

**Addendum #1  
City of Tampa – NSP Workshop (Home Ownership)  
Old West Tampa  
August 26, 2009  
Centro West Tampa**

The Neighborhood Stabilization Program RFQ/RFP workshop was held on Wednesday, August 26, 2009 at Centro West Tampa (Tampa Museum of Art). The workshop began at 11:00 am pursuant to notice. Applications are due no later than September 10th at 4:30 pm to the City's Purchasing office located on the 2<sup>nd</sup> floor of the City Administration building located at 306 E. Jackson St. Late submittals will not be accepted.

**The first addendum to the RFQ/RFP will include questions received for the Sulphur Springs, University Square and North Tampa Community workshop. This addendum will be posted to the City's HCD website.**

[http://www.tampagov.net/dept\\_housing\\_and\\_community\\_development/Programs\\_and\\_Services/request\\_for\\_proposals.asp](http://www.tampagov.net/dept_housing_and_community_development/Programs_and_Services/request_for_proposals.asp)

Addendum Questions/Answers:

**Q1. Will the City provide documents in Word format?**

A1: No. It is the City's policy to provide documents in PDF format to eliminate the chance for proposers to make changes to the documents that may be judged to be unfairly beneficial to some and not others.

**Following are the questions from the Addendums issued for the Sulphur Springs, University Square, and North Tampa Community RFQ.**

**Page 2 of the RFQ**

**Q: Are the City's Rehab Standards available on the Website?**

A: Yes, they will be available on the following website.  
[http://www.tampagov.net/dept\\_housing\\_and\\_community\\_development/Programs\\_and\\_Services/request\\_for\\_proposals.asp](http://www.tampagov.net/dept_housing_and_community_development/Programs_and_Services/request_for_proposals.asp)

**Q: Does the City pay the closing costs for acquired property?**

A: Yes, consistent with other City funded construction activities (HOME, CDBG, SHIP).

**Q: What if Non-profit organizations are not be able to obtain a line of credit for rehab costs, will the City consider advancing funds?**

A: Historically, the City only operates on a reimbursement basis for rehabilitation projects, generally because the work has to pass inspection prior to payment. The City will consider this request. If a change is made an addendum will be issued.

**Q: Will the city consider paying draws directly to the contractor?**

A: All rehabilitation costs will be paid on a reimbursement basis like other city funded construction activities (CDBG, HOME, SHIP). The City has used two party checks (lead entity and contractor) to pay for reimbursable construction expenses.

**Q: How will we know what the acquisition rehabilitation costs will be in order to put together the budget?**

A: Costs must be estimated for budgeting purposes.

**Q: How will Housing Partners pay carrying costs if they are not awarded the developer fee until house is sold?**

A: Proposers must consider carrying costs and their financial abilities to participate in this program prior to applying for funding. They should have customers ready to purchase homes as they are completed.

### **Page 3 of the RFQ**

**Q: Does the City hold organizations to the same “non-flipping” regulations as Freddie Mac/Fannie Mae?**

A: No. Once properties are rehabilitated, they may be sold. HUD staff informed the City that these Freddie Mac/Fannie Mae rules do not apply to NSP acquired properties.

**Q: Is there a current inventory list of city acquired NSP properties so organizations can locate other property in same areas for bigger benefit?**

A: The list will be made public once properties are acquired.

**Q: What incentives are there for the buyers of these rehabbed properties?**

A: Buyers of the properties who qualify will be eligible for down payment assistance.

**Q: Is there a limit on the type of properties to be acquired?**

A: Yes. This RFQ is for home ownership opportunities. Multi-family structures must be able to qualify to be Condominiums or Town homes for sale.

**Q: What happens to the NSP funds if the Housing Partner fails to sell the house in the time allotted?**

A: If a Housing Partner is unable to fulfill obligations of NSP contracts, funds will be repaid to the City.

**Q: Is there an appropriate size or cost of property eligible to be acquired?**

A: Each property will be evaluated for cost of acquisition, rehabilitation, size, etc. The City has established a not to exceed cost for rehabilitation, and there is a minimum discount requirement for all property acquired with NSP funds.

**Q: Funding for NSP acquisition/rehabilitation is provided at 0% interest and no payments correct?**

A: Yes. Housing Partners will sign a Mortgage and Note for the cost of the acquisition/rehabilitation for each property that will be repaid upon sale to qualified buyer.

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

A: Eligible properties to acquire must be Abandoned OR Foreclosed, AND Vacant for the last 90 days. No properties with current tenants will be acquired, as we will not be paying relocation benefits.

**Definitions:**

**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

**Q: Do home buyers have to use certain approved lenders?**

A: Yes. If a lender is not on the approved list, they may attend a class offered by HCD staff and become an approved lender. The approved list is available on the web site.

**Q: Is there a list of available properties?**

A: No. After an entity is selected as a City Housing partner, they will have to find foreclosed properties. City staff will not provide a list of properties to be acquired.

**Q: What is considered a timely manner to sell a property once it is rehabilitated?**

A: Housing Partners will be given 90 days from completion of rehab to sell each property. Buyers must have completed an approved home buyer education program to qualify.

**Q: Will the Housing Partner be responsible for carrying costs after the 90 days if the properties do not sell?**

A: Yes. The City will reimburse normal and customary carrying costs up until the 90 day limit. After that they are the responsibility of the Housing Partner. Normal costs include the following:

- Property Taxes
- Utilities
- Maintenance (lawn, pest control)
- Security
- Insurance

**Q: Can the property be rented if it does not sell within 90 days?**

A: No.

**Q: What about a Lease Purchase Program?**

A: No.

#### **Page 4 of the RFQ**

**Q: Could an entity submit more than one proposal, if it has more than one partnership?**

A: Yes, however if the make up of the partnership is the same, there should only be one proposal. All proposals will be reviewed for compliance with federal regulations, as to not circumvent requirements. Number of properties owned by one Entity will determine Labor standard procedures.

**Q: Can a partnership include more than one contractor?**

A: Yes. If one entity is applying for multiple properties, and would like to have more than one contractor, it is acceptable.

**Q: Can you explain the affordability period?**

A: The entire affordability period is calculated based on the amount of NSP invested in the property. Once a buyer is in the home, the City will require through the DPL that the owner stay in the home or repay the DPA funds upon sale of property, however, the length is determined by the entire investment, not the DPA amount.

**Q: Is there a limit on the acquisition costs per property?**

A: An appraisal will be done by an independent appraiser retained by the City. Federal requirements state that the acquisition cost will be discounted from the appraised value.

**Q: What is the maximum DPA a home buyer can obtain?**

A: DPA amount is based on income, housing expense and debt ratio and the ability to qualify for a first mortgage of at least 50% of the purchase price. The maximum for the City is \$60,000 for households earning 80% AMI or 20% for households earning between 80% - 120% AMI. Home owners cannot pay less than 25% of income for housing.

**Q: The Developer may not earn a profit correct?**

A: Correct. Any proceeds from the sale of homes is to return to the City as Program Income. Developers will get a 12% fee upon sale of each property.

**Q: Does the property have to sell at appraised value? What if the costs to acquire, rehabilitate, and carry are more than the appraised value?**

A: Homes may not sell for more than the cost to acquire, rehab and other fees (NSP Investment) even if the Appraised value is higher than the NSP Investment. The City intends to rarely approve the acquisition and rehabilitation of property where the total amount of NSP funds could not be recaptured upon sale of the house. The City will evaluate each house on a case by case basis to limit the exposure to any losses.

#### **Page 5 of the RFQ**

**Q: Are tipping fees for demo allowable costs?**

A: Yes. They may not be waived by other city departments, rather are absorbed by NSP funds as part of the rehab costs.

### Page 6 of the RFQ

**Q: The RFQ states that any project over 7 units must be competitively bid for Davis Bacon Wages. How does that work if an agency has already selected a contractor to be a partner?**

A: Any entity wishing to acquire 8 or more units must solicit at least 3 bids for all construction costs using Davis Bacon Wage rates. The City will determine if your project will require the competitive bids

### Page 7 of the RFQ

**Q: Is the readiness to proceed based on the number of properties selected?**

A: No. The readiness is based on the evidence of all requirements, financial position and capacity of the entity to get the project done in a timely manner, not the property choice.

### Page 8 of the RFQ

**Q: Will other financial statements be accepted besides Audited Statements?**

A: Yes. IRS forms or other statements such as 990's will be accepted. Private entities such as developers, contractors and individuals will not be required to submit an audited financial statement. However, they must provide financial statements.

**Q: Do other private sources and in kind services count as leverage?**

A: Yes. Leveraged funds must be documented to count.

### Page 9 of the RFQ – HUD Regulations

**Q: Has the Federal Government approved the City's NSP plan for rehab reimbursement?**

A: The City established its own policies and procedures regarding rehabilitation draws and inspections.

**Q: Will Lead Based Paint Tests be covered?**

A: Yes. If needed they will be part of the Environmental Review Phase 1 costs and will be reimbursed if lead remediation is required.

### Page 10 of the RFQ – None

### Page 11 of the RFQ- None

### Page 12 of the RFQ

**Q: Who will do the Environmental Review?**

A: The City will have a Phase 1 for all properties.

**Q: Can the agency put a contract on a property to hold it?**

A: Yes, however it must be contingent upon approval by City and appraisal.

**Q: Can we put a deposit on a property?**

A: No deposits will be needed to hold property.

**Q: Will lenders hold property for 30 days while the city does due diligence?**

A: Yes. Most lenders will work with the city and hold property.

**Page 13 of the RFQ- None**

**Page 14 of the RFQ**

**Q: Is there a maximum number of properties an organization can acquire?**

A: No. The number of properties is based on capacity of each organization to complete, not the total dollar amount.

**Q: How much has the city spent in NSP funds so far?**

A: The City has allocated \$3.4 million to 4 social service agencies, and is beginning the process of acquiring lots to land bank for future development.

**Q: In previous RFQ there were maps of other neighborhoods, are they eligible in this program?**

A: No. There are only three eligible neighborhoods in this RFQ. The others are for rental program that has already been closed.

**Q: Why is there a separate RFQ for West Tampa?**

A: There are additional resources available since Old West Tampa is in a Historic District.

**Page 15 of the RFQ - None**

**Page 16 of the RFQ- None**

**Page 17 of the RFQ- None**

**Page 18 of the RFQ- None**

**Page 19 of the RFQ**

**Q: Question IV a: Do we need to supply a bank commitment letter?**

A: Yes, if that will show financial capacity to complete the rehabilitation.

**Page 20 of the RFQ**

**Q: Is there a set percentage for leverage to receive the points?**

A: No. None has been pre-determined.

**General Questions**

**Q: Are all funding reimbursements to be requested by the Lead Entity?**

A: Yes. The City's agreement will be with the Lead Entity who is responsible for payment of all sub contractors. A Lead entity can be a for-profit corporation, a contractor, developer, individual business owner, or a NFP. Also note that nothing requires that there be more than one entity for a proposal. For example, a general contractor could submit a proposal on their own if they have the capacity to complete the work.

**Q: Will there be up front funds for permitting?**

A: No. All funds will be paid on a reimbursement basis.

**Q: If the lead entity is a contractor, does it have to be residential or building?**

A: Yes.

**Q: Does a contractor have to be pre-certified on the City's list?**

A: No. Staff will do reference check and licenses are required for all contractors/consultants.

**Q: Can there be more than one contractor per team?**

A: Yes.

**Q: Are Real Estate brokers needed on each team?**

A: If the team chooses. However you cannot collect the 6% broker fee and the 12% developer fee if same organization is developer and broker. The broker fee is for the Buyer's agent to encourage participation.

**Q: Who will do the land survey?**

A: The City

**Q: Can banks attach credit line to a property?**

A: No.

**Q: Are duplexes ok to purchase?**

A: Yes, if they are converted to Single Family.

**Q: Will the City waive any code enforcement liens on the property?**

A: Yes.

**Q: Once the properties are sold, do the proceeds of the sale return to the Housing Partner?**

A: No. Sales proceeds are considered NSP program income and must come back to the City. Future RFP's will be issued to make NSP program income available for NSP projects.

**Q: Is there a pool of money for the DPA's?**

A: No. NSP funds will remain on the property and come out of the proceeds for the down payment assistance in the form of a soft second mortgage for the buyer.

**Q: Who will determine the total rehab costs and if it is cost prohibitive for a buyer if a roof will need replacing down the road versus replacing as part of rehab?**

A: It will be determined on a case by case basis. Please refer to the HCD Rehabilitation Standards and information regarding sustainability practices.

**Q: Who will make sure the property is structurally sound?**

A: Each Housing Partner's contractor and team will develop a list of items that need to be rehabilitated. A City Building Inspector will inspect the property and make sure all Code items are addressed in the work write up. Then a cost reasonableness inspector will evaluate each write up for viability.

**Q: Can you identify what due diligence items the city will do?**

A: Housing Partners should look for properties that are viable and eligible for rehabilitation. Only the City will do demo. The city will do the following:

- Appraisal
- Engineering Survey (ER)
- Boundary Survey
- Title Search
- Negotiate discount as required by NSP

**Q: Will the Housing Partner receive copies?**

A: Yes.

**Q: How do we determine if a property has been vacant for abandoned for 90 days.**

A: Look up tax records, water bills, utility bills and get a certification from the lender/owner of the property.

**Q: Will the properties for rehab be listed on demand star?**

A: No.

**Q: Will the city accept proposals from an Engineering firm?**

A: Yes, as long as it is not the same firm the city uses for NSP.

**Q: Does a Contractor have to partner with a Not For Profit organization?**

A: No. The contractor can be the lead entity in a housing partnership. They will select other entities as needed to successfully acquire, rehab and sell the foreclosed properties.

All further questions must be submitted to Sharon West via e-mail. [Sharon.west@tampagov.net](mailto:Sharon.west@tampagov.net)  
Do not contact city employees directly. All addenda will be e-mailed to workshop sign-in list, interested party list and will be posted on website.

#### **E-mailed Questions as of 8/13/09**

**Q: I have located some properties that fall within the Target Zone, but have questions regarding them. As I understand that there is a 9 month period to identify and acquire the property. I will be looking for more properties to add to the mix.**

**This property is partially abandoned and is in foreclosure. I'm pretty sure that this property went into foreclosure on July 28th. By the time the funds will be issued it will have been in foreclosure for 90 days. Will this qualify? Also, I believe there is a LURA that has been put on the property in 2002. Does that prohibit the property from qualifying?**

A: Multi-family properties must be suitable for Home Ownership (Condominiums or Townhomes) to be eligible under this RFQ. If the LURA restricts it to be maintained as rental property, it is not eligible.

**Q: On page 7 under insurance, item # D, it explains about Professional Liability Insurance. Do I need proof of that insurance, because I am classified as a contractor not an engineer or architect that provides their type of services? Please let me know as soon as possible.**

A: General Liability is equivalent to Professional Liability, whichever applies.

**Q:** Per the NSP RFQ/RFP, our team is forwarding one issue for clarification to your attention. We are close to completing our pro forma and want to be sure our budget is accurate. As stated in the RFQ/RFP "Developer fees shall not exceed 12% of Total Project costs." We're seeking confirmation that the Total Project Cost definition is accurate as defined on page 31 of the RFQ/RFP, Form 4. Total Project Cost is the sum of the following costs:

- Admin
- Acquisition
- Closing
- Renovation
- Architectural
- Engineering
- Professional
- Other

**A:** The City will pay a developer fee not to exceed 12% of total project costs as negotiated on a case by case basis when the house is sold. Developer fees will be different for each project based on actual costs incurred. The Following are eligible Project Costs and will be counted towards the Total Project Costs:

- Acquisition
- Closing
- Renovation
- Architectural (As needed)
- Engineering (As needed)
- Professional (depending on service – Legal fees, etc are ok)
- Other (May include anticipated carrying costs or other specified costs)

Administrative costs should be covered by the developer fee. Actual Developer Fee will be calculated at time of sale to eligible buyer. This will determine the maximum sales price (Total NSP investment).

**Attachments:**

Sign in Sheets

HCD Rehabilitation Standards

HCD Energy Efficiency Measures

**Additional Questions  
City of Tampa – NSP Workshop (Home Ownership)  
Sulphur Springs, University Square, North Tampa Community**

**Q1.** The attached was received along with other documents from Mr. Segarra (Energy Efficiency). My question is this: Are the specifications outlined in this document required and considered part of the City's Rehabilitation Standards? Can we make the assumption that it only applies to materials / items that need to be replaced, for example: Energy Star Qualified Windows - some of the properties being acquired may not need replacement windows; is it the City's intention that the windows be replaced anyway?

A1: The City's Rehab Standards apply to items that need to be replaced to meet City Code. Each rehabilitation should be evaluated on an individual basis. Replaced items such as roof, windows etc. can be evaluated on remaining useful life and long term costs for home buyer.

**Q2. Davis Bacon & Labor standards required by HUD as well as the requirement for competitive bids are triggered by applying for 8 or more properties. My question is if assuming a Housing Partner receives approval of an application for 7 houses under this RFP, then makes application for additional homes under the next NSP HOP (West Tampa) and is again successful, the team would have to comply with the HUD standards as well as competitive bidding regulations, because the total of homes for both NSP's exceeds 7. Is that a correct assumption?**

A2: Davis Bacon requirements are per contract. Each RFQ/RFP will be considered separate projects, with separate funding agreements if awarded both.

**Q3. We were told by Hillsborough County that we could not be both Housing Partner and Contractor as HUD informed them that it could be perceived as a conflict of interest and thus require an exception request describing how the multiple roles would not create a conflict of interest. HUD is concerned that since NSP is a high risk program due to the level of funding, it is important to ensure that the lines of delineation between subrecipients, contractors and developers are clear and transparent. HUD does not want it to appear as "double dipping."**

**With the above in mind, please clarify if a Lead Entity/Non-Profit can be a Housing Partner, receive a 12% developer fee and also be their own contractor and in turn receive a contractor fee? If so, will the HP/NP/Contractor have to have three (3) bids from each sub-contractor in order to choose the lowest bid thus in keeping with procurement requirements?**

A3: The City of Tampa will allow a contractor to earn both a normal overhead and profit on rehabilitation costs and the 12% developer fee as the developer to pay for items reasonable and necessary that are directly related to the NSP project. Real Estate commissions can only be earned by a licensed Real Estate Agent. The City of Tampa and Hillsborough County have structured their respective NSP programs differently. We are looking for Housing Partners that may consist of a team that provides various services needed to successfully carry out the objectives of the City's program. If any of the Housing Partner's team members are deemed by the City to be qualified and have the capacity to provide more than one, or all components of the services required within the RFQ/RFP, then it may be acceptable to do so. The Lead Entities will receive the 12% developer fee to do with what is necessary to carry out each project/property.

**Q4. I'm working on the forms for the NSP program and I noticed that the forms say that they have to be typed, however, the forms are not interactive which makes typing very difficult. Can they just be printed clearly?**

A4: No. All documents must be typed.

**Q5: If I have some cash investors that want to participate with me, how will that help me if you are providing funds for acquisition and rehab?**

- A5: As this is a program to acquire, rehab and sell properties for eligible home buyers, your investors may be part of your Housing Partner Team to provide advice and financial support to you, however, this is not a profit making venture as all proceeds from the sale of the properties will return to the City. The Developer fee will be 12% for each house sold.
- Q6: If my team elects to purchase more than one house, do we need to provide additional budgets and scope of work for each address or can we lump them together?**
- A6: If you already have properties in mind to purchase, you may provide a separate budget for each house. If you have a number of properties identified, but no specific addresses, you may provide one total budget that includes all costs.
- Q7: Is the Minimum affordability period based per house or the sum of all projects (page 4)**
- A7: The minimum affordability requirement is for the homebuyer not the housing partner. The minimum affordability period is based on the length of time the homebuyer has to live in the house without having to repay the down payment assistance back to the City. If the homebuyer sells the house before the minimum affordability period expires they will have to repay the entire amount of NSP funds invested in the property. This requirement will be explained to the home buyer during the purchase process.
- Q8: Who is going to hold title of the real estate? Are we the one's holding title for the compliance period?**
- A8: The Lead Entity will hold title to all property acquired with NSP funding until each is sold to an eligible buyer, at which time, title transfers and the buyer is then responsible for the compliance period.
- Q9: I do not have a strong financial statement, if any, for my company. I am in the role of Lead entity, can I rely on my contractor's financials and insurance?**
- A9: Yes, the Housing Partnership must demonstrate they the financial capacity to perform the required tasks to complete the NSP program. However, as the lead entity you must be able to meet the insurance requirements.
- Q10: If I have a cash investor as my partner and we put up the funds to purchase and rehab the house when will it be repaid? What if the house is not sold, are we at liberty to rent it out, or sell it, to whomever we feel necessary?**
- A10: No. The City will pay directly for the Acquisition and Rehabilitate all properties in the NSP program. Properties may not be rented and may not be sold to anyone who is not income eligible. Prospective home buyer can earn up to 120% AMI. The home buyer will be income qualified by the Housing and Community Development staff to determine eligibility.

**Q11: What amount will be reimbursed? Will it be the appraised value at time of completion, or will it be the cost of construction, acquisition plus the 12% development fee and the 6% commission fee?(cost plus 18%)**

A11: The City will reimburse for all actual cost to acquire, rehabilitate the property, and will pay the 12% developer fee upon sale of the property. The real estate commission will be paid to the agent(s) upon sale from the proceeds.

**Q12: If the lender to the end user has to be certified by the city are they lending to the people that may wish to get a loan? After completion of the down payment assistance and home ownership counseling, surely the retail buyer would qualify(?)**

A12: All lenders to eligible buyers must be approved by the City. The buyer must complete the home ownership counseling prior to applying for a mortgage. The Lender will work with the City to determine eligibility for Down Payment Assistance.

**Q13: What if the house is not sold? What if the house is sold then the end user does not pay on time or the amount agreed upon? Are we liable for the end user?**

A13: The house must be sold. The lead entity will be responsible for carrying cost after 90 days if the house is not sold. The lead entity should be looking for qualified home buyer as soon as the property is acquired. Once each house is sold to an eligible buyer, the Housing Partner is no longer liable for the property. It will be the City's and the Lender's responsibility to make sure the buyer is following the rules for the financial assistance from NSP.