

## **Questions and Answers about the RFP posed by Interested Parties**

### **1. Any concern if a service provider were a part of more than one development team?**

We understand there may be more than one proposal using the same provider. There is nothing that prohibits that but we do expect that the service provider go beyond just a letter of support and actually have their name on the proposal, complete certain sections, and co-present with the developer. If more than one service provider is on more than one application, I would anticipate that would do one presentations to all providers they have signed up with, explaining to the committee what they bring to the proposal.

A Veterans local case management contact not mentioned in the RFP is Gerald Sieren, Veterans Outreach Specialist. 608-881-9116 (Gerald.sieren@dva.wisconsin.gov). Currently, he provides mental health and addictions counseling, case management, to Veterans who are homeless and he is funded by the State of Wisconsin Department of Veterans Affairs. He also does street outreach in La Crosse.

### **2. Additional guidelines for units serving the homeless**

These units should use the Housing First Approach, which means developers should not subject these units to strict requirements such as criminal background checks and credit checks.

### **3. Is there a certified survey map or a topographic map?**

No, there is not, the City is currently working on preparing one. It will be available by July 27<sup>th</sup>, two days before the proposal is due.

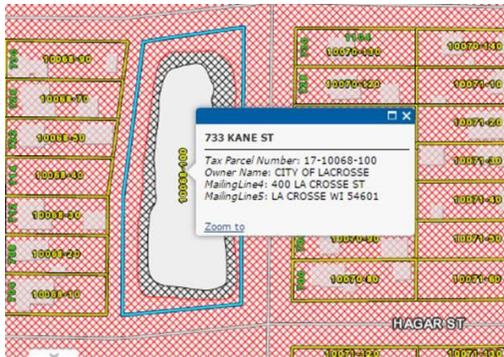
### **4. What is the assessment for the property or an estimate on taxes?**

The City is working on providing this number.

### **5. What is the history of the site in regards to the flood plan? And has the Army Corp of Engineers approved the site for development?**

Below is a map of the flood plain (red is the 100 year flood plain, black is 500 year flood plain, white is not in the flood plain. The blue triangle is the property. Most of the property is not in the flood plain-meaning no flood insurance required and no approvals from anyone to build there. Even if it's built in the black area, it still does not require flood insurance and a structure can be built on it, with consultation from our City Engineering. Development in the red area requires coordination and approvals with our building and inspections department and flood plain manager which we will walk you through, if you were to be selected. The City of La Crosse Housing Department builds residential structures quite frequently in the flood plain and it's not a big issue. We just bring in the requisite fill.

The Army Corps of Engineers is not involved in approving residential developments in La Crosse, that is approved locally (and exceptions are managed locally) by our Building and Inspections Department. We can bring in fill to the areas in red and work through FEMA so that upon project completion, no flood insurance will be required if areas in the red part on the site are built on.



**6. Is there property tax abatement or pilot available for the type of project? If not, how will the property taxes be calculated?**

Property tax abatement is not allowed in the State of Wisconsin. We do have Tax Increment Financing mechanisms available

([http://www.cityoflacrosse.org/filestorage/593/844/3606/6770/Incentives\\_Handout\\_-\\_Standards\\_and\\_Process\\_-\\_Working.pdf](http://www.cityoflacrosse.org/filestorage/593/844/3606/6770/Incentives_Handout_-_Standards_and_Process_-_Working.pdf)) and we typically approve TIF as pay as you go. In the past, we have approved 2 previous tax credit projects with TIF financing. However, with a combination of free land, LIHTC, and \$450K from CDBG on the project, our expectation is that the developer would fill any remaining gap financing from other resources and not tap the City for more money on the project.

Property taxes are calculated by our assessor's office and it's based on rents so a tax credit project does not tax as high as other projects. On the Roosevelt School 4% tax credit project, which was 32 units, all 60% CMI, which was an entire City block of land, it's assessed value will be \$1.25 million. The mill rate applied to that would be 0.029127370. So on a \$1.2 million assessed value, there would be \$36,409 in annual property taxes.

**7. Submittal Format / Logistics**

- a. Does a maximum of 4 pictures mean a max 4 jpgs or a max of 4 project summary sheets? **Maximum of 4 project summary sheets.**
- b. Would it be okay if we supply additional materials as exhibits to illustrate experience of development team, including architect, GC, attorney, accountant? **Yes, that's fine.**
- c. Is there a deadline for submitting questions? The draft RFP did. **Yes, July 24<sup>th</sup>.**

**8. Target Population**

- a. What does it mean for units to be "reserved for individuals transitioning out of homelessness"?
  - i. Is the intent to meet the HUD homeless definition? **CDBG/HOME does not require us to meet the strict HUD definition of homelessness. However our preference is to only serve individuals who have at one point met that definition and were identified as homeless by La Crosse's**

**CoC. We understand that they may be currently be in transitional housing or another type of housing and at the time they are qualified for the unit, do not currently meet that definition and that is not an issue from the grant's funding perspective.**

- ii. Is this a hard set-aside? May be hard for fair housing perspective if specific funding attached to unit does not require this. **If we are violating fair housing rules somehow, we can take another look at this. If there is a way to achieve this however, that is our preference. We need to investigate how other projects are doing this.**
- iii. Do the 35% of units "reserved" for homeless households need to meet HUD's definition? For example, would it be possible for someone currently living in PSH with intensive case management, who previously qualified as homeless, to move to this development as a next stage? **Yes. They do not need to meet a strict definition, but our preference is that it be targeted towards individuals that are or were on the La Crosse's CoC prioritization list or who were identified as homeless Veterans by the La Crosse CoC.**

b. HMIS

- i. Do individuals have to be the highest priority on the HMIS list? Are these meant to be housing first? The RFP says homeless individuals must be veterans, chronically homeless or homeless families. This implies a lower need veteran could be selected over a non-vet that is chronically homeless. **No**
- ii. What standards, if any, can the property manager apply during the screening process (according to a written tenant selection plan)? **This would need to be developed in consultation with the local case management provider and City. At this time, the City does not have any specific standards laid out, but best practices for the housing first approach mean as few barriers to housing as possible. If the project is unable to fulfill its objectives to house homeless veterans or homeless individuals on the La Crosse prioritization list because of a screening process, it is no longer meeting our goals.**

9. Financing

a. CDBG

- i. How many of the units will be considered CDBG? How many considered HOME? **We don't know at this point, but HOME has the strictest requirements so assume all are HOME units for the purposes of the RFP.**
- ii. Has the City considered limiting the number of CDBG/HOME units to 11, so that Davis Bacon wages are not triggered? Davis Bacon wages add a premium to the construction budget. (The redevelopment agreement for the land transfer could still apply to all units for the 30-year affordability period). **DAVIS BACON REQUIREMENTS WILL NOT BE TRIGGERED BY THE PROJECT. CDBG funds will be applied only to non-construction costs and**

**thus David Bacon will not be triggered and HOME funds will be for 11 units or less.**

b. Permanent Financing

- i. A large portion of the permanent financing will be soft debt, which is contrary to what the RFP requires. The first mortgage can be market-rate, but it is advantageous and very common to have other soft sources (FHLB AHP) at below market interest rates and that are cash flow contingent. **The intent of the proposal is to say that the City's loan cannot be a cash flow loan, not that other permanent financing cannot be soft debt or cash flow contingent. The City expects there will be other soft sources of financing in this project.**

**10. Competitive Bidding**

4. We typically engage a GC early on using a negotiated fee, rather than having a sealed bid process once drawings are complete. This helps keep costs in line and ensures the GC is fully vested in the project. If a GC performs any of the trades, it needs to submit a competitive bid alongside other subs. This is acceptable to DOA for their HOME program. **Yes, this is acceptable.**

**11. What should I estimate in terms of annual property taxes?** Please assume **\$35,400** per year in property taxes.

Note: This number is only based on partial information provided and the assessor's office did not have enough information to complete a reasonable projection. However, this is a generic estimate based on historical information this office has from existing projects similar to the subject. This projection assumed 37 units, as part of a Section 42 LIHTC project.