

RFP QUESTIONS AND ANSWERS

As of 1-14-14

1. I understood one speaker at the pre-bid meeting to say the City had a goal of 10-20%. Is this a percentage of project costs or is it a percentage of Permanent Supportive Housing units within a given project?

We apologize for any misunderstanding about percentages. We do not have a percentage goal that relates to PSH, the percentage of PSH units in a property will be in large part up to the developer based on the project's economics. However, we do believe that a critical mass of at least 25 units is needed to make delivery of the social services economically feasible.

2. If an applicant has vouchers in place for a housing complex to be renovated, can the applicant respond to the RFP and decline to accept the vouchers offered by the City?

Applicants are not required to use the HHA vouchers; they are offered as one source of operating support if they are needed.

3. If I turn in an application for a 9% tax credits in 2014, will I need a resolution from the city in support of the application if I will not be applying for funds from the City? Also, if I'm not applying for funds from the City, will I be required to supply the PSH units in order to get a resolution?

We believe the 2014 QAP will require a Resolution from the City. And no, you are not required to supply PSH units to get the Resolution. However, properties within the DR2 revitalization areas and properties that provide PSH units are the city's highest priorities.

4. Given the fact that chronically homeless families will occupy 50% of the total units and the remainder of the units will be leased to homeless and low income households, who usually have either no vehicle or at most one, can there be a variance granted to the project in order to maximize the number of PSH units and minimize required parking? Variances are granted by the Planning Department. We encourage you to apply to them and HCDD will support your request.

5. What is the definition of "replacement costs"? Does that mean if we had to completely rebuild the project from the ground up (new construction)?

Yes, replacement cost would be the cost to build the property from the ground up, excluding slab and site prep.

6. What is the definition of handicap accessible in the last sentence? What has to be handicap accessible? Are they referring to Fair Housing Accessibility or just the Site?

Handicap accessible refers to the requirements listed in the Accessibility section of the RFP (page 12)

- 7 I met with Mandy Chapman prior to the RFP release and she mentioned that they typically do not like to see any permanent or conventional debt on the deal as it allows for extra cash flow to support all of the additional service and amenity requirements that exist with homeless housing and tenants. Does this apply to a for profit entity? Meaning, could I use city fund, bond funds and grants without any conventional debt?

We do not limit or restrict the funding sources a developer uses to finance a particular project. Developers are expected to identify all sources of funds that would support a conventional multi-family project; the City provides financing for the “gap” created by offering affordable units.

- 8 On past deals I used Phase 1, Asbestos and Lead Based Paint reports that were older than 6 months and then go them updated if the deal was awarded prior to closing. I assume this is still ok?

We understand that there is significant cost involved in ordering third party reports. Therefore we will not require current reports until the project passes the initial threshold review.

- 9 My PCA firm is asking if the Property Condition Assessment amounts should reflect getting the project up to livable standards or incorporate all the additional work I plan on doing as well in my budget I am submitting?

We would like to see both sets of costs, listed separately.

- 10 Does the City have an idea of what the timing would look like after the Jan deadline to announce the awards? I need to know this to structure my contract to secure the Site. Thank you.

Since we have pushed the due date for applications back to February 7, 2014, all subsequent dates are pushed back from those presented at our November 12 meeting. So the new *projected* timeline is as follows:

2/7/14 – applications due

4/7/14 – complete threshold review

5/7/14 – complete underwriting

5/30/14 – present to Housing Committee

6/31/14 – complete document preparation

7/15/14 – present to City Council

Please note that these are just estimates; although we hope to meet all of these deadlines, HCDD is not bound by the dates.

11 How many units can be "project based VASH" of the minimum 65 stated in the RFP?

12 TIRZ funds are mentioned on page 5 of the RFP. Do we apply for TIRZ funds solely through the PSH Application or are there additional TIRZ funds available for which we would apply directly to the applicable TIRZ?

There is no separate application for TIRZ funds.

13 Replacement Reserves (RFP p7): The TDHCA minimum for new construction is \$250/unit. The PSH RFP provides for a minimum of \$300/unit. Can the City consider using \$250/unit instead of \$300/unit?

We believe that \$300 per units is a reasonable reserve. On a limited case-by-case basis, we will consider lowering the requirement.

14 Payment & Performance Bonds (RFP p11): Our affiliated (related party) general contractor builds all of our developments. We have never obtained a Payment & Performance Bond and understand that they are not available when the general contractor is related to the owner. Is the Payment & Performance Bond an absolute requirement? I am afraid that we may not be able to comply with this. Has this come up before and do you have any suggestions?

We can accept an LOC for 10% of the construction costs in place of the Payment and Performance Bond.

15 Where can I find the HUD site & neighborhood requirements regarding racial & poverty concentrations that are referenced on page 20 of the RFP?

Site & Neighborhood standards are found here:

http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr983_main_02.tpl
The relevant sections are 983.57(e) and 983.6(b).

16 When are the third party reports due (appraisal, environmental site assessment, market study, PCA (for rehabs), survey, architect & engineering statement)? It will be difficult to get all third party reports by the application deadline (even as extended to Feb 7).

Third party reports will not be due for threshold review. If you have outdated reports, you may include them, as this could help us underwrite. If your project is selected as having passed threshold, we can start to discuss the project and determine which reports we need when.

17 I have read the RFP and the Application. Is there an application manual that provides more explanation of each of the application requirements [There is no additional manual - please continue to submit your questions to Juanita Moore.](#)