

**CITY OF ST. LOUIS COMMUNITY DEVELOPMENT ADMINISTRATION
WINTER 2016 NOFA PERIOD**

QUESTIONS & ANSWERS (Q&A)

Received between 11/07/2016 and 12/30/2016

On the NOFA Proposal Rating Sheet, do any sections score negative (or less than 0) points?

The CDA Winter 2016 NOFA Residential Development Proposal Rating Sheet includes a penalty for supplemental NOFA applications received. These are requests for additional project funding for activities where a previous CDA financial commitment has already been given. This penalty (-25 points) will be applied equally to efforts that are either already underway or remain in their predevelopment or due diligence periods.

The NOFA Residential Development Proposal Rating Sheet also includes other scoring categories that each indicates a maximum amount of points possible. Any points that an application receives for these sections will be positive (added to the rating score rather than subtracted from the rating score). However, it may be possible for a proposal to score no points for a particular section if the category does not apply to that specific application.

What is the LRA? What does this acronym mean?

The Land Reutilization Authority (LRA) is a pseudo-public entity of the City of St. Louis that maintains, markets, and sells City-owned property and performs land assemblage for future development. LRA receives title to all tax-delinquent properties not sold at Sheriff's sale. It also receives title to properties through donation. Additional information is accessible online:

<https://www.stlouis-mo.gov/government/departments/slcd/boards/Land-Reutilization-Authority.cfm>

What is a Community Housing Development Organization (CHDO)?

A CHDO is a private nonprofit organization that meets certain legal and organizational characteristics as described in the HOME regulations at 24 CFR Part 92.2. One of the purposes of such organizations must be to provide decent housing that is affordable to low-income and moderate-income persons. A CHDO may participate in residential development efforts either as owner, sponsor, or developer.

Are CHDO checklist and application materials available online?

Yes, CHDO checklist and application materials can be accessed online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/CHDO-Certification-and-Checklist.cfm>

How do I apply to be a CHDO and who do I contact?

Interested organizations with any questions should contact CDA Residential Development Asset Manager at (314) 657-3700.

What is a Community Based Development Organization (CBDO)?

In order to qualify as a CBDO, an organization must meet the characteristic defined in 24 CFR Part 570.204. The primary purpose of such organizations must be the improvement of the physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of low-income and moderate-income persons. In some

cases, CHDOs certified under the HOME Program may also qualify as CBDOs. It is important to remember that new construction assisted with CDBG must have a CBDO participant, so it will be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts.

Are CBDO checklist and application materials available online?

Yes, CBDO checklist and application materials can be accessed online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/cbdo-application.cfm>

How do I apply to be a CBDO and who do I contact?

Interested organizations should contact CDA Monitoring Section at (314) 657-3700.

How long does CBDO or CHDO certification take?

Assuming that all of the required CBDO or CHDO checklist items – such as board composition and evidence of applicable by-laws or resolutions – are in place, the CDA certification review and approval can be completed within a day or two.

Which is required for new-construction efforts – CBDO or CHDO?

It is important to remember that new construction assisted with CDBG must have a CBDO participant, so it will be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts. Additionally, CDBG-assisted new construction efforts that do not include affordability must satisfy some other HUD National Objective. In such cases, elimination of slums or blight on an Area Basis (elimination of determinable signs of slums or blight within a strictly defined area) would be appropriate. A blighting study on an Area Basis (not a Spot Basis) will be required.

Do CBDOs and/or CHDOs need a housing development component identified in their mission statements?

A CHDO must have among its purposes the provision of decent housing that is affordable to low- and moderate-income people. This must be evidenced by a statement included in the organization's charter, by-laws, articles of incorporation, or resolutions. A CBDO must have stated in either its articles of incorporation or its most current bylaws statements that the entity is organized to engage in community development activities and that the organization's primary purpose is the improvement of the physical environment of its geographic area of service, with particular attention to the needs of persons of low- and moderate-income. Additionally, the bylaws should reference the geographic area requested to be served (up to three City neighborhoods). Relevant community development activities may include addressing affordable housing needs.

Can a CBDOs and/or CHDOs create a limited liability corporation to conduct a housing development on its own?

HUD regulations allow for CHDOs to conduct efforts as either Owner, Developer, or Sponsor. A CHDO acting as Owner holds legal title to or has a long-term (99-year minimum) leasehold interest in the property. The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities. The 2013 HOME Final Rule clarifies that a CHDO may act as Owner of a rental project if it has the capacity to own and manage rental housing but not the capacity to develop a rental project. A CHDO acting as Sponsor develops a property that it solely

or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. A CHDO acting as Developer either owns and develops the property or is under a contractual obligation with the owner to obtain financing and develop the property. HUD regulations require CBDOs to actively participate in eligible development efforts. However, CDA staff must defer to applicant's legal team for recommendations on organizational structure of specific development efforts.

Is non-permanent housing eligible to apply for assistance?

Eligible housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities, halfway houses, housing for students, or dormitories (including farmworker dormitories). These types of residences constitute facilities or provide short-term or transitory housing and not some form of permanent housing.

How should an applicant indicate on the application whether CDBG, HOME, or NSP funds are being requested?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, applicants still must specify the targeted AMI households in their applications. It will also be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts. Only one application per proposed development is necessary regardless of funding source.

What is the email address where questions should be sent?

In an effort to provide fair and impartial service, CDA Housing Analysts will not be available to field general inquiries or to offer specific direction during the NOFA period. All questions must be submitted to CDAnofa@stlouis-mo.gov as directed in the NOFA. All questions received and their answers will be published on CDA's NOFA webpage:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/NOFA.cfm>

How does CDA promote sustainable housing developments?

Energy Star certification is required for all CDA-assisted developments funded with CDBG, HOME and/or NSP funds. The ratings criteria includes a scoring section for those applications that pursue additional sustainable housing certifications. Those proposals that do so will rank higher than competing proposals that do not, thus increasing their chances of selected for a funding reservation amount.

What does the phrase "E & A" mean?

All City contracts must first be approved by the City of St. Louis Board of Estimate & Apportionment. This board consists of the Mayor, the President of the Board of Aldermen, and the Comptroller. This board meets once per month and is commonly referred to as "E&A."

Is it necessary to complete the Rental Conversion Projection tab of the For-Sale Application if applying for CDBG assistance?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, in order for a for-sale application to be considered complete, the Rental Conversion Projection tab must be provided. And the analysis worksheet must demonstrate that the development effort would be sustainable in the event of conversion to rental.

Even if a sale is anticipated or a pre-sale contract has been obtained, must an applicant still complete the Rental Analysis of the For-Sale application?

Yes, because HUD requires that CDA demonstrate that the proper underwriting evaluation is performed in the event that the project converts to rental 9 months after completion.

Does CDA provide residential development assistance as a grant or as a loan? If a loan, what is the interest rate that would be charged?

All forms of CDA assistance for residential development projects are loans. These loans may be low-interest, no-interest, or even forgivable. All loans will be secured by a lien on the property. The terms of the type(s) of loan(s) desired by an applicant must be identified in the application. Public funds should be adequately leveraged with private financing or developer equity. Applications that are judged to not sufficiently or appropriately leverage CDA funds will rate low in the Applicant Financial Qualifications section of the Proposal Rating Sheet.

Is there a limit to the amount of funding that one application can request?

CDA Underwriting Standards establish a limit to CDA-funded development requests, not intended to exceed 50% of the project Total Development Cost (TDC). Additionally, HOME regulations prohibit subsidies that exceed the per unit maximums set forth by Section 221(d)(3) of the National Housing Act.

Will an application be considered if the request for total CDA funding exceeds 50% of the total development costs?

Applicants are encouraged to submit competitive proposals that also demonstrate sufficient financial capacity to successfully complete. Public funds should be adequately leveraged with private financing or developer equity. Requests for CDA gap financing should also be supplemented with other available types of construction period assistance, such as tax credits for example. Applications that are judged to not sufficiently or appropriately leverage CDA funds will rate low in the Applicant Financial Qualifications section of the Proposal Rating Sheet. However, such a condition alone will not be cause for a proposal to be considered ineligible for CDA assistance.

If an applicant did not pursue historic tax credits, would the proposal be considered inadequately leveraged?

If a proposal is eligible to receive tax credits (for example, the rehabilitation effort of a contributing building to a historic district by a for-profit entity), then CDA will require the applicant to pursue the available tax credit award. Otherwise, the application would not be considered adequately leveraged.

How are fair and reasonable construction costs determined?

CDA understands that all redevelopment projects are unique and that all buildings and sites offer their own attractions and challenges. There is no all-encompassing equation for measuring different development proposals equally. Applicants are encouraged to submit competitive proposals with particular attention to the developer profit and contractor profit maximums allowed by CDA. If concerned that costs may be considered excessive by CDA's selection committee, an applicant is encouraged to include additional information and detail, including copies of multiple and competitive bids for work, to demonstrate that the estimates provided are both reasonable and necessary for the successful completion of a quality project.

What happens if a for-sale project converts to a rental?

CDA allows for any for-sale project that remains unsold for a period of time to be converted to rental. Note that HOME for-sale projects will be required to convert to rental if unsold 9 months after completion. Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards. As a result, all for-sale applications must include a completed Rental Analysis assessment provided in the Excel spreadsheet of the application.

If a HOME for-sale project is converted to rental, how long must it remain a rental project?

Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards. As a result, all for-sale applications must include a completed Rental Analysis assessment provided in the Excel spreadsheet of the application because HUD requires that we demonstrate that the proper underwriting evaluation is performed in the event that the project does convert to rental. As a rental, all projects are subject to a HOME Affordability Period (5-20 years, depending upon the per unit subsidy amount) and subject to income and rent restrictions, physical inspections and other annual compliance monitoring. Rental properties are expected to make payments annually from cash flow for any gap loans. HOME regulations do allow for rental units to be converted to for sale units at any point during the affordability period.

Should applicants apply for more than one house on a for-sale application to improve chances of selection?

The ratings criteria includes a scoring section that scales increasing points for applications proposing to develop multiple parcels of City-owned property. This section only applies to applications for the redevelopment of LRA-owned and to CDA's Request for Proposals (RFP) property lists.

Can proposals to develop more than one property, such as scattered sites, and be submitted on one application?

Yes, but one cannot submit an application for both a for-sale and rental on the same proposal. The development budgets and construction budgets should be separated by address on the application spreadsheets as directed.

If a proposal involves the redevelopment of multiple parcels, how many of those parcels need evidence of site control?

An applicant must be able to demonstrate site control for all parcels where the development of residential housing is planned. It is not necessary to demonstrate site control for planned amenities, such as a community center or off-site parking areas. For those projects where site control cannot be evidenced, phased development should be considered.

How will CDA treat competing proposals for the same address?

It is possible for CDA to receive multiple development proposals for the same address. In such an event, CDA will evaluate each application for completeness and rate each proposal on its own merits. Then CDA will rank the proposals against all other applications received during the open NOFA period. While it will not be possible for competing proposals to receive funding for the same address, it may be possible for none of the proposals to rank high enough to be awarded assistance.

What would happen if more than one applicant applies for the same address, but one of the proposals includes other addresses? Would CDA consider an award for the other addresses in that application?

While it will not be possible for competing proposals to receive funding for the same address, it may be possible for none of the proposals to rank high enough to be awarded assistance. Should an application rank high enough for funding consideration during a NOFA round but one of the properties is no longer available, CDA would then consider a partial award for one or more of the remaining addresses in the application. Therefore, it is imperative that the Development Budget tab of a for-sale application be completed so as to represent the individual gap estimates for each individual property address within the development.

Can a proposal have more than one household-income targets within one application?

Both the for-sale and rental applications require that the total number of proposed housing units be identified. This unit total results from the number of units proposed for each target category: market-rate, middle-income, moderate-income, low-income, and very-low income housing. It is possible to target more than one category within a proposal. Mixed-income developments are preferred.

May an applicant self-finance a development effort, or must one use bank funds?

If an applicant intends to self-finance or utilize developer equity in some way to finance all or a portion of a proposed development's projected costs, then the application's summary sources & uses must reflect that strategy. The Sources & Uses tabs for both the for-sale and rental application spreadsheets allow for projected Developer Equity investments for the self-financing of acquisition, predevelopment, and construction costs. This field is the appropriate place to indicate the amount of funds used to self-finance a development effort. Applicants still must demonstrate the financial capacity to conduct a project as proposed, and proof of funds should be included as part of the Summary of Proposed Residential Development Project section of the NOFA Checklist of Required Items.

If a redevelopment project is already underway, can one still apply to CDA assistance for that effort?

The federal funding programs of CDBG, HOME, and NSP administered by CDA for the City of St. Louis trigger a number of regulations that must be followed on all redevelopment efforts receiving assistance. It is advisable that, if interested in participating in one or more of these programs, applicable requirements (such as design elements appropriate for Section 106, federal lead-safe housing rules, Energy Star standards, etc.) be incorporated into development plans early in the process to ensure compliance. If a project does not comply with any federal regulations, then the development team must remedy the issue(s) at their own expense. Federal funding may not be used towards these costs. However, a project already underway will not be in itself cause for a proposal to be considered ineligible for CDA assistance.

Is there a list of City-preferred REALTORS®?

All CDA-assisted for-sale projects are encouraged to work with licensed real estate professionals to help price homes appropriately and market them effectively to qualified buyers. The City of St. Louis does not maintain a preferred list. Any individual licensed by the Missouri Real Estate Commission (MREC) would be appropriate. It is also important to note that, while recommended, having such a person on the development team is not a CDA requirement.

How does CDA certify a homebuyer or tenant's household income-eligibility?

For the purpose of determining eligibility, CDA must project a household's income in the future. To do so, a review of the household's current circumstances is used to project its future income. In general, it is assumed that existing income levels will continue, unless there is verifiable evidence to the contrary. CDA staff can provide a homebuyer/tenant certification checklists and applicable documentation necessary to determine household eligibility.

Will owner-occupied applications be considered?

CDA housing production programs are not intended to provide gap assistance for owner-occupant rehabilitation or new construction projects. However, such proposals will not be considered ineligible and will not be excluded from consideration. Such applicants still must demonstrate the feasibility of their proposals, including the experience and capacity of all members of the development team.

If I am proposing the rehabilitation of a single-family home for my own, owner-occupant use (meaning that I will not sell when completed but live in myself), which spreadsheet should I use? For Sale or Rental version?

CDA housing production programs are not intended to provide gap assistance for owner-occupant rehabilitation or new construction projects. However, such proposals will not be considered ineligible and will not be excluded from consideration. Such applicants still must demonstrate the feasibility of their proposals, including the experience and capacity of all members of the development team. Developments of one-to-four-family residences, condominium units, cooperative units, combinations of manufactured housing and lots, or manufactured housing lots are considered by federal regulation to be "single-family housing" proposals. Applicants whose proposals fall into these categories should use the For Sale CDA application. All other proposals should use the Rental CDA application.

Does an owner-occupant homeowner of a CDA-assisted development effort have the ability to become a rental property at some point in the future?

If they received CDA affordability assistance either towards the purchase of their home or towards the development of their home, owner-occupants are required to remain as their primary residence for the duration of their applicable affordability period. The period of time depends upon the amount of CDA assistance provided. The table below details these requirements:

Rehabilitation or Acquisition of Existing Housing (in \$ amount of HOME funds invested per unit)	Minimum Affordability Period (in years)
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/income-limit.cfm>

After expiration of the affordability period, CDA no longer monitors residency, and the owner-occupant is then released from remaining obligations and covenants.

Will applications be considered for owner-occupied multifamily housing developments?

Developments of one-to-four-family residences, condominium units, cooperative units, combinations of manufactured housing and lots, or manufactured housing lots are considered by federal regulation to be “single-family housing” proposals. As such, CDA will consider applications for owner-occupied multifamily housing developments as eligible to receive assistance through this NOFA round. However, if the project receives assistance from a program specifically designated for the creation of affordable housing and is limited to income-eligible households, then income certifications will be required of all occupants, including the owner-occupant, for the duration of the applicable affordability period.

Is it necessary to complete the Capital Needs Assessment tab of the Rental Application if applying for CDBG assistance?

It is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, in order for a rental application to be considered complete, the Capital Needs Assessment tab must be provided. And the analysis worksheet must demonstrate that the development has budgeted for the scheduled replacement of pertinent items throughout operation during a possible period of affordability.

Does the MBE/WBE construction monitoring process require certified payroll reporting even if the project is not subject to Davis-Bacon and Prevailing Wage Standards?

Per the Mayor’s Executive Order #28 and as amended by #51, the City of St. Louis requires maximum utilization of minority- and women-owned businesses in all CDA-assisted housing projects with a goal of at least 25% City of St. Louis certified minority business enterprise (MBE) participation and 5% City of St. Louis certified women’s business enterprise (WBE) participation. This is taken as a percentage of the project’s total development cost, excluding acquisition. All recipients of CDA funds will be required to keep records of participation by certified MBEs and

WBEs. However, CDA staff does not directly monitor construction period reporting for either. Please contact the MBE/WBE Office of Contract Compliance directly at (314) 657-3700 with any questions or for additional guidance.

The NOFA prioritizes investment in specific Census 2010 Block Group IDs with additional bonus points awarded. Where can one find a property's Census 2010 Block Group ID?

The Census 2010 Block Group ID was a database assignment to City of St. Louis census tracts for the statistical Market Value Analysis (MVA) detailing the housing market characteristics for each.

The Census 2010 Block Group ID is provided for each City-owned property acquired with CDA funding that is listed in the Request for Proposals (RFP) NOFA section as part of Exhibit B:

Detailed Site Information:

https://www.stlouis-mo.gov/government/departments/community-development/residential-development/documents/upload/NOFA_Winter_11-7-16_Summary.pdf

The Census 2010 Block Group ID can also be found for any City address by using the online interactive MVA map and database:

<http://dynamic.stlouis-mo.gov/mva>

Is information available for Summer 2016 NOFA Awards?

The CDA funding reservation awards for applications received during the Summer 2016 NOFA round are published and available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/nofa-awards.cfm>

This page will be replaced on February 24 2017, with the Winter 2016 NOFA awards.

If not awarded funds during this NOFA round, how can applicants improve their proposal(s) for future NOFA rounds?

For projects that are not awarded funding, CDA will offer applicants an opportunity for a debriefing session to discuss the specifics of the rating for their specific proposal(s).

If interested in developing a CDA-assisted property identified in the RFP section of the NOFA without requesting additional CDA assistance, does one still need to submit a proposal through this NOFA process?

Yes. Because CDA-funding assisted the acquisition and holding costs, there remains a CDA subsidy in the project. And the project still must comply with the applicable federal regulations governing that funding source.

If you are awarded one of the CDA-assisted properties identified in the RFP section of the NOFA, is there a time limit for project completion?

If selected to be the developer for one of the CDA-assisted properties identified in the RFP section of the NOFA, then LRA will enter into an option agreement with you in order to sell the property to you/your development entity. This agreement must include the purchase price to be paid to LRA at closing. Once you have executed the LRA Option Assignment Agreement, you will be expected to complete all your pre-development work and finalize your construction financing. A closing will not occur until plans and budget are approved and financing commitments and approvals are obtained.

The legal documents that will be signed at closing will define the terms of project financing. These can be negotiated as needed, but typically CDA legal documents reflect a 12-month term.

Note that HOME for-sale projects will be required to convert to rental if unsold 9 months after completion, or issuance of occupancy permit. Conversion will require modifications to all for-sale legal documents. Forgiveness of the CDA project subsidy will not be considered, and CDA will begin monitoring and regularly inspecting the project to ensure that the unit(s) are maintained to appropriate living standards.

CDA will host an additional workshop for recipients of NOFA awards to explain the various steps required from predevelopment through construction to project completion and close-out.

Are individual Renovate, Repair, and Painting (RRP) certifications required for all subcontractors or just those conducting demolition work?

The U.S. Environmental Protection Agency (EPA) offers guidance regarding RRP certifications. The following firms must be certified:

- Any firm that is paid to perform work that disturbs lead paint or conducts lead dust sampling in housing or child-occupied facilities built before 1978 must be certified.
- This may include residential rental property owners/managers, maintenance staff, general contractors, renovators and remodelers, and special trade contractors including painters, plumbers, carpenters, electricians, and kitchen and bath specialists.
- EPA has defined the term "firm" to mean a company, partnership, corporation, sole proprietorship or individual doing business, association, or other business entity; a Federal, State, Tribal, or local government agency; or a nonprofit organization.

<http://www2.epa.gov/lead/details-certification-requirements-firms>

EPA requires that employees must be trained. Employees must be trained in and use Lead-Safe Work Practices. Each firm must have at least one certified renovator. Renovators are certified upon completion of an EPA accredited renovator training course. To remain certified a renovator must complete a refresher training course before their current certification expires. If certification expires, the 8 hour course must be taken again to regain certification.

<http://www2.epa.gov/lead/getcertified>

If we cannot get a copy of each RRP certificate for the individuals conducting the work on-site, CDA will accept instead a copy of the RRP certificate from the foreman of each firm along with an affidavit that includes the following statement:

I, _____, a certified renovator, hereby certify that I was on-site or available by telephone at times that renovations were being conducted in accordance with the requirements specified in the EPA's Lead-Based Paint Renovation, Repair, and Painting Program.

In the instances where a firm's foreman was unavailable, CDA will accept instead an affidavit from the general contractor (or also considered the foreman for all on-site). But CDA will still need a copy of the RRP certificate of the firm's certified renovator as well.

The auto-calculation of tax credits for my application is lower than my actual tax credit award. How do I update the Sources & Uses tab of the CDA application to reflect the project's true tax credit equity?

Include the difference in one of the available "Other" cells...explaining as the shortfall of the auto-calculation. Additional information may be provided in the Developer Notes section.

Is it possible to obtain an open or unprotected copy of the CDA application?

In order to protect the integrity of the application and selection process, it is imperative that all applicants use the same forms. Altered or otherwise modified CDA spreadsheets will cause a proposal to be considered incomplete, and such occurrence will cause failure of NOFA completeness and eligibility review. Also, these spreadsheets have been designed and updated to provide specific guidance for interested parties to help prepare a suitable development plan eligible CDA assistance. Therefore, CDA staff have been directed not to distribute open or unprotected copies of protected CDA materials and other documents.

Please explain the difference between a LRA-Owned and CDA-Assisted MVA Market type as referenced in the "Priorities" section of the NOFA rating sheet.

With support from HUD, the City received from both The Reinvestment Fund and The Cloudburst Group a statistical Market Value Analysis (MVA) for residential properties that details housing market characteristics for all of its Census block groups. From this data, nine market types have been identified according to clustering similar characteristics designed to clarify the boundaries of areas and to identify potential strategies for each. The MVA is a tool to help City agencies such as CDA identify potential strategies and direct the investment of public funds so that investment may be strategically leveraged for the benefit of its citizens. Additional information regarding the MVA methodology and a link to an interactive MVA map and database is available online:

www.stlouis-mo.gov/mva

The "Priorities" section of the NOFA rating sheet outlines the goals to prioritize development of City-owned properties previously acquired with CDA assistance as identified in the RFP section of the NOFA as primary priorities and the redevelopment of other City-owned properties as secondary priorities. Applications that include addresses identified on Request for Proposals (RFP) NOFA section will rate higher than those applications that do not. Applications that include multiple addresses will score even higher. Applications that involve the redevelopment of City-owned property will rate higher than proposals that involve privately-owned property. Applications that involve the development of multiple City-owned sites will score even higher.

The NOFA prioritizes funding approval in this manner:

- 1) CDA-assisted, LRA-owned residential properties in MVA markets "D," "E," "F," and "G" as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD

- 2) CDA-assisted, LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD
 - b. Applications for affordable housing developments in MVA markets “A,” “B,” and “C” will be given priority over market-rate housing applications in MVA markets “A,” “B,” and “C.”
- 3) LRA-owned residential properties in MVA markets “D,” “E,” “F,” and “G” that are not otherwise identified in this NOFA
- 4) LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” that are not otherwise identified in this NOFA
- 5) Privately-acquired residential properties in MVA markets “D,” “E,” “F,” and “G”
- 6) Privately-acquired residential properties in MVA markets “A,” “B,” “C,” “H,” and “I”

What does the LRA inspection deadline mean?

Parties interested in developing LRA-owned property will have an opportunity to inspect throughout the NOFA period. However, for scheduling purposes, a deadline of June 3, 2016, has been established for those needing LRA staff assistance during the Summer 2016 NOFA period. Access can be arranged by contacting LRA at (314) 657-3754. LRA will require a minimum 48-hour advance notice. Anyone planning to enter and conduct a walkthrough on the premises will be required to sign an LRA waiver prior to inspection. In limited cases, a Request to Open Boarded-Up LRA Property may be available.

Is the workshop material available online?

CDA held a general information workshop for the Winter 2016 NOFA on Friday, November 18, 2016. The presentation slides are available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/upload/NOFA-Workshop-2016November18.ppt>

A handout was also available to those in attendance. This material is also available online:

<https://www.stlouis-mo.gov/government/departments/community-development/residential-development/resources/upload/NOFA-Overview-Winter-2016.pdf>

Why are some addresses in the “Priority List of CDA-Assisted Properties” Section of the NOFA highlighted in bold?

The “Priority List of CDA-Assisted Properties” Section of the Winter 2016 NOFA include all CDA and PDA priority properties. However, the addresses in bold are specific priorities that have time-sensitive deadlines.

Does one need to obtain site control of LRA-owned property before submitting a NOFA application for that property address?

It is not necessary to demonstrate site control for developments involving LRA-owned property. However, it is recommended that applicants proposing to develop property acquired from LRA include documentation/evidence of that transaction as part of their NOFA application.

Is the development of LRA-owned property prioritized over other sites? If so, how?

The order of prioritization is indicated in the “Priorities” section of the Winter 2016 NOFA. The order is as follows:

1. CDA-assisted, LRA-owned residential properties in MVA markets “D,” “E,” “F,” and “G” as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD
2. CDA-assisted, LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” as specifically identified in this NOFA
 - a. Priority will be given to applications for NSP-assisted properties as specifically identified in this NOFA and other residential development sites with time-sensitive deadlines as identified by HUD
 - b. Applications for affordable housing developments in MVA markets “A,” “B,” and “C” will be given priority over market-rate housing applications in MVA markets “A,” “B,” and “C.”
3. LRA-owned residential properties in MVA markets “D,” “E,” “F,” and “G” that are not otherwise identified in this NOFA
4. LRA-owned residential properties in MVA markets “A,” “B,” “C,” “H,” and “I” that are not otherwise identified in this NOFA
5. Privately-acquired residential properties in MVA markets “D,” “E,” “F,” and “G”
6. Privately-acquired residential properties in MVA markets “A,” “B,” “C,” “H,” and “I”

Can a non-profit with a St. Louis County service area qualify as a CBDO for St. Louis City?

All CBDO's certified by CDA must serve specific City neighborhood(s) within their service area, as defined in its Articles of Incorporation and/or By-Laws. Unless special permission is granted by CDA and prior to certification, organizations cannot serve more than 3 City neighborhoods. To qualify as a CBDO project for the NOFA and under the CDBG regulations, all project addresses must be located within the neighborhood(s) the CBDO is approved to serve. Interested organizations should contact CDA Monitoring Section at (314) 657-3700.

Do all applications need a nonprofit partner?

Not all Winter 2016 NOFA applications need a nonprofit partner. Rehabilitation efforts or development activities for the benefit of low/moderate-income households do not necessarily need a nonprofit partner.

It is important to remember that new construction assisted with CDBG must have a CBDO participant, so it will be necessary for applicants to identify a CBDO if their proposal either involves the new construction of market-rate housing or to be considered for CDBG-assisted efforts. The primary purpose of such organizations must be the improvement of the physical, social, economic environment of its service area by addressing one or more critical problems in the area, with particular attention to the needs of low-income and moderate-income persons. And CDBG-assisted new construction efforts that do not include affordability must satisfy some other HUD National Objective. In such cases, elimination of slums or blight on an Area Basis (elimination of determinable signs of slums or blight within a strictly defined area) would be appropriate. A blighting study on an Area Basis (not a Spot Basis) will be required.

Additionally, CDA is required to use a minimum of 15% of its HOME allocation for housing development activities in which qualified CHDOs are the owners, developers, and/or sponsors of the housing development activity. This is known as a "CHDO set-aside." Any nonprofit organizations applying to CDA for HOME funding under the CHDO-set aside will be prioritized for a NOFA award. A CHDO acting as Owner holds legal title to or has a long-term (99-year minimum) leasehold interest in the property. The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities. The 2013 HOME Final Rule clarifies that a CHDO may act as Owner of a rental project if it has the capacity to own and manage rental housing but not the capacity to develop a rental project. A CHDO acting as Sponsor develops a property that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time. A CHDO acting as Developer either owns and develops the property or is under a contractual obligation with the owner to obtain financing and develop the property.

Are vacant lots a CDA priority for new construction?

CDA prioritizes rehabilitation over demolition activities. If the site is currently a vacant lot, then a new construction development effort would certainly be considered there.

The CDA Application asks for a track record of recently completed projects. Should parties indicate previous experience with CDA-assisted efforts or can any projects be included?

As indicated in the Winter 2016 NOFA Rating Sheet, applicants with a quality record on other publicly-assisted development efforts will score higher than other applicants without such experience. Applicants are asked to demonstrate whatever development experience they have. Applicants are also encouraged to include any additional attachments with their NOFA applications that they believe would help improve consideration of their proposals.

Can a nonprofit entity qualify to receive state rehabilitation tax credits (or other similar state tax credits)?

Please contact Missouri State Department of Economic Development for guidance:

<https://www.ded.mo.gov/community/community-redevelopment>

Are there limits to developer profit and/or contractor profit and overhead line items?

CDA publishes limits in both its Residential Development Guidelines and its Applications. For new construction projects, the developer's fee and overhead, including any consultant fees, may not exceed 12% of total development costs excluding acquisition costs. For rehabilitation projects, the developer's fee cannot exceed 15% of non-acquisition total development costs. CDA may allow a maximum of 8% contractor's profit, 2% builder overhead and 6% general requirements. Contractor's profit, builder overhead, and general requirements may not exceed 16% of the total construction costs less the sum of the contractor profit, builder overhead, general requirements, and projected contingency reserves. General requirements must include the cost of builder's risk insurance, all bonding costs, temporary utilities, and site cleanup costs.

What items or responsibilities are included in General Conditions (or Direct Overhead)?

What items are covered by Indirect Overhead?

General Conditions (or Direct Overhead) refers to the cost for General Contractor responsibilities that are directly related to the supervision and maintenance of the project site. These items can include (but are not limited to): temporary utilities, alarm service monitoring during construction,

portable toilets, tool rental & storage, dumpster fees, and clean-up. Indirect Overhead refers to the general contracting costs related to the operations of a general contracting business. These items can include (but are not limited to): general office expenses (such as rent, utilities, or supplies), salaries, professional fees, and marketing.

If a redevelopment project is already underway, can one still apply to CDA assistance for that effort?

The federal funding programs of CDBG, HOME, and NSP administered by CDA for the City of St. Louis trigger a number of regulations that must be followed on all redevelopment efforts receiving assistance. It is advisable that, if interested in participating in one or more of these programs, applicable requirements (such as design elements appropriate for Section 106, federal lead-safe housing rules, Energy Star standards, etc.) be incorporated into development plans early in the process to ensure compliance. If a project does not comply with any federal regulations, then the development team must remedy the issue(s) at their own expense. Federal funding may not be used towards these costs. However, a project already underway will not be in itself cause for a proposal to be considered ineligible for CDA assistance.

How does one account for expenses already incurred?

All expenses either incurred to-date or anticipated for the future should be entered into the CDA Application under the appropriate line item category.

How *bona fide* should my sources be? Does a formal loan commitment need to be evidenced?

A letter of interest from anticipated construction letter or proof of funds if using developer equity to finance a project is a required checklist item for proposals received during CDA's Winter 2016 NOFA round. Applications that do not provide this item will be considered incomplete. This item is also referenced in the CDA Application checklist of required attachments and can be found in the CDA Guidelines. If a formal loan commitment is unavailable at the time an applicant's NOFA proposal is submitted, a pre-approval letter or similar letter of interest would be acceptable. However, the letter should clearly reference the project address, the name of borrower, and the loan amount considered. An applicant who can adequately demonstrate the financial capacity to conduct a development effort as proposed will score higher than those who cannot.

What if an applicant is not utilizing a bank or other private lender for development financing?

If using developer equity to finance a project, then proof of funds is a required checklist item for proposals received during CDA's Winter 2016 NOFA round. Proof of funds must indicate that all construction uses are adequately covered by non-CDA sources. Applications that do not provide this will be considered incomplete.

What happens if a project is vandalized before it is completed?

In such an instance, the development team would be expected to conduct itself appropriately and take whatever action it normally would if CDA were not involved. CDA financing is not to be used to guarantee developer or contractor profits when complications arise.

Can homebuyer assistance be requested with for-sale developments that does not utilize NSP funding?

Homebuyer affordability assistance is available for any for-sale development effort meeting the HUD National Objective to benefit low/moderate-income households. It is important to remember that it is not necessary to identify a specific funding source in an application under this NOFA. CDA reserves the right to assign or even switch funding sources in an effort to award the maximum number of projects. However, applicants still must specify the targeted AMI households in their applications. For-sale development efforts either involving properties acquired with NSP or targeting homebuyers at or below 80% AMI should budget for homebuyer assistance in their overall NOFA application requests.

Will CDA consider proposals to develop more than one property, such as scattered sites, and can they be submitted on one proposal?

Yes, but one cannot submit an application for both a for-sale and rental on the same proposal. The development budgets and construction budgets should be separated by address on the application spreadsheets as directed.

Are in-kind donations to a nonprofit developer allowed?

Yes, however there needs to be a value assigned – such as matching construction bid estimates – and they need to be clearly referenced in the appropriate budget line items.

Are any projects located in a PIER neighborhood eligible to receive bonus points?

Yes, bonus points will be awarded to an application's Proposal Rating Sheet for development activities in targeted neighborhoods specifically identified by the City of St. Louis Plan to Reduce Crime through Prevention, Intervention, Enforcement, and Reentry Strategies (PIER).

Is there a list of City-approved architects?

All CDA-assisted residential development projects will require a licensed architect to complete drawings necessary for design reviews. While CDA does not maintain a list of approved architects, interested parties are encouraged to contact the City Building Division Plan Exam Section for assistance (314-622-3332). Additionally, any member of the St. Louis Chapter of the American Institute of Architects (AIA) would be appropriate: <http://www.aia-stlouis.org/>

Where does one locate a RESNET® energy auditor?

Energy Star certification is also required for all CDA-assisted projects. CDA requires that energy audits be conducted by firms certified by the Residential Energy Services Network (RESNET®). One can perform an online search by visiting their website: <http://www.resnet.us/directory/search>

Can CDA financing be used in conjunction with tax-increment financing (TIF)?

Public funds should be adequately leveraged with private financing or developer equity. Applications that are judged to not sufficiently or appropriately leverage CDA funds will rate low in the Applicant Financial Qualifications section of the Proposal Rating Sheet.

Are lease-purchase projects eligible under this NOFA?

Due to the recently enacted changes to the HOME program, CDA strongly discourages the use of

any Lease-Purchase programs with CDA assisted projects. Developers considering lease purchase should present a lease purchase plan and all necessary information in conjunction with their application for funding. Lease-purchase will only be considered when it is part of the initial application. It is not to be used in situations where homes are unsold. Developers should keep in mind that all HOME-assisted homebuyer projects unsold 9 months after completion must be converted to HOME rental units and occupied within 18 months of completion. As a rental, all projects are subject to a HOME Affordability Period (5-20 years) and subject to income and rent restrictions, physical inspections and other annual compliance monitoring. Rental properties are expected to make payments annually from cash flow for any gap loans. HOME regulations do allow for rental units to be converted to for sale units at any point during the affordability period

Can a support letter to another funder be used in support of an application?

Applicants who demonstrate a level of community support for their proposal will score higher than other applicants who do not. However, CDA prefers that support letters included with NOFA applications acknowledge that CDA subsidy is being requested to adequately represent support for CDA project funding.

Is there a minimum score for which an applicant needs to receive in order to be approved?

All Winter 2016 NOFA applications received will be reviewed and rated by CDA residential development staff. The average of all rater's scores will become that application's score. Applications received will then be ranked according to their scoring against all others received. Proposals scoring the highest will be awarded funding. It is impossible to anticipate cutoff scores until all applications have been received and rated.

Would it be all right to submit a Certificate of Corporate Good Standing for the place where our firm is incorporated (in a state other than Missouri), since we will have a longer record of good standing there?

A copy of an applicant's State of Missouri Certificate of Corporate Good Standing is a required checklist item for proposals received during CDA's Winter 2016 NOFA round. Applications that do not provide this item will be considered incomplete. This item is also referenced in the CDA Application checklist of required attachments. Additionally, published CDA guidelines specify that this certificate must be dated not more than six months old. A certificate of corporate good standing from another state will not suffice, and out-of-state firms must be appropriately registered in Missouri to conduct business here in this state.

Question regarding For Sale Housing Production Application Guidelines. In "C. Experience of Development Team," under "Threshold Requirements for Funding" (page 10), the text says, "Resumes and references of the managing development partner(s) must also be included." Just want to clarify – should resumes/references only be included for the development/general partners, or do you need them for all development team members (contractor, consultant, attorney, tax accountant, architect, engineer)?

In order to adequately gauge the Applicant Qualifications of a development proposal (worth up to 15 points on the 2016 Winter NOFA Ratings Sheet), it is important that CDA staff understand the experience of the development team requesting assistance. At a minimum, we need to see an outline of Developer experience. If inexperienced, then we need to see an outline of Consultant and/or General Contractor. However, interested parties are encouraged to include as much

information with their NOFA application as they believe makes their proposal competitive and attractive for selection.

Should our pro forma budget reflect the Missouri Neighborhood Preservation Act (NPA) subsidy in advance of receiving it? We have applied for the NPA subsidy for our parcels, but won't know whether we receive it until after the NOFA deadline.

In an effort to leverage potential gap financing from CDA, Developers will be required to apply for any available tax credit assistance – both federal and state – as available. However, for the purposes of this NOFA, applicants should only indicate the amount of actual Missouri Neighborhood Preservation Tax Credits (NPTC) or other similar awards on Summary Sources & Uses section of the Application & Proforma spreadsheet. If such an award has been issued, applicants should include proper evidence with their NOFA application. If an NPTC or Other award has not been issued, then those cells should remain blank. If a project is awarded CDA-financed construction gap assistance, then the Developer will be required at a minimum to apply to the Missouri Department of Economic Development through the lottery system of the Missouri Neighborhood Preservation Tax Credit Program.

Are there any Environmental Review Records (ERR) information available for any LRA-owned parcels?

For most LRA-owned properties, environmental reviews have not yet been conducted. Accordingly, ERR information is not yet available. However, compliance with environmental review requirements is mandatory prior to the applicant entering into any choice-limiting agreements or taking any physical action on a site. The City of St. Louis is responsible for conducting an environmental review of projects selected for funding. If selected for a NOFA funding reservation, applicant(s) shall be responsible for providing information and relevant documents necessary to accomplish the environmental review. For some projects the City will require a Phase I environmental assessment conducted in accordance with standards developed by the American Society for Testing and Materials, and if applicable, a follow-up Phase II assessment. For more information, contact Mr. Mark Jefferies at 314-657-3874.

We are proposing the new construction of multiple single-family homes, but we will not begin construction on any until sales contracts have been obtained. When completing the Tab 4) "Sources & Uses," this strategy shows a development financing surplus but a construction financing gap. How should our application reflect this situation?

Applicants are expected to provide an actual, written summary of their proposed residential development projects. Information regarding the anticipated marketing plan for a proposed development should be indicated in Section V "Home Pricing & Market Assessment" of Tab 1) "Application" of the CDA For-Sale Application & Proforma spreadsheet.

What are the CDA standards for a professional market analysis?

CDA requires a professional market analysis for rental projects consisting of twelve or more units. At a minimum, the analysis should include an assessment of both the reasonableness of the projected rents and the ability for the rental market to absorb the number of proposed units and types. It is recommended that as much detail as possible be provided in the market analysis to demonstrate this.

Does CDA require hand-delivery of NOFA applications?

CDA does not require hand-delivery of NOFA applications. Any applications received by US Mail or courier will be accepted but must be received by CDA prior to the NOFA deadline of 4:00^{PM} on Friday, December 30, 2016.

If an organization has been previously certified as a CHDO is recertification required?

Yes. HUD regulations require that “the participating jurisdiction must certify the organization as meeting the definition of “community housing development organization” and must document that the organization has capacity to own, develop, or sponsor housing each time it commits funds to the organization.”

When are CHDO applications due?

All organizations wishing to be certified as a CHDO should submit an application and all required attachments and documents to CDA. Per HUD regulations, CHDO's are re-certified on a per-project basis. Unless your organization has already been certified by CDA as a CHDO to conduct a specific activity, you are not considered a certified CHDO for the purposes of this NOFA. To be considered a CHDO under the CDA Winter 2016 NOFA, your application must be received by the December 30 closing date.

Is an applicant required to obtain aldermanic approval for a redevelopment proposal and application for CDA assistance?

Applicants are encouraged to obtain community support for their proposed projects before applying to CDA for funding. Such support can come from a variety of acceptable sources, including but not limited to: elected officials, neighborhood organizations, community groups, and residents/business owners of area near proposed development site(s). Evidence of support is typically provided in letter format, and should be provided as an attachment in Section III: Summary of Proposed Residential Development Project of the NOFA application. Proposals that demonstrate strong community support will rate higher than competing proposal that lack support. However, this is not a required item, and it may be possible for an application to be awarded funding without providing copies or other proof of community support.

Are letters of support required? This item is not included in the NOFA checklist of required items. If we have letters of support, may we include them with our application?

Because letters of support are not required to be included with a NOFA application, this item is not included in the Winter 2016 NOFA checklist of required items. However, if an applicant has obtained support letters for their proposal, then they are encouraged to include with the application. Evidence of support is typically provided in letter format, and should be provided as an attachment in Section III: Summary of Proposed Residential Development Project of the NOFA application.