

Addendum #3
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.