

Questions from the January 26, 2012 CFC Webinar Training

Q: When you say that 2/3/2012 is the last day to contact RAD for the ERC, are you saying it is the last day to submit the ERC?

A. February 3rd is the last day to contact the RAD to schedule the site visit. The Environmental Review Checklist needs to be completed prior to the site visit. At the visit, the applicant and the RAD sign the front page of the Checklist.

Q: Where can Applicants find the Best Practices for Construction Standards?

A. The Best Practices for Standard Construction can be accessed at: OHCS web site, Multifamily Loans, Grants and Tax Credits, under Program Details, Consolidated Funding Cycle, "Architectural Information, Building Enclosure Rehabilitation Guide: Multiunit Residential Wood-Framed Buildings.

Q: Slide # 88 states HOME grants need to be removed from eligible basis. Is that correct?

A. Recently it was changed so HOME grants and HOME loans are not considered to be federal subsidy according to IRS Notice 2008-106. Applicants should contact their tax attorney to determine if HOME funds need to be removed from the LIHTC eligible basis.

Q: Do we submit two FULL copies of the Market Study, or just the Executive Summary?

A. Yes two full copies of the LIHTC Market Studies are submitted as an addendum to the application. The Executive Summary for Surveys or Reports is all that is required to be within the application. (i.e. Phase I Report)

Q. You mentioned group homes in the HOME portion of the training. I thought group homes were not eligible projects under the HOME program.

A. You are correct. Group homes are not eligible for HOME funding but you can use Trust Fund or HELP from this CFC.

Q. Could you provide more clarification on when the 9% fixed LIHTC rate will expire and go to a floating rate?

A. The fixed 9% rate will expire as of December 31, 2013. Only those projects placed in service before December 31, 2013 will continue with the fixed 9% rate. All projects placed in service on or after January 1, 2014 will go back to the floating 9% rate. There is now specific language in the Reservation and Extended Use Agreement (REUA) addressing the two time lines.

1) If the project is placed in service after 12/31/2013, the rate will be one of the following:

a) the rate for the month you locked the rate (if you choose to lock the rate when you sign the REUA); or

b) the rate will be the floating 9% rate that is in effect for the month when the building(s) are placed in service if you choose to wait until placed in service to lock.

The 4% credits have always had the floating rate.

Q: On page 38 of the 2012 CFC Application, the formula for calculating the developer fee is mentioned. However, the capitalized words "Project Reserves" and "Capitalized Cash Accounts" are not provided definitions. What are the definitions for these two terms?

A. Project reserves refer to operating reserves, debt service reserves and capitalized replacement reserves. Capitalized cash accounts would be a liquidity reserve, or other reserves that may be required by a lender or an investor.

Q: Do fees for construction management by a third party consultant not affiliated with the developer or owner count within the developer fee calculation?

A. No they are not part of the developer fee calculation but a separate line item.

Q: What is the verification of submittal documents that's listed on the checklist?

A. The Submittal Checklist is for all documents required with your application. This includes Parts 1-11 and the specific forms and all questions that apply to the project. It also should include the forms and questions for the OHCS funding sources being requested.

Q: Slide 18 reflected that preservation includes LIHTC projects with rents 10% below market, is that correct?

A. That was an oversight. The Preservation definition is this: "25% of units must have project-based rental assistance from HUD or RD." The second point on the slide regarding the 10% does not apply to Preservation.

Q: Is the Portland Housing Bureau Physical Conditions Survey (PHBPS) a requirement for projects outside the Portland city limits?

A. The Portland Housing Bureau Physical Conditions Survey was a survey that was done in 2011. No need to submit for 2012.

Q: If the project isn't required to go to housing council because of the funding requested being less than the \$200,000, do we still need to complete the form?

A. Yes. There is information in the report that is used in addition to the report to housing council.

Q: When will we get the results of the AM review back?

A. Asset and Property Management receive the Sponsor Capacity forms and they are reviewed as soon as possible. The forms are copied to the RADs when completed then the RAD will contact you.

Q: Where is the utility allowance verification information found?

A. Applicants will need to contact the local Housing Authority to get the most recent utility allowance.

Q: Will this Power Point be available on the website?

A. . Only the handout for the presentation was posted on January 25, 2012.

Q: is that all for the webinar? We thought it was a 3 hour presentation?

A. We advertised it from 10-1 based on the times from previous CFC Training. Without a break and questions being answered during the presentation, it ended much earlier.

Q: Are questions being asked? I can't see any activity?

A. Questions were collected during the presentation. Additional questions can be posted on the OHCS web site, Under the CFC until end of day - January 31, 2012. <http://www.ohcs.oregon.gov/OHCS/cfc-questions.shtml>

Q: Regarding page numbering in the application: If a large 3rd party report such as a Market study or Capital Needs Assessment is included in the application, how should we address page numbering? Generally pages are already numbered in those reports.

A. The Third Party Market Study and Capital Needs Assessments do not need to be included in the application page numbering. They can be referred to in the application materials as a separate Addendum and submitted at the end of the application.