

RFP# CDA 2022-004 – Economic Mobility to Milwaukee Suburbs

Frequently Asked Questions (updated 2-14-23)

1. *How have other projects had success in serving Black & Latino families consistent with Fair Housing Laws?*
Many of our collaborating agencies are able to serve 80% or more families of color consistent with fair housing rules. This has been done through race-neutral strategies such as focusing on lower income zip codes, lower income families, etc.. Culturally aware networking, marketing and documentation has also help reduce the barriers that would otherwise exist.
2. *Can a developer respond to multiple CDA RFPs?*
Yes
3. *What are the ARPA requirements?*
See Exhibit B
4. *Do Davis-Bacon wages Apply?*
Not if the only federal source of funds are ARPA and LIHTC. See Coronavirus State and Local Fiscal Recovery Funds: Final Rule: FAQ (July 27, 2022), page 19, available at [SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](#).
5. *What happens if construction costs continue to increase?*
Once Successful Respondent identifies building contractors, the partners will revisit construction costs to determine the appropriate level of units. Together partners will decide if additional funds can be raised, or the number of units should be reduced.
6. *Lowest responsible bidder vs. price consideration*
This RFP is not subject to the lowest responsible bidder standard, and rather the ARPA Uniform Guidance which requires price as a consideration, together with other considerations that are included in the RFPs scoring criteria.
7. *How many Successful Respondents will be selected based on this RFP?*
It is anticipated that multiple projects will be selected for a portion of the \$12 million. The County will receive a recommendation from the RFP panel on whether or not to allocate funds, and County staff will determine the appropriate allocation if any, and reserves the right to hold back a portion of the allocation for future projects. Part of the decision to hold back funds, may include the geographic distribution of ARPA funds.
8. *Regarding Question M – Ability to include Emerging Business Enterprises (EBE), what if an entity doesn't currently track the use of EBE contractors? What are "similar enterprises"? Who maintains a directory of these enterprises? Does a non-certified Minority Owned Business count?*

The response to Question I may include either your experience, or your intended approach on this project, for the inclusion of EBE or similar enterprises. Similar enterprises includes:

- Small Business Enterprises (SBE) certified by the City of Milwaukee. See at [Small Business Development \(milwaukee.gov\)](https://www.milwaukee.gov/Small-Business-Development).
- A Targeted Business Enterprise (TBE) certified by Milwaukee County. Which includes Minority Business Enterprises (MBE) and other designations. See [County of Milwaukee | DAS | Community Business Development Partners](https://www.milwaukee.gov/County-of-Milwaukee-DAS-Community-Business-Development-Partners)
- A Disadvantaged Business Enterprise (DBE) certified by the state of Wisconsin through a Unified Certification Program. See [Wisconsin Department of Transportation Unified Certification Program \(UCP\) DBE certified firms \(wisconsin.gov\)](https://www.wisconsin.gov/Transportation/Unified-Certification-Program-UCP-DBE-certified-firms)
- Enterprises that would meet the definitions above that are not-yet certified, but intend to be certified during the project.

9. *Who ultimately approves the designs?*

The development agreement with the County will govern the design and process for any design changes.

10. *What are the grant compliance / reporting requirements?*

Successful Respondent must track the following and submit on a quarterly basis during the grant term:

- Total project costs incurred
- Total costs allocated to ARPA funds
- Number of units started, in progress, and completed
- Demographics of tenants of subsidized units: family size, race, gender, income, zip code prior to move-in

Annually, the Successful Respondent must submit during the Affordability Period

- Demographics of tenants of subsidized units: family size, race, gender, income, zip code prior to move-in

11. *Which organization will oversee compliance / reporting?*

County will oversee the quarterly compliance / reporting. Successful Respondent is responsible for submitting data to County and otherwise complying with development agreements with County.

12. *Corrected Timeline*

Timeline

<i>RFP Released</i>	<i>10/21/22</i>
<i>RFP Overview meeting</i>	<i>10/26/22</i>
<i>RFP Questions due</i>	<i>10/28/22</i>
<i>First Round RFP responses due</i>	<i>11/4/22</i>

<i>Additional Rounds responses due</i>	<i>First Friday of Each Month</i>
<i>RFP Decision</i>	<i>Two Weeks After Submission</i>
<i>Submission of County File</i>	<i>One Month After Submission</i>
<i>County Public Meetings</i>	<i>Six Weeks After Submission</i>
<i>ARPA Allocation Expended by</i>	<i>December 31, 2024</i>
<i>Completion of Subsidized units by</i>	<i>December 2026</i>

13. Do homes need to be developed by December 31, 2024?

The ARPA funds allocated to the project must be expended for eligible purposes prior to December 31, 2024. The completion of subsidized units must be completed by December 31, 2026. Exact commitments of delivery date of units will be included in development agreement and based on the dates listed by respondent in Category H. Project Readiness.

14. Revised Category H. Project Readiness

Project Readiness. Please identify what steps have already been completed in the development process, including land acquisition, construction financing, architectural drawings, zoning, etc. Please identify what steps must be completed to begin construction. Please indicate when subsidized units will be completed (must be prior to December 31, 2026), and when and how ARPA funds will be expended (must be prior to December 31, 2024).

15. Are any projects in the City of Milwaukee eligible

Not at this time. The City of Milwaukee received separate ARPA funds and issued a separate RFP via its Housing Trust Fund.

16. The RFP says that “speculative site acquisition” is not eligible, what does that mean?

Land banking for future projects can be a successful part of an affordable housing strategy, but is not an eligible use under this RFP. For example, if the respondents plan is to use ARPA funds to acquire land for future development (i.e. “speculate”), but the development does not have appropriate zoning, financing, etc., this type of speculative site acquisition is not eligible. Land acquisition as part of an overall development budget, is an eligible expense, but only at an amount that is related to the number of subsidized units compared to all units (i.e. if 50% of the units are subsidized, 50% of the land cost is eligible).

17. Does the site need to be fully under contract?

Yes, the site must be owned, or under contract by the respondent. If respondent does not own the property, or have the right to purchase, the project would be considered “speculative site acquisition” which is not an eligible use for this RFP.

18. The RFP indicates a preference for units that are \$650 or less, what inflation rate should be used for proforma purposes?

The Consumer Price Index for All Urban Consumers (CPI-U) for the Midwest Region (see [Midwest Consumer Price Index Card : Midwest Information Office : U.S. Bureau of Labor Statistics \(bls.gov\)](#)) will be the standard for the development agreement. Respondents may use up to a 3% inflation rate for proforma purposes. This number is based on the 30 year historical average.

19. Why not use County Median Income (CMI) or Area Median Income (AMI) which accounts for family size?

Census data shows that units are needed at \$650/month or less regardless of number of bedrooms. The size of units will be evaluated as part of Category F: Design & Amenities.

20. What should be included for an assumption of utility allowances?

Respondent should include in its unit mix the actual rent charged, and what utilities are included in that rent price (e.g. heat, electrical, etc.). The RFP Administrator will add a utility allowance during the RFP review process to normalize the rental rate between responses.

21. Do any HUD rules apply to these funds?

It does not appear that any HUD regulations apply to the use of ARPA funds. There is guidance that suggests that if you follow HUD regulations, you may be able to substitute HUD regulations for the applicable ARPA regulations. If it is your preference to use HUD regulations for your project, please indicate this in your Statement of Deviations and Exceptions.

22. The RFP indicates that operating costs are not an eligible expense, is a rent reserve considered an operating cost?

No, a rent reserve is not considered an operating cost. Consequently, a rent reserve can be an eligible expense if it is used to “buy-down” the rents to an affordable rate. If this is the intent of the respondent, please indicate this in your Statement of Deviations and Exceptions, together with a description of how the rent reserve is compliant with ARPA guidelines requiring expenditures by December 31, 2026.

23. Is there an example development agreement?

Not at this time.

- 24. How much of the \$12 Million has been allocated?**

As of February 14, 2023 a total of \$12,000,000 has been allocated through notices of intent to award. Of the \$12 million allocated, \$2.5 million is pending final approval by the County Board. Of the \$12 million allocated, \$7 million is contingent upon the receipt of a Low Income Housing Tax Credit (LIHTC) allocation by June 30, 2023. Any allocations not meeting this contingency will be reallocated pursuant to this RFP.

25. What has the allocation per unit of affordable housing been?

As of December 15, 2022, the range of allocation per unit has been \$30,287/unit to \$147,058/unit, with an average of \$44,964 per unit. Lower per unit allocations are leveraging Low Income Housing Tax Credits (LIHTC), higher per unit allocations are leveraging other local resources, but not LIHTC.

26. What has the range of scoring been?

Projects that have received a notice of intent to award have ranged from 130 – 156 points. Because this is a rolling RFP, future awards may fall outside this range.

27. What has been the inclusion of units at less than \$650/month?

Projects that have received a notice of intent to award have included between 23% - 53% of units at rents of \$650/month or less, compared to the number of total affordable units in the development (e.g. less than \$1,250./month). Projects with the higher allocations per unit have included a higher percentage of units at \$650/month or less.