

Unified Funding 2016

Questions and Answers – LIHC Equity Pricing

Q1: How should Low-Income Housing Credit Program applicants address reduced credit equity pay-ins due to the changes in the credit investment market?

A: As per HCR's previous guidance, applicants should propose projects that utilize LIHC pricing that recognizes the market changes. To the extent that a lower credit price than previously expected results in funding gaps, applicants should look to the other funding resources in the UF 2016 RFP; explore alternate non-HCR funding sources; engage with local government funding sources; consider additional deferred developer fees; renegotiate with development partners to reduce costs and fees to ensure maximum cost efficiency; contemplate targeted renegotiation with builders; find other efficiencies in the project; and utilize value added engineering.