



ADDENDUM I

SUBJECT: Affordable Rental Housing Development Gap Funding, (RFP 23-143; 6100017395), Scheduled to Close: November 20, 2023; Date of Issue: October 6, 2023

FROM: Denise Gómez-Esquivel, C.P.M., CPPB
Procurement Administrator

DATE: October 31, 2023

THIS NOTICE SHALL SERVE AS ADDENDUM NO. I - TO THE ABOVE REFERENCED REQUEST FOR PROPOSALS

THE ABOVE-MENTIONED REQUEST FOR PROPOSALS IS HEREBY AMENDED AS FOLLOWS:

- 1. Change: Attachment #7 (General Information) was removed as it was a duplicate of Attachment #1 (General Information). Respondent should not submit an Attachment #7 and any document submitted and labeled as Attachment #7 will not be reviewed by City Staff.**
- 2. Change: The Application Checklist has been updated to reflect the correct attachments and their associated numbering. Respondent should utilize the RFP Attachment #32 as the correct Application Checklist. In any place where there is a conflict between the naming and numbering of the required attachments, this new checklist shall supersede.**
- 3. Change: Attachment #29 – Executive Summary was replaced with a corrected document version and Respondent should respond to the narrative prompts included therein. Respondent should ensure to download the correct document that is labeled version 2 in the footer of the document.**
- 4. Change: Attachment #10 – 21 was replaced with a document labeled Attachment 10-21. Respondent should carefully review this document for important information on attachments that must be submitted as part of their overall proposal.**

QUESTIONS SUBMITTED IN ACCORDANCE WITH SECTION 011, RESTRICTIONS ON COMMUNICATION:

Question 1: Are HOME or CDBG funds from this RFP allowed to be layered with COSA Bonds?
Response: Yes, an award of HOME or CDBG funds from this RFP can be layered with other non-HOME or non-CDBG sources, such as City of San Antonio Housing Bond funding.

Question 2: The order of documents on power point presentation is slightly different from RFP Checklist. Will it be amended to match the RFP?

- Response: Some of the originally released attachments and checklist had errors but have since been corrected. Refer to the Changes to RFP Documents section at the beginning of this addendum.
- Question 3: Will the City of San Antonio accept an Environmental Review that was already completed and submitted in HEROS?
- Response: If the review was completed by one of the City's approved environmental consultants and submitted to the City previously in HEROS, then yes, it will accept an already completed and approved EA. If not, the City will need to have one of its approved environmental consultants conduct a secondary supplemental review of the completed environmental review to reaffirm the review and submit it as a supplemental review in HEROS to be approved by the City of San Antonio.
- Question 4: Does a Property Tax Exemption qualify as HOME Match?
- Response: Property tax exemptions qualify as HOME Match contributions, so long as it is prorated for the percentage of HOME units assisted in the property.
- Question 5: Is there a confidential way to submit the financial information required in Attachment #28, such as a direct email, rather than an upload in SAePS?
- Response: All attachments must be submitted via SAePs portal and no direct mail will be accepted.
- Question 6: Third-Party Audited Financial Statements: I had asked about keeping these confidential if required to upload into SAePS and was told they could be password protected. Whom shall we email the password to?
- Response: Please refer to Question #5.
- Question 7: The RFP states Non-Rental Revenue is capped at \$240/unit/year. TDHCA increased Non-Rental Revenue to \$360/unit/year in 2022. Would COSA use TDHCA standards to have the same guidelines?
- Response: Exceptions may be considered by the City based on the operating history of an acquisition/rehabilitation project or normalized operations on other comparable properties in the same market area. Any exception would be considered as part of the underwriting of the project and at the time of evaluation of all proposals.
- Question 8: Can funds be used to award an existing contract with city? Or, add additional funds to an existing project?
- Response: The answer to this question would be dependent on whether the project already received federally sourced grant funding and what type of funding it received. If an environmental was already completed, then at minimum a supplemental review will need to be completed. Since additional funds are being sought via this RFP, the City will require that the project be re-underwritten to determine if the City's subsidy is reasonable, necessary, and appropriate to the project.
- Question 9: Restrictive Communication – can we reach out to staff/officials on other items?
- Response: Yes, so long as it does not pertain to this solicitation.
- Question 10: Scoring Matrix – Development Experience – Will points be broken down to match number of years?
- Response: Refer to page 1 of RFP Exhibit #11 – Evaluation Criteria, which addresses how Development Experience will be evaluated. Points will be assessed at the discretion of

the evaluation committee members based on their review of the responses provided for this category.

Question 11: What is the City looking for when it comes to second financing, such as 4% bond transactions, and when amount is still pending/awaiting decision?

Response: Project readiness will be considered by the evaluation committee. Therefore, it is important to provide as much documentation as possible to confirm the status of all other funding sources and/or where the project may be in line with TDHCA.

Question 12: QR code is not working for sign-in sheet. Want to make sure we are on list for addendums/updates.

Response: Please send an e-mail to the Procurement Specialist identified in Section 011 of the RFP document to ensure you are provided updates in a timely manner.

Question 13: Is Subcontracting included in RFP?

Response: This RFP is for respondents who have site control to land upon which they are seeking to develop a project that has a gap in their financing structure. The funds are intended to support the project. Any subcontracting would happen from a respondent who receives an award for a project.

Question 14: Can you explain the 25% match requirement?

Response: Per the HOME regulations, all Participating Jurisdictions (PJ), such as the City of San Antonio, receiving HOME funds must contribute or match no less than 25 cents for every dollar of HOME funds spent on affordable housing. This is meant to leverage the HOME funds and increase their impact in the communities where HOME funds are being awarded by HUD. As funds are spent, the PJ (and its recipients via awards such as this) incur a match liability, which must be satisfied by the end of each federal fiscal year. See also Appendix C of the City's Program Policies for HUD-Funded Affordable Housing Activities for further discussion of the HOME Match Requirement.

Question 15: If we get TIRZ funding for public improvements, can those funds be used as part or all of the 25% matching funds? Are funds from a private lender for construction also eligible to be used as matching?

Response: Funds from TIRZ can be recognized as eligible match contributions, so long as it is prorated for the percentage of HOME units assisted in the property. Loaned funds to the owner that must be repaid to a private lender for construction is not an eligible form of match. The match must be a permanent contribution to affordable housing.

Question 16: What is the e-mail address for the assigned Procurement Specialist?

Response: Please send an e-mail to the Procurement Specialist identified in Section 011 of the RFP document.

Question 17: Is there a way to access a recording of the pre-submittal conference?

Response: No, the pre-submittal conference was not recorded.

Question 18: Attachment #32 Application Checklist appears to have the attachment #'s slightly different than they are listed in the RFP (i.e., Attachment #1 is listed in the RFP as "General Information Form" and on the checklist "General Information Form" is listed as Attachment #6). Please advise which is accurate.

- Response: Some of the originally released attachments and checklist had errors but have since been corrected. Refer to the Changes to RFP Documents section at the beginning of this addendum.
- Question 19: Several attachments appear to apply to multi-family housing (Attachments #10, #14 and #26). Are these the correct forms for RFP 23-142; RFx 6100017394?
- Response: Some of the originally released attachments and checklist had errors but have since been corrected. Refer to the Changes to RFP Documents section at the beginning of this addendum.
- Question 20: Attachment #32 Application Checklist appears to have the attachment #'s slightly different than they are listed in the RFP (i.e., Attachment #1 is listed in the RFP as "General Information Form" and on the checklist "General Information Form" is listed as Attachment #6). Please advise which is accurate.
- Response: Respondents will only be required to submit General Information Form as Attachment #1. Some of the originally released attachments and checklist had errors but have since been corrected. Refer to the Changes to RFP Documents section at the beginning of this addendum.
- Question 21: Is there an exact date in February that awards will be announced?
- Response: Any recommendations are tentatively planned to be considered by City Council for award in February 2024. No exact date can be provided at this time.
- Question 22: Can the HOME and/or CDBG funding be layered with COSA Bond funding?
- Response: Yes, an award of HOME or CDBG funds from this RFP can be layered with other non-HOME or non-CDBG sources, such as City of San Antonio Housing Bond funding.
- Question 23: On Attachment #22 Location Amenities Maps, shall the distances be in driving distances or "as the crow flies" distances?
- Response: Please describe distances as the most direct path between two points (i.e., "as the crow flies").
- Question 24: Can this funding be used for both rehabbed units and new construction? I have 2 units which require rehab, as well as additional land on which to build another unit.
- Response: Funding from this RFP can be for projects with a funding gap that will be for the development of new construction and/or rehabilitation of affordable multi-family developments. Refer to the RFP document and the City's Program Policies for HUD-funded Affordable Housing Activities document (<https://www.sa.gov/Directory/Departments/NHSD/Partners-Developers/Programs-Plans/Policies>) for more information on what qualifies as rehabilitation.
- Question 25: On the Development Information Attachment #8 it calls for the respondent to indicate use of funds as either acquisition only, site improvements, rehabilitation, or clearance. The form does not allow for a respondent to mark how the funding can be utilized interchangeably, should we explain this in the executive summary?
- Response: Yes, please indicate on Attachment #8 the intended use of the majority of the requested funding and then explain in a narrative summary any additional details where the respondent may be willing to use the funds across multiple categories. Respondent should refer to the RFP document for eligible uses of funding regarding CDBG and HOME funds.

Question 26: Will the City of San Antonio accept an Environmental Review that was already completed and submitted in HEROS?

Response: If the review was completed by one of the City's approved environmental consultants and submitted to the City previously in HEROS, then yes, it will accept an already completed and approved EA. If not, the City will need to have one of its approved environmental consultants conduct a secondary supplemental review of the completed environmental review to reaffirm the review and submit it as a supplemental review in HEROS to be approved by the City of San Antonio.

Question 27: Is there a set percentage of construction cost that the gap funding is allowed to cover?

Response: There is not a set percentage of construction costs that the gap funding can cover. For its evaluation, the City will underwrite each project to ensure the gap funding requested is necessary, proposed costs are eligible, and the project meets the City's Program Policies as well as HUD regulations for HOME and CDBG funding.

Question 28: What building qualifications are required for this funding? For example, must the general contractor be registered in a particular database or have a particular number of completed jobs?

Response: Respondent is required to ensure that any contractors retained meet all eligibility and federal compliance requirements outlined in the RFP. Contractors should possess all required licenses for work performed and will be required to maintain similar insurance and/or indemnity requirements as listed in the RFP. All contractors used on the project will need to provide a minimum of a one-year warranty on all work performed. Respondents awarded funds as a result of this RFP will need to implement procurement requirements to meet the federal guidelines on procurement as identified in 2 CFR Part 200.

Question 29: Can you please provide a breakdown of how the 10 points are allocated for Nonprofits?

Response: Refer to page 2 of RFP Exhibit #11 – Evaluation Criteria for a description of how this category will be evaluated. The committee can allocate up to ten (10) points in this category based on their review of the responses provided to meet the requirements of this category.

Question 30: Does partnership with SAHT qualify as a Nonprofit?

Response: Refer to page 2 of RFP Exhibit #11 – Evaluation Criteria that provides more information on partnerships.

Question 31: Can you provide a breakdown of how the affordability points are awarded?

Response: Refer to page 9 of RFP Exhibit #11 – Evaluation Criteria that addresses this question. Points will be assessed at the discretion of the evaluation committee members based on their review of the responses provided for this category. Please see RFP Section 004 for income limits when using CDBG and HOME funding.

Question 32: Our project is New Construction, and the third-party appraisal will be ordered by lender. Please confirm that this is not required to be submitted in the application, but can be submitted after award announcement?

Response: A third-party appraisal should be submitted with the application for consideration by the evaluation committee. Acquisition costs must be supported by an independent third-party appraisal prepared by a state-licensed appraiser. The purchase price must be at or below

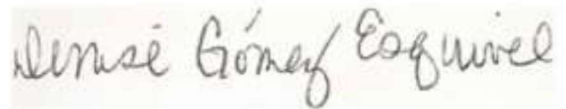
the as-is market value of the property. Insomuch as the respondent, or a related party, acquired the property prior to the application for City funding, the sales price may not exceed the lesser of the current as-is appraised value or the seller's cost basis.

Question 33: Is it permissible to submit the TDHCA Uniform Application in excel format for 20-year Pro Forma, Development Budget, Rent Mix, & Sources/Uses?

Response: Yes, so long as it submitted as an unlocked spreadsheet and meets the requirements outlined in the RFP documents. Refer to the Attachments #9 - #20 for requirements associated with submitting Attachment #13 – 20-Year Operating Pro Forma including Development Budget, Rent Mix, & Sources/Uses

Question 34: Does Income Based Housing include LIHTC units, as they are income restricted?

Response: Yes, please include all income restricted units for the proposed project in your description.



Denise Gómez-Esquivel, C.P.M., CPPB
Procurement Administrator
Finance Department – Procurement Division