Affordable Rental Program Outreach Meetings
Frequently Asked Questions

**NOTE: ARP APPLICATION UPDATED ON 3/31/10 **

The questions collected in the following Frequently Asked Questions (FAQ) document have been collected throughout the outreach and application period. Similar questions have been combined. Questions are organized by section following the outline of the program guidelines.

OVERVIEW

1. What is the schedule for applications?
    - March 7th – May 7th – Solicitation of Grant Applications
    - May 7th – Application Deadline
    - May 10th – June 4th – Evaluation Committee
    - June 14th (Week of) – Announcement of Grant Awards

2. Where should completed applications be sent?
    - Completed applications should be sent to
        - Office of Community Development Disaster Recovery Unit
          C/O Fay Ayers
          150 Third Street, Suite 200
          Baton Rouge, LA 70801

3. Will there be any extensions given for applicants that need more time for things such as a market study?
    - No. All applications are due by May 7th.

4. Does the parish or municipality have to put in the application for the entity or does the entity apply directly with the State?
    - The applicant should apply directly with the State, while making the parish or municipality aware of the application.

5. What are the two national CDBG objectives for the ARP program?
    - (1) benefit low and moderate income ("LMI") persons and
    - (2) aid in the prevention or elimination of slums and blight

6. Where are the guidelines located on the web?
    - http://lra.louisiana.gov/assets/docs/searchable/Gustav%20Ike/Parish%20Docs/AffordableRentalGuidelines2-17-2010.pdf

7. If an applicant has multiple potential projects, should a separate application be submitted for each project?
    - No. An applicant should list all potential projects that are requesting ARP funding on one application.

8. Will the parishes supply the applications for the ARP program?
    - No, applications will be furnished by OCD/DRU and are available online.

9. To qualify for the ARP program, did the property have to receive damage from Hurricanes Gustav and Ike?
    - As long as the property is located in one of the affected parishes, it should be eligible to receive ARP funding.

10. Is there a funding cap for projects? or applications?
    - Funding cap - Yes. A $4 million funding cap has been established. However OCD/DRU retains the right to determine if higher requirements are eligible.
    - Applications - There is no restrictions on the number of applications an entity can submit.

11. Is there a minimum project size for ARP funding?
    - No, but smaller projects should coordinate through their local governing body for possible cooperation with other similar projects.

12. What is the threshold rule for low-to-moderate income families?
    - The threshold for the Affordable Rental Program is 80% and below the AMI for each individual parish.

13. There has been $50 million allocated for the ARP program. Are these funds designated for specific parishes or are the funds distributed to qualifying parishes statewide?
    - The funds will be distributed to qualifying parishes statewide for projects based on need and applications received.

14. Are fund made available through the ARP program loan or grant funds?
    - Funds are made available through a Forgivable Deferred Loan (FDL). The loan will be forgiven after the project has met all requirements at the end of the 5 year compliance period.

15. How is affordable housing defined?
    - The generally accepted definition of affordability is for a household to pay no more than 30 percent of its annual income on housing. (HUD website)

16. What are the five most impacted parish designations?
    - The five most impacted parishes are those that received the most damage from Hurricanes Gustav and Ike. They have already received an allocation of money to develop affordable rentals. These funds may be used to match or supplement funds awarded through the Affordable Rental Program. The five most impacted parishes are: Cameron, East Baton Rouge, Iberville, Terrebonne and Lafourche.

17. Do the 5 most impacted parishes have to comply with the same guidelines in the ARP program?
    - Yes

18. Are rehabilitation projects of an existing structure allowed in the ARP program?
    - Yes

19. If a rental property is partially damaged (i.e. 5 of the 10 units damaged by the storms), can ARP funding be used to rehabilitate the entire development?
    - Yes. LMI requirements (51% or more of the units LMI) will apply to the entire development upon completion.

20. What is the damage threshold that determines whether to rehabilitate or reconstruct?
    - These decisions should be made by the applicant on a cost-benefit basis or if the structure is compromised. Thus, if the cost to rehabilitate a structure is more than the cost to rebuild the structure or if the structure is compromised, reconstruction should be the choice.

21. For properties that already have other committed sources of federal funds (USDA, etc.) can the competitive ARP process be waived?
    - No, all projects must be scored and selected through the competitive process.

22. Can ARP funds be used to develop assisted living centers?
    - No. Only rental units are eligible under the ARP program.

23. Are projects that are currently under construction eligible for ARP funding?
    - Yes, they may. These projects must meet all applicable CDBG requirements for the ARP program. Applicants should contact OCD/DRU for more information.

ELIGIBILITY

24. Are public housing authorities eligible?
    - Yes

25. Can a parish have more than one entity apply?
    - Yes
26. What appliances can be included as eligible CDBG costs?
    - In the absence of local codes, housing should conform to the model codes identified in the program rule at 24 CFR 92.251. Housing may include non-luxury amenities such as washer/dryer, dishwasher, and air conditioner. Other amenities such as icemakers, Jacuzzis and saunas are considered luxury items and are not eligible for funding.
    - Window air conditioners are considered a luxury item, while central air conditioners are not considered a luxury item and are an eligible cost.
    - CDBG eligible costs also include replacement of principle fixtures and components of existing structures.

27. Are sewer hookups an eligible CDBG cost?
    - Yes

28. If community sewer hookups are not available, are treatment plant costs an eligible CDBG cost?
    - Under most circumstances, CDBG funds may not be used to develop treatment plants since they are located on private property. However, if the plant is to be located on public property and the community in which the plant is installed is 51% or more LMI, CDBG funds may be used to install these facilities. (HCDA 105(a)(2)). These situations will be handled on a case by case basis.

29. Is there a cap on developer fees?
    - No. There is no set cap on developer fees, but all of these fees should be to scale with the project.

30. Does the grantee have to have ownership of the property in order to receive funds or can funds be used to renovate a third party property?
    - Yes. An applicant must be able to prove ownership of the property using the following guidelines:
        - Has fee simple title to the property;
        - Maintains a 99-year leasehold interest in the property;
        - Has a recorded life estate agreement;
        - Owns or has a membership in a cooperative or mutual housing project that constitutes Granteeship under state law.
        - Has a purchase agreement in place for the property

31. Is a binding option to purchase in place at the time of application sufficient to satisfy site control for the ownership requirement?
    - Yes

32. Does an applicant have to have physical ownership of the land or can a parish give the land to the developer to develop an ARP project?
    - The land can be given to a developer and the land can be used as leveraged funds.

33. In order to be eligible for the program, does an applicant have to own a property for 5 years prior to application?
    - No

34. After funding of an ARP project, how long must you own the property?
    - There is no minimum ownership period after a project is developed, however if the project is sold the new owner must comply with all of program requirements during the 5 year compliance period. These restrictions must be spelled out in a covenant attached to the property.

35. How does the Uniform Relocation Requirement (URA) affect different types of property?
    - The URA requirements are only in effect when a renter is displaced by the renovation or reconstruction of the rental property.

36. Regarding financial statements, how will it be handled if a business has been in existence for less than 3 years?
    - Businesses should have a proven track record of financial responsibility and solvency as well as a track record of other successful federally funded housing projects. Businesses that have been in business for less than 3 years should contact the State. These cases will be handled on a case by case basis.

37. If a non-profit ministry is applying for ARP funding, but has never had an audited financial statement, how will this situation be handled?
    - The following requirements must be met by an applicant:
        - For corporations or other business entities, financial statements must be audited by an independent certified public accountant (CPA) and clearly indicate the net worth and working capital of each entity;
        - For individuals acting as guarantors, financial statements at a minimum must be compiled by an independent CPA and clearly indicate the net worth and working capital and all contingent liabilities, including liability for estimated or accrued income or other taxes, for each person; and
        - Compiled individual statements must also be prepared in accord with Generally Accepted Accounting Principles (GAAP) and signed and certified by the individual(s).
    - In the end the businesses should have a proven track record of financial responsibility and solvency as well as a track record of other successful federally funded housing projects. Businesses that have been in business for less than 3 years should contact the State. These cases will be handled on a case by case basis.

38. If a parish or housing authority applies for the ARP, what can be used for qualifying financial statements?
    - Parishes or housing authorities can use certified audits from the three previous years.

39. Is there a minimum amount of net worth to be considered for the program?
    - No, but the applicant must be deemed financially solvent to complete the proposed project.

40. When does the compliance period start?
    - The ARP compliance period will start once the Certificate of Occupancy (CO) has been issued on new construction or once the Building Permit Final has been issued on an existing structure. The compliance period is 5 years.

41. Is an ARP property required to carry a note/mortgage (debt) for the 5 year compliance period?
    - No, a property does not need to carry additional debt, but the CDBG funds will be awarded through a Forgivable Deferred Loan (FDL).

42. Do prices of rental units have to be in line with HUD guidelines?
    - Yes. Rents are subject to HUD limits for the 5 year compliance period.

43. Must an applicant only certify tenant incomes within the 5 year compliance period?
    - Yes. Once the 5 year compliance period has expired, applicants are no longer required to certify tenant incomes.

44. After the 5 year compliance period, can developed units be converted to rent to own units?
    - Yes

45. Is a rent cap only applicable for the affordable units (minimum 51% of development)?
    - Yes. Other units outside of the 51% minimum units targeting LMI persons are not limited to HUD rent limits.

46. What are rent limits based on?
    - Rent limits are based on HUD guidelines that can be obtained from the HUD website .

47. What is Duplication of Benefits?
    - Grantees must be aware that the Supplemental Appropriations Act authorizing CDBG funding or the Stafford Act itself may include restrictions on using those program funds to provide assistance when insurance providers or other federal or state agencies have already funded all or a portion of the activity. Certain Supplemental Appropriations Acts also include restrictions against use of those program funds as matching requirement, share or contribution for any other federal program. The Stafford Act also contains eligibility requirements for recipients who have received prior disaster funding based upon whether or not they are in compliance with requirements associated with receipt of those funds. Where applicable, recipients must be in compliance with these restrictions or individual funding will be denied.
    - Refer to the CDBG Grantee Administrative Manual for more detailed information regarding these requirements.

48. If an applicant secures funds through another CDBG program will this be considered a duplication of benefits?
    - These funds must be disclosed and will be evaluated on a case by case basis.

49. What is a subrogation agreement?
    - A subrogation agreement is a legally binding agreement whereby applicants certify that all other sources of funds that may be considered a duplication of benefits have been disclosed.

50. How does an applicant document uninsured damages?
    - The applicant should document the damage that was assessed and provide the estimated cost to repair.

51. Can an applicant bring public housing funds and private funds together for a project?
    - Yes, however all sources of funds should be identifiable and reported.

52. If an applicant has received funding from other sources (insurance, etc.), but those funds are not enough to complete the project, can ARP funds cover the "gap"?
    - Yes

53. Is there a maximum percentage of funds that may be allocated to administration costs?
    - The priority of the program is to maximize the opportunity to build affordable rental units. Project Delivery Costs must be reasonable and related to the project.

APPLICATION, SELECTION, AND FUNDING

54. Is there a set timeline for the 5 application phases?
    - No, in some cases the phases may overlap, but the application deadline is May 7th.

55. How is citizen participation handled?
    - Applicants are required to make every effort to involve the community in their projects. At a minimum, applicants should schedule a public meeting making the neighborhood, potential tenants and the city/police jury aware of the meeting through marketing efforts. At the meeting, applicants should troubleshoot any issues brought forward by the participants. Meeting minutes should be taken and a sign in roster should be kept. Applicants should also contact other local governing entities for other applicable meeting requirements.

56. How many public hearings must an applicant hold?
    - An applicant must hold at least 1 public hearing during the application process under the citizen participation requirements.

57. Can a public hearing take the place of a letter from the parish or municipality?
    - No. A written document must be provided to prove that the parish or municipality leadership is aware of the project and does not object.

58. Can citizen participation be completed in a church setting?
    - The citizen participation meeting may be held in any venue that is accessible to the affected population. Meetings should be convened specifically for this purpose. Applicants are required to make every effort to involve the community in their projects. At a minimum, applicants should schedule a public meeting making the neighborhood, potential tenants and the city/police jury aware of the meeting through marketing efforts. At the meeting, applicants should troubleshoot any issues brought forward by the participants. Meeting minutes should be taken and a sign in roster should be kept. Applicants should also contact other local governing entities for other applicable meeting requirements.

59. Must the applicant issue public notices for the development?
    - Public notices are required during the application process as part of the citizen participation requirement.

60. What is considered a "shovel ready" project?
    - "Shovel ready" projects are projects where ground work has already been done (i.e. financing, development team…) and the project is ready to begin construction.

61. What is the minimum split of units to be eligible for the ARP? Are mixed income units acceptable?
    - 51% of total units must be occupied by 80% and below LMI individuals. For example, if there are 40 units in a development, 21 must be occupied by LMI. The other 19 units can be occupied by other non-LMI families.

62. Are funds available to pay for market studies or pre development costs?
    - No

63. In most cases is market study data available from outside organizations?
    - In most cases market study data will be available from outside sources. Applicants should consult the local planning district or parish. A list of planning districts can be found at www.lapdd.org . For more information, please contact OCD/DRU.

64. Can a city five-year plan or other completed area studies be used as a market study for the program?
    - Yes, but the date of the study should be recent and must be post Gustav and Ike.

65. If a feasibility review shows that a project is not feasible, will feedback be shared with the applicant?
    - Yes. Applicants will be kept in the loop on the status and outcome of their application.

66. What are the reasons for a feasibility waiver?
    - In most instances, feasibility waivers are rare, but the cases that will be granted a feasibility waiver must meet the following conditions:
        - The project presents compelling opportunities to alleviate the affordable housing crises.
        - The grant of a waiver will produce a public benefit not otherwise available.

67. Can applications be submitted without the approval and support of the local governing body?
    - Applications must be accompanied by a letter of support by the local governing parish and/or municipality.

SCORING AND RANKING CRITERIA

68. What is the minimum point score needed to be considered for the program?
    - The minimum score for consideration is 70 out of a possible 191 points. While 70 is the minimum score, the ARP program is competitive and a score of 70 may not receive funding.

69. Can an applicant not target a specific group and still receive funding?
    - Yes, but projects that target specifically identified populations (workforce, supportive services or income) will receive additional points under the population services section. All projects must have at least 51% of units occupied by LMI individuals.

70. Are any provisions made for projects that provide handicap accessibility?
    - Yes. These projects will receive points under the population services section for targeting the supportive services population.

71. What is considered a recent parish endorsement supportive services letter?
    - An endorsement supportive services letter from the governing body must be from the last six months.

72. For points under income targeting, can you receive both sets of points?
    - Yes, points can be awarded for:
        - If 75% of unit mix serves 80% and/or below = 10 points
        - If 10% of total unit mix serves 30% and below = 15 points

73. How is spacious defined relative to project quality scoring?
    - Units must all meet minimum square foot requirements as defined by code. Units that exceed code requirements and provide a greater square footage for tenants will be considered spacious as compared to other applicants.

74. Could a retention pond be considered as a community area?
    - Unless the retention pond area is converted into a public park space, by all standards of a public park, it would not be considered as a community area since retention ponds are required in new development of buildings, parking lots, roads, etc. If the pond area is converted into a public park space, certain insurance requirements may apply.

75. Can qualified storage units for points be underneath an elevated structure?
    - No

76. Can a swimming pool be included in a development?
    - Yes, a pool can be included in a development, but grant funds cannot cover this item.

77. Are projects in a flood zone prohibited?
    - No. Projects in a flood zone are allowed, but projects located outside of a flood zone will receive a higher score in the amenities, location and design section of the project quality scoring. Projects in a flood zone must follow ABFE and DFIRM requirements.

78. How are the leveraged funds points calculated?
    - Applicants that require at least 10% but less than 25% of their total budget from CDBG funds will receive **20 points**
    - Applicants that require at least 25% but less than 75% of their total budget from CDBG funds will receive **15 points**
    - Applicants that require 75% or more of their total budget from CDBG funds will receive **10 points**

79. Will a funding letter from a bank suffice to prove leveraged funds?
    - Yes

80. What is an example of long term operating reserves?
    - Long term funds are funds that an applicant maintains that are not tied to a specific debt such as deferred development fees. Thus, they are available for use if the applicant should need additional funds. These funds extend beyond the 5 year CDBG affordability period (applies to controlled rent rates).

81. How will Section 8 vouchers be handled by the ARP program?
    - Section 8 eligible units are allowed under the ARP program.
    - Project based vouchers may be considered as long term operating reserves and leveraged funds.
    - Tenant based vouchers are not considered long term operating reserves and leverage funds.

82. What are considered long term funds?
    - These are funds that extend beyond the 5 year CDBG affordability period (applies to controlled rent rates).

83. What are long term rent subsidies?
    - These are non project revenues that are used to reduce rents for tenants.

84. Are there federal and/or state rent subsidy programs available?
    - There are many such programs available including, but not limited to Section 8.

85. Are there any restrictions on where leveraged funds can come from?
    - There may be restrictions based on duplication of benefits.

86. Will there be any preference given to minority or women owned businesses?
    - Minority and/or women owned businesses are encouraged to apply, however a preference cannot be used as a determining factor for funding.

ADDITIONAL REQUIREMENTS

87. What form needs to be filled out to certify that there are no conflicts of interest?
    - Applicants needing to certify that no conflicts of interest are present should fill out HUD Form 2880.

88. What are the procurement requirements?
    - ARP applicants are required to follow all CDBG procurement requirements (i.e. bid process) as detailed in the CDBG Grantee Administration Manual or from HUD.

89. How long must a construction contractor warrant their work?
    - The construction contractor shall warrant construction work as outlined in the bid specifications and contract for at least twelve (12) months.
    - The construction contractor shall warrant the structure for a minimum of five (5) years.

90. If an award is terminated what will happen to awarded funds?
    - Upon termination any unused funds will be maintained by the State. At that time the State will evaluate the project and determine the amount of funds needed to complete the project. The State will make every effort to complete the project or put the remaining funds back into affordable rental projects.

91. If a complaint is submitted directly to the State, how will this be handled?
    - The State will respond to the complaint and work with the applicant to resolve the issue. It is ultimately the applicant's responsibility to resolve the complaint. Each applicant must have a plan for grievance procedures.

Environmental Questions

92. What type of environmental review is necessary for the ARP program?
    - The Environmental Review is one that is done anytime Federal funds are being used to fund an activity. It is based on HUD statute 24 CFR Part 58. It is suggested that if your project is chosen as part of the Affordable Rental Housing program, you procure an environmental consultant who is familiar with the HUD rule, and have him/her complete the necessary documentation for you. These costs are considered an eligible CDBG cost. For more information on environmental review, please contact Ann Herring at ann.herring@la.gov.

93. Is environmental clearance required at the time of application or upon closing?
    - Environmental clearance must be obtained prior to closing and the receipt of any funds by the applicant. In the application, the applicant should address how they will handle the clearance process and any mitigation efforts that may arise during the clearance process. This can include the hiring of an environmental consultant or any other outside help that is planned.

OTHER

94. Is it allowable for an applicant to loan CDBG funds to a developer to develop an ARP project?
    - Only parishes, municipalities or non profits may loan CDBG funds to developers to develop a project.

95. Is there funding available for larger projects?
    - Other than the ARP program, programs such as the OCD/DRU Piggy Back program have funds to assist with higher cost developments. For more information on the Piggy Back program, potential applicants should contact Tommy LaTour at (225) 219-9600. Please note that funds awarded from programs such as the Piggy Back program are considered a Duplication of Benefits, thus proposed projects can only be awarded funds from one of these programs.

ARP FAQ Emailed Questions ~ March 4 - 10

96. Is a three year comparative audit acceptable or must an applicant submit different sets of audited financial statements for each of the past three fiscal years?
    - Yes, a three year comparative audit is acceptable.

97. Must an applicant submit financial statements for each of the partners on the development team or can the partners submit a compiled financial statement?
    - A compiled financial statement is acceptable.

98. For the 5 most impacted parishes, does "their own allocation" refer to a previous allotment of CDBG funds from the Gustav/Ike pool for affordable housing?
    - Yes. The 5 most impacted parishes received an allotment of funds separate from the $50 million that has been allocated to the Affordable Rental Program.

99. Do publicly advertised zoning and resubdivision meetings within the Parish of the development satisfy the requirement for public notice and meeting?
    - As long as the meeting lists the new affordable rental development discussion on the agenda and it follows the requirement of the citizen participation plan, this is allowable.

100. Is there a maximum number of units?
    - No, but a $4 million funding cap has been established. However OCD/DRU retains the right to determine if higher requirements are eligible.

ARP FAQ Emailed Questions ~ March 11-17

101. Are mixed use developments (residential/commercial) allowed?
    - For these types of developments, no money can be used for the commercial section(s). All fees, construction costs, etc must be paid for separately outside of ARP funds. Also, the building must meet code, where residences and entrances must be safe and secure. Finally, proper ownership must be documented. ARP funds can only be used for the development of units that meet these criteria. Funds cannot be used for commercial improvements.

102. How long will OCD/DRU accept questions regarding the ARP application process?
    - OCD/DRU will continue to accept questions until 2 weeks before the application deadline. The FAQ document posted on the website will be updated weekly with new questions.

103. Is the applicant required to leverage funds?
    - No, but applicants are encouraged to garner leveraged funds. Applications with leveraged funds will receive extra points in the review process.

104. Is the applicant required to have matching funds?
    - No, but applicants are encouraged to pursue matching funds. Applications with matching funds will receive extra points in the review process.

105. Can the applicant also be the contractor? If so, will it still be necessary to bid the construction?
    - Yes, contractors can apply to the ARP program. If the contractor is the applicant, it will not be necessary to follow the procurement procedures for a general contractor, but a cost-estimate must be provided. However, the contractor must follow all procurement procedures when hiring subcontractors.

106. Are applicants with funds from the Piggy Back program allowed to request ARP funds to fill the Piggy Back program funding gaps?
    - Applicants are not allowed to receive funds from both programs or leverage Piggy Back funds for the ARP program.

107. If applicants have already selected a contractor by a negotiated contract, will the applicants now be required to bid the construction?
    - All contractors must be selected by competitive bid using the procurement procedures detailed in the CDBG Grantee Administration Manual.

108. If a development has already received Site Plan approval from the local governing authorized planning/community development office, is a community meeting and public notice still required?
    - Yes, community involvement is vital to the success of the ARP program, thus applicants must complete all of the citizen participation requirements.

109. Can a commitment letter for Project Based Section 8 Vouchers from the local governing authority housing division be deemed leveraged funds?
    - Yes, however, you must document the income served and disclose how many units will be project based.

110. Can deferred developer fee or developer note be considered leveraged funds?
    - Yes, this can be considered as leveraged funds. However, this must be disclosed and documented when you submit your application.

111. Can a builder apply for the Affordable Rental Program?
    - Yes, builders can apply for the ARP.

112. If builders already have relationships established with subcontractors, must they still be procured?
    - If the cost is $50,000 or less procurement is not necessary. If you have already established your developmental team and it is not a professional service (i.e. lawyer, accountant, etc.), procurement is not required. Construction costs must be verified.

ARP FAQ Emailed Questions ~ March 18 - 24

113. If a development has 3 existing, but separate buildings whereby one of the buildings is currently being renovated, will OCD recognize the construction phases as two different projects, so that the applicant can apply for the 2nd phase while the 1st phase is under renovation?
    - These phases can be considered separate projects for the purpose of applying for ARP program.

114. Can a project that has already completed the environmental review process for both Supportive Housing Program (McKinney-Vento) funds and Neighborhood Stabilization Funds (NSP) use these successful reviews to satisfy the CDBG environmental review process?
    - Since the Neighborhood Stabilization Funds (NSP) program uses CDBG funds, the same environmental review would be required. Thus, if an environmental review for the NSP program has been completed on the specific structure that is requesting ARP funds, an additional environmental review would not be required.

115. Do audited financial statements have to be provided with the application or is it acceptable to have the audit done if the application is successful?
    - Audited financial statements must be submitted with the application. Businesses should have a proven track record of financial responsibility and solvency as well as a track record of other successful federally funded housing projects. Businesses that have been in business for less than 3 years should contact the State. These cases will be handled on a case by case basis.

116. Would the November 2009 "GNOCDC/ULI Housing Production Needs Report for the City of New Orleans" that shows that New Orleans has a demand in 2010 of a minimum of 13,429 affordable unit be an acceptable market study?
    - Yes, every market study for ARP must show a clear need for affordable rental units, specifically in the low-to-moderate income population.

117. Would community area points be awarded for single family and two family homes with bike racks and yards featuring lush landscaping, which is well beyond the requirements of the City?
    - If community areas developed with single family and two family homes exceed the requirements of the municipality, the selection panel would look favorably upon these areas and would consider them for points under the community area section.

118. May an applicant request that the forgivable CDBG loan take a subordinate position to outside funding. Is that the kind of language you are looking for in the application?
    - Yes, ARP funds can subordinate to additional funding for a project, however, the ARP draw/payment schedule is set and outlined in the guidelines under section 6.0. The forgivable deferred loan (FDL) will be forgiven at the end of the 5 year compliance period. The FDL is non-interest bearing, and has no P&I included, nor is there a periodic payment/balance due during the 5 years. There will be, however, a penalty involved if the project falls out of compliance during the 5 year span.

119. How are points awarded for workforce housing and permanent supportive housing?
   - In order to receive points for workforce housing or permanent supporting housing, the applicant needs to show unit(s) designated for that specific population. Therefore, if the development has 1 unit targeted this specific population; the applicant would receive these points. The application would need to reflect the unit mix.

120. Does a municipality have to do a notice of intent before the applicant runs a public hearing ad?
   - Due to the fact that the developers are applying for the program, a notice of intent does not have to be advertised prior to the ad for citizen's participation. However, a letter of support is needed from the municipality or parish.

ARP FAQ Emailed Questions ~ March 25 - 31

121. What is the role of a sponsor? Is there a financial obligation?
   - A “sponsor” is not required for the ARP program. In the guidelines, a “sponsor” is the applicant and/or owner/developer of the project.

122. Does a development have to accept Section 8 vouchers?
   - No, it’s not required to accept Section 8 vouchers, however it is allowed and must be disclosed at application.

123. There is an announcement of Piggy Back funds available for gap funding. Can these be used along with the ARP program for the same project?
   - Applicants may only apply to either the ARP OR the Piggy Back program. Applicants are NOT allowed to apply to both.

124. Is the rent on the affordable units determined by the individual tenants yearly income or is it a set amount based on 0-80% of the AMI, not to exceed 30% of their yearly income?
   - Unit pricing must follow acceptable HUD rent limits and income limits for 80% and below AMI.

125. Under the Action Plan Presentation it refers to certain parishes getting more money than others. Is this still the case?
   - The parishes highlighted in the Action Plan Presentation are the top 5 most impacted parishes. These parishes received an allocation of funds separate from the $50 million allocated to the competitive Affordable Rental Program.

126. Is it necessary to find other funding sources before submitting an application?
   - Applicants are not required to have leveraged funds into a project, however, a project may not score as well as those applications that do have other leveraged funds.

127. Can a multiuse space be considered a garage and storage space for points purposes?
   - No. If the space will be used primarily for parking cars, it will be considered a garage and will not receive points as a store space. In order to be considered a storage space, the area must be used primarily for regular storage.

128. If a Limited Partnership, where one of the general partners is a contractor, applies for the ARP program and the partnership wishes for the general partner to act as the general contractor for the ARP project, would construction still have to be procured via a bid process?
   - It will not be necessary to follow the procurement procedures for a general contractor, but a cost-estimate must be provided. However, the contractor must follow all procurement procedures when hiring subcontractors.

129. Where can I find the Statement of Assurances, which is required to be signed and submitted with the APR application?
   - The Statement of Assurances can be found in the CDBG Administration Manual by clicking here.

ARP FAQ Emailed Questions ~ April 1 - 7

130. What is an Energy Improvement Report?
   - If an applicant plans to select Energy Star products for a project, a report must be provided from either the manufacturer or energy star web site that shows outcome measures, annual estimated savings for low income families as a result of energy efficiency improvements. Below are some helpful links that may help with the data:
     - www.energystar.gov
     - http://www.hud.gov/offices/cpd/about/performance/training/app1.pdf

131. Is it mandatory that the applicant has site control at the time of the application?
   - It is not mandatory; however the applicant should submit an ARP application with a purchase agreement contingent on the ARP award. Site control needs to be obtained by the closing. The package must be submitted with an executed purchase agreement.

132. In Section X; what is Policy 2.5.2?
   - Policy 2.5.2 should read "Policy 4.2, Population Services". This has been corrected and an updated application has been posted to the web.

133. Where can an applicant locate the Statement of Assurances and information on Uniform Relocation Assistance (URA)?
   - The Statement of Assurances document that must be submitted with the ARP application along with information the Uniform Relocation Assistance (URA) can be found in the CDBG Grantee Administrative Manual.

134. What percentage of units must be permanent supportive housing to receive points in the population services section?
   - There is no set percentage of units designated for permanent supportive housing in order to receive points in the population services section. If there is one unit designated for permanent supportive housing, the applicant will receive points. However, since this is a competitive process, applicants that designate more units for this purpose will be looked at favorably.

135. Where can I find the program guidelines?
   - The guidelines are located on the web at:
     - http://lra.louisiana.gov/assets/docs/searchable/Gustav%20Ike/Parish%20Docs/AffordableRentalGuidelines2-17-2010.pdf

136. What is the project funding summary?
   - A project funding summary is a breakdown of the costs associated with the construction of an ARP project as well as the different outside sources of funding that have been secured.

137. Are funds allocated to the ARP separate from funds allocated to the Piggyback program?
   - Yes, $50,000,000 have been allocated to the ARP program and a separate $25,000,000 have been allocated to the Gustav/Ike Piggyback program.

138. Are funds awarded to parishes through the competitive ARP program capped at $4,000,000?
   - Yes. All applicant projects are capped at $4,000,000.

139. How should an applicant provide documentation of a proven track record to move leased up units? What is meant by "Proposer must provide photos of the before and after" on Section 4.1 at top of page 15 of ARP Guidelines?
   - The development team assembled for an ARP project needs to have experience in leasing and moving these types of projects. The applicant is required to provide the state with a list of those projects that have been successful. If other similar renovation or rehabilitation projects have been completed (i.e. projects that are similar to what ARP could fund), the applicant should provide photos of before the renovation began and after it was finished.

140. Is a market study/survey required to be submitted with application?
   - The market study/survey of compiled data taken from the area/parish the project will be located supporting the need for rental housing must be provided at the time of application.

141. What is your point score tie-breaker formula? Will you make awards strictly on the point score, or are there other subjective factors?
   - Awards will be based on score, however, in the event of a tie the committee will look at how the application was presented; how strong financially the entity is; how much of an impact will the project make on the area; and how many LMI units will be brought online to help with the shortage of rental units.

142. Are there any other local, state, federal, or private funds that may be available for ARP projects?
   - There are other funds that may be available for ARP projects. Applicants should check with the city, FEMA, the LHFA and other organizations for possible programs.

143. If a company is selected to develop ARP units and that firm is placed on the development team will this company be required to provide audited financial statements?
   - Yes, the company must provide 3 years of audited financial statements.

144. Is leveraging required and what is the minimum?
   - Leveraging is not required; however an applicant won't score as well if there are no other funds coming into a project. The guidelines under Section 4.4 – Financial Feasibility will breakdown the points awarded if leveraged funds are committed.

****NOTE: ARP APPLICATION UPDATED ON 3/31/10 ****