

## Questions for RLF:

Background: we are submitting 7 homes to be considered in this project as acquisitions and they are currently rented with Section 8 tenants and owned by us (BCIG LLC). The 7<sup>th</sup> home is being renovated now and will be vacant until the end of November. **Please keep in mind all sites contained in an application must be within 2,000 feet of each other to be considered a single project – see page 14 of the manual and review the answer to Frequently Asked Question #22 for additional guidance.**

1. Our 7<sup>th</sup> home is being renovated now and will be done at the end of November and probably rented by then too. Can I treat this home like the others? The rehab will be done using our funds so I'm not considering the program for that. We plan to get an "upon completion" appraisal on this home so that it is available for the RLF deadline. I'd like to consider all 7 homes as acquisitions and not get into rehab for the 7<sup>th</sup> home that is being worked on now. It should be substantially complete by 11/15. Can I use projected rent figures for the package? **The application workbook, which includes an operating pro forma, requires use of the HOME rents as established in the program manual and underwriting guidelines.**
2. Tab1, our units fixed or floating? I read the definition but I'm still unclear. **Please select fixed.**
3. Tab 1, Handicap accessible definition? We have one home with a ramp entrance but that is the only handicap feature of the home. **For projects of 5 or more units, at least 20% of the units must be fully ADA accessible. With a proposed project containing 7 units, the applicant would be required to bring 2 of those units into full ADA compliance.**
4. Tab 3, Is there common ownership interest between the purchaser and seller? I would assume the answer is yes for our situation but this isn't a sales transaction. **Please select yes.**
5. I plan to submit our 2017 compiled financial statements and tax return that were done by an independent CPA firm. This will suffice right? I read that it doesn't necessarily have to be "audited". **Compiled financial statements and tax documents for a fiscal period ending between September 30, 2017 and the date of application are acceptable.**
6. Tab 6, do security deposits really count as Other Income? **Yes, they can count as other income but must be considered reasonable.** Do you mean the amount of security deposits that might be forfeited in a certain year or can I put the total amount of security deposits I am holding right now for active tenants? **The amount that might be forfeited.**
7. All of our homes have active JEA service. Can I provide screen shots showing the homes show up in their system and are eligible for service? The utilities are in the tenant's name. **To confirm utility availability and distance from the property, you must have a letter from JEA. A screen shot will not be acceptable.**

8. Liquid cash resource requirement. Two partners for BCIG LLC 50/50. We can meet this requirement by proving these funds exist between a combination of personal partner assets plus the assets that qualify in the LLC correct? Meaning, it doesn't all have to be in BCIG LLC's checking account? **Yes, you can combine the assets of multiple partners to meet the liquid cash resource requirement, however, you will be required to provide compiled or audited financials for all entities and individuals.**

9. Operating Expenses

I'm still confused about the operating expense of \$3500 per unit in the UW guidelines.

Do admin exp + Op exp + Maint Exp + Taxes need to equal at least \$3500 OR; **Yes**

Operating Exp have to equal at least \$3500 and plug-in additional expenses in admin/maint/taxes?

<b>PLEASE REFER TO MANUAL FOR OPERATING COSTS REQUIREMENTS</b>			
<b>Administrative Expenses</b>		<b>Maintenance Expenses</b>	
Marketing/Advertising		Painting/Repairs	
Management Fee		Cleaning/Decorating	
Legal/Partnership	\$ 1,000.00	Pest Control	
Accounting/Audit	\$ 1,500.00	Grounds Maintenance	
Licenses/Permits		Parking Lot Maintenance	
Compliance Monitoring Fees		Playground Maintenance	
Other Admin. Expenses		Common Area Maintenance	
Total Administrative	2,500.00	Supplies	
Percent of EGI	3.09%	Other Maintenance	
		Total Maintenance	0.00
		Percent of EGI	0.00%
<b>Operating Expenses</b>		<b>Taxes</b>	
Elevator Maintenance		Real Estate Taxes	
Fuel/Gas		Other Taxes	
Electricity		Total Taxes	0.00
Water/Sewer		Percent of EGI	0.00%
Trash Removal			
Payroll		Total Annual Expenses	27,000.00
Payroll Taxes		Total Annual Expenses /Unit	3857.14
Insurance			
Telephone		Less Replacement Reserve	\$ 3,500.00
Security		Replacement Reserve/Unit	\$ 500.00
Other Operating	\$ 24,500.00		
Total Operating	24,500.00	<b>Net Operating Income</b>	50,278.00
Percent of EGI	30.33%		

10. On tab 9, I don't have anything to add except for appraisals and market study. Plus the acquisition of the 7 homes. I asked about potential financing fees should we win funding

through the RLF bid process and you referred me to the manual which I still didn't find expense detail that might be charged by you guys should we win funding through this application? Am I missing something here? **The City of Jacksonville cannot provide direct guidance regarding an applicant's proposed development budget. Please see page 22 of the manual for details on loan origination fees, interest rates and loan terms.**

11. I don't know if I am treating the utility allowance right on Tab 6. Our tenants pay for their utilities and have them under their own names with JEA. I guess we pay for TRASH since that is part of property taxes. Do we need to include this column on TAB 6? **The published HOME rent limits are inclusive of tenant paid utility allowances as well as the monthly rent amount. Therefore, the proposed monthly tenant rent must be less than or equal to the "Maximum Allowable Monthly Net Rent."**

Our rent is governed by Section 8 but it still seems to go over your program's maximum. Will this disqualify us? I did read there are exceptions to the rule. Please see our current rent situation below: **You must use the HOME rent limitations unless you have a project based voucher contract with the housing authority.**

<b>Applicant Name:</b>		<b>Bold City Investment Group LLC</b>			<b>Project Name:</b>		<b>BCIG Rentals</b>	
<b>Proposed Development Income:</b>								
<b>Units Rent and Income Restricted to Low HOME Rents 50% AMI (excluding manager and/or maintenance units)</b>								
Type of Unit	# of Units	Program	HUD Published - Maximum Allowable Monthly Gross Rent	Less Utility Allowance	Maximum Allowable Monthly Net Rent	Proposed Monthly Tenant Rent	# of Units x Tenant Rent	
3-BR	1	PBRA	\$ 908.00	\$ 207.00	\$ 701.00	941.00	\$ 941.00	
3-BR	1	PBRA	\$ 908.00	\$ 207.00	\$ 701.00	927.00	\$ 927.00	
3-BR	1	PBRA	\$ 908.00	\$ 207.00	\$ 701.00	1,200.00	\$ 1,200.00	
3-BR	1	PBRA	\$ 908.00	\$ 207.00	\$ 701.00	939.00	\$ 939.00	
2-BR	1	PBRA	\$ 787.00	\$ 161.00	\$ 626.00	710.00	\$ 710.00	
4-BR	1	PBRA	\$ 1,013.00	\$ 255.00	\$ 758.00	1,426.00	\$ 1,426.00	
3-BR	1	PBRA	\$ 908.00	\$ 207.00	\$ 701.00	1,100.00	\$ 1,100.00	
					\$ -		\$ -	
					\$ -		\$ -	
					\$ -		\$ -	
Total Units:	7					Total Monthly Tenant Rent:	\$ 7,243.00	
						Total Annual Tenant Rent:	\$ 86,916.00	

Actual:

Table removed for privacy issues.

12. Special Needs - Disability – we have numerous tenants who receive disability or whose children receive disability. Is a letter from Jax Housing Authority sufficient to address this? **Yes, a letter**

from the JHA confirming the tenant’s disability status will be acceptable. We were unsure whether it had to be a physical disability only.

13.

5	Experience (Non-CHDOs)	Narrative describing Applicant's successful experience with other affordable housing programs.
		Previous Participation Summary
		Staff Members - List of personnel which will play key roles in the proposed project's development along with their contact information, job title and a description of their relevant experience.
		Copies of all Staff Members' Résumés noting rental development and management experience.

We apologize for how simple (or obvious) some of these questions might be but we want to be sure we give ourselves the best chance possible. Regarding the section above – is a summary merely describing our successful rental process with JAX HA / Section 8 sufficient? My partner and I are the only two “personnel” involved with the rental process. How much of the above would apply to us? **The above applies to all applicants. The degree to which you respond will be reflected in the scoring.**

14.

9	Other Federal Regulations	Procurement Plan
		Affirmative Marketing Plan
		Tenant Selection Procedure
		Detailed Waiting List – Name, Date added to list, Household Size, Current Address

Again, this is likely very simple or obvious seeming for the program but we want to ensure that we give what is asked for...

6 of these units are already rented and the 7<sup>th</sup> will be by the time we submit our package. Is this applicable? We are happy to provide the details however, our “procedure” is simple – we merely list with HUD Section 8 via their twice monthly listings. **The above applies to all applicants and projects. Please refer to the manual regarding when individual regulations apply. For example, procurement is only triggered if the project involves the purchase of goods or services (see page 20).**

15. Section 7 – Site Requirements – Letter from city demonstrating the site is properly zoned.

These are existing homes many decades old. They are all in entirely residential areas. Does this apply to us? **Yes**