

# CINCINNATI DEVELOPMENT FUND

## Hamilton County ARPA RFP Frequently Asked Questions Responses to Questions Received through May 10, 2023

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***Can we combine with City NOFA, NBDSG, and/or other public funding sources?***

Yes. There is no prohibition on combining County ARPA Funds with other public awards.

***Is it realistic to be awarded and closed by end of July?***

The timeline for the initial round of awards is targeting presentation to the County Commissioners in June so that awards can be made and contracted for in July. CDF will make every effort to meet this timeline.

***Can we have a pre-submission meeting to discuss acceptable funding limits?***

No. Specific questions about funding limits and other elements of the RFP will be addressed to all interested parties in the RFP itself, the webinar, and the FAQs.

***Can the funds be used on a project that has already started?***

This will not be an ordinary circumstance, but we will accept applications for projects under construction that can demonstrate the need for gap financing. Underwriting regarding gaps and need, as well as competitive comparison to peer applications, will be applied in the same manner as pre-construction.

***How are the incentives structured relative to 2) the number of income-restricted units and b) AMI levels? What are the financial incentives if we were to hit different AMI levels on a certain project and how does that vary if we designated all of the units to be affordable at that level, as opposed to designating one, two, or three units to be income-restricted?***

Please see Section 3 for affordability criteria. This structure is designed to encourage both (i) the maximum amount of income-restricted units, through an emphasis on the number of <50% AMI units and overall proportion of income-restricted units to total units, and (ii) the pursuit of mixed-income housing projects through an emphasis on units for which the affordability is caused by the County ARPA Funds. This recognizes that the development of traditional affordable housing through existing public programs and the inclusion of income-restricted units in a market rate project with traditional private investors are, in many ways, different industries with very different financing structures, that require different incentive approaches. This RFP is designed to encourage both in parallel: (i) help projects that will pursue other affordable housing subsidies move faster, include deeper affordability, or get bigger in unit count, and (ii) incentivize projects that might otherwise be 100% market rate to include affordable units.

***Do you have a sense of how quickly funds will be disbursed?***

The initial awards to shovel-ready projects are intended to be under contract in July. The timeline for the following rolling rounds of applications and awards will adjust based on application flow and applicant project timelines.

***Are emergency shelter renovation projects eligible for funding?***

No. These funds are committed to the production, rehabilitation, and preservation of permanent housing units. The particular eligibility of these funds under the ARPA eligibility rules is to “respond to negative economic impacts of the pandemic” through the creation of affordable housing units that will “increase long-term housing security.”

We would direct parties interested in funding for temporary or emergency housing to recent funding availabilities at the County, through a \$2MM ARPA allocation to Strategies to End Homelessness, and the City, through a “Preventing Homelessness Funding Opportunity” of HOME-ARPA funds (although applications are now closed).

***I am interested in purchasing a single-family home. Can I apply for funding?***

No, this is not a consumer-lending program. We recommend checking with the City of Cincinnati for downpayment assistance or Working in Neighborhoods or the HomeOwnership Center for assistance.

***Are there per unit caps or per project caps for these ARPA funds? Or is this captured in the leveraging score?***

There are no hard per unit or project caps except that the ratio of the total award to the total development costs may not exceed the ratio of eligible units to total units. That said, any award request will be compared against other applicants and underwritten by CDF to assess the true need for gap financing, including whether a project could support additional debt.

***It is a bit confusing if projects serving seniors are eligible for all 3 pools or only the prioritized projects fund? On page 2 of the prioritized projects fund it says, “senior citizens, disabled citizens and citizens who were previously incarcerated” but on page 3 it seems to say that seniors are not in the prioritized projects application. Could you clarify?***

The three funding pools determine which source CDF will use in making awards for a particular project. For the applicants, the only relevant distinction is between the two forms of application. All projects (including projects serving seniors) – other than those serving disabled or returning citizen/reentry populations – will apply through a Gap Financing Application that includes a “readiness to proceed” minimum threshold. Senior projects are included in this application category because there is an established and well-understood financing ecosystem/infrastructure for senior affordable housing. Projects serving disabled or returning citizen/reentry populations will apply through a “Prioritized Projects Application” that does not include the same minimum threshold requirement. This structure advances the County’s intention that these County ARPA Funds serve a catalyzing, rather than gap-financing, role for such projects.

***Is a Unique Entity Identify ID required to apply?***

Yes. Please see the link in the application for guidance on registering for a UEI.

***Is there an estimated grant range amount?***

No. Please see earlier discussion of per unit and project caps.

***What is CDF's definition of shovel ready projects? While all gap financing wants to be last money in... For example, if I'm applying for FHLB or OHFA Bond Gap Financing... those applications are due in late July early August; awards in October or November... but projects will score better if they have a soft commitment of local dollars like County ARPA...So should we submit something to this RFP; even if the project isn't shovel ready but for these funds? Maybe as a step 2 after the initial funding?***

The definition of "shovel-ready" is reflected in the "readiness to proceed" minimum threshold described in Section 2(c) of the RFP, and can be summarized as projects that will have all necessary financing, site control, and zoning approvals necessary to proceed upon award of County ARPA Funds.

***Under eligible affordability of the RFP section, is the project only supposed to meet the resident income, affordability term, housing quality, and tenant protection requirements of the outlined federal housing program or does it have to abide by all stipulations of the chosen federal program?***

The ARPA rules establish that eligibility is established by meeting those four elements of one of the listed federal programs. The specific language regarding affordability term refers to "the period of affordability and related covenant requirements for assisted units," which includes any other covenants related to affordability.

***Does the award come with prevailing wage guidelines?***

The ARPA rules state that Davis-Bacon prevailing wage requirements do not apply to projects funded with awards from the SLFRF program (which is the funding source for the County ARPA Funds).

***Can a project have AMI range levels of 80%-120% AMI?***

Eligible AMI levels are established either by an eligible federal program, or the general 65% AMI standard established in the ARPA rules. For example, if using the HOME program to establish eligibility for a single-family home ownership project, the ARPA-assisted housing unit must be sold to a buyer earning 80% AMI or less.

***Would each eligible project require a separate application, or would you prefer a single application from each entity applying even if it includes multiple projects?***

Generally speaking, each project should apply separately. The self-contained financing structure that supports a project will be assessed individually for that project. If a single financing structure finances development on multiple sites, that can be considered a single application; e.g., a developer proposing constructing or renovating multiple single family homes through one

comprehensive financing structure, or renovating for preservation purposes multiple facilities through one comprehensive financing structure.

***For single-family homeownership, is long-term affordability needed, or do we just need to sell to a low-income family for the first sale? If long-term affordability is required, what is the length of this term? Also, how is it enforced (ie: deed restriction)?***

Like all projects generally, long-term affordability will be required, will be established by the program establishing eligibility, and will be enforced through a restrictive covenant or similar instrument. If the homeownership project relies on the HOME program to establish eligibility, the ultimate term of affordability will likely be dependent on the other sources of funds used in the project. For example, if the buyer uses other HOME funds for downpayment assistance, then the affordability term will be impacted by the amount of those funds. If there is no downpayment assistance and only development subsidy, then the period of affordability will be determined by the following sliding scale of per unit subsidy: 5 years if less than \$15,000, 10 years if more than \$15,000 and less than \$40,000, 15 years if more than \$40,000.

***Would a house sale via land contract (for families below 65% AMI, who cannot qualify for conventional mortgage) be eligible as a homeownership project?***

Generally speaking, homeownership projects are likely to be eligible through the HOME program, which does not consider a land -sale contract to be a form of homeownership.

***We work to house homeless people. Would we be eligible for funding under the “reentry population?” Is funding only available for a renovation project or would we be able to get funding for overhead?***

These funds are committed by the authorizing legislation from the County to the production, rehabilitation, and preservation of permanent housing units. The specific eligibility of these funds under the ARPA eligibility rules is to “respond to negative economic impacts of the pandemic” through the creation of affordable housing units that will “increase long-term housing security.” In general, then, this program funds permanent housing, but does not fund either temporary housing or an organization’s operating expenses and overhead.

We would direct parties interested in funding for temporary or emergency housing to recent funding availabilities at the County, through a \$2MM ARPA allocation to Strategies to End Homelessness, and the City, through a “Preventing Homelessness Funding Opportunity” of HOME-ARPA funds (applications for which closed April 28<sup>th</sup>).

***During the 20 year affordability restriction period, what does the income certification process look like? What are the record gathering and keeping requirements? What are the reporting requirements? If a tenant gradually increases income above the 65% threshold, are they no longer eligible to live in the property?***

Tenants must be verified at lease-up and when the units turn over to new tenants. This is an ongoing requirement throughout the affordability term.

***The Port of Greater Cincinnati and its two managed entities plan to submit 5 applications collectively for homeownership. Each project will have a separate application, but some projects have parcels and properties that are more than 10. The parcels will have varying number of general contractors working on them. How would you like the application to reflect multiple general contractors and unit listings.***

Generally speaking, the self-contained financing structure that supports a project will be assessed individually for that project. If a single financing structure finances development on multiple sites with multiple general contractors, that can be considered a single application; e.g., a developer proposing constructing or renovating multiple single family homes through one comprehensive financing structure, or renovating for preservation purposes multiple facilities through one comprehensive financing structure.

***How should I outline information in the project site section of the application if there are multiple properties in the project portfolio, 10-60?***

If the project has multiple sites, feel free to submit a workbook you created with the same information requested.

***Similarly, how should I provide unit information in the For-Sale project section of the application as well as the applicant team section if there are multiple general contractors doing work for a project.***

Again, for larger projects involving multiple sites, feel free to submit a workbook you created with the same information requested.

***Could you please send a template for the global cash flow system. Should the global cash flow statement include all real estate holdings or just residential real estate holdings?***

A template for the global cash flow is available upon request. This should include all real estate holdings.

***For the statement of capacity of the applicant, how far back should we report?***

Please report projects completed within the last 5 years.