

## ADDENDUM NO. 1

May 27, 2009

to

### REQUEST FOR PROPOSALS Neighborhood Stabilization Program (NSP) RFP #01071

Oregon Housing and Community Services (OHCS) is issuing this Addendum to the RFP for the purposes of clarifying and amending the solicitation.

#### CLARIFICATION

1. The Housing and Economic Recovery Act (HERA) requires at least 25% of the NSP fund allocation benefit individuals and families whose incomes do not exceed 50% of area median income. For the entire state, at least \$4,900,000 is dedicated for this purpose. OHCS is requiring that entitlement communities must set aside, with documentation, a minimum of 25% of their total allocated funds for this purpose. OHCS will make at least \$2,041,060 (25% of remainder of state allocation) available for acquisition/rehabilitation/ resale/rent of abandoned or foreclosed homes or residential properties that will be used to house individuals or families at or below 50% of area median income. In conjunction with other OHCS efforts, OHCS intends to meet this requirement with funded proposals that will purchase and rehabilitate or reconstruct residential housing that is permanent in nature (e.g. permanent supportive housing). Through this requirement, OHCS expects to exceed the required of 25% of the fund allocation to benefit individuals and/or families whose incomes do not exceed 50% of area median income.
2. HUD's intent to create permanent housing is in close alignment with the state and the governor's 10-year plan to end homelessness. Extreme poverty, qualified as having an income less than 50% area median income, is often a cause and factor for people to become homeless. Placing people in permanent housing will stabilize neighborhoods and communities.
3. The 25% set aside requirement to benefit people at or below 50% area median income can be achieved specifically through eligible activities 1, 2, 3, and 5.
4. **Eligible Activity 2 - Purchase/Rehabilitation** - purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, *rent or redevelop such homes and properties.*
5. **Eligible Activity 3 - Land Banking** – establish land banks for homes that have been foreclosed. Redeveloped land banked properties can be designated to be occupied by people at 50% or below area media income.

Land banking to house people at or below 50% in a future time will not automatically help meet the 25% set aside requirement. The income targeting requirement is based on actual occupancy which will need to be documented. HUD will determine at grant close out whether the 25% below 50% has been met.

**6. Eligible Activity 5 - Redevelopment** – redevelop demolished or vacant properties.

- Transitional or temporary residential facilities including shelters, do not count toward meeting the 25% set-aside requirement even though, depending on the redevelopment proposal, the project may be eligible for NSP funds.
- OHCS recognizes that people at or below 50% area median income may not have the financial ability to own and occupy a redeveloped home, the emphasis is on making such redeveloped properties as rental opportunities. However, NSP funds cannot be used for operating expenses of a redeveloped home or property. Project proposals must include resources for the long-term financial viability of the project.
- Applicants for projects that will provide rental opportunities to people at or below 50% area median income are encouraged to partner with other local agencies that will administer other federal housing rental assistance programs such as the Homeless Prevention and Rapid Rehousing, Community Services Block Grant and Continuum of Care programs.

**7. Affordability and Rent Restrictions**

- For all NSP assisted units targeting people at 50% or below area median income, the units will be restricted in accordance with the affordability requirements for a minimum of 20 years. Affordability requirements will be maintained through a use restriction and/or Deeds of Trust and Promissory Notes. Requests for subordination of NSP affordability requirements for financing purposes will be reviewed on a case-by-case basis. On a case-by-case basis, OHCS may grant exceptions to the term of affordability but in no case can the term be less than required under the HOME program.
  - For the NSP required 25% set aside to house individuals or families whose incomes do not exceed 50% of area median income, rents must be equal to or less than the Low Income Housing Tax Credit program rent level for 50% of area median income units. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.
8. On a case-by-case basis, OHCS, in its sole determination, may grant rent exceptions as deemed necessary in order to further long term NSP affordability requirements to assure long term viability of rental housing projects.

**AMENDMENT**

This Addendum modifies the Request for Proposal (RFP) Document(s) only to the extent indicated herein. All other areas not changed or otherwise modified by this Addendum remain in full force and effect. This Addendum is hereby made an integral part of the Original RFP Document and Proposal shall incorporate this Addendum into the Statement of Proposal as if it were issued in the original RFP.

1. Page 1 and page 4, Section 2.1 “**Proposal Requirements**”, the Proposal submission due date of June 5, 2009 at 4:00 PM PST is hereby changed to **June 12, 2009 by 4:00 PM PDT**.
2. Page 6, 2.3 “**RFP Questions**”, third paragraph is deleted in its entirety and replaced with the following Questions regarding this RFP will be accepted until **5:00 p.m. PDT on June 2, 2009**. Questions from and answers to any one proposer will be posted on Agency website (as soon as resolved and before the

submission deadline), if such questions will clarify any part of this RFP.

3. Page 3-4, Section 1.1, Scope of Work and page 29, Exhibit A, Statement of Work, Part II, **Eligible Activity 3 - Land Banking**, is hereby amended to: *a.* add language and *b.* item number one is deleted in its entirety and replaced as follows:
  - a. The American Reinvestment and Recovery Act of 2009 amended section 2301(c)(3)(C) of HERA to read “establish and operate land banks for homes and residential properties that have been foreclosed upon”. This amendment redefined land banking to include operational costs and expanded to include residential *properties*, not just foreclosed *homes*. Properties acquired under land banking must still be foreclosed upon.
  - b. 1. Land banks may be established and operated for homes and residential properties that have been foreclosed upon.