

Questions from Applicants – Special 4% LIHTC Round

1. Active Project Threshold Limit – We have projects either under construction or in underwriting at DSHA, can we still apply for the Special 4% LIHTC round?
 - a. Yes, for this special round only, your developer entity would be eligible to submit another tax credit application under the threshold waiver. Any allocation made under the Special 4% LIHTC round will not count toward future application cycles active project threshold limit.
 - b. Please be aware that the active project threshold limit will be in place for the 2024 application cycle.

2. Is there an expectation that you will limit the number of 4% projects that you fund under this flexible round? Or to state it another way, if we meet threshold and the timing requirements, will our 4% application move forward, even if we are not ranked and don't win the HOME funding?
 - a. This Special 4% round will be very much like our annual competitive round. Allocations will be made in order of their ranking based on the availability of funds and limits on applications.
 - b. The top scoring application would receive the HOME funds, and all other applications would continue through the competitive round process. We cannot guarantee all applicants will move forward until all applications are reviewed for threshold, scoring, and availability of funds.

3. How much ARPA funds are we allowed to request? Can we also ask for other DSHA funding?
 - a. \$35,000 per unit (at 60% of AMI or below) with no maximum limit for the SLRFP funding. Please review the guidelines at this link:
 - i. http://destatehousing.com/Developers/developermedia/mp_guidelines.pdf
 - ii. http://destatehousing.com/Developers/developermedia/mrba_guidelines.pdf
 - b. Yes, other DSHA funding defined in the Funding Supplement, in the LIHTC QAP Guidelines will apply to this Special Round.

4. If a project is in a DDD area, will the project be eligible for a DDD rebate?
 - a. Because of the ARPA funding, projects will not be eligible for DDD rebate funding. DSHA can still offer the points for being in the DDD, but our guidance on the final ARPA rule has determined that we should not layer those sources together.

5. Is the \$1M in HOME funds going to the highest scoring 4% deal still apply to a 4% deal that is submitted now since those funds have not been used?
 - a. The \$1MM in HOME funds will be going to the highest scoring 4% application for this Special Round. The HOME funds available for the 4% round due by April 28, 2023 were moved into this 4% Special Round.
6. In the 2023-2024 QAP, a "Senior Development" is defined as one where all residents are 62 or older. Can the DSHA QAP allow for family and senior deals to be combined into one 4% transaction?
 - a. Yes, you can bundle more than one project (including family only or senior only properties) under one bond issue. The individual properties can maintain their tenant preferences or set-asides. The projects would be combined and exist under one ownership and operations structure, including financing and operating budgets.
 - b. Any applicants planning on bundling more than one project under one bond issue, please let us know so we can update the Part II Pro forma with additional cost summary tabs.
7. Per the QAP, 4% applications are accepted on a rolling basis after the April competitive round. Can we apply for a 4% rolling application before the October deadline and then submit an application as part of the Special 4% LIHTC round?
 - a. If you re-submit the application anytime on or before the October deadline **and** include a request for DSHA funding and the supplemental ARPA funding, the re-submission will be considered an application for the 4% Special Round. This will make the application eligible for the additional HOME funds as well as the ARPA \$35,000/unit and an allocation under this round will not count toward the active project threshold limit. Allocations will not be made until after the round closes.
 - b. If you resubmit between now and the October deadline and only request DSHA funding, the re-submission will be considered a rolling application. We will not be reviewing, scoring, or allocating funding to rolling applications until after October 16. This re-submission will not be eligible to compete for the additional HOME or the ARPA funds and any allocation will count toward the active project threshold limit.
 - c. If you resubmit without requesting any DSHA funding, we will review and score the project upon submission. In this scenario, no DSHA funding (including HOME and ARPA) will be available to the project and this allocation will count toward the active threshold limit.
8. We are considering an application with more than one USDA project, however, USDA can take longer to get our approvals for a transfer closing which is beyond our control. Will there be an opportunity to waive the construction closing requirement date?

- a. No, **all** applications must provide a clear and detailed timeline to achieve construction closing no later than ***September 30, 2024*** to meet the commitment deadlines of the SLFRF ARPA funding. These are Federal funds with stringent commitment timelines that are not waivable.
- b. Failure to meet this closing deadline will result in a forfeiture of the SLFRF ARPA funding and revocation of the allocation of credits.