



RFP 23-16 Questions & Answers

1/25/23 - 3/17/23

Q1: Hoping you could clarify whether these funds could be used to support the development of Residential Treatment Facilities for very low income individuals who have significant mental health challenges?

A: These funds could be used to develop Permanent Supportive Housing units.

Q2: Would you be able to send me the information for the optional Developer session on 2/15?

A: Please see page 2 of RFP 23-16 for the optional developer information session details.

Q3: Am I correct in assuming that the maximum subsidy per unit is \$150K for rental housing and \$200K for ownership product?

A: The \$150K-\$200K maximum subsidy per unit range is for all types of housing with the understanding that ownership projects may require a greater subsidy per unit than rental projects. As noted in the RFP, projects requesting less subsidy per affordable unit will score higher.

Q4: We're planning to submit an application for the two parcels owned by Metro at Civic Station. Have Metro and Gresham discussed whether, when calculating the per unit ask from a developer, the calculation includes

- a. **The total amount of subsidy requested (i.e. combination of Metro's SAP funds and GO Bond dollars allocated to Gresham)?**
- b. **Just the requested amount of GO Bond dollars allocated to Gresham?**

A: From Gresham's perspective, the RFP funds and Metro's SAP funds are separate pots of money, but from the Metro housing bond perspective it's all the same source, so I would recommend noting them separately in your Sources but being mindful of the total bond contribution. It would be best to keep the combined subsidy request within Gresham's proposed range.

Q5: Page 9 names a 20% MWESB goals for "total development costs." Should I read "development costs" as "construction costs?" I ask because

- a. **An affordable rental project's total development costs inevitably include big ticket items like bank fees, construction loan interest, and an operating reserve that, by definition, won't go to MWESB organizations.**
- b. **I've never seen an MWESB goal name total development costs before.**

A: We report to Metro hard and soft costs paid to MWESB organizations.

Q6: The RFP mentions the city's desire to "Avoid concentration of anyone housing type." I'm curious how this aspiration plays out in the context of the two Metro – owned parcels on Civic Drive. Will the proposed affordable housing programming on the SW Civic Station Parcel owned by Metro have any

bearing on how Gresham views affordable housing proposals for the two parcels named on page 13 of the RFP?

A: When considering proposals, other affordable housing within the area may be considered. While we want to avoid concentrations of any one housing type to balance investments throughout the City, we also (per our LIS) follow principles to:

- Permit appropriate housing types in locations that most benefit the viability of the overall City and its centers.
- Ensure new housing developments complement or enhance the character of existing quality neighborhood development.
- Promote a mix of housing types where appropriate.

Q7: I'm still confused by the MWESB answer. We're accustomed to reporting soft cost MWESB outcomes and percentages to our board and to Metro. But, in reporting those outcomes, we've never put total project costs in the denominator of the fraction. I see no distinction between "total development costs" and "total project costs." Maybe to make this more concrete, could you share how you've reported MWESB outcomes for other GO bond projects to Metro?

A: When reporting MWESB outcomes, we only use hard and soft costs. We do not use total project costs in the denominator which, as you mentioned, would include bank fees, loan interest, etc. We report the following MWESB outcomes:

- soft costs paid to MWESB / total soft costs
- hard costs paid to MWESB / total hard costs
- sum of soft & hard costs paid to MWESB / total sum of soft & hard costs

Q8: Can you please clarify which forms and documents must be submitted for each of the organizations in a Co-Ownership or Co-Development Partnership. (example. Presumably you would want to see a "Form C – Sponsor Statement of Financial Capability" for each organization.)

A: Please submit Form C for each organization. All other forms and documents should not require a separate submission, however you may submit an addendum to Form B, if necessary.

Q9: Form C requests an Auditor's Certification and notes:

"Note: Financial statements submitted with this application should be current (within 90 days) and been audited according to General Accepted Accounting Principles (GAAP).... "

Most organizations will complete a full audit only once a year, and based on timing of application this audit is unlikely to be within 90 days of the Application submission date. Is it acceptable to submit the prior year's Audit and unaudited financial statements dated within 90 days of application submission? If so, Can the Form be modified or a clarifying statement made so that the Auditor feels comfortable on what they are certifying and/or that a Financial Representative of the organization make a certification.

A: Yes, an organization can submit the most recent audit along with unaudited statements to have the financial statements current within the last 90 days. The form cannot be modified; however, this response can serve as a clarifying statement and we will include this in our upcoming developer

information session. Also, the City reserves the right to request additional information regarding financial capacity and may choose to request additional information at any time.

Q10: Can these funds be used to rehabilitate 3 6-bed residential treatment facilities?

A: To use the funds to rehabilitate a structure, the structure must be existing market-rate housing that will be converted to affordable housing. Additionally, these units must be available as permanent housing. If the residential treatment facility does not offer permanent housing and/or residents are required to engage in treatment to access this housing, it would not be considered permanent supportive housing (and therefore ineligible for funds).

Q11: It's not clear to me where we fill out the narrative section? I see that the pro forma includes a brief narrative section. The checklist also includes "Exhibit D – Project Narrative" but there is no form or exhibit provided that corresponds. Should we just create an Exhibit D that addresses the criteria, or did we overlook a form that's available somewhere?

A: Forms are not provided for Exhibits D,E,F; they are to be prepared as text documents (Word/PDF) consistent with the requirements on pages 15-16 of the RFP.

Q12: Developments generally include the following income mix:

- 70% of homes sold to buyers between 35-60% AMI
- 30% of homes sold to buyers between 60-80% AMI

Does that pose any challenges to Gresham's overall use of the Metro Bond funds (i.e., any concern about exceeding the overall cap of 10% of Metro Bond funds for above 60%?)

A: No, this does not pose a challenge.

Q13: The OHCS pro forma provided in the application is applicable to rental developments but hard to translate for homeownership developments. OHCS has a separate pro forma for LIFT Homeownership applications (attached). Could we use that worksheet instead?

A: Developers may use OHCS LIFT pro forma for homeownership, which will be posted to the web site.

Q14: Given the current financial climate, will Gresham allow projects to come forward that state they will seek 9% LIHTC instead of 4% LIHTC with PAB from OHCS? I ask because:

1. Currently OHCS only ties 4% credits to their conduit bond (private activity bond) program and aren't allowing jurisdictions to issue conduit bonds when a developer also needs credits
2. OHCS' PAB volume cap is maxed out
3. Construction and perm loan interest rates continue to climb
4. Construction pricing is still high

If Gresham and OHCS will allow developers to pursue 9% credits (I recognize the department has plans for the 9% in 2023 and maybe none available in 2024) then we could greatly reduce our regional bond ask and probably get a few more projects funded. Currently your proforma only contemplates 4% credits and bonds. Is this subject something currently being considered by Gresham?

A: Projects may come forward stating that they will seek 9% LIHTC. However, per the RFP, timely implementation of the Housing Bond is critically important. Gresham will prioritize projects that have a clear path to completing financing.

Q15: Should home sales amounts be included as a source for a project in the proforma?

A: I think home sales wouldn't be a source for the initial funding round, since the developer would need the financing to build the first houses that would then be sold to finance ongoing development and financing payments. However, I assume that home sales will impact payment schedules, etc., as well as the total funding amount requested.

Q16: Can you please clarify the subsidy per unit amount - is it \$150k/unit for rental and \$200k/unit for homeownership?

A: The \$150K-\$200K maximum subsidy per unit range is for all types of housing with the understanding that ownership projects may require a greater subsidy per unit than rental projects. As noted in the RFP, projects requesting less subsidy per affordable unit will score higher.

Q17: Do we need to provide a post public improvement appraisal? LIFT requires.

A: Not a requirement or mentioned in Metro Workplan or LIP Guidelines.

Q18: Are Developers allowed to start site development work at their own risk prior to funding awards, and then get reimbursed for those expenses if awarded as construction financing that is later turned into permanent subsidy for permanently affordable homes once they are sold?

A: There is nothing in Metro's requirements that prevents use of bond funding to reimburse developers for eligible predevelopment costs incurred prior to bond award. Metro bond funds are intended to be used to support the creation of additional affordable homes, so projects that are already underway may not be eligible for bond funds and will require a consultation with Metro to determine eligibility.

Q19: If we have incurred any costs for preparing the site can they be reimbursed if we are awarded later? We are moving on a number of studies that are needed.

A: There is nothing in Metro's requirements that prevents use of bond funding to reimburse developers for eligible predevelopment costs incurred prior to bond award. Metro bond funds are intended to be used to support the creation of additional affordable homes, so projects that are already underway may not be eligible for bond funds and will require a consultation with Metro to determine eligibility.

Q20: The LIFT pre-app deadline already passed, so are you saying the leverage could come from 2024 LIFT?

A: Yes, however one of our criteria is readiness to proceed. Without a reservation for LIFT you may not be as ready to proceed.

Q21: Is it the City's preference to award the funding to 2-3 smaller projects or would a single larger project that satisfies or exceeds the City's goal have equal preference?

A: The City is open to all projects. We estimated 2-3 projects based on developer and City Council interests.

Q22: Do you already know of a possible applicant that have LIFT 2022 \$?

A: We are not aware at this time.

Q23: Will funding from the City be able to initially go toward construction, and will the City subordinate any lien against the project to the primary construction lender?

A: Funding from the city goes to capital costs, which includes construction. A restrictive covenant must be recorded (at closing or upon contribution of bond proceeds) in a priority position only subject to and subordinate to a primary first mortgage.

Q24: Is there interest accrued on SDC deferral through Certificate of Occupancy or just if they are financed?

A: Interest is only accrued if financed. See <https://greshamoregon.gov/Economic-Development-Incentives/#SDCincentive> for more information.

Q25: Are the following documents required at the time of application or just prior to funding?

- 1. Phase I environmental site assessment (ESA) and follow up studies**
- 2. Third-party land appraisal**

A: These documents are not required at the time of application.

Q26: Is asbestos testing required even if there are no existing structures on the land?

A: No.

Q27: Can we separate hard and soft costs when we set and measure MWESB targets?

A: Yes since we separate hard and soft costs when reporting MWESB outcomes to Metro.

Q28: Will slides be available post meeting?

A: Yes.

Q29: Is there any chance that the K-Mart site could be part of a neighborhood parking strategy?

A: We are working through conceptual master planning that includes the K-Mart site. District wide parking strategy is part of the planning.

Q30: Are these half street and pathway requirements required regardless of the master planning process?

A: Not necessarily a path requirement but articulations in the building to break up the long block to make the pedestrian environment more inviting. Another option is a private walk-through that is open to the public. May ultimately be part of the design commission review. See [DC Section 4.1200 \(greshamoregon.gov\)](https://greshamoregon.gov/DC-Section-4.1200) for more information.

Q31: Is the SE corner Gresham owned? Will it be available to the project?

A: Yes, it is owned by Gresham and may potentially/eventually be available.

Q32: Can you please speak to the length of time it will take to go through that Metro process you outlined?

A: The length of time to move through the process is approximately 3 months.

Q33: Please describe the width, hours of service and whether the mid-block connection is a public space (maintained by the City) or a private space.

A: Not necessarily a path requirement but articulations in the building to break up the long block to make the pedestrian environment more inviting. Another option is a private walk-through that is open to the public. See [DC Section 4.1200 \(greshamoregon.gov\)](https://www.greshamoregon.gov/DC-Section-4.1200) for more information.

Q34: When will GBD's planning study be available to the public?

A: The study is scheduled to be presented at a City Council session in early April, which is open to the public.

Q35: The path is open to the public? Is that required? It would be a variance for it not to be open to the public?

A: Up to the design commission. Intention is to not have long undifferentiated blocks. Keep the pedestrian environment open and vibrant. The City wants connectivity. See [DC Section 4.1200 \(greshamoregon.gov\)](https://www.greshamoregon.gov/DC-Section-4.1200) for more information.

Q36: The LIFT NOFA has its own narrative section. Should that also get completed? Could you identify which sheets from the Proforma are requested?

A: The narrative section tab on the LIFT pro forma does not need to be completed.

Q37: The RFP says Concept Endorsement is expected in the Spring /Summer 2023. What is the expected timeline for formal funding approval and closing?

A: We do not have an expected timeline since it is dependent on the development, but we will make every effort to meet your closing date/project schedule as quickly as possible.

Q38: The Metro property is leased until June 2024. Should we expect to take over the lot before June so we can apply for permits?

A: That date was selected due the school year ending. Some pre-development work prior to June 2024 may be possible, provided students can still use the space for parking (must discuss with school).

Q39: Are we required to use BOLI/prevailing wages on any project funded through Gresham Metro Bond dollars?

A: No, that is not a requirement of Metro bond funding.

Q40: I'm looking for the survey performed by AKS for the NW Civic Drive property out for RFP. Is that something you're able to send? Are there any other pertinent documents available?

A: <https://www.oregonmetro.gov/public-projects/affordable-homes-greater-portland/site-acquisition/#Funding-and-resources>

Q41: Is the attached workbook, labeled "final development application workbook" supposed to replace the workbook contained in the original regional bond solicitation? The workbook you sent from OHCS seems to be largely first time home buyer oriented. Please advise.

A: Per the Gresham developer information session slides and RFP Q&A, developers may use the OHCS LIFT pro forma for homeownership proposals.

Q42: You've confirmed that we can use the LIFT Home Ownership pro forma in lieu of Form G (provided in the RFP). We have one follow-up: would you like us to use the tab in Form G for MWESB Engagement Strategy? Should we submit Form G with all pages blank except that page?

A: Yes, please fill out the MWESB Engagement Strategy tab and leave the rest of Form G blank since you will be submitting the OHCS LIFT homeownership pro forma.

Q43: First question: The Narrative & Document Checklist tab on the OCHS LIFT for Home Ownership is below; would Gresham like us to submit all the documentation listed? If not, which documentation should we make sure to include, and which should we make sure NOT to include? Second question: For the documentation, if any, that Gresham confirms you *do* want us to submit with our application, where may I find the forms in Workcenter as indicated by dots, also below?

A: Per the RFP Q&A, the narrative section tab on the LIFT pro forma does not need to be completed.

Q44: The Q&A p.2 states we may submit an addendum for the co-applicant; Our question is whether said addendum should be a second Form B with duplicative fields left blank, or if you'd prefer another format?

A: Yes, the addendum can be a second Form B with duplicative fields left blank.

Q45: We note on Q&A p.5 that a Phase 1 environmental site assessment is not required at time of application. However, we want to ask whether a Phase 1 will be required prior to closing on the funding award?

A: Yes, a phase 1 environmental site assessment would be required prior to closing on a funding award.

Q46: Does the City of Gresham have standard liability insurance requirements for developer applicants that we need to be aware of to make sure all parties are in compliance? (I don't see anything in the RFP so wanted to check so we may relate insurance requirements to our partner applicant.)

A: Insurance is not required at the time of application.

Q47: Does the City have any issue with us submitting supporting documentation to the completed proforma and project schedule, such as cost sheets, or more detailed construction schedule? Or would you prefer we did not?

A: There is no issue with submitting supporting documentation.

Q48: We know that we are to submit our application as a single email: Will a zip folder be acceptable if the file is too large for one email? Is this ever an issue?

A: This should not be an issue, but you can submit a zip folder if necessary.

Q49: Lastly, I don't note an application fee in the RFP. Please let us know if there will be a fee, and the amount if so? It can take weeks to issue checks.

A: There is no application fee.

Q50: In reviewing FORM C – Sponsor Statement of Financial Capability, we have a few concerns we would like to review with you. The concerns are as follows:

- **Unfortunately, the auditor will not sign the certification.**
- **The request of audited financials within 90 days is not feasible. That would cost approximately \$50k-100k for an auditor to prepare.**
- **The 2022 audited financials will not be complete until May of 2022**

A: You can submit the most recent audit along with unaudited statements to have the financial statements current within the last 90 days. The City reserves the right to request additional information regarding financial capacity and may choose to request additional information at any time.

Q51: How should we handle the form not being signed? The auditor nor our CFO, can sign the form as written.

A: The form should be signed since you are able to specify the date of the most recent audit:

“The financial condition of the Sponsors, as of _____, is reflected in the attached Certified Financial Statement showing assets and liabilities, including contingent liabilities, fully itemized in accordance with generally accepted principles and based on a proper audit.”

You can provide an addendum that further explains you are submitting unaudited statements to have the financial statements current within the last 90 days.

If you are unable to sign the certification statement in Form C, please attach an addendum with an explanation. Please include in the addendum a certification statement, drafted so that your auditor can provide a signature, for the most recent audit you will submit.

Q52: Per our partnership arrangement (summary pasted again below my signature), [redacted], a private developer is the lead applicant/sponsor, and [redacted] is the co-applicant/ co-sponsor. On the Development Team Applicant information (Development Team homeownership proforma tab), would you like us to list projects that are completed and/or under development by both [redacted] or just those projects by [redacted]?

A: Please list the projects completed and/or under development for both applicants.

Q53: I have a question about Exhibit D referenced in the application. Is Exhibit D just the narrative portion? I don't remember Exhibit D as a standalone document when I downloaded the application.

A: Forms are not provided for Exhibits D,E,F; they are to be prepared as text documents (Word/PDF) consistent with the requirements on pages 15-16 of the RFP.

Q54: I have a question about Exhibit D referenced in the application. Is Exhibit D just the narrative portion? I don't remember Exhibit D as a standalone document when I downloaded the application.

A: Forms are not provided for Exhibits D,E,F; they are to be prepared as text documents (Word/PDF) consistent with the requirements on pages 15-16 of the RFP.

Q55: Large Attachments: Audit Files and Architectural Rendering Files can be quite large, perhaps too large for email. Can we provide a link to large files on a Drop Box, SharePoint or similar file server instead of attaching large files to an email at time of submission?

A: Please send the files as an attachment rather than a link to Drop Box or SharePoint. You can also send more than one email if the file size is too large.

Q56: One PDF or PDF by form and Exhibit. Is it acceptable to attach each Form and Exhibit as a separate file in the email submission, or would you like a single file with ALL of the forms and exhibits bundled?

A: Please attach each form and exhibit as a separate file in the email submission.

Q57: The developer we're partnering on for our application had a clarifying question regarding the request for their audit as will be attached to their Form C: They do not have an audit, partly because they have so many entities. They *do* have CPA-approved financials that banks often ask for as part of underwriting. I expect that will be ok for the City of Gresham as well, but wanted to confirm what is specifically asked for by the City for a private developer entity so we can be sure we get you what you need. (If their CPA-approved financials won't work, then can you let me know specifically what will?)

A: You can submit the most recent audit along with unaudited statements to have the financial statements current within the last 90 days. You can also submit CPA approved financials as an addendum to Form C.

Q58: Project details tab: do any of the sections other than "Project Location" need to be completed?

A: Please complete as much of the project details tab that is applicable to your project.

Q59: Development schedule tab: does this tab need to be completed, since it is redundant with the Form H?

A: Yes, please complete this tab. Feel free to copy/paste any duplicate information where appropriate.

Q60: Development team tab: does this tab need to be completed, since it is redundant with the Form B?

A: Yes, please complete this tab. Feel free to copy/paste any duplicate information where appropriate.

Q61: LIHTC Calc tabs: if the development is considering a 9% LIHTC application to supplement Metro Bond funds, how should this be represented here?

A: Please attach an addendum to Form G if you are unable to represent the 9% in the tab.

Q62: PSH Services Budget tab: Since PSH services are not being made available through this RFP, can this tab be ignored?

A: You can ignore this tab if it is not applicable to your project.

Q63: MWESB Engagement Strategy Tab: Since this is part of the requested narrative document, can this tab be ignored?

A: No, please complete this tab. Feel free to copy/paste any duplicate information where appropriate.

Q64: Can the following OHCS-specific tabs be ignored: Applicant Agreement, Auth Accept, DEI Agreement, Board Resolution, Ownership Integrity, Application Charge Transmittal?

A: Yes, you can ignore these tabs.

Q65: We are finalizing our application over the next day or so and just want to verify that application materials are to be sent via email. My only concern is site plans and/or renderings can be large files and I want to make sure nothing is rejected for being over size. Is there a third-party site we should upload to instead/in conjunction with? Will the city accept Dropbox links or other file upload if an application package is too large?

A: Please send the files as an email attachment rather than a link to Drop Box or SharePoint. You can also send more than one email if the file size is too large.

Q66: For the Gresham Housing Bond application, are there any margin requirements for the narratives?

A: "Aside from financial documents, application materials should be single-sided, single-spaced, 1-inch margins, with no smaller than 11-point font. Total combined page limit for the Project Narrative (Exhibit D, maximum 10 pages), Development Team Summary (Exhibit E, maximum 5 pages) and Equity Plan (Exhibit F, maximum 5 pages) is 20 pages." Please see pages 15-16 of the RFP for more details on proposal requirements.