



CITY OF TAMPA

Pam Iorio, Mayor

Growth Management & Development Services

Housing & Community Development

ALL FIRMS ON BID LIST

REF: CITY OF TAMPA, REQUEST
FOR QUALIFICATIONS/
PROPOSALS: NEIGHBORHOOD STABILIZATION PROGRAM
RENTAL PROGRAM

RFQ/RFP DUE DATE: APRIL 30, 2009 @ 4:30 PM

SUBJECT: ADDENDUM NO. 2 APRIL 13, 2009

As a result of the Pre-RFQ/RFP meeting held 2:00 PM, Tuesday, March 24, 2009 at Cyrus Greene Community Center for the above stated subject, please make the following changes:

1. Please add the following to Section V (page 7) PROPERTY INSURANCE: After issuance of Certificate of Occupancy , property hazard insurance coverage thereafter with no more than a 1% deductible shall be provided by the Social Service Agency with the City of Tampa named as loss payee (as mortgage holder).
2. Please replace the Section V (page 7) Leveraged Funds with the following: "It is encouraged to identify Leveraging or Matching funds, however it is not mandatory. Those organizations that bring match to the project will be awarded additional points as it shows a higher capacity to complete each project. Please identify leveraged funds in the budget. Leveraged resources identified must be available during the project period."
3. Listed below are items and questions raised during the meeting that required additional clarification, as well as questions received by Sharon West after the meeting. E-mails are attached to this addendum. This represents a summary of the discussion at the meeting and is not intended to be a verbatim transcript.

Q1: What is the difference between a Social Service Non-Profit and a Housing Non-Profit agency?

A: Social Service Non-Profit agencies provide supportive services to clients such as case management for special needs, self-sufficiency skills, etc, in addition to supportive housing service. Housing Non-profit agencies provide housing through acquisition/rehab, or infill new construction (for sale or rental) without supportive services.

Q2: Does the lead applicant have to be a Social Service Non-profit agency?

A: Yes.

Q3: What are the boundaries of the eligible neighborhoods? Can you go outside them slightly?

A: No, you cannot go outside the defined neighborhood boundaries for eligible areas unless a waiver is obtained from HUD. This RFQ/RFP is for Eligible Areas identified in the RFQ/RFP document. No property under this document will be purchased in the target areas of Sulphur Springs, North Tampa Community, University Square and Old West Tampa. For all other neighborhoods outside of the eligible areas and the Target Areas, a waiver must be obtained from HUD. The City will work with a successful proposer to apply for the waiver. Please visit the City's Neighborhood and Community Relations Division web page (http://www.tampagov.net/appl_neighborhoods/) to find the exact boundaries of each neighborhood.

Q4: Does every agency within the Partnership have to have been in business for 2 years to participate?

A: The Lead Agencies must be in business for the past two years (in Florida). All other partners under the Lead Agency must have proper licenses to be in business in the State of Florida, City of Tampa, and/or Hillsborough County. If partnering organizations have not been in business for two years, the Individuals leading the agencies must document they have two or more years experience in the type of business in which they lead.

Q5: Will contracts with the City be with the Lead Agencies?

A: The City will contract with each Lead Agency and any SSE acquiring (taking title to) property. No other member of the partnership may have equity interest in the properties.

The City will enter into a Subrecipient Agreement with each selected Housing Partner Team, and then subsequent rehabilitation agreements with Mortgage and Notes with those acquiring and rehabilitating property for specific costs.

Q6: The application says Abandoned OR Foreclosed, is it both, or either?

A: Eligible properties to be acquired must be Abandoned OR Foreclosed, as defined below. The City will not pay relocation benefits under URA. If tenants occupy buildings for potential acquisition it must be documented that they have a valid lease and are income eligible (50% AMI or below) under this rental program PRIOR to approval for acquisition.

Definitions (as defined in HERA):

Abandoned. A home is abandoned when mortgage or tax foreclosure proceedings have been initiated for that property, no mortgage or tax payments have been made by the property owner for at least 90 days, AND the property has been vacant for at least 90 days.

Foreclosed. A property "has been foreclosed upon" at the point that, under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law.

Affordability Period. The City will use the minimum affordability period of the federal HOME Investment Partnership Program, 24 CFR 92.252(a), (c), (e) and (f), and 92.254. The City will annually monitor these periods of affordability for income compliance and HQS. The minimum affordability period is listed below:

- Up to \$15,000 = 5 Years
- \$15,001 - \$40,000 = 10 Years
- Over \$40,000 = 15 Years
- New Construction = 20 Years

Q7: Is there a list of available properties?

A: No. Each proposer must identify properties they intend to purchase as part of this RFP or once approved as a Housing Partner. The City will not identify available properties, rather will evaluate those identified by the proposers for eligibility.

Q8: Is property Insurance required by the Lead Agency?

A: Yes. See Item 1 on page 1 of this addendum.

The contractor (form 2) must provide proof of insurance. Once the property transfers ownership to the SSE, the agency must provide proof of Builder's Risk and property insurance binder for the property as the owner.

Q9: Are matching funds or leveraged funds required?

A: No. See Item 2 on page 1 of this addendum.

Q10: Is it required to have title to property in the name of the Lead Agency, or can it go to another SSE in the same partnership?

A: Title to a property may go to any SSE in the partnership, however that SSE will be required to sign the Mortgage and Note and will be responsible for the property throughout the entire affordability period. Also, the Lead Agency SSE must take ownership of at least one property before any other SSE in the partnership may acquire property.

Example: A Housing Partnership consists of SSE A (Lead Agency), SSE B, SSE C, a contractor and a property management company. The partnership applies for 10 properties to acquire. SSE A (the Lead Agency) must take title to one of the properties. SSE B and SSE C may then take title to the other 9. Each SSE will sign a Mortgage and note for the properties acquired with NSP funds. No other partner (contractor and property management company) may have ownership in the properties.

Q11: What happens after the affordability period expires?

A: The lien dissolves and the deferred payment loan is satisfied. The City cannot recapture funds after that date. However, there may still be federal requirements for use and disposition.

Q12: Will an agency be awarded extra points if they opt for an extended affordability period beyond what is required?

A: No. There is no guarantee that any project will remain successful, or under the ownership of the SSE during the affordability period.

Q13: Will property tax exemptions be awarded?

A: An entity must have existing property tax exemption with Hillsborough County Property Appraisers office. Rental properties are generally not eligible for an exemption. (<http://www.hcpaf.org/www/index.shtml>)

Q14: Are developer fees allowed?

A: No. All fees must be included in the cost of the proposed property acquisition and rehabilitation. The city will pay all costs associated with this process. Construction management fees are limited to 8% of construction costs only. All proposals will be evaluated for cost reasonableness.

No administration fees are allowed under the proposal. A one year operating reserve for the property may be included in the budget.

Q15: Are group homes eligible under this program?

A: Not for this RFQ/RFP. Group homes and emergency shelters are not counted towards the City's 25% set aside for Low income persons below 50% AMI. They are considered to be public facilities and will be considered under a future RFQ/RFP.

Q16: Will the City allow the new Homeless Prevention funds to match or subsidize NSP projects?

A: No. The Homeless Prevention RFQ has yet to be developed and will not be accessible under the NSP program as match. However, projects may apply for Section 8 vouchers for residents.

Q17: Are the SSE's required to repay the City? Will there be debt service on each property?

A: No. NSP funding will be secured with a Mortgage and Note for each property acquired. No repayment is required (no interest, deferred payment loan) as long as the use and affordability period is satisfied. Each property will be monitored annually. If found in violation, the city will recapture the funds.

Other Questions received by Sharon West, subsequent to the meeting via e-mail.

Q18: Do we have to add the NSP SUBSTANTIAL AMENDMENT CHECKLIST to the application due April 24, 2009? (The application due date has been extended to April 30, 2009 at 4:30 pm) It looks like a handy checklist but is that for your purposes going forward or do you want the applicant to be sure these points are covered as stated in the checklist also, and fill out each question, and submit with the application ?

A: The only checklist to include is the one in the RFQ/RFP application found on page 16. All forms included in the application must be filled out and submitted with the application.

Q19: May the City allow an organization to acquire a partially occupied REO building and include reasonable relocation expenses as an eligible project expense in their request for NSP funding? It is difficult to locate 10-30 unit buildings that are REO owned and completely vacant.

A: See Answer to Q6 on page 2 of this addendum.

Q20: Would an entity qualify as a lead agency if it does not plan to take title for any properties? The organization qualifies as a lead agency as it is a social service 501(c)3 organization. However, in this application, does not wish to take title on any properties. The organization is willing to coordinate a group of social service organizations and for profit entities to submit a quality proposal. The organization sees its role in this NSP application process as providing rehabilitation only to other social service organizations who will hold title. In acting as a rehabilitation partner, will our organization qualify as a lead agency?

A: No. Lead Agencies must be willing to take title to at least one property funded with NSP monies.

Q21: Who should complete sections II, III, IV, V? Each partner/member, or only the social service organizations seeking to take title to properties if an organization is not permitted to own property per its charter)?

A: The sections should be completed by the entire Team as a collaborative effort. Separate applications should not be completed by each partnering organization.

Q22: We think every partner/member of the partnership should complete section VII. Would this be correct?

A: See answer to Q21 above.

Q23: Would only the partners seeking title to properties complete the budget forms (forms 4 and 5)?

A: The budget forms should be completed by the entire team (or representative from the team) for all expenses to be incurred for each property funded with NSP dollars.

Q24: On Form 1, the lead agency will complete the first section. Should each additional social service entity complete that same section as well?

A: Each partnering organization should complete the appropriate section. Additional SSE's other than the Lead Agency SSE should use the OTHER category to include their information.

Acknowledgement of this Addendum is not required.