



## Questions and Answers 2019 Low Income Housing Tax Credit Request for Proposals

January 6, 2019

**NOTE: On January 6, 2019, RIHousing posted a revised proforma model.** If you have not begun to complete the model, please download and use the model posted (v1.01) as of 1/6/19. If you are far along with the model, please send it to [aberman@rihousing.com](mailto:aberman@rihousing.com) so it can be updated to match the most current version.

**Question:** The QAP indicates that projects that incorporate Photo Voltaic Panels will receive points. Is there a criteria as to the volume of PV's you must install in order to get scored?

**Answer:** Thank you for pointing out that we did not provide a specific metric. Our goal is to ensure that if PVs are installed they are a net benefit to the proposed development (e.g. – enough PV to offset the common area electric, or it will reduce the tenant utility costs by X). In addition, it would be helpful to understand the pay back implications (i.e. the cost to install is X\$ and the payback period is Y years). Installing 2 panels which may have minimal benefit to the development would not result in any points.

**Question:** There's a maximum non-weighted TDC for garden style apartments of \$285,000 per unit. If we go slightly above this figure is there any action required such as a waiver?

**Answer:** The scoring is based on the weighted average; however we would want to understand why the unweighted TDC is above the maximum cost. The absolute maximum TDC per the QAP is \$375,000 per unit.

**Question:** We intend on using a 5% construction contingency as opposed to the 10% recommended on the RIH application. Does this require any action such as a waiver or explanation (5% is the industry norm for new construction).

**Answer:** 5% is acceptable for new construction however any cost overruns beyond the 5% would be covered by developer fee.

**Question:** Is there a limit to the amount of HOME and Housing Trust Fund (HTF) we can apply for, either for the project as a whole or on a per unit basis?

**Answer:** There is no universally applicable per project limit. There is a hard cap for HOME and HTF on a per unit basis dependent upon unit size, but the actual cap both at a project and unit level is a “lower of” amount which is determined through a cost reasonableness/cost allocation review after the application is submitted. For specific HOME and HTF questions, please contact Eric Alexander at [ealexander@rihousing.com](mailto:ealexander@rihousing.com).

Bedrooms	HOME Maximum Per-Unit Subsidy
0	\$147,074
1	\$168,600
2	\$205,018
3	\$265,229
4+	\$291,137

**Question:** Can we apply for 811 units as part of the LIHTC application or do we need to send the 811 application in separately. Last year we sent in an 811 application about 3 weeks prior to the LIHTC app and it created a lot of confusion.

**Answer:** Applications for Section 811 are accepted on a rolling basis. You may submit ahead of time or simultaneously with the LIHTC application. For specific Section 811 questions please contact Jessica Mowry at [jmowry@rihousing.com](mailto:jmowry@rihousing.com).

**Question:** Explain the split of construction costs into Types 1, 2, and 3 in the new Pro forma.

**Answer:** The Construction Cost page provides three separate Schedule of Values to assist the applicant if they have different types of construction within the same project, Examples include but are not limited to (i) new construction of some units and preservation/rehabilitation of other units and (ii) residential and commercial.

**Question:** Please provide clarification regarding timing of Phase I ESAs for a scattered site development:

- Item F of the Checklist indicates that a Phase I ESA must be submitted with the application.
- Section 2, "Drawing/Specification Requirements" of the Developer's Handbook - Design and Construction Guidelines indicates that "scattered site developments are exempt."

**Answer:** Phase 1 ESA reports are not required as part of the application for scattered site units (scattered sites being defined as 1-3 family buildings that are aggregated to form a project proposal). Should a project be funded, Phase 1 reports will be required for each individual building.