

RFP 15-2
4350 La Sierra Avenue
Addendum #3
June 26, 2015

Questions Received as of June 26, 2015

1. Question #1, see Addendum #1.

2. Question #2 and #3, see Addendum #2

4. Regarding the use of Down Payment Assistance (DPA) to the ultimate buyers: Will there be an opt-out of the CC&Rs if the DPA is repaid? What about equity share of proceeds with the City that decreases over time?

If the ultimate homebuyer uses the City's DPA program – currently CalHOME funds – if the DPA debt is repaid back to the City, the CC&Rs will be removed from the property. The current DPA program, funded by CalHOME does not include an equity share provision. However, it is possible, with the timing of this development that if DPA is requested, it may come from another source.

It should be noted that the potential exists for two sets of CC&Rs to be recorded against the property:

- If the Development Team requests the write down of the land, this will trigger the recording of CC&Rs that have a minimum 45-year affordability period. These CC&Rs will not be removed until the affordability period has lapsed. If an individual property owner wishes to remove these CC&Rs (e.g. sell their property to a non-income eligible household), there will be an affordability exit fee. The amount of this affordability exit fee will be determined by the value of contributed land.
- CC&Rs triggered by the use of a Down Payment Assistance Program. These CC&Rs have the potential to be removed when the DPA loan is paid back.

Respondents are reminded that should the Development Team have concerns about meeting any requirements of this RFP, the Developer shall include a clearly labeled subsection with individual statements specifically identifying the concerns and exceptions. (Pg. 5 of the RFP)

5. The Sample DDA provides a schedule of performance; can the developer submit a different suggested schedule?

Yes, the developer is expected to submit a schedule of performance specific to their proposal. The schedule of performance provided in the Sample DDA – was an example of a recent schedule of performance specific to a previous project that was funded using 9% tax credits.

6. Staff has received a request for clarification regarding the selection process. The selection process will occur as follows:

1. All hard copy submittals will be provided on or before the RFP due date.
2. All hard copy submittals will be reviewed and scored by each member of the Housing Authority Selection Committee. These scores will be used to determine which Development Teams/Proposals will advance to the next round of selection, interviews.
3. Not more than two of the highest scoring submittals will be requested to interview with the Housing Authority Selection Committee. The Housing Authority Selection Committee will individually score the two proposals based on their interview presentation.
4. The Development Team/Proposal scoring the highest in the interview will be asked to make a presentation to the community.
5. The community will then provide to the Housing Authority Selection Committee their recommendation regarding the proposal.
6. The results of the Housing Authority Selection Committee's interview score, together with the community's recommendation will be presented to Development Committee.
7. Development Committee will determine whether to cancel the RFP, or to recommend entering into a Development and Disposition Agreement (DDA) with the preferred developer (development team).
 - If a DDA is recommended, this recommendation will be forwarded to the Housing Authority Board for approval.
 - If cancellation of the RFP is recommended, the Development Committee will provide further direction to the Housing Authority staff.

Should you have additional questions, please contact:

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