquisition after application submission?**

A: If a project is applying for federal HOME or PBV monies, sponsors cannot move forward with acquisition after application submission. Once an applicant applies for federal funding no “choice limiting actions” are allowed, which includes, but is not limited to, acquisition. If a

project is applying for only state funding, sponsors are cautioned against acquisition prior to award and completion of an environmental review.

**Q2: Would HCR accept a Phase I reliance letter to meet the requirements of the Phase I dated within a year of application?**

A: HCR requires the entire Phase I ESA along with any follow-up studies to resolve any issues identified in the Phase I ESA (or a plan with dates and costs to study and resolve issues), as outlined in instructions at E-3 of the application.

**Q3: Historically, HCR wanted to see 50% of all tax credit equity paid in by the end of construction. Is that still a criteria by which the current 9% application will be rated?**

A: HCR does not have a standard for the amount of equity paid in during construction. This is not considered in the scoring criteria.

**Q4: Exhibit F-4 asks for Average Expected Annual Household Income Levels by household size for the targeted ESSHI population. Is this asking for the applicant's calculation based on its knowledge of, and experience with, the target population in the MSA and at similar supportive projects? Or simply HUD's 30% AMI figures for the MSA (if the project's units are being targeted at 30% AMI)?**

A: Exhibit F-4 should be based on the anticipated income of the household based on experience and knowledge of the population to be served.