

## Questions and Answers

### RFP for Acquisition of Rental Housing Developments, August 2023

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1. Are properties within the Census Tract 153 eligible for the grant?

**Yes, although there is a preference for certain areas, all Philadelphia areas will be considered for this RFP.**
2. There is a limit of \$50,000 per unit. However, would you make an exception for properties 3-bedroom to 7-bedroom units? The properties my client is interested in purchasing are a 2-bedroom unit, seven 3-bedroom units, three 4-bedroom units, two 5-bedroom units and a 7-bedroom unit. Would my client be capped at \$700,000, or could he secure more grant funding?

**No, there are no exceptions, the limit is \$50,000 per unit.**
3. Do the properties need to be located within the city limits?

**Yes.**
4. Will the funds from the program need to be repaid at a later date or is this more like a grant that will be provided for acquisition?

**Yes, if awarded.**
5. If proposal contains a plan to purchase scattered site, can we do this deal in multiple closings to allow for purchase from multiple sellers?

**Yes, as long as the proposal meets the RFP requirements.**
6. One listed requirement is that "Proposed developments must contain at least 25 rental units." Does this mean that the minimum is 25 when doing new development, or does proposal have to fund 25 units total for all proposed plans?

**Yes, a minimum of 25 units are required to apply and the maximum award will be for \$5,000,000 (100 units)**
7. To acquire properties as is?

**Yes, this is for acquisition only, not rehabilitation.**
8. Will owners be eligible to apply to PHA for rental assistance?

**Yes.**
9. Can properties be scattered site?

**Yes, but it must meet the minimum of 25 units.**
10. Does the 25 units have to be in one building or can it be scattered among many buildings in total?

**No, the units do not have to be in one building, it can be scattered sites, as long as there are a minimum of 25 units.**

11. Are we going to get the document from this meeting?

**For more information and documents go to <https://phdcphila.org/community-investment/development-project-finance/funding-opportunities/>**

12. Does funding apply to non-sales costs of acquisition? such as title insurance, recording fees, and things of that nature?

**No, Funding can be used only for the acquisition cost.**

13. If properties don't have accessible units already, are they ineligible to apply? Or do they need to seek another source to fund the renovation needed to add accessible units?

**As much as possible, Projects should still have a 10% physical disability and 4% vision/hearing and units should be accessible/visitable units, but they will need seek another source of funding for renovations needed to add accessible units.**

14. When does 50% match need to be documented -- at time of application, closing or other?

**At the time of submitting your proposal you will need documentation of your 50% match.**

15. Does this apply solely to residential units, or can mixed-commercial + residential buildings count?

**You can purchase a mixed-commercial building, but the funding will be only for the residential affordable units at \$50,000 per unit and must contain the required number of units.**

16. Is there any preference to have units reserve for lower than 60% AMI levels? Generally what is the selection criteria that will be used under this RFP?

**There is no preference.**

17. Can funds be used to cover costs of an acquisition that has already happened?

**No.**

18. For a mixed-income project, does the 25 unit minimum apply to the number of affordable units, or the total number of units?

**The proposal must include at least 25 units and the funding will be limited to the number of affordable units.**

19. If the scattered site properties are comprised of duplexes and triplexes- does the \$50k apply to units with those property or the actual property as a whole?

**The funding is for \$50,000 per unit.**

20. Why is seller financing/owner equity not an appropriate match?

**The RFP does not exclude seller financing.**

21. Residential means up to a 4 plex?

**Residential can be a single family or multi-family, with a minimum of 25 units.**

22. Are partnerships (non-profits, or for profits and non-profits) encouraged or allowable?

**Yes, partnerships are allowed.**

23. Assume a loan commitment could be considered a match?  
**Yes, a loan commitment could be considered a match.**
24. Can these funds be used for an existing LIHTC property beyond its initial 15 year compliance period that will apply for 4% LIHTC with rehabilitation work, but the sale is between related parties?  
**Yes, but limited to the acquisition costs.**
25. If said Seller financing MAY be considered. What would make it a no go?  
**The structure of the Seller financing.**
26. Is there a total amount of funds available under this RFP for all development acquisitions selected/awarded funds?  
**Not at this time.**
27. Can these funds be used for Limited Partner exit in year 15?  
**Yes.**
28. Can it be used as subsidy of an already obtained building in order to bring it down to affordability?  
**No, it is for acquisition only.**
29. How long will closing take after application is submitted since the capital markets are volatile and sellers will not want to wait too long?  
**The process should take about 90 days.**
30. Is there a deadline by which the project has to be completed?  
**There is not a deadline at this time, but we will be looking for a timeline of the project.**
31. Do you know when decisions will be made?  
**There will be a panel review and we hope to have decisions made as quickly as possible after the 9/21 deadline. If all goes well it will take around 90 days.**
32. Could this be used in a LIHTC deal trying to close but with a gap to fund the acquisition only?  
**This RFP is not for gap funding.**
33. For the accessible units, are you looking for type A or type B units?  
**The accessible units must be available for the physically, hearing or visually disabled.**
34. What is an appropriate match and is there a list?  
**Bank Loans, Private Loan Money (not from a bank), Seller Financing may be reconsidered, some other resources will be posted.**
35. What covenants are required on the 42 year affordability requirements?  
**PHDC will use the same closing documents and covenants as in the other projects. A deed restriction with 42 year affordability requirement.**

36. Just for clarification- these funds will/not be used if sale is between related parties?  
**Related party transactions may be considered under this RFP.**
37. Could this be used in a LIHTC deal trying to close but with a gap to fund the acquisition only?  
**This RFP is not for gap funding.**
38. Can funds be used for project at year 14 now and negotiating out exit?  
**Yes, if funds are for acquisition.**
39. Do you expect documentation related to rehabilitation or associated costs as part of the application for this funding?  
**Financing for the rehabilitation costs must be documented.**
40. If properties already have current LIHTC restrictions would the programs 42 Years of Affordability run concurrently with the existing restrictions or would it be tacked on the end of the LIHTC Affordable period?  
**Yes, you can submit and will be considered.**
41. Will cost containment policy apply since rehab is not part of this?  
**No, the cost containment policy is not required for acquisition, unless there is a rehab component to the acquisition.**
42. Do proposals have to include an intent letter for a deal in place?  
**Yes, encouraging projects that are ready to go.**
43. Do projects have to be at least under contract?  
**No, but encouraging projects that are ready to go.**
44. Any specific requirements around the site control documentation and what format the agreement is in?  
**Yes, document that you are ready to proceed with the transaction.**
45. Can this be used as capital subsidy, especially if we have funding available for additional acquisition cost?  
**No.**
46. Can seller financing could be considered a match, along with private/bank financing and other private sources already raised (which is unlikely given the timeline of the RFP release/due date)?  
**Yes.**
47. Could this be used in a LIHTC deal trying to close but with a gap to fund the acquisition only - for a project already with a commitment of City funds for construction?  
**This RFP is not for gap funding.**
48. Is this program annual or bi-annual?  
**Will be contingent upon available funding.**
49. Will all viable projects be funded or will there only be one winner?

**The number of viable projects and funding will determine the amount of projects funded.**

50. Can you apply for tax credits?

**You can apply for tax credits, but not for City financing.**

51. When will the awards be announced?

**As quickly as possible.**