Frequently Asked Questions:

March 5, 2009

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

   That will depend on whether or not a project or a program is selected. If a project is selected, we fund at approximately $100,000 per unit, and expect to fund about 20 units. If a program is selected, and expecting to leave some funds in each deal, we expect to see about 40 units revolve in the program over a four year period (10 units per year).

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 County (a schedule of prices will be posted on the County’s NSP website).

3. Does Section 504/UFAS 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, Section 504/UFAS applies. The rehab requirements for existing (i.e., pre-1988) developments are discussed at 24 Code of Federal Regulations (CFR) Sections 8.23 and .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 the alterations are less than 75 % of replacement cost for a 15-unit project, the requirement is to modify to “maximum extent feasible”. If an application for funding includes 15 single family homes, it is considered 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 based on the sales price of the property purchased. Under certain circumstances, a property owner may be eligible for a property tax exemption (non profit owned affordable housing). Please visit the State Board of Equalization at www.boe.ca.gov for more information.
5. Will the County agree to be in subordinate position to a private lender if a portion of the acquisition loan is privately financed? This will impact whether we submit with 100% NSP funds as the funding source, or with an additional private source.

County NSP funds can be subordinated to private financing if necessary. The County will execute a standard subordination agreement, drafted by the first lender, and reviewed by County Attorney’s. Note though that the County 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 County determines that on-site security is necessary, it could be treated as an eligible cost.

7. Is the County 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).

The County may consider this. You should include such a request, including your proposed milestones and a schedule in your proposal.

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. 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 nsp@acgov.org

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

No – but be simple and straightforward in your approach to describing your program.

11. 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.

Residential properties that are being rehabilitated do not have to be vacant if the foreclosure process has been completed and the lender has possession of the property. If occupied, relocation requirements may apply. If the property is being redeveloped (a non residential building being used for NSP purposes or new construction) it does have to be vacant.