



# Housing Authority of the City of Pittsburgh

Contracting Officer  
100 Ross Street  
2<sup>nd</sup> Floor Suite 200  
Pittsburgh, PA 15219  
(412) 456-5248  
Fax: (412) 456-5007  
www.hacp.org

## August 23, 2017 Project Based Voucher & Gap Financing for Mixed Finance Developments RFP #600-35-17

### ADDENDUM NO.1

This addendum issued August 23, 2017 becomes in its entirety a part of the Request for Proposals RFP #600-35-17 as is fully set forth herein:

**Item 1:** Q: Will HACP be making its awards before or after PHFA's LIHTC deadline of October 20?

A: HACP will inform awardees prior to the deadline.

**Item 2:** Q: In order to respond to parts (1)(b-f) of the PBV application, and parts (A)(1-3) of the Gap Financing application, is it necessary to have formed the general partnership? In our experience on LIHTC deals, developers will typically wait to legally form the general partnership until after credits have been awarded.

A: No, but please identify intent to form, and parties to be involved to the extent possible.

**Item 3:** Q: In response to part (E)(2) of the Gap Financing application, if our application is successful, in what capacity will "HACP and its 3rd Party Certifier participate in the design process"?

A: HACP's 3rd party UFAS certifier will review design documents for UFAS compliance at each stage to provide comments regarding compliance with UFAS requirements.

**Item 4:** Q: Is \$612 the correct rent for a non-UFAS efficiency unit? Exhibit K of the RFP says it is \$623, but that number is higher than 110% of FMR. Can you explain?

A: HUD 2017 Fair Market Rent for an efficiency in the Pittsburgh, PA MSA is \$566. 110% of 566 is \$622.60. The amount of \$623 is correct.

**Item 5:** Q: Also, please confirm the UFAS rents that Karyntha put together in the table below:

	Number of Bedrooms					
	0	1	2	3	4	5
FMR	\$556	\$657	\$822	\$1,028	\$1,133	
APPLICABLE % (non-HC Units)	110%	110%	110%	110%	110%	
Gross Rent	\$612	\$723	\$904	\$1,131	\$1,246	\$

	Number of Bedrooms					
	0	1	2	3	4	5
FMR	\$556	\$657	\$822	\$1,028	\$1,133	\$1,208
APPLicable % (non-HC Units)	120%	120%	120%	120%	120%	120%
Gross Rent	\$667	\$788	\$986	\$1,234	\$1,360	\$1,450

**A: See Below:**

	Number of Bedrooms					
	0	1	2	3	4	5
FMR (2017)	\$566	\$657	\$822	\$1,028	\$1,133	
Applicable % (non-HC Units)	110%	110%	110%	110%	110%	
Gross Rent	\$623	\$723	\$904	\$1,131	\$1,246	\$

	Number of Bedrooms					
	0	1	2	3	4	5
FMR (2017)	\$566	\$657	\$822	\$1,028	\$1,133	\$1,303
Applicable % (UFAS Accessible Units)	120%	120%	120%	120%	120%	120%
Gross Rent	\$679	\$788	\$986	\$1,234	\$1,360	\$1,564

**Item 6:** Q: For part 4e of the PBV application, where it asks for “number of units by size and type”, is number of bedrooms and accessibility status sufficient, or is square footage required as well?

**A: Number of bedrooms and accessibility status is sufficient.**

**Item 7:** Q: While we intend to utilize MBE/WBE sub-contractors, and will commit to doing so in our application to PHFA, it is too early in the development process to determine who these will be. How can we present Attachment D in order to receive credit for this? Similar circumstances apply for Section 3 participation and Attachment E.

**A: Please provide your intent with as much detailed information as possible. A narrative can be added to clarify any questions regarding intent and actual commitments. HACP recognizes that firm commitments may not be possible until all financing arrangements are complete and the projects move closer to implementation.**

**Item 8:** Q: Can you provide an itemization of repayment terms and/or fees for both PBV and Gap Financing (including the origination fee, repayment terms, and construction inspection fee)? We would like to know when these fees are due.

**A: There are no such fees charged by or required by the HACP for the PBV program. For Gap financing elements, these items will be negotiated post-award on a project by project basis.**

**Item 9:** Q: Is a letter of intent to purchase from the land reserve/URA/PCRG sufficient for site control? Please explain. We have some properties that we've requested through PCRG's land reserve.

**A:** A letter of intent from the URA that the property(ies) in the land reserve are available and they are willing to transfer them to you would be necessary.

**Item 10:** Q: Is it possible to include the production of low-income lease-purchase properties in our proposal? For instance, affordable rentals for a period of time, with a purchase option for the low-income resident and a low-income resale restriction for the balance of the 15-year minimum affordability period?

**A:** No, any such units cannot receive PBV or Gap financing. The award of Project Based Housing Choice Vouchers requires that the assisted units be rented to eligible households for at least the term of the initial Housing Assistance Payments Contract.

**Item 11:** Q: Can we propose the development of 25 units, but include 5 additional properties in our proposal as potential alternatives? This would give us some flexibility as we investigate title, site and rehab issues.

**A:** Generally no, you must propose specific sites and units in order for the review team to evaluate your proposal using the established scoring criteria. If you include alternative properties in a scattered sites proposal, with alternate units in a location and with characteristics that would result in the same scoring, they may be considered.

**Item 12:** Q: Is it possible and what would it take to include occupied properties, if the current tenants would qualify for section 8 and if we cover any necessary relocation expenses? What if we only focus on improvements that can be performed without relocation (e.g., exterior work)?

**A:** Occupied properties are permitted, but existing households cannot be permanently displaced even if they are not eligible for PBV assistance. Temporary or interim relocation to allow for construction is permitted, but provisions of the Uniform Relocation Act will apply and all associated costs must be covered by the proposer.

**Item 13:** Q: Is holding a first mortgage on a property good enough site control if the current owner is defunct and we are in a position to acquire the property through foreclosure?

**A:** No.

**Item 14:** Q: Is it necessary for the proposed owner entity to exist and be the applicant for PB vouchers and gap financing, or can joint applicants apply and create a jointly-owned entity later?

**A:** Joint applicants may apply and create an owner-entity later.

**Item 15:** Q: If the answer to the above question is that joint applicants can create the owner entity at a later date, would a purchase option or letter of intent in favor of one of the joint applicants be sufficient proof of site control?

**A:** Yes.

**Item 16:** Q: Excepted Units - Given HACP's excellent strategy to use the combination of PBVs and Gap Financing to bring more affordable units to market in Pittsburgh where there is a shortage of over 17,000 affordable housing units and a Tenant Based voucher absorption rate of approximately 25%, would HACP give favorable consideration to proposals that exceed the PBV cap as described in the RFP if the proposal identifies an exception and supportive services to be provided to the tenants in the "excepted units"?

**A:** HACP also supports the income mixing and deconcentration of poverty goals of the Project Based Voucher rule. The acceptability of excepted unit proposals, and the scoring of all proposals, is unchanged and will be based on the criteria identified in the RFP.

**Item 17:** Q: FMRs – RFP pages 10 to 11 indicate the rent structure, but under little iii and iv, it allows developers to charge "reasonable rents or rents requested by the owner/developer." Will HACP consider rents higher than 110% of FMR for standard units for example 115% of FMR if the developments are located in Shadyside, Squirrel Hill or Downtown Pittsburgh since these neighborhoods are very high cost areas and neighborhoods of great opportunity?

**A:** This section states that rents "must not exceed the lowest of" the listed options. HACP cannot at this time consider higher rent levels for specific neighborhoods as an objective methodology based on verifiable data, proposed for public comment and approved by HUD has not yet been established.

**Item 18:** Q: Last Paragraph on page 11 references PBV Selection Panel, does HACP intend to have two-(2) Evaluation committees, one for PBVs as indicated above and one for Gap Financing?

**A:** No. A single selection panel will review all of the proposals.

**Item 19:** Q: If so, will the PBV Evaluation Committee use the criteria set forth at page 11 of the RFP and what points are assigned to each criterion?

**A:** The scoring criteria, including points associated with each scoring factor, are identified in Section V. Evaluation Criteria on page 21 of the RFP.

**Item 20:** Q: Attachment J – HACP Gap Financing Document Checklist – Is the developer required to complete the checklist and provide the required documents after award?

**A:** Respondents should provide all of the information that is available at the time of the RFP submission deadline. Please indicate in the proposal response the items that are not yet available. If selected, HACP and the Offeror will work jointly to set a reasonable schedule to obtain the balance of the items to successfully implement the development plan.

**Item 21:** Q: Will HACP be extending the RFP due date from 8/31/17 due to the 2017/2018 PHFA LIHTC applications being extended to 10/20/17?

**A:** Yes, the due date is extended until September 7.

**Item 22:** The proposal due date is changed to September 7, 2017. The proposal due time and location remain unchanged at 10:00 AM, at the HACP Procurement Dept., 100 Ross St. 2nd Floor, Suite 200, Pittsburgh, PA 15219.

**END OF ADDENDUM NO. 1**



Mr. Kim Detrick

Procurement Director/Chief Contracting Officer



Date