



Department of Finance

Community Resources Management

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Request for Proposal for the development of Senior Affordable Housing Rental Development at Jones-Harmon Solicitation No.: CCAH001

January 3, 2006

Addendum No. 1

QUESTIONS/CLARIFICATIONS

Q1: On page 9, last paragraph, the County appraisal is identified as attachment "H", and it should be used to determine fair market value of the site. It appears that should reference attachment "G".

A1: The appraisal is attachment "G". Also, See A10: The County will provide copies of the appraisal that may be reviewed by appointment at the Government Center. Send Mike Pawlak and e-mail request (mjp@co.clark.nv.us) to schedule an appointment.

Q2: Pursuant to section D, site zoning, is the Proposer, to assume adequate municipal site services for water, sewer, storm drainage, electrical systems, etc., or must the developer perform due diligence to ascertain the adequacy and cost of bringing those utilities to the site?

A2: It is the developer's responsibility to perform the necessary due diligence.

Q3: The Flamingo Wash borders the north boundary of the property. Are there any requirements for improvement from the County or any additional costs related to the Wash and the development of the subject property?

A3: It is the developer's responsibility to perform the necessary due diligence.

Q4: Is a site perimeter and topographical survey available?

Addendum No. 1

A4:**No.**

Q5:Are any geo-technical soils tests on the site now available?

A5:**No.**

Q5:Can you provide information about water rights (for potable water) and impact fees charged by the County or Spring Valley for this type of multi-family development?

A5:**It is the developer's responsibility to perform the necessary due diligence.**

Q6:Have the subsurface mineral rights been severed, (only if there are any such rights)?

A6:**BLM reserves minerals (of value) in its sales. If the lands have no known minerals values (determined by BLM conducting a mineral report), BLM will convey the estate.**

Q7:Since some plans have already been prepared and approved, who is the existing architect? How much work has been done? Can we get original copies of all plans that have been prepared thus far? What is the cost to the selected developer for architectural costs already expensed? Are there other costs that the developer should be apprised of that the County or BLM may want reimbursement for (appraisal, entitlements, predevelopment studies, etc.)?

A7:**The County did not hire an architect for this pilot project. The drawings were donated to the County via a limited license for the sole use of obtaining land use approvals related to this pilot project. The County will not identify the architect, provide additional drawings or charge fees for the architectural work done. We do not anticipate levying any additional fees for work to be performed by the County and /or BLM in preparing the site for sale and transfer.**

Q8:Can I get a better quality copy of the elevations?

A8:**Yes, we can provide a slightly better copy of the elevations by reproducing the original 8 1/2" x 11" color copies that we received. Send Mike Pawlak an e-mail request (mjp@co.clark.nv.us) and the copies will be mailed to you.**

Q9: Are there full-size or more legible electronic versions available of the General Concept Plan?

A9: Yes, we can provide a 24"x36" copy of the Plan. Send Mike Pawlak an e-mail request (mjp@co.clark.nv.us) and the copy will be mailed to you.

Q10: As a Proposer, may I request a copy of the full appraisal prepared for the County?

A10: The County will provide copies of the appraisal that may be reviewed by appointment at the Government Center. Send Mike Pawlak and e-mail request (mjp@co.clark.nv.us) to schedule an appointment.

Q11: Are any of the following now available to the Proposers: a) environmental study; b) soils or geotech report; c) ALTA survey; d) market or feasibility report; e) full appraisal?

A11: BLM has done a preliminary environmental review on all parcels located within the Disposal Boundary and they will make that information available to the County. Send Mike Pawlak an e-mail request (mjp@co.clark.nv.us) a copy of the report. The appraisal is available (see above).

Q12: Have the zoning and all entitlement work been completed? At what stage are these pre-development processes?

A12: Zoning has been completed and a Notice of Final Action has been issued. A copy of that letter has been made available at the Pre-submittal meeting.

Q13: As related to the development of this subject property, will the developer be able to secure any relief from County building permits, connection or impact fees?

A13: No.

Q14: How much can we deviate from the site plan/elevations without triggering a full design review?

A14: Any significant changes from the approved plans, as determined by Clark County Current Planning staff, will require a Design Review at a minimum.

Q15: According to our reading of the materials thus far, the site can accommodate 110 units. Why has the number of units been limited to 105?

A15: In the absence of an official site survey, the County zoned the site for 21 units to the acre, which is greater than permitted by the R-3 designation (up to 18 dua) but less than what might otherwise be possible with the Special Use Permit for senior housing (not to exceed 22 dua). A future survey of the site by the selected developer may indicate that the gross acreage yield could be higher than 105 units. At that time Clark County may consider processing a new use permit to increase the number of units allowed on the site.

Q16: Do you require a Market Study?

A16: No, a Market Study is not required. See Part II, B. 3. g. and C. 4. d.

Q17. Part II, O. indicates that a sample Development Agreement is included as Attachment "G". Where is it?

A17: This is an error and this item is voided. The County decided not to include a sample Development Agreement. A Development Agreement will be negotiated as a condition of BLM for a direct sale.

Q18: When do you expect to have the Development Agreement in place?

A18: The Development Agreement will be made available after the selection process has been completed. See Part II, G. Tentative Dates and Schedules.

Q19: Paragraph I, page 10, "Development Agreement", discusses covenants that will include costs recovery for lack of performance by developer what kind of cost recovery is intended? Is it liquidated damages above non-performance of the building?

A19: These items are subject to negotiation of the Development Agreement.

Q20: If the preferred development is a senior project for the lowest income groups, what is the anticipated dollar amount required of the developer to hold the property until a fund reservation is made by HUD which will not be until November or December of 2006?

A20: There is no "preferred" development model. The RFP indicates the minimum requirements for a senior multi-family for-rent housing development proposal. The purpose of this solicitation process is to let the development community present a variety of development options. The County intends to select the proposal (if any) that best meets the requirements of this RFP.

Q21: If the parcel needs to be subdivided due to financing requirements (i.e. a mixed project, HUD Section 202 and Low Income Housing Tax Credits) will this be a problem? When would such action be accomplished?

A21: This may be possible after the property has been conveyed to the selected developer and as a known condition of the Development Agreement.

Q22: Do you have any parcels from BLM that you would consider for a mixed-income development that includes affordable housing? I believe that BLM requires that 50% of the units must be for affordable housing while the remaining units could be market (to help offset the costs of affordable housing development).

A22: This parcel is eligible for use as a mixed-income development. BLM requires that a minimum of 50% of the living space be committed to affordable housing. The balance of the parcel may be designated for other incomes. However, only the percentage of the parcel committed to affordable housing and which targets households at or below 60% area median income will be eligible to receive a discounted purchase price from fair market value. The balance of the parcel will be sold at BLM's determined fair market value.

Q23: Would this RFP allow for affordable housing development that is not 100% for seniors? Can a mix of affordable be done?

A23: This project must be restricted to senior households as defined in the Project Scope: to meet the requirement as senior housing, all of the units must be targeted for seniors. Pursuant to the Federal Fair Housing Act, at least 80% of the units must have one household member who is 55 years of age or older to be considered senior housing and at least 20% of the units must be rented to households in which every member of the household is 55 years or older.

Q24: Since the subject property is planned as a LOW INCOME HOUSING TAX CREDIT or part-LIHTC project, is there a set-aside of tax credits available from the Nevada Housing Division? If so, are these 9% or 4% credits? If not, is there any assistance the County or the Nevada Housing Division can provide to secure the needed tax credit award?

A24: The County has made no determination as to how this project is to be financed, that is left up to the Proposer to demonstrate. The County has no role in determining how Low Income Housing Tax Credits are allocated.

Q25: Since Proposers have no specific merit or quantified system for determining your priorities for the subject property, does the County and BLM look more favorably on a range of rent values between 20% and 80% AMI or a more consistent bond formula at 60% AMI or are you looking for a target average AMI which can be achieved with deep skewing some units? What is the County's prime rental objective in developing this parcel into senior housing?

A25: Reference Part II, A. and B., especially B. 1-3 (Minimum Qualifications Criteria, Proposal and Developer/Development Team Characteristics and Planning and Design Criteria, respectively).

Q26: What are the most important factors in the RFP for the County and for BLM? What matters most in order to be a successful responder?

A26: See above.

Q27: Since this is a pilot program and the first of its kind, has BLM tentatively approved this prototype sale pending approval of the County's submission with recommended developer? Can the BLM simply say "no" to this proposal and the matter is dead?

A27: By issuing the Nevada Interim Guidance, Policy and Procedures for Affordable Housing Disposals, Southern Nevada Public Land Management Act (Section 7(b)), BLM has anticipated such a sale. Section IV. I. and J. of the Interim Guidance indicates the conditions whereby BLM may deny a nomination for sale and/or other conditions that may impact the sale.

Q28: Is the acquisition of the land an all-cash deal with a short time fuse or is there room for negotiation and incremental payment? Can the land be purchased under contract until the construction loan is closed and paid in full at that time?

A28: These terms will be negotiated as part of the Development Agreement in consultation with BLM.

Q29: Must the developer be a non-profit in order to be awarded the available HOME funds for this project? Will added consideration be afforded non-profit entities over for-profit entities?

A29: For-profit and nonprofit Proposers can participate in the HOME Program to the degree that they meet the HUD requirements at 24 CFR Part 92. This RFP does not provide any presumption of favor to either class of Proposer. Due to the limited authority granted to the County by the State of Nevada, for-profit entities will be eligible to receive HOME loans and nonprofits must receive HOME grants (albeit, subject to specific conditions, including recapture of funds). In both cases, it is anticipated that the HOME funds will require a 20-year period of affordability that will remain in place regardless of sale or transfer of title. The HOME loan will be structured at a below market interest rate to meet the specific project requirements, but will permit some portion of principal and interest to be deferred until a specified future date after the expiration of the affordability period.

Q30: Paragraph K, page 10, Potential Funding Sources, "The County has made a special set aside of \$750,000 in HOME/LIHTF funds to provide gap financing for qualified developments responding to the RFP. What are the terms of said financing?

A30: See above.

Q31: Must the developer be native to Clark County? Will added consideration be afforded native developers over non-native developers?

A31: The RFP does not require that the developer be a local firm. Part II, B.3.b. , C. 2. b. and C. 5. b. reference issues that may be relative to local experience.

Q32: Who determines the discounted price, BLM or BLM & County or whoever?

A32: BLM.

Q33: Should proposals be submitted to have alternative proforma for various discounted land values and or, funding sources?

A33: No. Additionally, the County will entertain only 1 application per firm.

Q34: When will the BLM land be conveyed to the selected developer?

A34: After BLM completes its required process. See Part II, G. Tentative Dates and Schedules.

Q35: To what degree will ancillary services built into the project building such as community rooms, computer rooms for tenants, exercise rooms for tenants, medical exam rooms, hairdressing shops, etc., be eligible as part of the discounted value?

A35: To the degree that the proposed uses are strictly dedicated to tenant uses, such uses should be included in the calculation of the total percentage of low-income living space. Therefore, such uses will be pro-rated along with the "living area" proper. The discounted price from fair market value will only be applicable to the affordable housing portion of the development.

Q36: What consideration, if any, will be given to a Proposer for alternative design an construction methods, such as green building, solar electric generation, other than it's impact on the proforma?

A36: The County encourages practical applications that promote alternative design and construction without giving any specific preference. See Part I., B. (last paragraph, page 6) and Part II., B. 3.f.

Q37: In the minimum qualifications criteria, must the developer meet all of the minimum requirements or can some and not all of the development team meet them? Does the team qualify if only part of the teams meets some qualifications?

A37: All minimum qualifications must be met. Part II., B. 1. provides the requirements for the developer.

Q38: On page 17, paragraph M, Public Record; since all submittals become public records other than noted confidential proprietary paperwork; it would seem advantageous for submitting my proposal at the last minute?

A38: The County District Attorney has determined that the proposals should not be disclosed until the agenda is posted to conduct the hearing to select the Proposer. Releasing them before then would be contrary to the public interest as it would encourage the submission of incrementally better proposals, rather than the best proposal of each Proposer.

Q39: Will you be putting out other requests for similar or general occupancy housing that is affordable? If so, what is your timetable?

A39: Yes, subject to Board approval. To be determined.

Q40:What is the role of HUD in this process?

A40:The Southern Nevada Public Lands Management Act of 1998, Section 7(b) states that BLM, in consultation with the Department of Housing and Urban Development (HUD), may sell, for affordable housing purposes, land in the State of Nevada at less than fair market value. BLM consulted with HUD in drafting the Nevada Interim Guidance, Policy and Procedures for Affordable Housing Disposals, Southern Nevada Public Land Management Act (Section 7(b)). The Interim Guidance clearly sets forth HUD's responsibilities. These responsibilities include, assessing the standing of the County with respect to HUD programs, insuring that the proposed project serves low-income families, assessing the need for the

project at the proposed location and evaluating other HUD programs associated with the project proposal. HUD has 60 days to inform BLM whether to recommend approval, deny or request a proposal modification. As this is a pilot program, we do not know what, if any, additional involvement HUD may have.

Q41: The schedule seems very aggressive, particularly if a proposal includes HUD Section 202 financing. Is there any flexibility?

A41: See Q. 20 and 21. There is no coordination between the County and any branch of HUD, the State or any other entity to pre-determine how this pilot project will be financed.

Q42: Will the selected developer be able to receive some form of site control, such as a real estate option, prior to purchase?

A42: The developer will be able to demonstrate several important milestones. There will be a Board resolution selecting the developer, the County will have officially submitted a proposal to BLM requesting that a specific developer and proposal be considered for a direct sale and at some point BLM will have consulted with HUD and given their approval.

BLM spokesperson Merv Boyd indicated that upon accepting the County's purchase request, they would offer the County something commensurate to a purchase option. The County will work with the developer to provide some official recognition of the transfer of any such "option".

Q43: Is this RFP process intended to be a model program that is replicable or is it simply to select a development for this parcel?

A43: There is no requirement that the proposed development necessarily be replicable. The County is seeking the best proposal. We hope to refine the process over time through the implementation of successive pilot projects.

Q44: Is it really necessary to have formal Memorandum of Understanding for support services included with the proposal as indicated in Section II., C. 6. B.?

A44:As we have previously indicated, there are objective and subjective factors involved in selecting the best proposal. The proposals will be considered one against another to determine the proposal that best meets the County's criteria. Individual proposals should demonstrate the type and scope of support services that will be offered to the residents. There are many ways of accomplishing this. If you have formal agreements available, you will want to submit them, if not, you will need to find another means to support this portion of the proposal criteria.

Q45:Please clarify the statement on the bottom of page 6, "It is anticipated that this development will provide a higher level of accessibility than would otherwise be required by law."

A45:The County intends this project to be a quality, model senior affordable housing development. One of the issues facing senior housing is how to accommodate residents as they age in place. Adequately addressing this issue will likely include a design that incorporates accessibility beyond the minimum required by law.

Q46:Will we receive a receipt when we submit our proposals?

A46:Yes, you will receive some form of written acknowledgement that we received your proposal.

Q47: Please clarify the developer requirement at Section II, B. 1. c.: Has developed two multi-family projects each of 51-99 units targeted for senior living. Do you intend to not accept applications from developers who have only developed projects larger than 99 units?

A47: The intention of this requirement is to indicate that the County is looking for someone who has developed a single stand-alone project of similar size and scale to the one being proposed. The County reserves the right to accept any RFP responses deemed to be in the best interests of the County. Individual proposals will be accepted and considered fully on their merits, but experience will be a factor and may ultimately be the determining basis for accepting or rejecting any proposal.

Q48:What if we have more questions?

A48: You may continue submitting written questions to me through Friday, January 13, 2006. At that time, if necessary, a final Addendum will be issued prior to the January 20, 2006, proposal submittal deadline.

Except as modified herein, all other terms and conditions remain the same.

If you have any questions, I can be contacted at (702) 455-5025.

ISSUED FOR DOUGLAS R. BELL, MANAGER

BY:

**Michael J. Pawlak
Senior Management Analyst**