

**Addendum #2**  
**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.

**This addendum to the RFQ/RFP includes questions received for the Old West Tampa 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)

**Questions**

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**Q1. If City provides documentation to the Housing Partner regarding Appraisal, Environmental Review, Title Search and Surveys, who is responsible if errors are discovered later in the process?**

A1: The City will provide all documentation regarding due diligence for all properties acquired under this NSP program to the Housing Partner. If the Housing Partner is not satisfied with the documentation they are welcomed to obtain a second opinion at their expense.

**Q2. Can a Housing Partnership (LLC) be created after being awarded funding through NSP specifically for the Old West Tampa Program?**

A2: No. The Lead Entity must be an existing LLC prior to applying for funding (if applicable), which must demonstrate administrative & financial capability to implement the program. Other partners may be added or deleted from the Housing Partners listed on the application, however, if the LLC changes once Contractual Agreements are signed, NSP funding may be recaptured by the City. All new partners must be disclosed.

**Q3. Will the City identify potential Historical Properties?**

A3: No. The Housing Partners must identify any potential Historical Structures (75 Years Old or older) to qualify for the additional Historic Preservation Trust fund monies. The City will not provide lists of properties to acquire.

**Q4. Does Historical only include contributing structures, or can they be considered if they are in the Historic Area?**

A4: Structures may be awarded additional funding if they are 75 years or older, regardless of their contributing status. Trust Fund monies must be used to bring homes in adherence with the *Secretary of the Interior's Standards for Rehabilitation*. The historic *Standards* normally exceed the minimum requirements of Code and endeavor to preserve a historic building's character.

- Q5. Will all the Trust Fund monies be left in for Down Payment Assistance?**  
A5: Yes, if the end buyer needs the total amount to acquire the house. The homebuyer must obtain a private mortgage to purchase the house. The City will provide DPA in needed by leaving the NSP and Historic Preservation funds in the property as a soft second.
- Q6. Do the Housing Partners need to qualify for private financing on their own?**  
A6: It will be considered part of the Partner's Financial Feasibility to complete the project. NSP funds will be awarded to the Housing Partner at 0% interest on a reimbursement basis. Partners must demonstrate financial capacity to complete the rehabilitation on a reimbursement basis and maintain the property until sold. Applicants should identify sources of private capital such as a line of credit or provide bank statements as part of their submission.
- Q7. Is it a requirement that an organization be in business for 2 years prior to applying?**  
A7: Yes. All Lead Entities must prove that they have been in business for the last 2 years. At least one entity within the Housing Partnership must demonstrate 2 years of housing development/rehab or construction experience.
- Q8. Do properties have to be bank owned, or only abandoned by owner for 90 days?**  
A8: Properties must be bank owned as a result of foreclosure, or Abandoned (and vacant) for 90 days with foreclosure proceedings in progress.
- Q9. Who pays the Real Estate Commission for the initial Acquisition of NSP property?**  
A9: The Lender/Owner of the foreclosed property. Commission for the sale to the end buyer shall be paid with NSP funds from the proceeds of the sale.
- Q10. If the Real Estate agent for the buyer is part of the Housing Partner Team will they still get Commission for the sale of NSP property?**  
A10: Only if they are not the Lead Entity and are not receiving the developer fee as well.
- Q11. Is there a cap on rehabilitation costs?**  
A11: Each property will be evaluated for the extent of rehabilitation necessary.
- Q12. When does the clock start to complete the program in 18 months?**  
A12: The City's clock began in March of 2009 when the Grant Agreement with HUD was signed. For Housing Partners, you will have 9 months to identify and acquire all properties from the time your contract begins with the city. Rehabilitation and Sales timelines will be established in each contract with the City.
- Q13. What is the total amount of funding to be awarded in Old West Tampa?**  
A13: No amount has been established until all applications for both home ownership programs are reviewed.
- Q14. Do we purchase the property first?**  
A14: No. Please indicate the total number of properties you would like to purchase. You are not required to provide specific addresses. You will not be reimbursed for properties purchased prior to being awarded funding. The City's Real Estate Division Staff will assist with all property acquisitions.

**Q15. Can we buy and sell properties through MLS?**

A15: Yes. The buyer must be eligible and have completed the Home Buyer Education requirements.

**Q16. How will Housing Partners know what is already under contract to purchase by another Housing Partner?**

A16: The City's Real Estate Development staff will know based on addresses what is currently under contract.

**Q17. Is there a maximum number of houses we can propose to acquire?**

A17: No. Funding will be based on the Partner's capacity to complete proposed number of properties.

**Q18. How do we avoid Conflict of Interests among our established Partners?**

A18: No Board members of Not For Profit agencies can personally benefit from the NSP Program. Staff costs are eligible to be paid from developer fees.

**Q19. Can individuals work Pro-Bono?**

A19: Yes, volunteers may be used.

**Q20. Who is responsible for the property once it is complete?**

A20: The Lead Entity is responsible for maintaining the property until it is sold to an eligible buyer.

**Q21. Will the City reimburse for Carrying Costs?**

A21: Yes. All costs should be estimated and included in the budget form. Carrying costs will be limited to normal and customary costs and will be defined in the contractual agreement with the City. Housing Partners will have 90 days from completion to sell each property, after which time the Lead Entity is responsible for all carrying costs until sold.

**Q22. Should we include closing costs in our Budget if the City is paying for them?**

A22: Yes. Estimate all costs for each property in your budget.

**Q23. If more than one Housing Partner wants to acquire the same property, who decides which one gets it?**

A23: A lottery system may be used to determine which partner would buy the property. However, the need for this is unlikely given the projected availability of properties.

**Q24. Does the Lead Entity make the decision on sales price?**

A24: No. The cost of acquisition, rehabilitation, soft costs and developer fee will determine the sales price of the house.

**Q25. Does an Investor have to be an officer of a Corporation/LLC to be a partner?**

A25: No, however all partners must be disclosed in the application, which will determine financial feasibility and capacity.

**Q26. What is the time frame for closing on a foreclosed property?**

A26: The City has experienced a 30 day turn around on its acquired properties.

**Q27. What happened if we cannot find a qualified buyer within the set time frame?**

A27: Lead Entities will not receive developer fee until each property is sold and will be responsible for carrying costs.

**Q28. Will the City help identify buyers?**

A28: Yes. The City can provide a list of Home Buyer Education Providers, and assist with the marketing of available homes.

**Q29. If the lead entity is a contractor, can we create a budget without an address?**

A30: Yes. Please provide an estimate or average cost per unit. Contracts will be awarded on a Not to Exceed Basis, and each property will vary.

**Q30. Will the Environmental Review include the interior of the structure?**

A30: Yes, it will include Asbestos and Lead Paint testing if needed.

**Q31. What if the cost to acquire a property is deemed too high?**

A31: If the owner is not willing to negotiate a fair price based on the appraisal, the City will not participate. The City will not fund an acquisition that does not meet NSP appraisal standards and requirements.