

**Request for Proposals for Projects:
Small Project Affordable Rental Construction Program**

Questions and Responses

December 23, 2016

Below are the questions received to date regarding the Request for Proposals for Projects, along with responses provided by CPC. In an effort to preserve confidentiality, questions received have been redacted to remove potentially identifiable information. Questions received after the published deadline will be continue to be reviewed, and CPC will periodically post responses to its website homepage (<http://www.communityp.com/>).

- 1. Question:** Is a project in Middle Island, NY eligible?

Response: Upon receipt of project applications, the Governor's Office of Storm Recovery will determine whether projects demonstrate a nexus to either Superstorm Sandy, Hurricane Irene, or Tropical Storm Lee.

- 2. Question:** Is a new construction project with ground floor commercial eligible?

Response: Yes; however, the maximum allocation of SPARC funds will be based on the number of residential rental units affordable to tenants earning no more than 80% of Area Median Income, adjusted for household size.

- 3. Question:** Can we use modular construction?

Response: Yes.

- 4. Question:** What is maximum funding per unit?

Response: The maximum amount of SPARC assistance to a project will be the lesser of \$3,750,000 per project or \$200,000 per affordable unit. The amount of Program assistance allocated to a project will be determined based on available funds and the financial requirements of the project.

- 5. Question:** Is there a minimum number of units?

Response: Projects must contain a minimum of eight (8) residential units.

6. Question: Can we use HCR's Community Investment Fund resource for the commercial space?

Response: No awards obtained through State Unified Funding rounds may be used in conjunction with SPARC assistance.

7. Question: What is the minimum permanent loan size?

Response: The minimum permanent loan provided by one of CPC's investors is \$250,000.

8. Question: Can a portion of the permanent loan be supported by the commercial NOI?

Response: Yes. Commercial revenue can be included in supportable permanent loan calculations.

9. Question: What is the amount of developer equity contribution for a nonprofit?

Response: A minimum equity contribution of 2% of total allowable development costs is required for nonprofit borrowers.

10. Question: Are there certain typical project or CPC costs that do not count toward the minimum developer contribution (such as escrows for the permanent loan)?

Response: A rate lock deposit totaling 1% of the CPC-provided permanent loan will be required. This deposit will not be counted toward the minimum equity contribution.

11. Question: If we use the CDBG-DR funding for all of the residential units are maximum incomes at 80 percent of AMI for each of those units?

Response: Yes.

12. Question: If we have supportive units, may we go below 1.25 DSCR and above 80% LTV so long as the project meets SONYMA's underwriting requirements?

Response: CPC's maximum Loan-to-Value ratio is 80%. The minimum debt coverage ratio is 1.25. Exceptions to CPC's standards will be reviewed on a loan-by-loan basis and will be subject to approval by CPC's Credit Committee.