

## 2004 Project Workshop Q & A's

*Where can I provide additional application information if more space is needed?*

Attach the additional information directly behind the required exhibit or attachment.

*How can an owner with minimal experience improve their competitive experience in the application?*

Experience can be improved by listing experience of the HOME applicant or developer possessing experience with the same proposed activity (See Project Experience, Exhibit C2, Chart 1) or by listing the experience of the HOME applicant with extensive experience with housing and community development program sources (see Project Experience, Exhibit C2, Chart 2).

*Can a phased rental development be included in project experience?*

Yes. If the financing and any deed restrictions of each phase of the rental development is independent from the other phases, the phased rental development can be represented as a separate project for the purposes of listing project experience.

*Can experience with redevelopment agency financing be included as a housing and community development program source in Project Experience, Exhibit C2, Chart 2?*

Yes.

*Is there maximum construction contingency limit?*

No. However, the Department Uniform Multifamily Regulations requires a minimum of 5 percent of construction costs for rental new construction and 10 percent of construction costs for rehabilitation and conversion projects.

*Where do I list acquisition financing on the Project Financing Summary, Exhibit C9?*

List the acquisition financing in Construction Financing, Section A. If the financing will be "rolled-over" as a permanent financing source, also list the financing in Permanent Financing, Section B.

*Is a capitalized operating reserve required?*

Yes. The Department's Uniform Multifamily Regulations, Section 8308, requires it.

*Is income calculated assuming all units are rented on the First Year Operating Budget and Cash Flow Analysis, Exhibit C13?*

Yes. The form already incorporates a vacancy rate.

*Does match identified in application have to be reported?*

Match does not have to be documented at the time of application. If match is essential for project financing, the match documentation is required later for project set-up.

*What should an applicant do if the revenue is less than expenses in the multi-year proforma?*

A negative cash flow is prohibited. The Department's Uniform Multifamily Regulations, Section 8310, requires a positive cash flow for 15 years.

*Who is required to possess site control if the HOME application is a First-time Homebuyer Project (Single-family new construction)?*

Submit one of the forms of documentation stated in the HOME application evidencing that the applicant possesses site control.

*What is the construction loan closing deadline for a First-time Homebuyer Project (Single-family new construction) that is not using self-help construction?*

It is 20 months after the HOME award letter, currently anticipated to be September 30, 2006.

*What are the rental application requirements for rental acquisition-only projects?*

In addition to completing the HOME Application Part A, complete the following sections in the Project Application, Part C:

1. Sections I-III
2. Section V, A., as applicable.
3. Section VI, A-C, D1-3, E (if CHDO applicant)
4. Section VII
5. Section VIII