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RFP #21-039 Affordable Housing Fund Administrator Questions and Responses – Addenda 2

Question #1: Please explain what is meant by: “The County anticipates passive approval of all loans through the Fund, provided they meet the programmatic guidelines agreed upon with the Administrator and all other local, state, and federal regulations.”

Answer: Current process requires the Wake County Board of Commissioners to approval all real estate investments, including development loans. For the Preservation Fund, the Wake County Board of Commissioners will approve the contract between the County and the Administrator. The contract will specify the programmatic guidelines and regulatory considerations for approval of investments. The contract will give the Administrator the right to enter into real estate investments from the Fund that meet the programmatic guidelines without requesting Board approval for each investment.

Question #2: Should projects financed through the Fund be limited to a specific tenant income level, such as 80% of AMI, and/or a certain rent level? Does the County have a specific or suggested set of standard income or rent limits we should use?

Answer: LIHTC Preservation guidance in the RFP recommends providing an average of units that serves households at or below 60% of AMI with an emphasis on units with deeper affordability. NOAH Preservation guidance in the RFP recommends preserving existing market-rate buildings that serve households at or below 80% AMI, with an emphasis on buildings at or below 60% AMI.

Question #3: What are the County’s expectations/goals for the fund’s annual and overall production such as dollar volume of lending, properties and/or units preserved, or other metrics for each product type:

Answer: The Administrator is expected to utilize the County’s and other funding to maximize community impact. The impact of the fund is an evaluation criterion for the RFP.

Question #4: The RFP solicitation states, “The selected proposer(s) may receive up to \$10,500,000 in one-time funding from Wake County.” We noted that this statement says “may” which implies funding is not guaranteed. Under what conditions would the funding be provided to the selected proposer(s) and what would prevent the funding from being available?

Answer: The County may provide up to \$10,500,000 in funding but reserves the right to select multiple proposers or reduce funding commitment based upon the agreements negotiated with the selected proposer(s).

Question #5: On Page 2 of the RFP solicitation it states the Wake County funding is expected to be a 0% loan for a 15-year term. What is the County's expectation for the lifecycle of the fund?

Answer: The fund is intended to revolve in perpetuity with an initial term of 15 years. The fund will be frequently evaluated for overall impact and may be updated to respond to market conditions. The County's initial investment may be extended and/or supplemented with additional funding during or at the end of the term.

Question #6: What is the expected duration term of the fund administrator's contract?

Answer: See answer to Question #5.

Question #7: Section 7 states that the County may select more than one administrator. Would the expectation be that the selections would be based on product type, e.g. one administrator for LIHTC and one for NOAH or could there be multiple administrators for each program?

Answer: Wake County may select multiple Fund Administrators from the Respondents at its own discretion.

Question #8: If multiple administrators are selected, how does the County propose allocating the \$10,500,000?

Answer: See answer to Question #7.

Question #9: May a response be submitted for one of the programs such as just for the LIHTC component?

Answer: Yes.

Question #10: For both LIHTC and NOAH preservation, could you clarify the targeted areas of opportunity as the top quintiles of the Economic Health Index (most healthy/affluent quintiles) and adjacent to transit? Will there be a GIS or other tool to designate projects as eligible within these areas of opportunity?

Answer: The targeted areas of opportunity are the top quintiles of the Economic Health Index. Proximity to transit is a priority. The County is developing a Preservation Warning System to identify and target properties at risk for loss. The County may negotiate the access to this system with the selected Administrator(s).

Question #11: In NOAH preservation, may eligible locations be defined via other methods, such as restrictions that may be associated with fund sources?

Answer: Wake County is open to negotiating location criteria with the selected Administrator(s).

Question #12: Is it possible to include all areas of the County as eligible but enhance the product for certain priority target areas?

Answer: Yes.

Question #13: Does the County have an inventory of existing legally binding affordable housing and NOAH properties that qualify for the fund's affordability and location goals that can be shared? Similarly, is this data available (inventory and area of opportunity) in GIS files that are accessible to respondents?

Answer: See answer to Question #10.

Question #14: Please clarify the desired timeline for having the fund in operation.

Answer: Wake County will negotiate the timeline with the selected Administrator(s). The County desires loans to be administered no later than the first quarter of 2022.

Question #15: The term "compliance" is used throughout the solicitation with regards to the Administrator's obligations. Will you please describe the expectations?

Answer: The Preservation Fund is subject to compliance with local, state, and federal laws or regulations. Additional requirements may apply depending upon program participation, funding terms and conditions, etc. The Administrator(s) will be responsible for ensuring project deals comply with the requirements of underlying funding sources, and will be responsible for monitoring borrowers' compliance with the terms of their loans.

Question #16: May the Fund be used for new construction of LIHTC or other legally binding affordable housing? If so, does the County have a target split between preservation and new construction?

Answer: At Fund launch, the priority will be the preservation of existing properties. The Affordable Housing Development Program (AHDP) is available for new construction and other legally binding affordable housing opportunities.

Question #17: Is a consolidated audit acceptable?

Answer: Yes. Wake County reserves the right to request additional financial information if selected as an Administrator.

Question #18: How many years of audits should be included with the submission?

Answer: Two years of audits should be included with the submission. Wake County reserves the right to request additional financial information if selected as an Administrator.