Answers to Questions Submitted for the FY 2011 Invitation to Apply and Request for Proposals to Use Low-Income Housing Tax Credits for the Redevelopment of Loussac Manor

Questions Received During Application / RFP Round

Question #1 - Date: 6/30/2010 - I need to have a copy of AHFC's [environmental review] ER approval.

Answer: AHFC included the environmental review approval for the demolition as a PDF in the reference materials provided through the online application system. Please refer to line #3 of the application materials in the online system, Reference Materials for Loussac Manor. Inside the document, there is an embedded file titled "Site Information." Within the "Site Information" file, there is a PDF titled "Environmental Assessment HUD Loussac." For a complete copy of the Environmental Assessment record used by HUD for the Environmental Review, applicants should contact Carmen Tennison at HUD via email at Carmen.Tennison@hud.gov *or via phone at (907) 677-9898.*

Question #2 – Date: 7/7/2010 – It would be helpful to get a clear sense of what exactly the demolition will entail. Will it include all streets, curbs, gutters, sidewalks, storm sewers, sanitary sewers, water lines, electric, gas lines, and any other utilities above or below ground?

Answer: Please refer to line #3 in the online application. The file attached as a reference on line #3, titled "Reference Materials for Loussac Manor.doc" includes a number of embedded files. One of the embedded Word files in that document is titled "Site Information." Please review the "Site Information" file and the other application materials provided through the online application system for the available information regarding the state of the site that will be made available to the selected development team.

Question #3 – Date: 7/7/2010 – Will AHFC commission a soils test in the property? If not, could AHFC apply some soil assumptions that everyone can work from?

Answer: AHFC is awaiting receipt of soils information from the site. The estimated delivery date for the soils information is early during the week of July 12 through July 16. Once the soils information is delivered to AHFC, we will provide that information through an update to this document. Please note: Soils information provided by AHFC will be for information purposes only! Development teams will ultimately bear the responsibility for assessing and confirming the appropriateness of the site soils for their development proposals.

Question #4 – Date 7/7/2010 – Does AHFC know whether upon reconstruction the project the Municipality will continue to permit one means of access to Loussac Manor?

Answer: Please find the following local contact information for staff with the Municipality of Anchorage for requests of this nature:

Planning and Platting	Mr. Francis McLaughlin	Phone: (907) 343-8003 Email: mclaughlinfd@muni.og
Fire Department	Mr. Tom Furch	Phone: (907) 267-4964 Email: furchtp@muni.org
Traffic Department	Ms. Van Le	Phone: (907) 343-7993 Email: levt@muni.org

Question #5 – Date 7/8/2010 - …[O]nline documents mention the replat and vacation of Heintzelman Drive. We want to get a more clear understanding if you (AHFC) or the developer will be responsible for this. Can you [please] direct me to where that is mentioned?

Answer: AHFC will request vacation of Heintzelman Drive; however, AHFC will not record the vacation. The decision to record or discard the vacation that AHFC requests will be left to the selected development team. For additional information, please see the response to question #7 (below).

Question #6 – Date 7/9/2010 – We would like to know if we could obtain the 2008 survey in a CAD format

Answer: *The 2008 as-built survey is only available in the PDF format as already posted.*

Question #7 – Date 7/9/2010 – It would … be helpful to have confirmation that the Muni will vacate Heintzelman Drive. It would also be important to confirm that the vacated street will be conveyed to the property, and not the park.

Answer: AHFC will hire a local surveying firm to present a preliminary plat to the Municipality of Anchorage (MOA) Planning to vacate Heintzelman Drive and the interior lot lines. The MOA has already indicated that the vacation is a routine matter, since Heintzelman Driving serves only AHFC's property, and once approved, the vacation can be recorded up to 18 months later. The vacated area of Heintzelman Drive within the existing property corners will revert to the AHFC tract. Please note: An 18' buffer is shown on the survey between Loussac Manor and 20th Avenue that is part of the Chester Creek Park, which will likely remain MOA property where Heintzelman Drive crosses the buffer.

Question #8 – Date 7/16/2010 - Please elaborate on the content or level of detail that you require or expect for the landscape plan. For example: is a full planting plan / schedule required, or a general conceptual layout that meets the requirements of the municipal code or any other expectations.

Answer: The applicants are expected to confirm that their landscape plans meet the requirements of the municipal code. The review committee will be presented with a copy of the Landscape Plan provided in the application materials. Applicants may provide the level of detail they regard as most appropriate to help AHFC and the Review Committee evaluate their landscaping plan.

Question #9 – Date 7/ 16/2010 - We are assuming that AHFC is going to require that this project be bonded. If that is the case, shouldn't the development teams be required to demonstrate in the application that their construction general contractors have the bonding capacity for a project of this size?

Answer: The applicant will be solely responsible for all guarantees of completion, working capital, operating deficits, tax credit compliance (see Page 8 of the NOFA / RFP), and state law regarding residential endorsements, bonding and licensing. Development teams will further be responsible for ensuring that the development team members satisfy all requirements of investors / lenders participating in their proposal.

Question #10 – Date 7/16/2010 - Section 2 item c gives points for additional disabled units up to 15% of the project. Many projects have a difficult time filling the normal 5% with people with physical disabilities. Can you explain the rationale and/or direct us to the waiting list that specifies the household configuration and shows the need for 15% of the project to be used as fully accessible units?

Answer: Generally, AHFC's traditional Rating and Award Criteria for the GOAL Program provides point incentives for projects that equip up to 100% of their units for households that include persons with sensory or mobility impairments. The Rating and Ranking Criteria for this project has been adjusted from the traditional Rating and Award Criteria used in the GOAL program.

The appropriate marketability for the equipped units will be influenced by the structure of the proposed development. AHFC's Public Housing Division asks applicants for housing assistance whether they need a "wheel chair accessible unit" or a unit equipped with "sight and sound" features. Twenty-two of the current 1,877 Housing Choice Voucher applicants in Anchorage have declared a need. However, the Housing Choice Voucher applicant pool does not represent an exhaustive representation of the need for equipped units.

If the application materials propose a development capable of utilizing the equipped units in a feasible project, applicants will be eligible for points for fully equipping up to 15% of the units in the project. If the applicant's proposal is not conducive to utilizing the equipped units, or identifies additional equipped units as a threat to feasibility in their development and operational model, applicants have the discretion to not equip additional units beyond the threshold requirements noted in the NOFA / RFP.

Question #11 – Date 7/16/2010 - Can you please post the Survey of the property in CAD format?

Answer: Please see the answer to Question #6 within this document. AHFC will contact F.R. Bell to see if they are willing to make their drawings available. If F.R. Bell makes these drawings available in CAD, AHFC will provide access to the information electronically to all applicants after they become available for information purposes only.

Question #12 – Date 7/16/2010 - Can you describe what part of the loop road will be left after the demolition of the site improvements, i.e. curb, gutter, sidewalks, parking off of the road?

Answer: Prior to the selected Development Team's formal participation in this redevelopment, AHFC will see to it that the Loussac Manor site is cleared of all building structures, foundations, footings, floor slabs, concrete steps, patios, and sidewalks associated with buildings. Planter boxes, mail boxes, ramps, handrails, playground equipment, and concrete sidewalks associated with the playground area will be removed. Heintzelman Drive and all paving, sidewalks, curbs and parking will remain. Please note: The answer to this question remains consistent with the answer to question #7 within this document.

Question #13 – Date 7/16/2010 - Can you post a list of historical services offered at the property. Please include contact information for current services.

Answer: There are no 'current' services offered at the site. Previously, AHFC operated a computer lab out of the existing community room. The lab was equipped with AHFC computers taken out of rotation from staff usage. Training was provided by an in-house technician. Demand for the class space was consistently high.

Also, previously located on the site was a local Camp Fire program. They provided after school hour programs throughout the year. The local contact is Barb Dubovich, Director, and may be reached at (907) 257-8806.

Question #14 – Date 7/16/2010 - There is a school/community building on the property, please let us know what is AHFC's intent regarding demolition and replacement of the building? Could you provide the current operator's contact information?

Answer: Please see the answer to Questions #12 and #13. AHFC intends to demolish all the structures currently located on the site. Replacement of similar community space is at the discretion of the development team. Please refer to question #13 regarding service providers.

Question #15 – Date 7/16/2010 - "Market Study discussion regarding feasibility of 3 & 4 BR "unrestricted" and/or "market rate" units: The market study analyst appears to use both terms interchangeably arguably to describe the same household classification. In context with the Loussac Manor RFP, specifically, with regard to the definitions contained with the RFP for a "market rate" and "Work Force Development Housing" (WFDH) units, would you please provide clarify whether or not a WFDH unit is considered to by AHFC to have the same meaning as an "unrestricted" or "market rate" unit used within the market study?"

Answer: Workforce housing is defined in the NOFA / RFP, not in the market assessment. Please refer to the scope of the market assessment, included within the market assessment file, for terms and definitions applicable to the market assessment. The market assessment evaluated income ranges necessary to facilitate their analysis.

Question #16 – Date 7/16/2010 - The market study recommends that any "market rate" units consist of 1 & 2 bedroom unit. Additionally, it indicates that there is "no evidence of new market rate 3 & 4 bedroom units", and that "they are not feasible from a market perspective", and that "the rents required to support new construction are above the ownership threshold for 3 & 4 bedroom units". The market study goes on to suggest that the "demand for market rate 3 & 4 bedroom units is met by rental codos and small income properties scattered throughout the Anchorage Bowl", and that "in summary, this unit type (3 and 4-bedroom unrestricted units) is not well suited for a large project".

In context with the above market study assessor comments, does AHFC consider a WFDH unit an "unrestricted" or "market rate" unit? More specifically, is it AHFC's opinion for purposes of the RFP that 3 & 4 bedroom units restricted as WFDH units do not have market demand? We would argue that there is demand for such WFDH unit types and it is an unreasonable assumption to suggest that the household demographics (and resulting housing needs) are different for a household that is simply $0.01 over the

60% AMI (LIHTC) income limit, or arguably, even up to 100% or more of AMI. Please note that this question is different than the issue raised by the assessor in terms of financial feasibility of building 3 and 4 bedroom units at current "market rates". We would not argue that such larger units may need to have a form of development subsidy beyond the debt carrying capability of that unit based on current "market" rents. Yet, there is nothing in the RFP that would suggest that the $10M in corporate receipts, project debt, or other sources brought by the developer/applicant can not be used to effectively develop all unit types in the project proposal.

Answer: Please note: AHFC did not author the market assessment. AHFC engaged a third party market analyst, under contract with AHFC, to provide the analysis reported in the market assessment. In the NOFA / RFP, workforce housing units can be rented no higher than FMR. In the NOFA / RFP, market rate units can be rented without income or rent limits.

The market assessment was provided for information purposes to development teams involved in the application process. A separate market study update will be commissioned for each proposal. If applicants disagree with the applicability of general market assessment findings to their particular proposal, applicants will have the opportunity to present their specific proposal to a market analyst for a market study update to their specific proposal.

The market study update will address the question of whether or not it is feasible to expect the target population to rent units at the proposed project for the rent levels proposed by the applicant. In order to analyze that question, the market analyst will have information from the market assessment, and information provided from the applicant regarding the rental product they are bringing to the market at their proposed price. The question of feasibility, ***given the alternatives*** *available in the market, will be a case-by-case determination based on* ***what product is being offered, to whom, and at what price****.*

Question #17 – Date 7/16/2010 - The RFP criteria effectively reduces the amount of the $10M in corporate receipts that can be requested on a dollar for dollar basis for any proposed soft sources and developer contributions (in excess of the developer fee). Not withstanding what in our opinion what may be an inconsequential amount of "leverage points" that may be earned (+-.4 for every $1M brought by the developer assuming a $35M project), this access to the $10M criteria effectively results in little if any incentive for a developer to propose to bring any of their own funds to the deal. Is it not AHFC's desire to maximize to the degree reasonable the investment toward the project development effort from all sources? Given that there is little if any reason for a developer to bring their own funds to the deal since it simply reduces the $10M amount that can be requested by an equal amount, is AHFC simply content in providing what may in fact turn out to be close to 100%, if not 100%, of the funds in the project? This is of particular concern given the possible impact on the feasibility of what is required by AHFC to be a 120 unit development proposal, and what in effect by virtue of AHFC's RFP criteria will be a fixed amount of funds in the deal. Additionally, the RFP criteria further discourages developer investment in that the points that can be earned for requesting corporate receipts is not based on how much of the gross corporate receipts are available, but by the amount of "eligible corporate receipts" that the developer is eligible for based on, in part, any sources of funds brought to the deal by the developer. This is in effect a double disincentive to bring any funds to the deal. What is the rationale for these criteria?

Answer: No question is stated regarding the Rating and Ranking Criteria, how to complete the application or that requests any clarification to the materials in any way. The question asks AHFC for a rationale behind the Rating and Ranking Criteria itself. The policies and priorities stated in the Pre-Application / Statement of Qualifications round and those stated in the NOFA / RFP round represent the limit on priorities that AHFC can comment on during the procurement process.

AHFC has made up to $10 Million dollars in corporate receipts available for this NOFA / RFP, the entire FY 2011 Low-Income Housing Tax Credit authority, 60 Project Based Housing Choice Vouchers, a long term ground lease (at $1 per year), and is clearing the site and relocating all tenants. In addition to the resources made available by AHFC, the project will be able to support debt. Furthermore, the project will be located in the heart of Alaska's most populous city, where unemployment and vacancy rates are low despite the recent economic turmoil.

Sufficient resources to develop a response to the NOFA / RFP have been made available. Applicants are cautioned to use ***<u>appropriate project development</u>*** *examples in preparation for their response to this NOFA / RFP. The appropriateness of development costs necessary to respond to this NOFA / RFP should depend on the applicant's review of how to structure their proposal to respond to this NOFA / RFP.*

Question #18 – Date 7/16/2010 - A PBV by definition must be households below 50% AMI. Can a developer pledge "special needs" set aside units which include the PBV units?

Answer: Yes. Applicants may chose to locate "special needs" set-aside units in the units also receiving PB HCVs. Please note: "special needs" set-aside units proposed in the project must be consistent with the feasible operation of the project. Generally, please refer to the answer to Question #10. Special needs set-aside units may target a *combination of three household types: 30% of AMI, Households with persons with physical or sensory impairments, and the homeless.*

Please note: The "special needs" set-aside units proposed must be effectively integrated into the larger project. If effectively administering the "special needs" set-aside units is inconsistent with the feasible operation of the other commitments made in the application, the feasibility of the proposal may be called into question.

Question #19 – Date 7/16/2010 - PBV unit design: AHFC unit type definition says 1 BR, 1 BA; 2 BR 1 BA; 3 BR, 2 BA, 4 BR 2 BA. Can this be interpreted to be the minimum number of bathrooms required for a voucher unit? Could the design for these PBV actually be 1 BR 1.5BA, 2 BR, 1.5 BA, etc., dependent on unit design? We believe that setting a minimum and allowing for more bathroom areas is necessary to address varying unit designs. For instance, if a 2-story unit is proposed the unit will likely contain functional obsolescence where in an additional .5 bath is not incorporated into the unit.

Answer: In the application materials, two (2) may be interpreted as "two (2)" and one (1) may be interpreted as "one (1)." A Unit with one and one-half bathrooms is not equal to a unit with two full bathrooms. Please refer to the NOFA / RFP for requirements on PB HCV units. In the July 21, 2010 amendment of the NOFA / RFP, the language for required bathroom sizes was changed. Unless amended in the future to the contrary, all threshold requirements currently stated in the NOFA / RFP must be satisfied.

Question #20 – Date 7/16/2010 - Independent Third Party Verification of Development Costs is noted (page 20). Will a cost estimate provided by the builder that is proposed to be used by the developer (but that which does not have any interest in the developer or owner entity) satisfy the "third party verification of development costs"?

Answer: Provided there is no identity of interest between the builder and developer, builders may provide third party cost estimates.

Question #21 – Date 7/16/2010 - Market Conditions section, page 35: Use of appropriate Development Team Members and resources for the redevelopment. This section indicates review areas will include the described level of competitive process in the selection of syndicators, contractors, architects, etc. In order to provide a viable RFP proposal, applicants must have already engaged (selected) the architectural team and contractor. As such they are not being competitively procured according to normal AHFC grant management procurement rules. In terms of this rating criteria and in satisfying AHFC procurement requirements for the use of the Corporate Receipts, will the prior selection and naming of the design and contractor teams as part of the application proposal submittal satisfy AHFC procurement rules related to this RFP, and how will that be measured against the rating criteria?

Answer: Provided the procurement processes undertaken by applicants have not violated State or Federal law, the procurement processes adopted by applicants are left to the applicants themselves. Applicants will be evaluated by the Review Committee based on the information they provide the Review Committee members through their application materials. The Review Committee Members will not be instructed to evaluate the responses based on their adherence to processes which do not apply to this process.

Question #22 – Date 7/16/2010 - Penalty Points page 41. Rating criteria in this section provides negative points to be assigned to developer/applicant teams for which AHFC may have past compliance findings. The penalty system unduly and unjustly penalizes only those developers to which AHFC has experience in developing projects in Alaska. Outside developers that no experience in Alaska, and hence no possibility of compliance findings and resulting negative points with AHFC, may in fact have compliance findings on their projects in other states, perhaps even worse than developers that have experience in past AHFC funded projects. Yet this undetermined compliance performance is not equally treated by AHFC. This is the equivalent of letting BP develop there first deep water oil well off Alaska's coast even though they have caused the worst oil spill in US history elsewhere in the US without equal [negative] consideration in the evaluation process. We request that AHFC consider dropping the penalty points criteria completely, or treat all developer applicants equally by applying the penalty points against the compliance record of the developer in their projects developed outside of the state of Alaska.

Answer: No question regarding the process has been stated. The penalty point procedure was adopted by AHFC's board of directors in 2008 and has been in use since that time. This process has been applied in the FY 2009 GOAL round, the FY 2010 GOAL round, the Loussac Manor redevelopment, and will be applied in the same standard to the FY 2011 GOAL round. The request for a formal change to the Rating and Ranking Criteria has been noted and will be responded to with all other public comments when the GOAL Program Rating and Award Criteria is next reviewed.

Question #23 – Date 7/19/2010 - If AHFC is not a lender, this is a risk AHFC is not taking anyway. Why would AHFC require a reserve if it is not taking the risk? Why not leave this question to the lenders and investors who have to assume that risk? In addition, to my knowledge AHFC as a lender has not required such a reserve. Why would it require it here?

Answer: AHFC has established uniform underwriting criteria for the purpose of equitably evaluating and scoring all applications / proposals under this NOFA / RFP. The uniform underwriting criteria were developed to account for the current equity market conditions that the selected development team may confront. For simplicity, AHFC has provided guidance in the Post Applicant Training document (included in the online application system, see line #3) regarding calculation standards for the Section 8 Reserve.

If development teams were to propose a budget without a Section 8 reserve, and the investor ultimately purchasing their credits required one, the development team would have a budget shortfall and need to scramble to obtain additional funding to cover the reserve requirement. In the event that a Section 8 reserve is not required by the investor / lender on the project, the selected development team will be able to propose alternative uses for the Section 8 Reserve to avoid reduction in the subsidy amount.

Since the investor / lender requirements for a Section 8 reserve will not be finalized until the equity is placed (after the development team has been selected), the development team will be unable to guarantee that a Section 8 reserve will not be required by their investor / lender at the time of the application unless the allocation has already been sold.

As stated in the Post Applicant Training document (see "reference materials" attachment in the online application system), in the event that a Section 8 reserve is not required (or is required in an amount less than the amount specified in the application), the development teams will have the option to either:

- *i) Maintain the Section 8 Reserve Amount, or*
- *ii) Propose alternative uses for the amount originally budgeted for the Section 8 Reserve that are not required by the investor lender. Please note: these alternative uses must be approved by AHFC.*

Question #24 – Date 7/19/2010 - I would like AHFC to speak with F.R. Bell and see if they could provide the development teams the survey in a CAD format. It is going to be time consuming for the architects to recreate the survey on their own, and a complete waste of money for six teams to do this same work all over again.

Answer: Please see the answer to Questions #6 and #11 within this document. AHFC will contact F.R. Bell to see if they are willing to make their drawings available. If F.R. Bell makes these drawings available in CAD, AHFC will provide access to the information electronically to all applicants after they become available for information purposes only.

Question #25 – Date 7/19/2010 - Just to reiterate that it is critical for AHFC to decide whether current zoning restrictions are used, or whether we use the new code proposed by the MOA.

Answer: Until changed, the zoning restrictions in place at the time of application apply to the applications / proposals submitted. If development teams are concerned that zoning / code restrictions will be changed during the course of the development schedule, development teams are encouraged to review any proposed changes to the existing zoning / codes and to evaluate what the differences between the two may be. As a matter of practice, AHFC does not delay funding rounds or offer guidance when proposals are offered that could potentially change an existing zoning / code requirement.

Question #26 – Date 7/19/2010 - It would be helpful to get a copy of the demolition agreement, with specific instructions and locations where the utilities will be capped. For example, will the utilities be ripped out from the buildings to the mains, or simply severed and capped?

Answer: Please see the responses to Questions #2, #7 and #12 within this document. The file attached as a reference on line #3 of the application, titled "Reference Materials for Loussac Manor .doc" includes a number of embedded files. One of the bedded Word filesw in that document is titled "Site Information. As stated in the "Site Information" file:

"All utilities will be capped and marked at the main service entrance at their respective lot line locations. All on-site utilities outside of the foundation walls will be abandoned

in place and marked where terminated. Both 20th Avenue and Heintzelman Drive are dedicated Municipal streets. Paving, sidewalks, curbs, and parking areas associated with each of the dedicated streets will remain." For specific information regarding the wastewater system, please contact Paul Hatcher at the Anchorage Water and Wastewater Utility (907) 564-2721. For more information regarding the electrical service, please contact Kim Watsjold with Anchorage Municipal Light and Power Right of Way at (907) 263-5262. ENSTAR Natural Gas can be contacted at (907) 334-7725 regarding construction and engineering.

Question #27 – Date 7/19/2010 – If additional debt is proposed for the project, and the debt qualifies as "hard debt" under the terms of the application, will the additional debt reduce the amount of "eligible corporate receipts," even if the additional debt amount is made available to the project at a zero % interest rate?

Answer: Applicants bringing hard debt to the project will not have eligible corporate receipts reduced by any "hard debt" amounts. These amounts may be at the interest rate charged by the lender at any interest rate (at or above 0%). Hard debt in the NOFA / RFP is an obligation with scheduled service with accompanying default / foreclosure provisions if scheduled debt service on the instrument is not maintained.

The hard debt / must pay debt language in the NOFA / RFP does not specify a minimum interest rate.

Please note: In order for default / foreclosure provisions to satisfy "must pay," and by implication "hard debt" standards, related party debt cannot qualify as hard debt (i.e. an applicant cannot loan money to the project themselves at 0% without such loan being reclassified as "soft debt").

If applicants have questions regarding whether or not instruments they are considering qualify as related party debt, are encourage to ask their accountants for clarification.

Question #28 – Date 7/19/2010 – Can special needs units (i.e. physical and sensory impairments, homeless households, 30% AMI households) be set-aside in units that will also receive PB HCVs and still receive points?

Answer: Yes. Please note: the proposed tenant mix must be found "feasible" during the market study update. If the proposed tenant mix (set-aside type and income mix) is not found feasible by the market analyst, the applicant will be constrained in their proposal to a set-aside type and income mix that is supported as "feasible" by the market study update.

Question #29 – Date 7/29/2010 - It is the understanding of our architects that a X-configuration can meet the requirements for accessibility as long as on the ground level floor accessible elements are provided as stated in UFAS 4.34.2. … Does AHFC use a different standard or interpretation for accessibility?

Answer: At the project close-out, the architect must certify that the units and non-housing program areas comply with Section 504 through the Uniform Federal Accessibility Standards (UFAS) and Title II of the Americans with Disabilities Act through the Americans with Disabilities Act Accessibilities Guidelines (ADAAG). The architect is responsible for certifying compliance with the appropriate laws. AHFC does not use a different standard or interpretation for accessibility.

Please note: The architect, not AHFC, is ultimately responsible for providing an accurate certification of compliance to the applicable requirements and standards.

Question #30 – Date 8/9/2010 – [Q]uestion about the storm water easement in the middle of the property: will the easement be abandoned or should we be developing our site plan around the easement?

Answer: There is currently no plan to request vacation of the 50' Sewer/Storm Water easement. Please contact Paul Hatcher with Anchorage Water & Wastewater Utility (AWWU) for information regarding the current use of that easement by AWWU. Paul can be reached at (907) 564-2721.

Question #31 – Date 8/20/2010 – "Does AHFC have plans for the play structure currently on-site? If AHFC does not have plans for its future use, can teams use it in their development proposals if our contractors were to remove and store for use in the redevelopment?

Answer: Development teams will be expected to acquire and install playground equipment that conforms with AHFC and Municipality of Anchorage requirements. The playground equipment currently located on the site will be removed as part of the scheduled demolition and site clearing process.

Question #32 – Date 8/20/2010 – "The scoring for 'equipped units' states that a unit must be equipped for persons with physical disabilities and sensory disabilities to be eligible for points. But if the units required for the project only require equipping for physical disabilities, can just the extra units (up to 15% of the total project units) requesting points be dually equipped? Meaning, will AHFC accept counting just physically equipped units provided first, and then count the dually equipped units second for the points?

Answer: For simplicity, a 100 unit project will be used as an example to answer this question. In a 100 unit project, suppose 5 units must be equipped for persons with physical disabilities and 2 units must be equipped for persons with sensory impairments. In total, seven units must be equipped to meet the minimum requirements (5 equipped for physical + 2 equipped for sensory). Project sponsors are not required to equip any unit for BOTH physical disabilities and sensory impairments.

Since no units are required to be equipped for BOTH physical disabilities and sensory impairments, if ANY unit is equipped for BOTH physical disabilities and sensory impairments, the project sponsor will receive points for the units equipped with both (up to 15% of the total).

Returning to the 100 unit project example, if 5 units are equipped only for physical disabilities and an additional (i.e. separate) 2 units are equipped for persons with sensory impairments, the project will receive zero points. If all seven of the previously noted units, in the 100 unit project, are equipped for BOTH physical disabilities and sensory impairments, the project would receive (7 / 15) x 5 = 2.33 points.

Question #33 – Date 8/30/2010 – General question about how to account for Corporate Receipts Requested as deferred payment loans (i.e. no deferred payment until year 30, with no payment expectation during the first 30 years). Should this debt amount be included in the “Income and Expense” worksheet of the Loussac Manor Rental Development Workbook?

Answer: Only corporate receipts requested as soft loans with scheduled service should appear on the “Income and Expense” worksheet. If a portion of the eligible corporate receipts are requested as soft loans with deferred payment until year 30, the corresponding amount of corporate receipts requested should be entered in Cell F7 of the “Sources of Funds” worksheet.

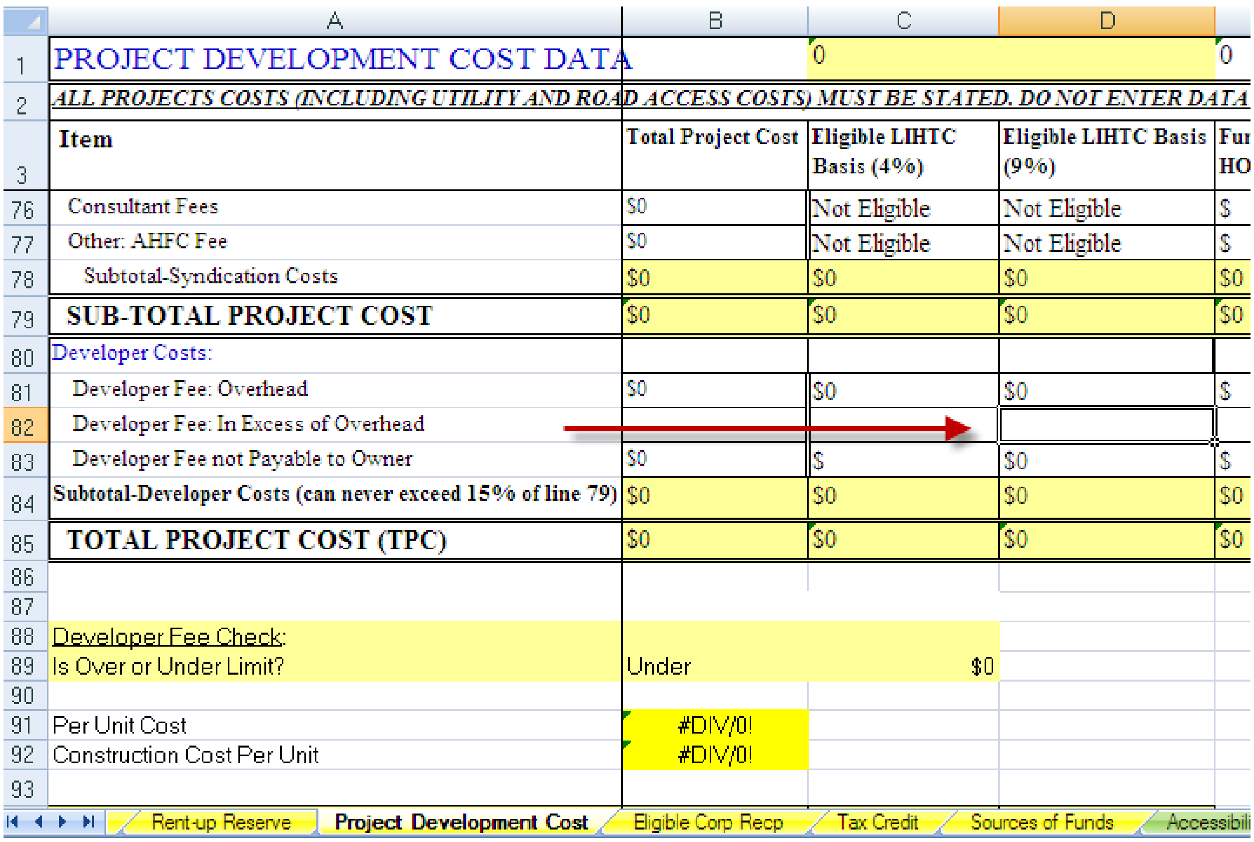
Question #34 – Date 8/31/2010 – “Will AHFC be passing along to the developer the legal expenses incurred by AHFC to draft the corporate receipts loan(s) or will AHFC be absorbing these legal expenses? If passing them along to the developer, what amount does AHFC anticipate these legal expenses to be?

Answer: No. Administrative costs associated with drafting the award and / loan documents associated with corporate receipts will be absorbed by AHFC. Please note: If AHFC term financing is requested and anticipated in the application, applicants will need to consult with AHFC’s mortgage department for more information regarding fees and expenses associated with their process.

Question #35 – Date 9/1/2010 – It has been brought to AHFC’s attention that two corrections are needed to the Loussac Manor Rental Development Workbook. The two items in need of correction are noted below. Applicants may either update the Loussac Manor Rental Development Workbook themselves based on the guidance provided below, or use the corrected version uploaded into the system. Apart from the two items noted below, no other changes to the Loussac Manor Rental Development Workbook have been made:

Correction 1: Worksheet Affected – Total Project Cost

Amounts listed in Cell B82 for “Developer Fee: In Excess of Overhead” do not automatically carry over into cell D82 as 9% Eligible Basis costs. This is an oversight on AHFC’s part. To correct this, applicants may enter in Cell D82 the following “=B82”. This correction has been made to the Loussac Manor Rental Development Workbook in the online application system.



	A	B	C	D	
1	PROJECT DEVELOPMENT COST DATA		0		0
2	*ALL PROJECTS COSTS (INCLUDING UTILITY AND ROAD ACCESS COSTS) MUST BE STATED. DO NOT ENTER DATA*				
3	**Item**	**Total Project Cost**	**Eligible LIHTC Basis (4%)**	**Eligible LIHTC Basis (9%)**	**Fu HO**
76	Consultant Fees	$0	Not Eligible	Not Eligible	$
77	Other: AHFC Fee	$0	Not Eligible	Not Eligible	$
78	Subtotal-Syndication Costs	$0	$0	$0	$0
79	**SUB-TOTAL PROJECT COST**	$0	$0	$0	$0
80	Developer Costs:				
81	Developer Fee: Overhead	$0	$0	$0	$
82	Developer Fee: In Excess of Overhead				
83	Developer Fee not Payable to Owner	$0	$	$0	$
84	**Subtotal-Developer Costs (can never exceed 15% of line 79)**	$0	$0	$0	$0
85	**TOTAL PROJECT COST (TPC)**	$0	$0	$0	$0
86					
87					
88	Developer Fee Check:				
89	Is Over or Under Limit?	Under	$0		
90					
91	Per Unit Cost	#DIV/0!			
92	Construction Cost Per Unit	#DIV/0!			
93					

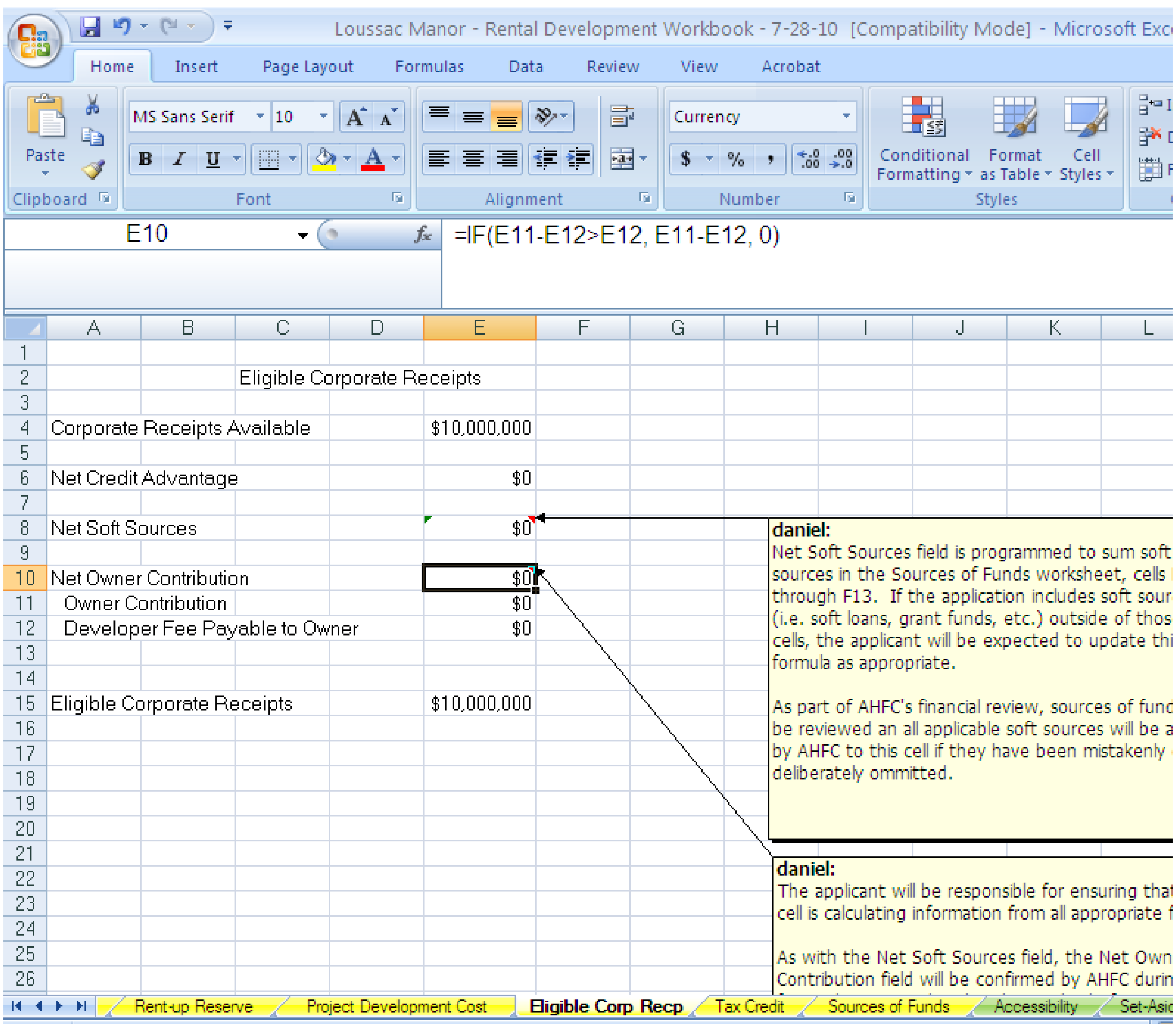
Rent-up Reserve | **Project Development Cost** | Eligible Corp Recp | Tax Credit | Sources of Funds | Accessibili

Correction 2: Worksheet Affected – Eligible Corp Recp

The formula listed in Cell E10 (see below screen shot from Loussac Manor Rental Development Workbook) does not perform the function noted in the formula bar to calculate an accurate Net Owner Contribution amount. To correct this, applicants may replace the formula in Cell E10 of this worksheet with the new formula noted below, or simply use the updated Loussac Manor Rental Development Workbook that has been uploaded into the online application.

Old Formula in Cell E10: "=IF(E11-E12>E12, E11-E12, 0)"

New (correct) Formula for Cell E10: "=IF(E11-E12>0, E11-E12, 0)"



Question #36 – Date 9/13/2010 – Will AHFC sign a leverage commitment form for the land to be included in our Loussac application? …[T]he land at $1 per year … is below market.

Answer: No. Points in the leverage category (Category 6(c)) are only available for firm written commitments. Prior to the resolution of the awards process, AHFC cannot commit to leasing the land to any single applicant.

Question #37 – Date 9/14/2010 – How far before the application due date would we have to submit our final mix in order to receive AHFC's written approval before the final application date?

Answer: Unless otherwise approved, in advance, by AHFC in writing, the unit mixes and set-asides identified in the market study update must be used in the application. Applicants may propose modifications to AHFC at any time prior to the October 5 deadline. The time required for AHFC to appropriately consider the request will depend on the level of research necessary to evaluate the implications of the request. If a request is made to AHFC that would require an additional update to the market study update performed for the project, the time required to evaluate and respond to the request will be impacted by the market analysts' availability. While staff strives to provide timely responses to requests for information and clarification throughout this solicitation process, applicants should allow up to two (2) business days for initial responses to their requests (i.e. granted, denied, we will need more time to respond, etc.).

Please note: One of the application threshold requirements (T-#4(d))is acknowledgement from the equity investor (in their letter of interest) that they have been presented with the proposed unit and set-aside mix included in the application workbook. In the event that AHFC approves any changes, applicants are still ultimately responsible for updating all affected application materials to appropriately account for any "post-approval" implications.