

# Frequently Asked Questions

8/24/2020

1. I have an existing completed project with TCRA funds - how can I confirm that the previous project is in compliance and won't cause any issues with my application to this NOFA?
  - For the purpose of this application, all complete and eligible applications will be considered, since performance is not an eligibility criteria, it will not determine if your application is reviewed.
2. What constitutes a Choice Limiting Action?
  - Signing of contracts, including a purchase and sale agreement or construction contract, any ground disturbing activities, if in doubt ask.
3. Can you please provide more detail on the timing of the environmental approvals?
  - Can the environmental approvals be expedited?
    1. Environmental reviews can't be expedited. The timing of the review itself is dependent on many factors including but not limited to; the level of review, required notice periods, and how quickly requested or required information or studies can be obtained. While not considered expediting, review time can be cut down by applicants providing prompt responses for requested and required information
  - When can the environmental approvals be started?
    1. The review process typically starts once a project receives a funding commitment. Under limited circumstances a review can be started early:
      - a) Starting a review early is no guarantee that funding will be awarded
      - b) Starting a review early does not guarantee completion before any requested deadlines since the review time is dependent on multiple factors that are not controlled by TCRA or the City.
4. Many of the application items required in the NOFA appear to be for New Construction projects. Can any be omitted for Acquisition only projects? Can any be delayed until after the eligibility scores are released or awards are made?
  - If it seems a particular attachment or supporting document is not applicable to the type of project being proposed provide an explanation for any attachment type not being included. Please note, if it is determined that the attachment(s) are applicable it/they will need to be provided before funding recommendations are made. If the attachment will not be available for other reasons this will need to be conveyed in writing as required as part of the application
  - Not submitting attachments because the applicant is wanting to make sure the project is eligible is not an acceptable reason for not including attachments.
5. In section XVII D Project Financing Guidelines Operating Reserves—it looks like the City is requiring that the project fund an operating reserve on an on-going basis. Am I reading that correctly? That seems a bit unusual. I am accustomed to seeing this for replacement reserves but not operating reserves if they are capitalized upfront.
  - Operating reserves are required. The level of on-going contributions will be based on the projects need as determined by the operator of the project.

6. Is an appraisal necessary if one already owns the property? In this particular case the sponsor owns 5 SF houses it will be redeveloping into MF rental and increasing density.
  - o If you already own the property that is being developed then an appraisal is not necessary.
  
7. In Section XIX audit financials are requested. If an organization doesn't currently have any reason have audited financials, what will you accept?
  - o The organizations financial statements are acceptable at the time of application if audited financials are not available. Audited financials are required before any funding or award commitments can be made.
  
8. Where do we get this: Documentation of methamphetamine contamination testing results
  - o If methamphetamine contamination is suspected for the project location this test must be conducted by an environmental firm. If methamphetamine contamination is not suspected then mark N/A on the checklist.
  
9. Is there any detailed guidance on how to determine length of affordability covenants? Below are minimum affordability periods.
  - o The typical affordability period for a TCRA funded multi-family project is 40 years, Single family varies and is subject to recapture provisions.

<b>Down payment Assistance</b>	<b>Minimum period of affordability in years</b>
<b>Under \$15,000</b>	<b>5</b>
<b>\$15,000 to \$40,000</b>	<b>10</b>
<b>Over \$40,000</b>	<b>15</b>

<b>Construction or Rehabilitation: rental and homeownership</b>	<b>Minimum period of affordability in years</b>
<b>Under \$15,000</b>	<b>5</b>
<b>\$15,000 to \$40,000</b>	<b>10</b>
<b>Over \$40,000 or rehabilitation involving refinancing</b>	<b>15</b>
<b>New construction or acquisition of newly constructed housing</b>	<b>20</b>

10. If you can't have any work done on the property before environmental review can that review be done before award?
  - o Environmental reviews will not be complete prior to awards being announced in December or January

11. So projects breaking ground before December would not qualify?
  - They may qualify but the timing of the projects will conflict with choice limiting actions triggered by the environmental review. The Applicant will need to determine if the funding is worth the time delay caused by the environmental review. The applicant may also choose to only be considered for the non-federal funds being made available
  
12. Page 22 Section B. Can you give more detail about the no less than 4:1 ratio?
  - During the application review we are wanting to see that a project is using Tacoma funds to leverage other resources, since Tacoma funds are intended to fill the gap between the total financing needed and funding that is committed or proposed by other funders. This will vary from project to project and is not applicable to down payment assistance since it has separate underwriting criteria.
  
13. Can you receive funding from the Affordable Housing Fund and CDBG?
  - Yes
  
14. Section 6: Value of Project Site: I don't have an appraisal value for the project from my lender. Do I answer no to question 1 does the project have a site or sites identified?
  - You can use the assessor's tax value for a value, if the property is not currently owned by the developer or applicant an appraisal will be needed.
  - If a site is identified for the project it should be included
  
15. Can multiple grant requests be submitted? For example, multiple requests based on particular funding sources and the rules that govern projects.
  - Yes
  
16. Section 7 if financing isn't decided yet is it okay to add lender at time they are secured?
  - Yes, however sources need to be shown to cover project costs. For example if you know a bank loan will be obtained put "bank loan" and the anticipated amount, do not leave blank.
  
17. Under funding award criteria number 3 says project need must be documented. What does that mean?
  - Documentation of need can come from community engagement, surveys, City planning documents
  
18. Site parcel characteristics: Can the site change depending on when the project is approved?
  - If a site is identified in the application that will be the site considered. If the site changes the project changes and any funds awarded will be forfeit and a new application will need to be submitted in a future funding round.
  
19. What is scatter site?
  - Scattered site is when a project is carried out across more than one site that is not contiguous. This is most common with single family acquisition programs for home ownership.
  
20. Can you do Scatter site for multifamily with same plans in mind? New construction, acquire a single family zoned for multifamily to build on in the future

- For multifamily: if all sites are not currently known, this would not be considered scattered site. Each site acquired for multifamily will need to be reviewed individually if acquired individually.
21. So just so I'm clear site location must be identified at time of application?
- Yes, unless it is a scattered site project
22. The NOFA notes "Tacoma will need a minimum of two months to underwrite the project and bring a suggested financing structure to the TCRA board for approval." Does this apply for Acquisition Only project that show a finalized financing structure within the application?
- Timing will vary however applicants should build in two months for underwriting at a minimum, sometimes these reviews are completed sooner, however this assumption should not be made.
23. Can you have a site identified and not purchased?
- Yes, keep in mind the timing of the environmental review and how that may impact negotiations. For multi-family projects site control is required
24. Is there a place to understand most ideal project types for these programs?
- The NOFA document lists eligible project types.
25. Is there any information about the interest rate and terms of the loan that can be shared?
- No, these are determined on a case by case basis based on project need
26. Page 22 Section B. Can you give more detail about the "no less than 4:1 ratio"?
- Looking into this one.
27. What is the lead time on an environmental review? Application we can view?
- Total time from start to finish? Review time depends on the level of review needed and timing of the project.
28. Is there a down payment requirement in the underwriting process (minimum money down) to qualify for the grant?
- No.
29. Are there examples of perfect projects for each grant that we can get familiar with?
- No.
30. If I am in the middle of purchasing a property but have not closed on it yet, can I still complete the closing process after the NOFA is submitted?
- No, you will not be able to sign any closing documents or purchase agreements after the application submittal until the environmental is complete.
31. If I have a property that has been approved for the tax exemption, can I receive NOFA funds in addition to the tax exemption?
- Yes, these two things independent of one another.
32. Just to confirm, if we are in the process of a new build we must stop all work once the NOFA application is submitted, until the environmental review is completed?
- Yes.