

2021 LIHTC RFP Questions and Answers

As of 11/4/2020:

Q: Will the set aside project count under the preservation category?

A: No.

Q: What is the amount of credits available for 2021?

A: \$3,245,625

Q: Are 4%/9% deals allowed?

A: Yes, “twinning” deals are acceptable.

Q: How many hard copies of the application are required?

A: One (1) hard copy is required. Please remember to submit the excel version of the proforma with the electronic upload.

Q: Are full size plans required or is a digital set acceptable?

A: Please provide both a digital set and a full sized set of plans.

Q: Are Phase I Environmental Reports required for scattered site developments at the application stage?

A: Phase I Environmental Reports are not required for scattered site locations at the application stage, although for any site suspected to have an environmental concern, it is strongly encouraged. All sites, regardless of location, will be required to commission Phase I reports prior to Firm Commitment.

Q: Are Geotechnical Reports required for new construction developments only?

A: Yes. Geo Tech reports should be provided for new construction proposals and should cover the locations where new roadways, underground utilities, building foundations, catch basins (or similar) and on-site water treatment facilities are anticipated.

Q: Are Capital Needs Assessments (“CAN”) required for new construction developments?

A: CNAs are not required at the application stage for new construction developments. If the transaction will include HOME or Housing Trust Funds, a CNA will be required prior to Firm Commitment in a format consistent with the requirements of those programs.

CNAs are required for all preservation transactions.

Q: Do we have to use the interest rate in the Developer's Handbook even if we have a quote from another perm debt provider?

A: No, if you intend to utilize permanent financing from another lender, please provide a term sheet from the lender outlining the interest rate as backup.

Q: For utility benchmarking (“UB”), we do it internally, does it need to be a 3rd party firm?

A: Where possible, use of a third party provider is encouraged. If a developer intends to collect this information internally, please provide a detailed explanation of how the information is collected and disseminated. Provide detail as to how the information can be shared with RIHousing in a manner that identifies how you are tracking, analyzing, and reporting the consumption and costs associated with a property.

If awarded funding, prior to Firm Commitment, developers will be required to finalize their UB plan and submit to our Asset Management team for review and approval.

Q: Can you provide any guidance on whether an Option to purchase would not be a CLA?

A: Unlike outright acquisition or a P&S, an option is not “choice limiting” because options are exempt under the environmental provision under Part 58.22(d):

“An option agreement on a proposed site or property is allowable prior to the completion of the environmental review *if the option agreement is subject to a determination by the recipient on the desirability of the property for the project as a result of the completion of the environmental review in accordance with this part and the cost of the option is a nominal portion of the purchase price.*” (emphasis added)

Consequently, an option is permissible provided that **(1) the cost is nominal** (e.g., a few thousand versus the 5 – 10% that is more common of a purchase and sales agreement), and **(2) the option indicates that a purchase agreement and ultimately the purchase cannot occur unless and until satisfactory completion of the environmental review, including HUD release of funds.**

The keys are to make certain it is an option and not a sales agreement, and to have an option for a period long enough to be selected for funding and the review process to be completed.

Q: Is the Version 11 Proforma compatible with Macs?

A: We have posted both Windows and Mac versions of the proforma to our website.