

HCR Multifamily Finance 9% RFP – Fall 2022

Questions and Answers #1

Term Sheets:

Q1: Recently HCR announced that 9% LIHTC applicants developing new supportive housing units that are planning to apply for SHOP funds will be limited to having only 10% of their ESSHI special population be Frail Elderly Seniors. Will 9% LIHTC applicants with ESSHI Conditional Awards be given any type of waiver for this new policy change in order to move forward with their projects at 50% Frail Elderly Seniors?

A: Changes to the HCR term sheets cannot be waived by the ESSHI Interagency Workgroup. A project requesting SHOP subsidy is limited to 10% of the total project units serving ESSHI-eligible seniors and must incorporate one or more additional ESSHI populations to reach the minimum 30% supportive units required under SHOP term sheet. Projects proposing at least 30% of the units for ESSHI-eligible seniors may request Senior Housing Program (SENR) subsidy, if otherwise eligible. Note, however that SENR funds are limited to units targeted to individuals aged 62 and above.

Q2: Can an applicant utilize SHOP in a project in which all units are age restricted to 55+ if the “ESSHI elderly/senior” units are 10% or less of the total project units, but the majority of the supportive units are different populations, i.e., Serious Mental Illness (SMI) or Substance Use Disorder (SUD)?

A: If all project units are age restricted, the HCR project is defined as a senior/elderly project. The intent of the SHOP 10% ESSHI-eligible senior unit maximum is to allow for inclusion of ESSHI-eligible seniors as a special needs population in projects serving more than one supportive population. Project proposing to serve ESSHI-eligible seniors and one or more additional ESSHI populations would be eligible for SHOP, provided the ESSHI-eligible senior units do not exceed 10% of the units. However, ESSHI populations as defined in the ESSHI RFP, other than ESSHI-eligible seniors, youth aging out of foster care and homeless young adults, are not age-restricted or defined by age. HCR would not support the limiting of homeless special needs populations that are not age-defined by superimposing an age restriction. Further, the ESSHI Interagency Workgroup and/or applicable State Contracting Agency(ies) would need to approve any such limitation.

RFP:

Q1: Can one ESSHI studio unit regulated to <30% AMI request Federal HTF subsidy (\$153,314 for one studio) and SHOP funds at \$150,000 per that same unit but not also HOME or HCR Low Income HTF?

A: Per Section M. Subsidy Gap Financing Source per Residential Unit, in addition to 9% LIHTC and SLIHC, projects may only apply for one subsidy gap financing source per residential unit,

except for FHTF and HDF which may be included in addition to another source of subsidy. HTF, SHOP, SENR and PHP cannot be combined; a project may use only one of these funding sources. Please note any units funded with FHTF will be regulated at 30% AMI for the duration of the regulatory term.

Q2: Any unit requesting SHOP subsidy cannot also request Low Income Housing Trust Fund (HTF) subsidy or HOME funds as well? In fact, if a project is getting SHOP at all, it cannot also get HTF?

A: Per Section M. Subsidy Gap Financing Source per Residential Unit, HTF, SHOP, SENR and PHP cannot be combined; a project may use only once of these funding sources. HOME may be combined with other HCR financing in a project, however HOME funds must be the only source of HCR subsidy financing in a unit. A unit may not include HOME and HTF, SHOP, PHP, SENR or FHTF.

Q3: If our project is assuming HCR Project Based Vouchers (PBV), should the PBVs be shown in the Underwriting Application or would it be disqualifying to show the PBV's in the Fall 2022 Underwriting Application because we do not have an award from the Winter 2022 HCR round, but intend to apply in the Fall 2022 round?

A: Please refer to the "What's New" section in the Fall 2022 Multifamily Finance 9% LIHTC RFP which states "*Applicants interested in applying for HCR Project Based Vouchers (PBVs) should note that the HCR PBV RFP will be released later this year. Applicants must reflect the HCR PBV's in the Fall 2022 Finance and Underwriting Application and must apply through the HCR PBV RFP when released.*"

Q4: Can an applicant submit the following 3 applications under the Fall 2020 9% LIHTC RFP?

- 1. Application 1 (Finger Lakes REDC): Firm XX as the applicant.**
- 2. Application 2 (Southern Tier REDC): Firm XX as the applicant.**
- 3. Application 3 (Southern Tier REDC): Firm XX is a nonprofit participant and management agent which is unrelated to the applicant/sponsor/developer. Firm XX will have an ownership interest in the project and receive a portion of the developer fee.**

A: No. The Fall 2022 RFP specifies that "a project Applicant/sponsor/developer and/or any related entity is eligible to submit no more than two applications in the HCR Fall 2022 9% LIHTC Funding Round, with no more than one application within a Regional Economic Development Council (REDC)." The term sponsor also includes ownership interest in the project. The scenario proposed above indicates Firm XX is part of the ownership of Application 3 and would be considered to have submitted 3 applications, with 2 applications in the same REDC.

Q5: Is there an estimated date for award announcements under the Fall 2022 9% LIHTC RFP?

A: HCR estimates the Fall 2022 awards will be announced in late March 2023.

Environmental:

Q1: Is there a requirement as to how old a site suitability can be? Does it have to be dated within so many months of the application submission?

A: No, the E-6 Site Suitability Memorandum does not need to be dated/updated within a specific period of time from the application deadline. If a Site Suitability Memorandum has been previously accepted, a new Memorandum need not be prepared unless substantial changes have occurred in the site area (e.g., rezoning, new construction of industrial facilities, etc.). The application should indicate that the attached Memorandum has been previously reviewed and accepted. However, Applicants are strongly encouraged to review the current Attachment E-6 requirements, as these requirements have been updated recently and additional information may be required.