

## Request for Proposals

### 2018 Rental Gap Program – Housing Opportunity Fund

#### Questions & Answers

The following is an overview of the general questions that have been submitted online and that were asked at the November 15, 2018 pre-application meeting.

#### How often does the Housing Opportunity Fund Advisory Board meet?

Once a month, on the first Thursday of the month. The next meeting will be held on December 6, 2018 at 200 Ross St., 13<sup>th</sup> Floor, Pittsburgh, PA 15219.

#### Does every project go to the Advisory Board? Do all Advisory Board members vote on the proposals?

All present Advisory Board member who do not remove themselves due to conflict of interests will vote on applications. 51% of the Advisory Board's vote is required for an application to be approved.

Please refer to this table for information about required approvals:

Projects with...	Require approval from...
Loan amount <\$250K	URA Executive Director, after: <ul style="list-style-type: none"><li>• Review by HOF AB and</li><li>• Review by HOF Director</li></ul>
Loan amount ≥\$250K And/or Dev. cost >\$2M	URA Board of Directors, after: <ul style="list-style-type: none"><li>• Review by HOF AB</li></ul>

#### Do the funds for 2018 carry over to 2019?

Yes, 2018 funds roll into the 2019 calendar year.

#### When does the application need to be submitted?

Applications are accepted on a rolling basis; however, it is advised that applications are turned in at least two weeks before the Advisory Board meets in order to allow for application review.

#### Can an application receive a partial allocation?

Yes, an application may be approved for less funds than requested.

#### Can a project be applied for multiple times?

Rental Gap Program Guidelines do not prevent projects from being submitted for funding in different years.

#### Can a borrower apply for multiple projects?

Borrowers may apply for more than one project; however, funding decisions will be at the discretion of the Advisory Board.

### **Can an application surpass the minimum affordability requirements?**

Yes, additional affordable units may be applied for, as long as their construction/rehabilitation meets the program's affordability requirements and funding guidelines.

### **Do the affordable units need to be unit specific?**

Affordable units may be floating, an annual financial audit will determine whether the project/borrower follows unit affordability requirements as stipulated by the Program Guidelines.

### **How long will an application take to get approved?**

Up to sixty days. There is an underwriting process, outlined in the RFP sections VII. Loan Application Processing and VIII. Loan Approval.

### **How soon do we need to submit the application to make it to the December 2018 Advisory Board?**

Monday November 26<sup>th</sup> at latest.

### **Can this fund pre-development financing?**

Yes, non-profit applicants may apply for predevelopment financing to acquire and/or stabilize vacant and abandoned property to be rehabbed/constructed to provide affordable housing in accordance with the program guidelines. The predevelopment loan will be secured by a lien on the project property. The funding may be used for costs including, but not limited to, acquisition, design development, geotechnical analysis, environmental analysis, engineering, and reasonable costs of obtaining additional sources of pre-development financing. The amount of the URA pre-development loan cannot exceed 50 percent of the total predevelopment funding and is capped at \$200,000.

### **If the URA has already funded a project, could that same project apply just for funds related to supportive services?**

The goal of the HOF RGP is for the construction/rehabilitation of rental housing units for households at or below 50% of AMI; solely funding supportive services is not the program's intention. However, funding decisions will be at the discretion of the Advisory Board.

### **Can funds be placed in escrow?**

For supportive services funds may be placed in escrow. The arrangement/intention/function for this use of an escrow account needs to be explained in the application.

### **If a building is owned by an LLC, but the applicant is a non-profit, is this project eligible?**

Yes, non-profit must be part of the development team, not necessarily the sole applicant or building owner.

### **Are only Low Income Housing Tax Credit projects eligible to apply?**

No, any project meeting the program's affordability requirements and funding guidelines is eligible to apply.

**Based on our projected cash flow we may not be able to pay an amortizing loan; can we still apply?**

The loan repayment schedule will be based upon the borrower's capacity to repay the loan through the project's operating income as determined by the URA, using the projected operating cashflow analysis. The repayment schedule may be either be annual based on cashflow OR monthly amortizing.

**Can an individual apply?**

An individual may apply, as long as their project meets the program's affordability requirements and their development team includes a non-profit applicant.