



Renovation Program NOFA: *Questions*

Q: If we were to serve extremely low income, what is the minimum interest rate that could be achieved?

A: The Housing Trust Fund Advisory Board has been willing to consider deviations from preferred loan terms on a case-by-case basis as needed by other financing sources and project specific characteristics (i.e. supportive housing for vulnerable populations). If you are requesting a deviation from the loan terms described in the NOFA, please provide the rationale for the request, describing why it is needed to make the project viable. As a reminder, the terms proposed in the NOFA are:

Loan Amount: Not to exceed \$50,000.00 per unit

Interest Rate: 3% simple

Repayment: Repayment deferred during initial acquisition phase and converting to a soft loan post-rehabilitation receiving payments through 50% of cash flow. Full repayment triggered at any of the following events: sale, ground lease, transfer of borrower's interest in the property, transfer of ownership of borrower, bankruptcy, refinancing, permanent financing, syndication, end of term.

Term: Initial 2 year period with options to extend depending on permanent financing plan and timeline

Affordability term: 30 years

Q: If properties are already owned, could we apply for rehab only projects?

A: As long as the project meets the requirements of the NOFA, a property that is currently owned could be eligible. The goal of the program is to improve existing affordable housing units in the City in exchange for a guaranteed period of continued affordability. This could include properties that are naturally-occurring affordable housing and currently unrestricted as well as currently restricted affordable housing at risk of being lost/converting to market due to the end of the compliance period or other factors.

Q: In Part II Project Funding, question #3 asks, "What type of security is being offered to the City?" What does this need to look like?

A: The City is interested in how the organization will commit to the provisions of the loan. The legal agreements to be entered into are described in the NOFA. The security is the City's collateral in the event that the affordability requirements are not maintained or other conditions of default under the loan agreement. An example would be, the City's loan will be secured by a lien on the property with a deed of trust in _____ position. If the City's loan is proposed to be subordinate to other financing on the property, that should be explained in the application with the proposed lien order.

Q: For older buildings built prior to 2006, are we required to meet LEED standards?

A: Per City Chapter 18.95, LEED certification is required for any projects that receive city funds for construction that are new construction or major renovation of multi-family residential buildings containing more than 10,000 square feet. A major renovation is defined as "Work that demolishes space down to the shell structure and rebuilds it with new walls, ceilings, floors and systems, when such work affects more than twenty five percent (25%) of the building's square footage, and the affected space is at least ten thousand (10,000) square feet or larger." All projects not required to meet LEED Standards should outline how the project will incorporate sustainable practices.

Q: Can the City provide additional clarification on what information should be included in the property management and resident services plans?

A: Property management plans should include information on the following: how the project is currently and proposed to be managed, which organization will be providing property management services, the proposed property manager's experience with affordable housing, proposed staffing model, and budget for property management.

Resident services plans should include information on the following: if applicable, how resident services are currently provided at the property, how resident services are proposed to be provided at the property, which organization will be providing services, and how services are proposed to be funded.

Note that while the provision of these plans is a requirement of the NOFA, there is not threshold criteria around how property management and services are provided. Plans should adequately outline how the organization has or will operate the project location.

Q: If properties are single-room occupancy or group homes, is the maximum limit \$50,000 per bed instead of \$50,000 per unit?

A: Yes, projects in properties in which there is shared living space, such as group homes or Single-Room Occupancy should calculate the maximum per unit based off the number of beds in the home.