



Fulton County, GA

# Department of Purchasing & Contract Compliance

*Cecil S. Moore, CPPO, CPPB, CPSM, C.P.M., A.P.P*  
*Director*

**June 8, 2011**

**Re: 11RFP78618A-DR, Neighborhood Stabilization Program (NSP3)**

Dear Proposer(s):

Attached is one (1) copy of Addendum 1, hereby made a part of the above referenced 11RFP78618A-DR, Neighborhood Stabilization Program.

Except as provided herein, all terms and conditions in the 11RFP78618A-DR referenced above remain unchanged and in full force and effect.

Sincerely,

*Donald R. Riley*

Donald R. Riley, CPPB  
Assistant Purchasing Agent

Winner 2000 - 2009 Achievement of Excellence in  
Procurement Award • National Purchasing Institute



**11RFP78618A-DR, Neighborhood Stabilization Program (NSP3)**

**Addendum No. 1**

**Page Two**

This Addendum forms a part of the contract documents and **modifies** the original RFP documents as noted below:

1. Attached hereto are responses to questions submitted in reference to the above RFP.
2. Bid due date has been changed to Thursday, June 16, 2011.

For additional information regarding this addendum, contact Donald R. Riley, CPPB, Assistant Purchasing Agent at (404) 612-7916.

Except as provided herein, all terms and conditions in the bid referenced above remain unchanged and in full force and effect.

Failure to return a signed copy of this addendum could render your bid non-responsive.

**ACKNOWLEDGEMENT OF ADDENDUM NO. 1**

The undersigned proposer acknowledges receipt of this addendum by returning one (1) copy of this form with the proposal package to the Department of Purchasing & Contract Compliance, Fulton County Public Safety Building, 130 Peachtree Street, Suite 1168, Atlanta, Georgia 30303 by the RFP due date and time **June 16, 2011, at 11:00 A.M.**

This is to acknowledge receipt of Addendum No. 1, \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Legal Name of Bidder

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Title

**Answers to Questions Submitted for RFP 11RFP78618A-DR, Neighborhood Stabilization Program (NSP3)**

- 1) If developer is only using NSP funding for single family scattered sites, does the Davis-Bacon guidelines apply? What if the total construction cost for each house is less than \$100,000? **Response:** Davis-Bacon requirements are applicable when construction work is financed in whole or in part with NSP funds. Residential property is covered only if the property contains at least 8 units (i.e., residential property that contains 7 or less units is exempt). Davis-Bacon requirements do not apply to bona fide volunteers. If NSP funds are used only to finance non-construction costs, Davis-Bacon requirements are not triggered. Non-construction costs may include real property acquisition; architectural/engineering fees; legal or accounting services; and real estate taxes. The 8-unit threshold concerns the number of units contained in a residential property – not to the number of units in a building, and not to the number of units in a project or a contract. Therefore, projects or contracts for single-family homeowner units are typically not covered, no matter how many single-family homeowner units are in the project or contract.
  
- 2) What is the draw process for Fulton County? Is Fulton County in receipt of its NSP 3 funds or does Fulton County have to submit for funding to DCA and await funding? **Response:** Fulton County is an entitlement community and was awarded Federal funds directly. The grant agreement has already been completed. NSP financial staff will administer the financial portion of the award by entering activities according to the established activity type budget. The Office of Housing coordinates the financial process with the County Grants management for the drawing of the program funds.
  
- 3) If Fulton County does have to wait for Fulton County funding, is this time already allotted in the 30 day turnaround time to processing invoices? **Response:** Funding has been made available to Fulton County as reflected in the HUD reporting system (DRGR). Fulton County uses a reimbursement process with the Grants Management Department by setting a budget based on the signed grant agreement between the County and the U.S. Department of Housing and Urban Development (HUD). Invoices are submitted to NSP staff and due diligence of the invoicing begins. If the invoice is approved by both Grants Management and the NSP staff, a check is obtained.
  
- 4) Within the RFP, the allocation of funding activities is listed, is there flexibility in reallocating funds within the eligible activities? **Response:** Fulton County was allocated \$3,094,885 as part of a \$1 Billion award to stabilize neighborhoods hard hit by foreclosure. As part of the award, Fulton County had to submit a Substantial Amendment to HUD. The proposed budget included in the Substantial Amendment was as follows:

**Proposed NSP County Funded Activities:**

<b>Activity</b>	<b>Total</b>
Acquisition of Foreclosed/Abandoned Properties	\$1,411,675.00
Rehabilitation of Foreclosed/Abandoned Properties	\$500,000.00
Total Acquisition & Rehabilitation Cost:	\$1,911,675.00
Set-aside Requirement: 25% of the total award	\$773,721.00

Housing Assistance	\$100,000.00
Planning and Administration	\$309,488.50
<b>Total</b>	<b>\$3,094,885.00</b>

The amount of funding available for the selected partner(s) would be \$2,785,396.25. No other financial sources have been identified at this time.

- 5) Please further explain the \$100,000 housing assistance payment? Is this the maximum of Homebuyer Subsidy that Fulton County will provide to eligible NSP buyers? **Response:** The Housing Assistance will be provided through NSP funds and may be used for down payment and closing cost assistance, to buy down interest rates or mortgage principals, or to provide second mortgages up to \$25,000 depending on need. Efforts will be made to work with those at or below 50% of median income to assist them to purchase these homes. This assistance will be based on need and be forgiven on a prorated basis. Housing counseling will be required of all potential purchasers and the County will review and approve the terms of all private financing to ensure it complies with Treasury's guidance for non-traditional mortgages. The term of assistance will conform to the HOME periods of affordability based upon the level of subsidy. A policy is in place outlining how equity will be accrued by the buyer throughout the period of affordability in the event they cease to occupy the property as their primary residence and funds need to be recaptured. This will be incorporated into all liens that will be placed on these properties to secure the County's interest throughout the period of affordability.
- 6) Can the "set aside" listed (\$741K) be used for acquisition and rehabilitation of NSP homes? If not, what is the intent for the amount listed under "set aside"? **Response:** Meeting the low income targeting is a NSP Federal mandate. At least 25% of the entire NSP award amount must create housing for low-income residents (at or below 50% of Area Median Income, or AMI). The use of initial award and NSP program income both count toward meeting the set aside requirement. However, the 25% requirement applies only to original grant amount, not program income and is 25% of total funds, not 25% of beneficiaries. The set-aside does not apply to each activity separately and may be carried out through a single activity.
- 7) In terms of "lending commitments/institutions", is a private community development lender acceptable to Fulton County? **Response:** A private lender should show proof of financial responsibility.
- 8) If a new joint venture is being formed, what is acceptable for the financials requested? **Response:** Under section 3.5 section 6 the financial information is detailed. It states the Proposer's financial statements will be reviewed. The review will focus on the Proposer's Statement of Income, Balance Sheet and Cash Flow Statements.

#### Financial Statement/Capability

In order for the County to complete its financial review the following documentation is requested:

- A) Provide annual reports and financial statement for the last three (3) years, including income statements, balance sheets, and any changes in financial position. The Proposer must have had an audit prepared by a qualified independent accountant or service within the last 24 months and submit a copy with the application package. Audited financial statements may be accepted in lieu of a complete audit at the discretion of the County.

- B) The latest quarterly financial report and a description of any material changes in financial position since the last annual report.
  - C) Proposer's most recent Dun & Bradstreet, Value Line Reports or other credit ratings/report.
  - D) The proposers shall provide proof of financial capacity (cash/ firm commitment letter from lending institution) so that a determination can be made that the development entity is capable of undertaking the project. Loan commitments must be from a Federal Deposit Insurance Corporation (FDIC) insured lending institution or an acceptable lender.
  - E) The proposers shall provide documentation as to what resources will be used to provide equity to the project and documentation that supports future cash resources available or committed.
- 9) If a new joint venture is being formed as an offspring of a current NSP Developer, is it acceptable to submit the financial information of the current NSP Developer to provide evidence for financial capacity?  
**Response:** We would expect to review financial information from all parties that are included on this project.
- 10) Is there a limit on the construction management fees allowed per single family detached home?  
**Response:** All soft cost will be reviewed by NSP staff. These costs should be allowable, reasonable and necessary.
- 11) Is the geographic target area for the NSP-3 program limited to census tract block groups specified in the County's Plan to HUD, or can the developer(s) purchase properties anywhere within District 7? This is especially important as ANDP would like to include multifamily properties in our proposal, however our real estate agent has searched within these parameters several times and cannot locate multifamily properties within the census tract block groups listed. **Response:** Fulton County's Response: In the Substantial Amendment Plan, the County has submitted to HUD the four potential census tracts to invest: 10508 block group 2, 10509 block group 1, 10510 block group 5 and 10511 block group 1 therefore, every effort should be focused on securing units in these areas first. The County will accept foreclosure information from the selected partner, and any explanations of a search outside the boundaries of these specified areas. The County's intends is to focus efforts and be able to assist the most critical areas and have maximum impact on revitalizing distressed communities. Areas in District 7 have the greatest concentrated need of all the Commission Districts in the County with a score more than twice as high as the next highest District. This is the area with the greatest concentration of low- and moderate-income households in the County and with the most abandoned and foreclosed residential properties outside of the City of Atlanta.

12) Key employment opportunity regulations include the following:

Equal Employment Opportunity, Executive Order 11246, implemented in 41 CFR Part 60

Executive Order 11246 prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin. Provisions to effectuate this prohibition must be included in all contracts for capital projects exceeding \$10,000. Implementing regulations may be found in 41 CFR Part 60.

Minority/Women's Businesses, Executive Orders 11625, 12432, and 12138

Under Executive Orders 11625, 12432, and 12138, PJs must prescribe procedures acceptable to HUD for a minority outreach program to ensure that they are making concerted efforts to attract minority groups to the procurement process. See the Equal Employment Opportunity - Minority-owned Businesses section for examples of minority-outreach programs.

Section 3 of the Housing and Urban Development Act of 1968: Economic Opportunities for Low- and Very Low-Income Persons

This section of the HUD Act of 1968 as outlined in 24 CFR 153 requires that, to the greatest extent possible, opportunities for training and employment arising from HOME will be provided to low- and very low-income persons residing in the program service area. Furthermore, contracts for all types of work to be performed in connection with HOME should, to the greatest extent feasible, be awarded to businesses that are located in or owned by persons residing in the program service area.

Section 504 of the Rehabilitation Act of 1974, as amended

This section of the Rehabilitation Act of 1974 prohibits discrimination against persons with disabilities in all programs or activities receiving Federal assistance. The prohibition extends to employees of Federally assisted projects and requires that they receive equal treatment and consideration. The legal authority of Section 504 is outlined in 24 CFR Part 8.