

HED.HBLP.2024.3

For Sale Housing Development RFP

Questions & Answers

1. **We are we are calling villas. They are like duplexes where each side will be sold to different families. They don't really match any of the descriptions of the eligible units but I can't imagine they would not be eligible. Would they fit under townhomes?**
 - a. Duplexes will be considered townhomes or condos, but are included as eligible.

2. **Sorry if I missed it, is there a minimum number of units per project? Also, do you now what size project the \$15k estimate for underwriting was based on. I imagine the underwriting of a 150 unit project is more costly than a 10 unit project.**
 - a. There is no minimum on the number of units
 - b. The contracts for the underwriting services have been awarded but not yet finalized. We have an estimated cost of \$15 for the underwriting with no adjustment for the size of the project.

3. **To expand my question, at what point in development timeline does county want to be repaid? What amount will County carry as perm?**
 - a. The Housing Bond funds for the for-sale units will be provided in the form of a construction loan with the full amount repaid as the units are sold to the homebuyers. No portion of the County Housing Bond funds will be permanent financing.

4. **What's is the max development cost per unit?**
 - a. We will be issuing an addendum that will provided for funding 100% of the costs per units with a maximum funding per unit not to exceed the sales price of the unit as defined in Exhibit "B".

5. **Can you talk about the affordability determination as qualified by HED?**
 - a. Section 1(G) states that the affordability will be between 60% and 140% of AMI as shown in exhibit A for Eligible Beneficiaries. Eligible Beneficiaries is defined as households that have been certified by the County's Department of Housing and Economic Development. This is an established certification process in which Eligible Beneficiaries receive a certificate verifying eligibility that is valid for one year.

- 6. So 1st position until sale?**
 - a. The loan position for the Housing Bond Construction financing will be determined by multiple factors such size of the loan and disbursement of funds. The Loan Term sheet that will be submitted for Final Approval to the BCC will define the loan position.

- 7. Is the income qualification initiated by the lender? Also the term of affordability is 15 years recurring, does this mean that the encumbrance is recurring until a tenant covers a full 15 years without a sale?**
 - a. HED maintains a list of certified Eligible Beneficiaries, but the individual homebuyers that are not currently certified can initiate the process.
 - b. The 15 years recurring is discussed in section 1(H) of the RFP. The restrictions will be recurring until a homeowner completes a full 15 years without a sale.

- 8. Will the sales price limitations change for the size of the unit built or are we limited to keep the price in line with the income and sales price calculation? Is there anything I am missing regarding the for sale price of a SFH in keeping with the requirement? The sales price is determined essentially by the income of the potential buyer? Is that right?**
 - a. Section 1(I) provides for the restrictions on the sales price of the units. The sales prices are shown in Exhibit B and are based on Palm Beach County's Workforce Housing Program and are subject to adjustment on an annual basis.

- 9. Will there be a pay down process, ie: if there is mix cap stack do you repay county pro rata share?**
 - a. The repayment of the County funding is provided in Section 1(K) of the RFP and states that the loan will be paid in full upon sale of the units. This is anticipated to be calculated based on the amount of County funding attributed to each unit. Upon sale of all County funded units the County should be paid in full.

- 10. Since it is a conventional construction loan, has there been any consideration to funding 100% of the costs vs 50%? Having this a 0% may help to close the gap?**
 - a. We will be issuing an addendum that will provide for funding 100% of the costs per units with a maximum funding per unit not to exceed the sales price of the unit as defined in Exhibit "B".