



Department of Finance Community Resources Management

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George W. Stevens, Chief Financial Officer • Douglas R. Bell, Manager

Request for Proposal for the development of an Affordable Multi-Family For Rent Project at Arby-Riley Solicitation No.: CCAH002; Mandatory

June 8, 2006

Addendum No. 1

QUESTIONS/CLARIFICATIONS

Q1: Please clarify the intent of the County in requiring the developer to have local staff "on the ground" particularly distinguishing the County's expectations during different stages of the development process (e.g. predevelopment/financing, construction, operations).

A1: There is no specific requirement related to the type and numbers of staff residing in Nevada or Clark County. Part II. C. 2.b. of the RFP requests information on the development team's residency status. Part II. C. 5.c. requests information on the Developer's experience performing related work within Nevada and the percentage and kinds of work accomplished by staff presently residing in Clark County. This is requested in order to determine which proposers are and are not experienced and/or familiar with Nevada housing issues and procedures.

Q2: Please confirm that a project must have at least 90 units of housing (or 50% of living space) reserved for low-income households (80% AMI).

A2: Correct. Section II. F. Of the Nevada Interim Guidance Policy and Procedures For Affordable Housing, Southern Nevada Public Land Management Act (Section 7(b)) states that " Only those proposed projects which commit 50%, or more, of living space to affordable housing shall be considered by BLM to be a project for "affordable housing purposes" under SNPLMA."

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Q3:Page 8 of the RFP states: "Deviations from these approved plans that are substantial may cause the need for a Design Review, adding to the processing time for plan approval and permit review." Please clarify what would be considered a "substantial" deviation (e.g. different unit configurations/ units with different bedroom counts).

A3:Any significant changes from the approved plans, as determined by Clark County Current Planning staff, will require a Design Review at a minimum.

Q4:May proposers assume a phased development approach? Will the County support a phased approach toward securing 9% tax credits? May developers propose the use of 9% tax credits for portions of the development?

A4:The purpose of this solicitation process is to let the development community present a variety of development options within the parameters established by this RFP. The County intends to select the proposal (if any) that best meets the requirements of this RFP.

Q5:Page 13 of the RFP (Part II. 1. c.) states that a minimum criteria for the developer is to have developed (completed) two multi family projects each of 150 units or greater targeted for families with children. We have built over 600 units of senior housing and 64 units of special needs housing. With our longstanding experience, do we qualify to send in a proposal? Will acquisition-rehab projects of the requisite size (150 units or greater) qualify under the Minimum Qualifications Criteria? Will the development of several family projects each between 50 to 100 units but totaling 300 units or more qualify under the Minimum Qualifications Criteria?

A5: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.

Q6:If the gap generated under a 4%/bond approach (as encouraged in the RFP) is substantially more than the amount provided by the County, can the County provide more assistance?

A6:Ultimately, within the limits established by HUD, the Board of County Commissioners has discretion to decide the level of subsidy that will be made available to the project.

Q7:The RFP requires that to meet the definition of "family" housing, at least 30% of the units must have three or more bedrooms (page 6). Can that unit mix be revised to require fewer large bedroom units?

A7:The County reserves discretion regarding all aspects of the proposed project, including unit mix. It is suggested that if the Proposer deviates from the request of the RFP that some market justification be provided to support the position taken so that it may be considered.

Q8: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.)?

A8: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.

Q9:What is the role of HUD in this process?

A9: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.

Q10: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?

A10:BLM has done a preliminary environmental review on all parcels located within the Disposal Boundary. That information is available from the BLM web site at: <http://www.blm.gov>. The appraisal is available from the County's web site at: http://www.accessclarkcounty.com/finance/crm/CRM_Index.htm.

The applicant is herein notified that BLM will conduct its own, independent appraisal in order to establish fair market value and to determine any discounted value to be offered as part of the sale.

Q11:Can a for-profit and non-profit developer joint venture an application similar to tax credit applications and bond applications? If there is a joint venture, how does it affect the HOME loan? Can it run through the non-profit and be issued as a grant v. a loan?

A11:Yes, a joint venture (or, as in a tax credit arrangement, a partnership) is permissible. The non-profit partner may be eligible to receive the HOME funds as a grant if it is designated as the Managing General Partner or if it meets the test from IRC 469 (h), "a (nonprofit) shall be treated as materially participating in an activity only if the (nonprofit) is involved in the operations of the activity on a basis which is regular, continuous, and substantial. In either case, the nonprofit must not be affiliated with or controlled by a for-profit corporation. Also, it is important to understand that the HOME "grant" is conditional and may be subject to recapture or repayment.

Q12: Does the developer need to apply to the State of Nevada with a bond application prior to or simultaneously with the RFP being turned in?

A12: No. It is anticipated that the County will reserve bond cap for this project and that if the selected Proposer intends to utilize bond financing that application would be made to the State at a later date.

Q13: Does the general contractor have to post a performance and payment bond?

A13: Any performance guarantees will be subject to negotiation of the Development Agreement. Refer to Part I, I.

Q14: Since the general concept plan and elevations have been approved, must the developer use the proposed design? Though the architect is not disclosed at this time, must the developer use that particular architect? Can the developer engage their own architect during the RFP process in order to redesign the site to be more efficient?

A14: See #8 above. The Proposer is responsible for engaging its own architect.

Q15: Once a proposal is received, it becomes public record. Could the committee decide to use one developer's design concept with another developer's financial numbers and timeframe?

A15: 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.

Q16: As the developer will pay the County for funds expended for the purpose of developing the project, what costs would be involved and when would they be due and payable? If so, they need to be included in the developer uses.

A16: The County's role in developing the property is primarily to receive and reconvey the BLM land to the selected developer. Based on our current understanding of the process, approximately 180 days after the initial submission of the project to BLM the Proposer will be required to deliver a 10% purchase deposit with the balance of the

purchase price due no later than 180 days after that. 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. The Proposer will assume responsibility for closing costs.

Q17: The 2005 appraisal indicates \$6,900,000 for the 10 acres. Once the new appraisal has taken place, this will change the entire project cost.

A17: The County had the property appraised in order to take that financial burden off of Proposers and in order to provide the County a common point of departure for comparing project costs on proposals.

BLM will conduct its own appraisal prior to offering the property for sale to the County.

Q18: Can the RFP due date be extended an additional 15–30 days? This is too short of a timeframe to work in and submit all the documents that are requested.

A18: At this time we do not plan to extend the submittal deadline. In no case will any individual extensions of time be granted. If there is a consensus that more time is necessary, the County will give this issue additional consideration.

Q19: Part II, C.4. b. on page 15 asks the Proposer to provide a narrative describing the design concept. What is the County looking for here, since the County has already approved a design concept as part of the zoning approval?

A19: The General Concept Plan approved for this project should be considered as "generic" plans. The Proposer's narrative is intended as an opportunity to provide specifics and details of the Proposer's design concept, and the rationale for design choices, that will address the specific items of this section and that will distinguish it from its competitors.

Q20: What if we have more questions?

A20: You may continue submitting written questions to Mike Pawlak via e-mail at mjp@co.clark.nv.us through Friday, June 16, 2006. At that time, if necessary, a final Addendum will be issued prior to the June 30, 2006, proposal submittal deadline.

All future addenda or information relating to this RFP will be communicated via the Community Resources Management Division's web page at:

<http://www.accessclarkcounty.com/finance/crm/News&Events.htm>

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:

A handwritten signature in black ink that reads "Michael J. Pawlak". The signature is written in a cursive, flowing style.

Michael J. Pawlak
Senior Management Analyst