

Resilient Neighborhood Affordable Single-Family Housing Program

Pre-Proposal Q&A

10/11/2017

Melissa Ziegler opened the meeting with a summary of the Resilient Neighborhood Affordable Single-Family Housing RFP. She discussed the process used to develop the RFP, there were meetings with local bankers and real estate brokers to discuss housing market conditions in Minot and appropriate strategies to try to ensure that affordable housing initiatives through the NDR grant complimented existing housing conditions. The RFP incorporated the most current housing data and the number of lots included in the RFP and homes planned under the new construction program were determined based on input from local bankers and realtors along with housing data.

The key points included in the RFP:

- The RFP is for currently available residentially zoned property
- There will be a builder pre-qualification process to ensure builders participating in the new resilient affordable homes are constructed by qualified and experienced homebuilders.
- The engineering and architecture firm EAPC has prepared a plan book of several housing types including a single-story home, a split-level home, a two-story plan featuring various number of bedrooms. The homebuyer will select the plan they want for their new home.
- This will be a buyer-driven process, the buyer will select the lot they want, the home plan, and the lender.
- The developer who owns the selected resilient neighborhood property can build all of the homes on the residential lots they own
- The plan-book will go to the City for review and permitting.
- Davis-Bacon and environmental rules will not apply for this project because it is a single-family construction.

There is a sub-recipient agreement between the City and North Dakota Housing and Finance Agency to utilize their expertise to manage a homeownership incentive program for this resilient affordable housing program.

- The city is providing NDR funds for gap financing.

Q&A

Q- Do we have to wait until 6 days before bid closing to submit our questions?

A- Melissa Ziegler - No, questions can be submitted any time before the 6 days prior to bid closing.

Q- Where can the FAQ be found?

A- A link to the FAQ will be sent to those attending the proposal meeting.

Q- Can the home owners purchase homes outside the 35 lots?

A- John Zakian - Yes, but they will not be able to take advantage of the design-book and the gap-financing which will cover up to \$60,000.

Q- Are all 35 lots are guaranteed to sell?

A- John Zakian - No, 10 sold or 45 sold. The City is trying to be reactive to the current housing market and not over-saturate the market with too many new homes.

Q- If someone is a builder and they want to build their own home will they disqualify themselves from the gap-financing?

A- John Zakian - Yes, they will disqualify for gap financing if they were to build their own home.

Q- What if someone finds a home they want to purchase within a neighborhood that is a resilient neighborhood?

A- John Zakian - Have qualifications that will need to be met for the gap-financing to be able to qualify on a home outside the neighborhood that is awarded.

Q- Can the developer negotiate the price of their land with the home-owners?

A- John Zakian - The property owner and the builder will work with the home-owner to work out pricing that is within the \$250,000 NDHFA housing cost limit that is in the RFP

Q- Can the developer also partake in the RFQ?

A- John Zakian answered that they can if they want to qualify themselves.

Q- How will it work if the property owners don't want to sell their properties to other builders?

A- John Zakian - Responded by saying that the property owner/developers can qualify themselves and build on the lots.

Q- But what if the home-owner doesn't want to use them as a builder?

A- John Zakian - The home-owner can then choose a different builder that they want to build their home.

Q- If the lots are not sold to the city and the developer wants to sell to another builder, can they?

A- John Zakian - The RFP is looking for a land owner to commit 35 lots.

Q- But the lots are not actually purchased by the City.

A- John Zakian posed the question that if you have these lots vacant, wouldn't you want to have them sold?

Q- What if you already have offers on the lots and could possibly sell them?

A- John Zakian - Responded saying that then you may not qualify.

Q- What If you get the 35 lots dedicated then people decide that they don't want to build a home. Wouldn't this be a waste of time?

A- John Zakian - No, this isn't, because if people decide not to build then they will not get to use the design book.

Q- If people can use the gap financing in another neighborhood wouldn't they be \$60,000 ahead of trying to build a home?

A- John Zakian - Not necessarily because they can also use the gap financing and the plan book in the resilient neighborhood.

Q- Can this be considered steering to have all these people move into the same neighborhood.

A- John Zakian - Not under the HUD rules. We are offering incentives to help people get into new homes.

Q- When you talk about the resilient features evaluation tool, where can we find that?

A- Melissa Ziegler - The evaluation tool is not a public document, but the criteria from the tool is. Those are the features that the community decided in all the public meetings during the NDR application process would be criteria for a resilient neighborhood. We can send you a copy of those criteria.

Q- How long will the land be tied up for the winner?

A- Melissa Ziegler - The RFP states that the land would be tied up for 24 months.

Q- If one person qualifies out of twenty in the neighborhood, does that qualify the whole neighborhood?

A- Melissa Ziegler—No, we are qualifying the home-owner, and not the neighborhood to be low-moderate income.

Q- Is this RFPs purpose to look for the most resilient neighborhood then?

A- John Zakian - That is not the case. We already have criteria for a resilient neighborhood and will match that criteria with what lots are being proposed.

Q- So this RFP is to get lot prices.

A- John Zakian - Yes, we are looking to find lot prices.

Q- Is it strictly based on cost?

A- John Zakian - No it is not all based on cost. The lots will be graded based on the criteria that is listed in the RFP and the cost of the lots. On that same note, all special assessments need to be disclosed about the lot.

A - Response was that, to have special assessments disclosed the City needs to be more on top of their assessments. John Zakian agreed with that statement.

Q- How will this process of building a home work if there are realtors involve as well?

A- There are some components of the process that will be completed once the resilient neighborhood lots have been selected. that this process has not been completely worked out.

Once we have the lots, then we can start having more conversations about how home-owners will move through the process.

Q- Can the prices for the lots, construction, and other associated fees be at any price if it works out to be under the \$253,000?

A- John Zakian - Yes, the prices for everything can vary if it all works out to be under the \$253,000.

John Zakian also added that the most the package can be is \$253,000, and that is set by NDHFA. We have also set up a sub-recipient agreement with NDHFA so that the City can buy into their expertise of the HUD regulations and their relationship with the brokers.

John Zakian closed by saying that we are optimistic and hope to award this project. We do not have to award the RFP, but would like to.

Additional Q&A

Q- In the RFP document it states Due Diligence including, "environmental testing, wetlands review... title examination, structural and geotechnical investigations.." will be the responsibility of the PROPERTY OWNER. When you say property owner are you referring to the owner's of the subdivisions who are responding to this RFP? If so can you please provide a "not to exceed" price or some other cost estimate on the above due diligence items for owners to consider?

A- There is no price on this. It is simply stating that all costs associated with due diligence are the responsibility of the owner of the 35 buildable lots.

Q- Before we submit, can you please provide a sample contract so we know the terms of a sale before we make commitments on lots and/or respond to this RFP?

A- There is no sample contract. If there is a proposer who is awarded the contract for the 35 lots, the sale of each lot will be strictly between the buyer and seller. The city will have no role.

Q- If we decline to participate in this RFP, are we excluded from future participation in lot sales or other Resilient program RFP's the city would offer in the future?

A- Declining does not preclude responding to future RFPs.

Q- Are you expecting to award the 35 lots to multiple subdivisions? If so, how many would be the maximum subdivisions you would award lots to?

A- The RFP states that the 35 lots can be in no more than 2 separate subdivision.

Q- If we submit less than 35 lots, can we still be considered? (i.e. Can we only submit, say 20 lots, for consideration?)

A- 35 lots is a requirement

Q- Is scoring determined on a lot by lot basis? (i.e. If some lots qualify for full points and other lots qualify for partial points)

A- The scoring is based on a set of criteria which is primarily a focus on the resilient qualities of the overall development tract in which the 35 lots are located such as infrastructure in place, meeting resilient standards (i.e. walking paths, parks, etc.)

Q- Can sellers have previews of designs, or at minimum have restrictive covenants (possibly architectural review) to ensure architectural and design compatibility with our subdivisions?

A- No. The design book is for the use of buyers and not sellers. A condition of submitting a RFP is accepting that the owner of the 35 lots agrees to allow use of the designs in the design book as long as consistent with city codes and zoning.

Q- What date(s) do you expect to inspect, review and score the lots?

A- Lots are not being scored. It is the overall location of the 35 lots that are being scored.

Q- When will you announce the winner of the RFP?

A- Generally, a decision process following HUD requirements will take 45-60 days.