



ONE CITY. ONE JACKSONVILLE.

**Supplemental Document 10.12.2018
Questions & Answers on Re-Finance**

1. Tab 2, can I leave all developer info blank? **Yes, if the lead applicant is also the developer, then the additional information can be left blank**
2. Tab 3, census tract info applicable? **Yes, this is required for all applications and all parcels.**
3. Tab 3, cost of land applicable? # acres? Exp Date? **Yes, all applicants must complete the information on Tab 3 completely for all sites to be included in the application.**
4. Tab 3, can't add additional pages for additional parcels because wkbk locked. Will need to create a new excel workbook for thumb drive separate from this? **You can provide a PDF of a second page to include in your printed binders and on the thumb drive.**
5. Tab 4, what does financed pursuant to a common plan of financing mean? **In other words, are all of the subject properties to be financed with the same financing scenario and are all properties to be included on the same loan or loans?**
6. Tab 4, in the 1st section the question answers can vary by house. Do you need me to create new tabs for each house in a separate wkbk since this one is locked? **Yes, you can provide a supplemental PDF of additional pages as necessary to include in your printed binders and on the thumb drive.**
7. Tab 4, cell O46, date format and should be number. **The formatting allows for a numerical entry. Please enter the number of years the property has been under a Project Based Rental Assistance (PBRA) contract. This section ONLY applies to properties that have an existing PBRA contract.**
8. Tab 5, is this the sum of how many 2/3/4 bedrooms houses? For example, I have 4 3-bedroom houses so I multiplied 225 by 4 to get \$900 **No, this section is simply a work sheet to determine the utility allowance for each unit type. Do not add up the utility allowances for all 3 bedroom units; just show the allowance, for each unit type.**

Furthermore, allowances for the Range & Refrigerator are not required if the owner is providing both appliances as part of the unit and these appliances are listed as being provided by the owner within the lease agreement. If the owner is not providing both a Range and a Refrigerator, then the allowances must be included here.

9. Tab 6, Tenant pays all utilities except for the ones included in property taxes. Should I still deduct the full utility allowance? **Only enter the amount of tenant paid utilities on this Tab. Owner paid utilities should be included in the Operating Expenses on Tab 7.**



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10. Tab 6, do security deposits really count as Other Income? **Yes, they can count as other income but must be considered reasonable.**
11. Tab 7, Applicant LLC has income and expense related to 2 other properties currently. Can any of that income count towards the financial statistics being calculated in this wkbk? **No, only properties that are included in this funding application are considered part of this “project”.**
12. Tab 7, For expenses that get allocated across the board how do I calculate them for this project that includes 6/8 houses in our portfolio? 75%? Do you even want expense info that isn't directly tied to this project? For example, we pay \$2000 to a CPA to file our taxes for the LLC? **You will need to determine pro rata expenses for the units included in this application.**
13. Tab 7, do I include interest expense for the current loan on these homes that would be paid-off if we got RLF Funding? **Not on this Tab, all transaction costs should be included on Tab 9. Tab 7 is a review of future operating expenses as such; these are simply projections of how the property will operate once funded via the HOME RLF program. Refinancing costs are part of the development costs to be detailed on Tab 9.**
14. Tab 7, I'm not positive what you are looking for on expenses? The guideline says we're using \$3500/house for operating expenses but then the detail gets broken out on this tab. So, I guess I need to know what is included in the \$3500 and what isn't to fill this out properly? Should I just put \$3500 x 6 houses in the Operating Section and then fill out admin, maintenance, and taxes as appropriate? **Yes, this Tab allows for each owner to reflect anticipated project operating costs relative to their specific project while maintaining a program-wide standard for operating expenses. For example, non-profit owners may not have to pay property taxes while for-profit owners will have property tax liability. Additionally, the 10% management fee is relative to each project and each applicant. Your total operating expenses must equal \$3,500 per unit, how you break down that expense is up to each applicant and is relative to each project.**
15. Tab 7, We did major renovations to 3 of these houses in 2017. Do you care about capital improvements or really only true maintenance/operational items? Pest control vs redoing the roof. **Previous capital improvements would likely be considered as part of your appraisal. Future capital Improvements will be paid for out of replacement reserve funds – therefore capital expenditures are not considered part of normal operating expenses. Only standard operating expenses should be included on Tab 7.**
16. Tab 7, What is the basis for the number we input? 2017 actuals? 2018 projected? Educated guess on standard, normal figures? Again, the UW wkbk mentions \$3500 per unit then this tab breaks everything out. **Please include the projected costs as they will be under the HOME program guidelines.**



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- 17. Tab 8, I'm not really sure how to present a refinance of existing 6 properties. Properties are worth about 600k and have 294k worth of debt and then we're trying to get a 500k RLF loan. Remaining equity would be 100k. I have it presented the way I think you want it based on the calculated cells on tab 11. Source 1 should include the amount of HOME funding the applicant is requesting. Additional line items should detail the additional financing to be considered as part of this project - including owner equity as substantiated by an appraisal. Please remember projects will be scored based on the amount of non-city HOME funding included in the project financing scenario.
18. Tab 8, do we need a commitment letter for Owner Equity? Owner equity must be substantiated by the appraisal(s).
19. Tab 9, besides the soft costs and development that are part of this application. I don't see any expenses to list for a refinance with RLF. I don't know what financing fees might look like with RLF? Do you need it broken out differently for a "refinance" transaction? Financing fees for the HOME program are detailed in the program manual - see page 22. The cost of acquiring the properties or in this case refinancing should be included in the "Acquisition Costs" section of Tab 9. RLF related transaction costs should be included in the "Financing Fees and Expenses" section on Tab 9.
20. The whole point of this is to free up cash to purchase additional housing for Section 8 tenants in the targeted neighborhoods but we won't have immediate contracts to show where that cash will be allocated. Does that matter? I think just going through the acquisition process with this is enough for you. This application does not review the details of how an applicant will utilize funds for other projects. This should not be considered part of the application details.
21. Can the appraiser also do the market study? Yes, if one entity is licensed and/or certified in the State of Florida to conduct both the appraisal(s) and the market study, then it is acceptable for one entity to conduct both reports.
22. How is it possible to have audited financial statements through 11/15/18 when they are due the next day? We'd have the statements you are looking for but the only thing compiled by a CPA firm would be our 2017 return. I'm a CPA and I review and the books so they will be monitored by a CPA through 11/15/18 but it wouldn't be possible for them to be audited. The audited financial statements must be dated between 9/30/2017 and 11/15/2018 - this does not mean the financial statements must specifically review this time period, just that they have been appropriately reviewed at some point during this time period.

Table with 3 columns: ID (4), Description (Financial Capacity (Non-CHDOs)), and Requirement (Current audited Financial Statements, dated between 9/30/2017 and 11/15/2018, which must include an Income Statement and a Balance Sheet)



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23. Can appraisals use the income approach? **Yes, however the projected income must utilize the income and expense projections as completed in the RLF application workbook.**
24. Is this applicable for us. Refinance/Acquisition of 6 homes that already have tenants and leases in place? **Yes, all federally funded projects must adhere to the requirements listed in Tab 9 of the application checklist. The items listed in Tab 10 of the application checklist are threshold criteria applicable to all applicants and therefore must be provided by each applicant for each property included within the application.**

9	Other Federal Regulations	Procurement Plan
		Affirmative Marketing Plan
		Tenant Selection Procedure
		Detailed Waiting List – Name, Date added to list, Household Size, Current Address
Site	Zoning Letter - Letter from the City verifying the site is currently zoned appropriately for the proposed project Site specific letter from the City or utility provider verifying that water and sewer utility tie-ins are accessible to the proposed site. If seeking points, the letter must clearly state the distance from the utility tie-in to the proposed site.	