

**City of Oakland Neighborhood Stabilization Program**  
**Questions and Answers #1**  
**January 27, 2009**

1. How many homes does the City of Oakland hope to have developed using NSP funds within the 4-year timeframe?

*At least 200 units*

2. If the developer brings acquisition financing to the project, there will be carrying costs. If it takes longer than expected to find a buyer and close on the property, do we have the ability to increase the purchase price post-completion to accommodate additional carrying costs? This question assumes we are not in contract with a buyer at the time of the increase.

*On a case by case basis, the additional cost may be added to purchase price, provided the price does not exceed the maximum affordable sales price as determined by the City (a schedule of prices will be posted on the City's NSP website)*

3. Does Section 504/UFAS really apply? It looks like many of the homes that would be available in the prioritized neighborhoods for NSP funds would be very costly, or infeasible, to make accessible.

*Yes it applies. The rehab requirements for existing (i.e., pre-1988) developments are discussed at 24 Code of Federal Regulations (CFR) Sections 8.23 and 8.24 ("Subpart C – Program Accessibility/Alternations of existing Housing Programs", et seq.)*

*The "trigger" requirement is that if a "project ...has 15 or more units and the cost of the alterations is 75 percent or more of the replacement cost of the completed facility, then the provisions of Section 8.22 (new construction) shall apply. If less than 75 % of replacement cost, the requirement is to modify to "maximum extent feasible".*

*If an application for funding includes 15 single family homes, that is a 15 unit project.*

4. Do standard Alameda County property tax rates apply and how is the property value assessed in a foreclosure scenario?

*Property taxes are assessed by the Alameda County Assessor's Office. As far as the City knows, property taxes will be assessed on the sales price of the unit.*

5. Will the City agree for the NSP funds to be in subordinate position to a private lender if a portion of the acquisition loan is privately financed? If so, is there a City-approved subordination agreement that can be reviewed by our lender prior to 1/21? This will impact whether we submit with 100% NSP funds as the funding source, or with an additional private source.

*City funds can be subordinated to private financing if necessary. The City will execute a standard subordination agreement. Note though that the City will record resale restrictions on the property at the time of closing the NSP loan, and will NOT subordinate these restrictions.*

6. Is the cost of on-site security during construction considered an eligible project costs? Meaning, if the developer needs to hire someone to be at the property during non-business hours until the home and all materials stored inside can be secured, is this an eligible cost?

*On a case by case basis, if the City determines that on-site security is necessary, it could be treated as an eligible cost.*

7. Is the City open to negotiating with the awarded developer(s) a developer fee draw schedule such that some fee can be drawn as key milestones are achieved (e.g. acquisition closing, start of construction, 50% complete, construction completion, sale of the home).

*At present, the City does not anticipate such a draw schedule.*

8. Is there a standard loan agreement for the NSP funds? If so, when will it be available for review?

*Loan documents have not yet been developed*

9. When will the RFP scoring criteria be provided?

*The City will not be using a formal point system for evaluating submissions. The City will be selecting qualified entities to be eligible to participate in the program, based on evaluation of a broad range of factors including developer experience and financial capacity, identification and qualification of the developer's partners (construction contractors, realtors, etc.), ability to leverage other funds, ability to complete rehabilitation in as short a time as possible, marketing plans, ability to identify a sufficient pool of buyers for resale-restricted homes, plans to coordinate with HUD-certified housing counseling agencies to meet the requirement for 8 hours of homeownership counseling*

10. The RFP mentions providing budgets in Excel which implies a digital submittal. Is this in addition to the hard copy submittal? If so, to whom should the Excel budget be emailed?

*Because individual properties will probably not be identified at this stage of the process, applications should include estimates of typical budgets for acquisition, rehab and resale. Electronic versions can be submitted by e-mail to [cdbg@oaklandnet.com](mailto:cdbg@oaklandnet.com)*

11. Are there a maximum number of pages for the RFP?

*No*

12. Foreclosure definition - 90 vacancy requirement

Is there any difference in the vacancy requirement if we are using the NSP funds for rental housing? We are working closely with the County of Alameda's Behavioral Health Care folks to look for properties that are foreclosed and might be used for supportive housing. However it is difficult to find multi-family buildings that are completely vacant.

*The ninety day vacancy requirement is part of the legislation and cannot be negotiated.*

13. Environmental review process and Appendix A

In the Mandatory Bidder's Conference, an Appendix A was referenced as the document that detailed the environmental review process. We were unable to find that in the RFP nor on the Substantial Amendment. We are assuming that the environmental process is the NEPA process and that it applies to all projects regardless of size or number of units. Please confirm.

*The NEPA review will be a two tiered process with the first part a citywide program review and the second an Appendix A on each individual property in order to get clearance.*

14. On question 4 of the application, you ask for a considerable amount of information on all completed projects. We are happy to abide by the request, but feel that many of the projects in our portfolio as not relevant to the type of project for which we are submitting this application. Would it be possible to provide the in-depth information for a sampling of similar projects instead of for all projects? We would also include a list of all completed projects.

*The City of Oakland is looking for developer experience. If you have more than 5 similar projects, please list all projects and provide in-depth on the similar projects. If you have less than 5 similar project, please provide in-depth on all projects.*

15. Please clarify the process for approval. On the rental side, will council identify the top few candidates and ask them to apply for the NSP funds along with other funding available through your annual NOFA process. Or, is the highest scoring applicant awarded the NSP funds in Feb/Mar. by City Council?

*The selection/approval process will be the same for rental as it is for non-rental. The City will select qualified entities to be eligible to participate in the program based upon evaluation of a broad range of factors as noted in question #9 and will be awarded funds in Feb/Mar by City Council.*