NOTICE OF FUNDING AVAILABILITY AND PROGRAM IMPLEMENTATION GUIDELINES FOR MULTIFAMILY PIGGYBACK / CDBG-DR LOAN FUNDING "PIGGYBACK 2019"
Frequently Asked Questions

The questions below are only minimally edited and are in the same or nearly the same form as submitted to the Corporation. Responses to the Frequently Asked Questions are provided as a courtesy to our developers and meant to provide clarification with regard to the Notice of Funding Availability.

1. **Question: Are funds available for term extensions on properties already within affordable housing programs (i.e. Small Rental)?**

   Answer: The answer is contingent upon the rules, regulations, and/or legal agreements of the affordable housing program under which the property was originally funded.

2. **Question: It appears the applicant will be required to incorporate the achievable rents from the market study into the application Proforma. Given these rents will also affect debt sizing and applicants are required to submit financing commitments, when will the applicant receive the market study results back in order to incorporate this information?**

   Answer: Market studies will be commissioned on March 14, 2019. The completed market studies will be returned after the April 8, 2019 application deadline. Applicants will have an opportunity to address any discrepancies through the deficiency process.

3. **Question: The file for the application seems to be in PDF form. Are applicants expected to fill out this PDF form or will the Excel version be uploaded to LHC's website?**

   Answer: The Excel application can be found at the following link under "2019 Piggyback Underwriting Model":

   https://www.lhc.la.gov/resources-for-housing-recovery?description=&type=20

4. **Question: What information needs to be submitted in the Letter of Intent?**

Answer: A “Letter of Intent” should be submitted on the applicant’s letter indicating the proposed project name. A completed “2019 Piggyback The Market Study Checklist” found at the following link should be included along with the physical letter of intent.

https://www.lhc.la.gov/resources-for-housing-recovery?description=&type=20

5. **Question: Pre-Katrina and Rita, there were several large apartment complexes on and near Chef Menteur Hwy that were destroyed have not seen any redevelopment. Does this housing need fit the profile to apply for NOFA funding?”**

   Answer: Yes, large multifamily developments are eligible projects under this NOFA.

6. **Question: Is there a maximum amount of 4% LIHTC credits that can be earned as part of the total development sources in conjunction with the CDBG award?**

   Answer: No, there is not a maximum amount of 4% LIHTC credits that can be earned as part of the total development sources in conjunction with the CDBG award.

7. **Question: The required reserve amounts of $1000 initial and $500 annually/unit are far outside industry norms and will cripple the projects cash flow. This will affect the ability of the developments to repay their CDBG obligations and their ability to retire deferred developer fees. Please consider reducing the required reserve amounts to be consistent with the 2018 QAP.**

   Answer: The required reserve amounts set forth in the 2018 QAP should be applied to applications submitted under this NOFA. The Amended NOFA reflects these amounts.

8. **Question: “The required DSC ratio of 1.20 differs from standard requirements. Please consider modifying the NOFA to be consistent with the 2018 QAP.”**

   Answer: An amended NOFA will be issued clarifying the required DSC ratio must be in accordance with the terms of the 2018 QAP.

9. **Question: “In regards to the green building requirements, we assume that the certifying party can be the project architect. Please confirm.”**

   Answer: There is no prohibition against the project architect being the certifying party for green building requirements.

10. **Question: “When will the LHC release the excel version of the application?”**

    Answer: See response to Question 3, above.

11. **Question: "Would LHC consider allowing an application using Historic Tax Credits to reduce the applicants calculation of Total Development Cost for the purposes of both Section 6.2 and 3.8 by the amount of equity proceeds generated for the project from the Federal and State Historic Tax Credits? (For example: A project has an estimated Total Development Cost of $10,000,000. However, the project qualifies for $1,500,000 of Historic Tax Credits which will generate $1,300,000 of equity into the project. Would LHC consider using $8,700,000 for the Total Development Costs ($10,000,000 - $1,300,000 Historic Tax Credit Equity = $8,700,000) for purposes of Threshold and Scoring.)**

    Answer: Please refer to Section 6.2 of the NOFA concerning waivers of total development cost being made on a case-by-case basis.

12. **Question: In regards to NOFA Section 1.10 "Funds, Available, Maximum and Minimum Funding" we offer the following for consideration:**
    We request that LHC allow staff the flexibility to waive the $80,000 per unit cap on CDBG funding under the NOFA (but retain the ceiling of $5,000,000 per project) for projects that request, and are granted, a TDC waiver under Section 6.2 of the NOFA. This acknowledges that within difficult to develop, urban areas of the State, the gap for 4% LIHTC projects is significantly greater than $80,000 per unit. Many projects that achieve outstanding public policy outcomes will not be feasible without a provision for waiver of the per unit funding caps. This is consistent with the availability of a TDC waiver under Section 6.2 as the cost factors that would trigger need for the per unit TDC waiver are the very same cost factors as those driving increased funding gaps.

    Answer: The Amended NOFA clarifies that justification for all factors related to an increased TDC must be submitted along with the request for a waiver, including, but not limited to, an increase in the per unit cap.