



# Louisiana Housing Corporation

## HOMELESS & HOUSING STABILITY: AFFORDABLE MULTIFAMILY RENTAL HOUSING DEVELOPMENT PROGRAM (HHSD)

### NOTICE OF FUNDING AVAILABILITY: RESPONSE TO COMMENTS<sup>1</sup> Version 2, 5/22/24

#### HHSD Comment Period – Comment Received and Responses

##### EMAIL QUESTIONS

1. Are multiple single family dwelling places permissible for development for qualifying populations under this funding opportunity?
  - a. Yes, scattered site single family dwelling places are eligible, but all must be occupied by qualifying population/LMI and affordable.
2. Is there priority given to housing for certain "Qualifying Populations" over others when scoring applications?
  - a. There is no priority given for serving certain populations within the QP definition. Please review the revised Scoring in the NOFA, Version 2.
3. Can specific examples of "operating costs" for HHSD units restricted for occupancy by qualifying households be provided?
  - a. Operating costs are not eligible for HHSD funds. See edit to Section II.A.3 in revised NOFA, Version 2.
  - b. Applicants should see *HOME-ARP Nonprofit Services NOFA* issued by LHC on April 19, 2024 related to HOME-ARP funds for operating cost assistance associated with entities who anticipate receiving funds for a HOME-ARP funded project. These funds are not eligible for a CDBG-DR funded project.
4. If the same applicant is proposing two different projects for two different qualifying populations, should separate applications being submitted?
  - a. An individual Application should be submitted for a single multifamily site or scattered site single family units in one jurisdiction, irrespective of populations being served.

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<sup>1</sup> The HHSD NOFA was posted on March 18, 2024 and open for public comments and questions through April 12, 2024. LHC hosted a **Developer Workshop** on April 8, 2024 to explain the program offering and solicit input and comments. This version was updated with responses to questions received before the April 12, 2024 deadline but not previously included. The program email address ([hhsd@lhs.la.gov](mailto:hhsd@lhs.la.gov)) was made available to receive comments in writing.

5. Is it permissible for two for-profit entities to submit an application together for a development project?
  - a. Two entities may submit an application in together, but one single legal entity must be specified as the primary applicant.
6. How many projects can be submitted per entity?
  - a. There is no limit for project applications per entity.
7. If you find a buyer to purchase and payback the entire forgivable loan amount before 10 or 20 years is there a penalty?
  - a. The units must remain affordable for 20 years regardless of the payment status of the loan. The loan terms will be detailed in the loan agreement.
8. Is there a yearly breakdown on the number of years if you can sell the development and pay back the entire loan before the 20-year mark?
  - a. See answer in #7.
9. Please explain under what circumstances with proper notification would be allowed to engage in assignment of the award in future circumstances if any, to another principal, developer, and or Property Manager?
  - a. Such circumstances are not envisioned, but final determination will be made by LHC based on conditions that may persist and require it.  
*Reference: 11.B.22 -Non-Assignability of Application and award language that states only "without prior written consent of LHC will immediately and irrevocably void the award".*
10. Does the qualifying populations definition lend itself to us being able to build multifamily 1<sup>st</sup> time home buyer unit projects, and or affordable rental units only?
  - a. This funding is for affordable rental units only.
11. This NOFA requires FORTIFIED Multifamily Gold standard for rehabilitations. From our experience it can be challenging, if not financially infeasible, to obtain Gold certification which requires a continuous load path on an existing building. On an historic rehab, it may be difficult to obtain even Fortified Silver due to the difficulty in finding windows that can crossover on both requirements from the State Historic Preservation Office and off an impact rating.
  - a. The FORTIFIED Multi-family standard is required of new construction projects only. Renovations to an existing building funded under this NOFA are exempt from this requirement. See updates to Section II.A.6 Construction/Design Quality of version 3.0 of the NOFA.
12. The developer fee of \$8,000 is very low relative to other similarly challenging projects (the 2024 QAP provides for \$35,000 per unit). This NOFA also requires both an Operating Deficit Guarantee and Completion Guarantees. There seems to be a disconnect between the relatively low developer fee cap and the guarantees. Further, in the event of cost overruns, it is the developer fee that is an ultimate

owner's contingency on the project post-closing. Failure to allow for sufficient fee (or any deferred developer fee) in the event of unanticipated cost overruns makes projects less financially sound.

- a. The developer fee is limited to 12% of total development costs, less the developer fee, without a per unit cap. See updates to Section II.B.8 in version 3.0 of the NOFA.

13. The EGC Criteria 4.7 Access to Potable Water During Emergencies appears to be designed primarily for large, multistory multifamily buildings. Requiring owners to stockpile water at the rate of 40 gallons per person is challenging as it creates liabilities for owners to maintain water quality (something better served by DEQ or local water agencies) and it also drives up project costs if it is required to build out storage space for water. We request that LHC reconsider this requirement and move it to an optional feature as it was intended in Enterprise Green Criteria checklist.

- a. The EGC Criteria 4.7 Access to Potable Water During Emergencies has been removed from the required list. See updates to Section II.A.6 Construction/Design Quality in version 3.0 of the NOFA.

14. EGC Criteria - 5.9 Floodproofing. It can be challenging to determine the Design Flood Elevation (DFE) for projects that are located in flood zone X. What if a project is a rehabilitation and cannot be elevated?

- a. As stated in the EGC Criteria Checklist and in the full criterion for EGC Criteria - 5.9 Floodproofing, elevating the building is not required to meet this standard. Dry floodproofing using barriers and shields, elevating critical services such as air conditioning and electrical service and shutoffs, and similar mitigation measures are all considered floodproofing and can be used to meet this requirement.

15. EGC Criteria 5.10. Islandable Power – For projects that have multiple units in the same building, it is challenging/impossible to create a building that has both separate meters and emergency power for critical items. One option would be to have sockets in each room that only function in the event that the emergency power is turned on. Otherwise, projects will be forced into having house meters and paying for all residents' power bills. This is just a comment to provide greater context to the required criteria.

- a. As stated in the EGC Criteria Checklist and in the full criterion for EGC Criteria - 5.10, Critical Loads, the redundant power source must serve at least three critical loads which can include common areas, emergency lighting, fans for cooling, water pumps, wireless services, electrical charging resources and other critical services listed in the full criterion. Critical loads could also be defined as designated circuits or sockets in each unit as described above.

16. The NOFA references "Permanent Supportive Housing (PSH): PSH are underwritten to applicable voucher-based rents (120% FMR)" Will LHC consider making PSH Project Based vouchers available to a winning applicant in order to make the project

viable? A project that is completely 30%-50% AMI households is very challenging to operate without significant outside subsidy as the expenses are oftentimes greater than the permitted income.

- a. No vouchers are available under this program.

17. Are Single Room Occupancies with shared bathrooms permissible?

- a. Single Room Occupancies with shared bathrooms are not permissible.

18. Are bunk rooms or facilities with shared sleeping between individuals from different households eligible?

- a. Bunk rooms or facilities with shared sleeping between individuals from different households are not eligible.

19. Please clarify the Timeline as there were discrepancies between the NOFA and what was presented at the Zoom NOFA Workshop.

- a. Please see the most recent timeline in version 3.0 of the NOFA.

#### DEVELOPER WORKSHOP

20. How do we access the NOFA package?

- a. The NOFA (amended version) and applications should be accessed on the LHC website.

21. Has the commencement for construction changed?

- a. See adjustments in the NOFA, Version 2, Section II. A.9.

22. Can properties in a Special Flood Hazard Area (SFHA) be eligible for this program?

- a. Projects located in a SFHA are not allowed in the HHSD program. See Section II.B.3.

23. How do you define the commencement date?
- The commencement date is the date that construction begins, based on all local approval and requirements being met to begin construction.
24. What is the expenditure deadline?
- The HHSD anticipates funds must be spent by December 31, 2026.
25. Can the units be spread across multiple sites?
- Yes, but limited to single family scattered sites as one project and must remain 100% LMI.
26. What is a qualifying population?
- See page 5 of the NOFA for the definition of qualifying population.
27. Are there any entitlement requirements?
- Several entitlement jurisdictions received a direct allocation of HOME-ARP funds and may be funding programs independently. LHC works in coordination with the entitlements and is not restricted from awarding projects under this NOFA within entitlement jurisdictions. At least one project is anticipated to be funded in Orleans Parish.
  - If the question is referring to legal entitlements, prior to closing, the property must be properly zoned and subdivided so that the entire area of the parcel or parcels is a part of the project. All legal entitlements not held at application must be detailed in the application and accomplished prior to closing of the loan.
28. Is the ERR timeline different?
- The Conditional Award will be conditioned on full environmental clearance being obtained and must be completed prior to Closing.
29. How do I submit a question?
- Questions should be submitted through the LHC email address at: [HHSDinfo@lhc.la.gov](mailto:HHSDinfo@lhc.la.gov)
30. Can you apply if you do not submit a Letter of Intent (LOI)?
- An applicant does not have to apply if an LOI is submitted, but an applicant must submit a LOI in order to apply.