

Harris Community Village
RFP to Present Terms for Low-Income Housing Tax Credit, Construction, and Permanent Financing

ADDENDUM #1

Date of Addendum: January 10, 2021

NOTICE TO ALL POTENTIAL RESPONDENTS

The Request for Proposals (RFP) is modified as set forth in this Addendum. The original RFP Documents and any previously issued addenda remain in full force and effect, except as modified by this Addendum, which is hereby made part of the RFP. Respondent shall take this Addendum into consideration when preparing and submitting its Proposal.

Questions: Melissa Jensen, Giv Communities, Melissa@givgroup.org, 801-889-5420

PROPOSAL SUBMITTAL DEADLINE

The Proposal submittal deadline remains the same and is not changed by this Addendum.

1.0 – Pre-Proposal Site Tour

Changes and additions in bold.

Item	Section	Description of Change
1.1	Proposal Requirements	<p>Section 3.B will be changed as follows:</p> <p>Complete term sheet Letter of Interest for tax credit equity financing including, but not limited to, the following:</p> <ul style="list-style-type: none"> i. Tax Credit Pricing ii. Equity Pay-In and Development Fee Schedule and Conditions iii. Reserve Requirements iv. Guaranty Requirements v. Recapture and Adjuster Provisions vi. Operating Income and Capital Transaction Waterfall Provisions vii. Repurchase Requirements/Purchase Option Terms
1.2	Proposal Requirements	<p>Section 3.C will be changed as follows:</p> <p>Identify if you have interest or ability to provide construction and/or permanent financing, and provide a complete term sheet Letter of Interest associated with such financing, to include at least the following:</p> <ul style="list-style-type: none"> i. Origination Fee

		<ul style="list-style-type: none"> ii. Other fees, if any iii. Interest Rate and Maturity Date iv. Extension Terms v. Guaranty Requirements, if any vi. Contingency Requirements vii. Insurance Requirements
1.3	Additional Attachments	All attachments referenced in this addendum and future addendums will be accessed via dropbox. Please reach out directly to Melissa Jensen for access: Melissa@givgroup.org
1.4	Timeline	<p>Adding clarification on the timing as laid out in the RFP.</p> <p>Section 2. Anticipated Schedule</p> <ul style="list-style-type: none"> • Design: Duration is anticipated to be three months and be complete in April/May 2021 • Construction: Duration is expected to be 12 to 18 months and begin summer of 2021 for completion in Spring 2023 • Lease Up: May, June, and July 2023 (22 units per month). • Stabilization: August – October 2023. • Conversion to Permanent Financing: November 1, 2023. <p><i>Revised</i></p> <p>Section 2. Anticipated Schedule</p> <ul style="list-style-type: none"> • Design: Duration is anticipated to be three months and be complete in April/May 2021 • Construction: Duration is expected to be 12 to 18 months beginning August 2021 for completion in February 2023 • Lease Up: March, April, and May of 2023 (22 units per month). • Stabilization: June - August 2023. • Conversion to Permanent Financing: September 1, 2023.

2.0 – Questions & Answers

Item	Category	Questions & Responses
2.1	Financial	QUESTION: Will you share financials for owners, members, consultants or guarantors?

		ANSWER: At this time no financials will be shared. It is fully anticipated that upon selection a full due diligence process would take place.
2.2	Financial	<p>QUESTION: In terms of subordinate debt have the OWHLF and NHTF loans been approved? If so, how many units will be restricted in addition to the LURA?</p> <p>ANSWER: No loans have been approved or applied for at this time. As part of the LIHTC application, Letters of Interest (LOI) were obtained that reflect the budget. The LURA will cover all LIHTC units and the CRC.</p>
2.3	Financial	<p>QUESTION: In terms of subordinate debt will one or both (OWHLF & NHTF) loans be soft? The Application seems to indicate hard payments.</p> <p>ANSWER: Once cost estimates are confirmed, a complete financing package will be prepared that reflects the need of the project which may include hard or soft debt.</p>
2.4	Financial	<p>QUESTION: Most recent real estate schedule, including list of properties, debt, NOI, maturities, etc for TCHA, FSP, guarantors, and Giv?</p> <p>ANSWER: At this time this information will not be made available. It is fully anticipated that upon selection a full due diligence process would take place.</p>
2.5	Financial	<p>QUESTION: Current unencumbered liquidity (i.e. unrestricted cash, less outstanding unsecured debt balances, if any)</p> <p>ANSWER: At this time this information will not be made available. It is fully anticipated that upon selection a full due diligence process would take place.</p>
2.6	Financial	<p>QUESTION: When will donations be made available to the project? Will the donation be a loan or a capital contribution?</p> <p>ANSWER: The \$500K referenced in the budget will be made available at project initiation. This will be a capital contribution.</p>
2.7	Financial	<p>QUESTION: When will Energy Rebates become available?</p> <p>ANSWER: These are anticipated at completion.</p>

2.8	Financial	<p>QUESTION: Have there been meaningful changes to the construction budget since application?</p> <p>ANSWER: Currently, the included budget is the most up to date budget. The procurement process for the GC and the A&E contract is wrapping up. Based on selection, design, and bidding there should be an updated budget once design and bidding has proceeded.</p>
2.9	Financial	<p>QUESTION: Real Estate Taxes are estimated at \$12,000 annually. How sure are you on that figure? Seems low unless you anticipated some type of RE tax abatement.</p> <p>ANSWER: This will be confirmed and/or updated in updated budgets. TCHA has applied for property tax exemption on the site.</p>
2.10	Financial	<p>QUESTION: The budget includes \$21K in security. What is this anticipated to be used for?</p> <p>ANSWER: This will be used to help ensure a 24-hour presence on site through security and part-time staffing.</p>
2.11	Financial	<p>QUESTION: Our entity does not charge a syndication fee, your syndication costs seem a bit high (especially, Title Policy) is there an assumed fee in there?</p> <p>ANSWER: Many of the costs depend on the chosen lender/investor requirements. These numbers are based on the high end of past projects.</p>
2.12	Financial	<p>QUESTION: Can we get a copy of the most recent audit?</p> <p>ANSWER: TCHA 2019 Audit is in the dropbox.</p>
2.13	Financial	<p>QUESTION: Is GIV's role as consultant only? Or can Giv provide any guarantor support if necessary?</p> <p>ANSWER: Giv is acting as development consultant only. No guarantees will be available from this entity or its affiliated entities.</p>

2.14	Programming	<p>QUESTION: How are the supportive services that are attached to the LIHTC units accounted for? Is this considered in the ongoing operations budget? Are these services ongoing and recorded as part of the LURA?</p> <p>ANSWER: All services are considered as part of the ongoing operations of the project long-term. They are permanently attached to the project as a PSH project. While services are not specifically presented in the LURA the document ultimately binds us to the information as presented in the application.</p>
2.15	Structure	<p>QUESTION: Please provide detail on the lease structure of the CRC. Will FSP have separate funding sources and costs for programming not directly tied to the LIHTC project?</p> <p>ANSWER: FSP will lease all pertinent facilities related to the CRC for \$1 per annum for 99 years. The funding and cost components of the CRC will be financially separate from the LIHTC funds and commitments. Since the LIHTC application included a Community Services Facility some pieces within the CRC (primarily a community area and computer facility) will be operated as part of the services attached the LIHTC units.</p>
2.16	Structure	<p>QUESTION: Who will have the decision-making authority during the development period?</p> <p>ANSWER: FSP will have decision making authority throughout the development period.</p>
2.17	Structure	<p>QUESTION: Is the Community Resource Center held by the tax-credit partnership or separately?</p> <p>ANSWER: The CRC will be held by the partnership. FSP will have a Master Lease and will run and manage the facility exclusively.</p>
2.18	Vouchers	<p>QUESTION:</p> <ul style="list-style-type: none"> • What agency will be providing the project-based vouchers?

		<ul style="list-style-type: none"> • The application (cell G484) notes income from PBV & Switchpoint. Is Switchpoint contributing to revenue, or is their contribution the \$500,000 in donations? • Please confirm that the rent subsidy is Section 8 Project Based Vouchers, or other? • Based on FSP most recent audit we are curious where the voucher funding would come from in the case additional vouchers were not made available? How will this be guaranteed long term? <p>ANSWER: 20 Section 8 project based vouchers will be provided to the project from TCHA. The remaining vouchers are anticipated to come from a variety of other housing voucher sources which include but are not limited to:</p> <ul style="list-style-type: none"> • Continuum of care vouchers which are awarded by HUD • Temporary assistance for needy families (TANF) vouchers which are awarded by the State of Utah • Permanent supportive housing vouchers which are awarded by the State of Utah <p>These entities are prohibited from forward commitments due to the nature of public funding. However, such sources have been in place for decades and are anticipated to be made available.</p> <p>Switchpoint will ultimately act as a guarantor of the equivalent of the vouchers for a minimum period of 15 years. Please see commitment letters as submitted to UHC in dropbox. This guarantee is separate from the \$500K in donations which is geared toward the entirety of the project budget.</p>
2.19	Programming	<p>QUESTION: How will the community space be managed? I see that there are several potential uses, will this space be leased out to non-profits, etc. or will the operations be solely within the realm of the project.</p> <p>ANSWER: FSP will manage the community space as part of their master lease agreement with TCHA. Currently, it is intended to be used by a variety of community needs on an individual basis. There is no anticipation of significant, or ongoing revenue coming from this space.</p>

2.20	Programming	<p>QUESTION: As a PSH project and the AMI being served, services are anticipated. Who will be providing those services and how will those be funded? I'm assuming Switchpoint?</p> <p>ANSWER: FSP will be the main service provider and be on site. They will also enlist appropriate partners that can add to the quality of life of the residents. Funding for services related to basic needs are included in the operational budget of the project. All other services offered at the CRC will be funded separately.</p>
2.21	Programming	<p>QUESTION: This is permanent supportive housing, please help me understand the following: If a unit becomes available but a special needs tenant is not available to fill it, can a unit be leased to a more general population? If so, is there a waiting period. If not, does the unit just remain vacant until filled. I know this is an unlikely situation, but I need to ask.</p> <p>ANSWER: The owner has put in place policies that follow the parameters outlined in the 2020 UHC Qualified Allocation Plan. These policies include a selection process that prioritize vulnerable and homeless individuals. In the rare case where that individual cannot be found, the property is able to rent to another income-qualified individual and all the same services will be available to that tenant.</p>
2.22	Experience	<p>QUESTION: Experience related to involved parties & roles</p> <ul style="list-style-type: none"> • TCHA experience • TCHA Organizational Chart • FSP experience • Giv experience <p>ANSWER: The following attachments are available in the drop box.</p> <ul style="list-style-type: none"> • TCHA Organizational Resume • TCHA Organizational Chart • FSP Organizational Resume • Giv Organizational Resume

END OF ADDENDUM