

RFP# CDA 2022-002 – 80 Units of Immediate Homeownership Homes

Frequently Asked Questions (updated 8-31-22)

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, first-generation homebuyers, 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 F

4. *Do Davis-Bacon wages Apply?*

Not if the only federal source of funds are ARPA. See Coronavirus State and Local Fiscal Recovery Funds: Final Rule: FAQ (July 27, 2022), page 19, available at [SLFRF-Final-Rule-FAQ.pdf \(treasury.gov\)](https://www.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. *What property standards apply?*

Homes should be built in a manner consistent with Exhibit B – Sample Unit Design and Exhibit C – Design Requirements. Once Successful Respondent is selected, partners will work with respondent on final design plans and value engineering. The agreed upon design plans will be included in an amendment to the initial development agreement.

7. *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.

8. *How many Successful Respondents will be selected based on this RFP?*

Only one Successful Respondent will be selected based on this RFP. The same Successful Respondent may be chosen for multiple RFPs.

9. *What community engagement has been done, and what is expected?*

This project has been designed to be consistent with the priorities of the Fond du Lac & North Comprehensive Plan which identifies the construction of single family homes as a priority. There will of course need to be continuous resident collaboration and if there are significant changes needed in the project, the partners will work together to resolve.

10. The www.housingplan.org/RFP link isn't working for me.

The correct link is www.housingplan.org/rfp

11. The RFP contemplates a Developer Contribution of \$30,000 per home. An entity that is submitting a proposal may not able to make this level of contribution, how might such an entity respond to this RFP?

The estimated gap on each unit is \$80,000 and it is contemplated that \$50,000 would be supported by this grant opportunity, and \$30,000 would be from other resources. If an entity does not have sufficient resources or strategies to contribute this \$30,000 they may still responding. For example, if an entity requires a full \$80,000 of subsidy per unit, then they would respond to Question A – Number of Units with "52" (i.e. \$4.2 Million / \$80,000 per unit of subsidy = 52 units). An entity that is able to fill the \$30,000 gap with other existing resources, volunteer labor, in-kind contribution of overhead, etc. would respond to Question A – Number of Units with "84" (i.e. \$4.2 Million / \$50,000 per unit of subsidy = 84 units). Each respondent should take the \$4.2 million available and divide it by the subsidy needed for each unit to respond to Question A – Number of Units.

Question A – Number of Units is how this RFP complies with Federal Guidelines on the use of American Recovery Plan Act ("ARPA") Funds. These guidelines require the use of price as a factor in the evaluation of RFPs.

12. Can the project budget include a developer return, broker's fees, and other soft costs necessary to complete the project?

The response does not require the submittal of a project budget. Respondents may include whatever costs they deem necessary as part of their internal calculations. Estimated project costs will likely be different for each Respondent. Once total project costs have been developed by Respondent, then there should be a determination of how many units can be produced with the \$4.2 million subsidy. This number of units should be used to respond to Question A – Number of Units.

13. How many of the 80 homes will be duplexes?

15% of the project units should be duplexes.

14. Regarding duplexes, are both units homeownership, or will there be one owner who rents out the second unit?

The default is one owner who rents out the second unit. If a developer wishes to include another form of ownership they should specify that form of ownership (e.g. condo, cooperative, community land trust, etc.) in Question D – Ability to provide Home Buyer

Counseling. Question D should then also include a response on how developer will prepare homeowners for these forms of homeownership.

15. What will the price point of the duplexes be?

The duplexes should be considered two units in your application for purposes of determining the subsidy per unit and ultimately the response to Question A – Number of Units. The price point for a duplex should be \$210,000.

16. Is the use of a second mortgage that is non-forgivable and paid off upon sale or transfer by the homebuyer considered a fee?

The goal of this project is for homes to be affordable to families making \$24,000 to \$50,000/year, which has been determined to be \$110,000 or less. Any charges to borrower above \$110,000 are not allowable. However, a developer may include additional restrictions on a subsequent sale by initial homeowner in order to preserve long-term affordability beyond the homeownership deed restriction and right of first refusal required in the RFP. For example, developer could use a community land trust, second mortgage, or other instrument that limits or shares the appreciation of the property. These instruments, however, must require that any appreciation not given to the homeowner, must be used for the charitable purpose of affordable housing for families making \$50,000/year or less.

17. Do all 80 homes need to be developed by December 31, 2024?

42 homes must be delivered by December 31, 2024. The balance can be produced by December 31, 2026. The \$4.2 million of ARPA funds must be expended for eligible purposes prior to December 31, 2024, which may include the construction financing of the first 42 homes.

18. Regarding Question I – 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?

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 \(milwaukee.gov\)](#).
- A Targeted Business Enterprise (TBE) certified by Milwaukee County. See [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 \(wisconsindot.gov\)](#)

19. Do we need to submit and/or project budget?

No. The goal of the RFP is to evaluate the number of units of the specified quality, that can be produced for the \$4.2 million subsidy (i.e. Question A – Number of Units). CDA and its

collaborators reserve the right to request a project budget for clarifying purposes in its evaluation of responses.

20. Do we need to submit audited financial statements?

No. Instead, respondents should include in response to Question J – Financial Capacity a narrative response that includes whether the respondent has audited financial statements, and any significant findings of those audits. Question J should also include a narrative responses of what fund balances may be available to support Developer Contribution. CDA and its collaborators reserve the right to request financial statements in its evaluation of responses.

21. Do all units have to be 3 bedroom, 1 bath? Could we build 2,3 and 4 bedroom models to offer a mix of choices to homebuyers of varying family sizes? Could square footage range from 800-1100 based on the design.

It is important that the review of responses be “apples to apples” so for the purposes of the RFP all units should be the 3 bedroom, 1 bath, approximately 1,000 square foot units that are depicted in the RFP. Post award, successful respondent and CDA will review relevant market data to determine if any changes in number of bedrooms are warranted.

22. Who ultimately approves the designs?

The development agreements with the City (for land) and County (for funds) will govern the design and process for any design changes.

23. 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 homeowners: family size, race, gender, income, zip code prior to purchase**

24. Which organization will oversee compliance / reporting?

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