

LIHTC NOFA Informational Webinar FAQ

Recording of Webinar from 3/3/2022 available [HERE](#) with passcode: u6B*Cq^.

Published: 3/16/2022 – v.2

1.

Q. Can we use our own format for the REO Schedule or does OHCS have a format that we are required to use?

A. Applicants may use their own format if all information requested is contained in the REO submitted.

2.

Q. When will the full application will be available?

A. The full app will be available at the latest 3/18/2022.

3.

Q. Does the Culturally Specific organization need to be the sponsor organization, or can it be a partner?

A. Culturally Specific Organizations are required to be applicants/sponsor organizations in order to qualify for the set-aside.

3.

Q. I think the NOFA says \$400K in max GAP for Metro and PJ and \$500K in Balance of State, Is it really \$600K/\$500K.

A. The NOFA was corrected and the most up to date version is version 1.1. The updated version confirms that the GAP max requests are \$500K for Metro/PJs and \$600k for Balance of State.

4.

Q. 95% OAHTCs CAP limit example requested

A. Example:

Permanent Debt: \$4,000,000

OAHTC Request: $4M * 95\% = \$3,800,000$ (projects total credit cap)

Interest rate offered by lender: 6%

Reduced rate: 3%

Term of the Mortgage: 25 years

Term of the OAHTCs: 20 years (This is when the interest rate reduction would end)

Mortgage PMTs calculated annually on original debt: $(\$25,772.06 * 12 = \$309,264.67) * (300) = \$7,731,616.82$

Mortgage PMTs calculated annually with reduced interest rate: $(\$18,968.45 * 12 = \$227,621.43) * (300) = \$5,690,535.77$

Total Credit Possible: \$2,041,081.05

5.

Q. Do the PSH rental assistance units qualify for the OAHTC pass through?

A. No, the PSH rental assistance does not qualify for the OAHTC pass through exemption.

6.

Q. I have a question regarding ROFR – Need to clarify applicability (Non-profits only)

A. Internal Revenue Code at §42 (i)(7)(A) specifies that the Right of First Refusal is a clause specific to non-profit or governmental agency general partners. It is the right to purchase the building from the partnership upon close of the building's 15-year compliance period. The code also specifies at §42 (i)(7)(B) that the purchase price should be equal to the sum of principle amount of outstanding indebtedness secured by the building and all federal, state, and local taxes attributable to the sale.

7.

Q. What if a for profit and a nonprofit are applying as co developers, then does ROFR apply?

A. If both the for-profit and non-profit are represented as general partners – the ROFR would only apply to the non-profit buying the project upon investor exit. It is recommended to make clarifications and stipulate them in the partnership agreement.

8.

Q. The project name has changed since the project went through the PSH institute, is there a place to indicate this?

A. Please feel free to indicate this anywhere in an applicable section in the body of the application. Also encouraged is to name the project and include Formerly Known As or "FKA – PSH Institute Project Name."

9.

Q. Do we have to have PBV commitment in hand or just a letter from the HA that they will apply and get those?

A. Applicants are expected to have a commitment from the PHA that they will receive the project-based vouchers to solicit the competitive points associated.

10.

Q. If the rent/operating assistance for PSH disappears for whatever reason, can the unit AMI restriction be increased to 60% or must it remain at 30% for the full extended use?

A. Yes, units can be held at 60% LIHTC and are underwritten as such understanding this nuance.

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11.

Q. LIHTC efficiency scoring - Is the measurement of the bottom 1/2 of the LIHTC ask based on per bedroom calculations?

A. Yes, LIHTC efficiency scores are based on a subsidy ask calculated per bedroom.

12.

Q. Double checking that the bedroom count calculation for studios is meant to be set at 0.50 bedrooms? In other NOFAs it's been 0.75.

A. Yes, studios are being counted at .5 bedrooms and is reflected as such in the full app.

13.

Q. On the pre-app, on the fourth tab of the workbook, I think the formulas in cells D63 and D64 are not calculating correctly. These cells are supposed to show the Costs Per Unit and Costs Per Bedroom. After entering all our data, the resulting calculations are showing as an 11-digit percentage.

A. We are aware of this issue and appreciate your bringing it up. For all technical issues moving forward please report to any cell or formula issues via the Smartsheet link below.

<https://app.smartsheet.com/sheets/FVP54wjXM4w98chJ6wGRCQ3J3mP62xGC4xpwj7P1>