

**Questions regarding the Request for Application for  
CHDO Single-Family New Construction Funding  
Released on June 27, 2014**

\*QUESTIONS RECEIVED AFTER THE 4:30PM DEADLINE ON MONDAY, JULY 14, 2014 ARE NOT PROVIDED A RESPONSE, PER SECTION 009 (RESTRICTIONS ON COMMUNICATION) OF THE RFA.

1. If using a Builder who is not a Section 3 Certified Business can the requirements of the Section 3 Utilization Plan requirements be met by asking the Builder to obtain bids from the local list of certified Section 3 Businesses?
  - **RESPONSE:** Yes, the Builder should be asked to contract with Section 3 certified subcontractors. For purposes of the application, no points will be awarded for Section 3 if Section 3 contractors are not identified on the Section 3 Utilization Plan. A listing of Section 3 Certified Businesses can be found in the “How to Become Certified” section of our website located at [www.sanantonio.gov/gma](http://www.sanantonio.gov/gma).
  
2. Is there a listing of trades or businesses which constitute covered contracts and covered non-construction contracts referred to in the Section 3 Utilization Plan?
  - **RESPONSE:** Below is a listing of applicable Section 3 trades. More information about Section 3 can be found in the “How to Become Certified” section of our website located at [www.sanantonio.gov/gma](http://www.sanantonio.gov/gma).

**APPLICABLE SECTION 3 TRADES**

ADMINISTRATIVE/ MANAGEMENT	SERVICES	CONSTRUCTION
Accounting Payroll Research Bookkeeping Purchasing Word Processing	Appliance Repair Florists Marketing Carpet Installation Janitorial Photography Catering Landscaping Printing Computer/Information Manufacturing Transportation	Architecture Bricklaying Carpentry Cement/Masonry Demolition Drywall Electrical Elevator Construction Engineering Fencing Heating Iron Works Machine Operation Painting Plastering Plumbing Surveying Tile Setting

3. Typical Seller closing costs including an owner's policy of title insurance, property tax proration, deed preparation, escrow charges etc total approximately 3% of the sales price of a home and are not included in the hard and soft construction cost. A 12% Gross Developer Fee would equate to an approximate 9% Net Developer Fee after seller closing costs. At a 9% maximum Developer Fee, the Net Developer Fee after seller closing costs would be in the range of 6% to apply towards the developer overhead, supervision, marketing, management and administration of the new home. Are the Seller's closing costs associated with the sale to a homebuyer to paid out of the allowed maximum 9% Developer Fee?
  - **RESPONSE:** No. Seller's closing costs associated with the sale to a homebuyer will be reimbursed from sales proceeds in addition to the 9% developer fee.
  
4. Would a developer's donation of land value to meet the HOME match requirement be based upon cost or appraised value?
  - **RESPONSE:** Per 24 CFR 92.220(3) – Donated Real Property. The value, before the HOME assistance provided and minus any debt burden, lien, or other encumbrance, of donated land or other real property may be counted as a match. (i) Donated property not acquired with Federal resources is a contribution in the amount of 100% of the value. (iii) Property must be appraised in conformance with established and generally recognized appraisal practice and procedure in common use by professional appraisers. Opinions of value must be based on the best available data properly analyzed and interpreted. The appraisal of land and structures must be performed by an independent certified, appraiser.
  - Per 24 CFR 92.221(d) Match credit for the development of affordable homeownership housing for sale to homebuyers. Contributions to the development of homeownership housing may be credited as a match only to the extent that the sales price of the housing is reduced by the amount of the contribution or, if the development costs exceed the fair market value of the housing, the contribution may be credited to the extent that the contributions enable the housing to be sold for less than the cost of development.
  
5. Is there a First Time Homebuyer a requirement of this RFQ?
  - **RESPONSE:** Yes, per the City's Affordable Housing Policies (p.13) which states "Applicant has not owned a home during the three year period immediately prior to application. "
  
6. Should the Section 3 contractors that the CHDO intends to utilize on the project be listed on the Section 3 Utilization Plan?

- RESPONSE: The CHDO should only list Section 3 contractors with which it has an executed agreement to complete work on the proposed project.
7. Does Section 3 contractor utilization allow the CHDO to skip the sealed bid procurement process?
- RESPONSE: No. Because the potential amount of the award is over \$50,000, a competitive sealed bid method is required for all construction contracts and for purchases of equipment.
8. Against what will the “*comparative ranking*” be judged for the Proposed Project Plan and Project Feasibility section?
- RESPONSE: This section will be scored based on its ranking amongst all the applications submitted. The application with the best overall project plan and project feasible will score highest amongst all other applications.
9. What is the definition of “*Entitlements*” referred to in the Project Readiness section?
- RESPONSE: The term “*Entitlements*” refers to all governmental approvals that entitle the developer to proceed with the project, such as zoning consistent with proposed use of property.
10. If GMA has already been supplied with the CHDO’s current financial statements, do fresh copies need to be submitted with the RFA Response?
- RESPONSE: For annual audited financial states, the answer is no, unless the applicant has received a subsequent audited financial statement. If “no” applies, please notate this in application.
  - RESPONSE: For unaudited interim financial statements, the answer is yes, unless it has been less than 90 days since the submission of the unaudited interim financial statement. If less than 90 days since last submission, please notate this in application.