

Preservation Initiative Program
Syndication Services Workshop
March 29, 2011, Albany, NY
Substantive Questions and Answers

- 1) ***Q - Are the project and/or sponsors aware of this initiative?***
A – Yes, a workshop was held for them on December 15, 2010.
- 2) ***Are they interested in participating?***
A – The interest is on a case by case basis.
- 3) ***What will happen to the current debt on the projects?***
A – It can be restructured with the new financing.
- 4) ***If the projects were previously funded by tax credits, are they past their 15 year compliance period?***
A – Most are past; the remaining seven are nearing the end of their compliance period. They enter the extended use period as follows: 2 in 2011; 4 in 2012 and 1 in 2013.
- 5) ***Have the Limited Partners exited?***
A – This information is not available at this time.
- 6) ***What is the Agency's partnership exit procedure?***
A – Notify the Asset Management Unit in writing and a checklist of requirements will be issued in response addressing the steps needed for the change.
- 7) ***Has HCR reviewed the financial status of the General Partner?***
A – No, the General Partner's financial status has not been reviewed.
- 8) ***How easy will it be to remove the General Partner, if it is deemed necessary?***
A – Legal steps for removal are contained in the Regulatory Agreement(s).
- 9) ***Is there a list of sponsors?***
A – It is included in the matrix that has been prepared based on questions received during the Syndicator's Workshop. The matrix is posted along with these questions and answers.
- 10) ***Will the 25 million be awarded on a rolling basis?***
A – Yes.
- 11) ***Can applications be submitted on a rolling basis?***
A – Yes, it is an "open window" application process.
- 12) ***Will the QAP address the qualifications for the special allocation?***
A – Under the existing QAP the Commissioner has the authority to effectuate a special allocation of credits.
- 13) ***Has the size of the set aside been determined?***
A – The set aside is \$5 Million in credit.
- 14) ***Do you know the percentage of properties that are operated by a for profit versus a not for profit?***
A – They are identified in the matrix.
- 15) ***Have there been any conversations with HPD regarding this initiative?***
A – Yes, conversations between Executive staff have taken place.

16) In the case where a new General Partner is deemed necessary, how will they be selected?

A – This is the Syndicator’s responsibility under the RFQ and the selection(s) are subject to HCR approval.

17) Will there be flexibility to use private debt or 4% credit?

A – Yes. Leveraging of private debt and/or 4% credit is encouraged.

18) Is there a statutory per unit cap?

A – There is a \$125,000 per unit cap on HTF monies. HOME funds are not included in the cap.

19) Can we receive a list of those numbers by project?

A – The amounts are listed in the matrix along with the funding source.

20) What if we can’t address some of the projects in the portfolio?

A – All 53 projects must be addressed. The selected respondent must provide project specific recommendations to achieve the identified rehabilitation without the benefit of LIHTC; and take into account the sponsors’ capability.

21) Has there been any discussions about the possibility of providing project based Section 8?

A – The bulk of Project Based Vouchers are allocated during UF.

22) Could you provide us with the current restrictions on the property?

A – The area median income levels required under each specific project’s regulatory agreement are provided in the matrix.

23) If there a conflict of interest regarding this funding initiative versus unified funding?

A – No, the selected respondent is not prohibited from competing for UF if they are also participating in this initiative.

24) How will the financing negotiation work?

A – The syndicator is expected to provide the best yield based on market conditions and will secure financing as defined in the RFQ.

25) What is HCR’s criteria for evaluating the proposal?

A – The responses will be evaluated based on the scoring criteria provided in the RFQ.

26) The RFQ has conflicting dates, what is the date the submission is due?

A – Due to the conflict, the date is being extended to the latter – submissions are due by April 25, 2011 3:00 (EDT).

27) In the case where the project has existing reserves, can the reserves be used for predevelopment costs?

A – Qualified soft costs may be reimbursed from the HTFC funds.

28) Are there properties with the same sponsor?

A – A few, as shown in the matrix.

29) Are syndication fees to be included in the submission?

A – No, they are to be evaluated on a case by case basis.

30) Assuming this initiative is successful, will this be recurring?

A – Dependent upon the availability of funding.

31) Can you provide us with a list of family versus senior properties?

A – They are identified in the matrix.

32) *It was indicated at the conference that the tax credit set-aside would be \$5MM. We assume that translates into a total of \$50MM of credits for the 10-year period. Please confirm.*

A – Yes, that is correct.

33) *Can you provide us with income and expenses amounts for these projects?*

A – They are listed in the matrix per unit, per year, by project.