



100 West 13th Avenue, Eugene, OR 97401 • PH 541-682-3755 • FAX 541-682-3411

Homes. People. Partnerships. Good.

www.homesforgood.org



Addendum to RFP

Ollie Court

ISSUE DATE: August 24, 2023
ADDENDUM DATE: September 15, 2023
DUE DATE: October 3, 2023 at 3:00 PM PDT
RFP CONTACT: Matt Salazar (msalazar@homesforgood.org, 541-682-2528)

Updated materials available:

Please see the attached exhibits for an updated proforma and construction cash flow analysis. The proforma was updated to reflect recently approved 2024 Fair Market Rents (FMRs), Commercial Income and Expenses, and some minor updates to Uses based on recent pricing. Please note that rents will be set at construction completion and will likely be based on 2025 FMRs upon execution of the Housing Assistance Payments Contract.

Please note that the deadline for this application has been extended to 3:00 PM PDT on Tuesday, October 3, 2023.

Question and Answer

1. Has Homes for Good worked with Chambers Construction recently?

Yes. Homes for Good has worked with Chambers Construction on two recent substantial projects. This included Market District Commons a 50-unit residential with commercial condo building in downtown Eugene and the Homes for Good Administrative Office rehabilitation of the old Eugene Public Library.

2. Does Homes for Good provide guarantees on any active construction loans?

Homes for Good does not have any active construction loans.

3. Would you describe the expected commercial lease terms for the three early learning providers, e.g. rent level, rent escalation level and frequency, triple net vs. CAMS, etc.? For the Early Learning Center, will there be three separate leases?

We expect three separate 15-year leases with each of the Early Learning providers/commercial tenants. The current projection for rent level is shown in the "Comm Income" and "CommExpenses" tabs of the attached updated proforma. We are still in the early stages of discussing commercial leases. Most details have not been negotiated pending any potential investor/lender requirements. The commercial tenants have stated a preference for separate, 15-year leases but an openness to a single lease with subleases and/or a different lease duration if required by the selected financial partners.



4. **Page 5 of the RFP indicates that the subject will use the adjacent Eugene Faith Center's parking lot for daycare drop-off and staff parking. Does Homes for Good expects a shared easement and/or a formal Shared Parking Lot Agreement tied to the parking?**

Homes for Good intends to enter into a Shared Parking Agreement per the requirements of selected financial partners. We met with a representative of the Eugene Faith Center in late August and plan to enter into an MOU in the coming weeks indicating our interest in establishing a shared use agreement once investor/lender terms are known.

5. **Will some of the LIHTC common area spaces be accessible to commercial tenants?**
LIHTC common areas are primarily designed for resident use. However, while the Early Learning Center will have its own dedicated playground, there are two outdoor play areas designed primarily for resident use that may also be used occasionally by the commercial tenants for "field trips". No internal LIHTC common areas will be used by commercial tenants. The only connections directly between commercial and residential uses is one door for secondary emergency egress in the southern building for the Early Learning Center.
6. **The RFP mentions an above-the-line asset management fee. Is this currently reflected in one of the expense items?**

The asset management fee is not currently reflected in operational expenses. As we move forward with underwriting, we would prioritize adding this as an above-the-line item.

7. **Has a market study been completed for this area? Has an appraisal been completed for this project? What is the estimated value of the land?**

Neither a market study nor an appraisal has been completed for this project. We are intending the market study and appraisal to occur as soon as financing partners are selected. A portion of the budget has been set aside for both pending selected financing partner requirements.

A comparative market analysis conducted by the City of Eugene valued the land at between \$600,000 and \$1,200,000.

8. **There is no land in the development budget; why is this? Is there a ground lease? If yes, what are the terms of the ground lease and/or can you provide a copy? (i.e. term in years, annual rent payment, etc.)**

The land has been awarded to Homes for Good through the 2022 Eugene-Springfield HOME RFP at no cost. The land will be transferred to the Limited Partnership at financial closing at no cost.



9. **Has a decision been made on which bedroom type will make up the 24 units at 30% AMI? Can you please confirm the number of units by unit type at each income set aside? The RFP Narrative states 56 units at or below 50% of Area Median Income (AMI) and 24 units at or below 30% AMI.**

The RFP Narrative is correct. The proforma does not allow for the level of detail needed to show Project Based Voucher (PBV) Contract Rents.

The unit breakdown is as follows:

	1 Bedroom	2 Bedroom	3 Bedroom	Total
30% AMI	12	12	0	24
50% AMI	3	37	16	56
Manager Unit	0	1	0	1
Total	15	50	16	81

These income set-asides will not impact income since all units will have PBV Contract Rents.

10. **Will all the HOME, LIFT, and Oregon Lottery funds be available during construction? Will any percentage of these funds be held back until permanent conversion?**

10% of HOME funds will be held back until permanent conversion. LIFT has no hold back requirements. At this time and based on documents we have received from the Oregon Department of Administrative Services (DAS), we believe that all of the Oregon Lottery funds will be available during construction.

11. **Will the Oregon Lottery Bond Proceeds be received by Homes for Good as a grant and then loaned into the project? Are these funds anticipated to follow or be tied to the commercial condo?**

Yes, Oregon Lottery Bond funds will be received as a grant to Homes for Good and will be contributed to the commercial condo. We are open to structuring this differently if it makes sense for the deal, but DAS has made clear that Lottery bond funds must be granted directly to Homes for Good as the Grantee.

Oregon Lottery Bonds are expected to be tied to the commercial condo.

12. **Will there be a full blending of residential and commercial sources? Or is some type of bifurcation expected for the sources and the construction contracts?**

We are expecting a bifurcation of the sources and construction contracts.

13. **Is there an interest in ITC solar credits?**

There is a definite interest in ITC solar credits or other financing tools to achieve solar for this project.



14. In addition to the by-right zooming letter mentioned in the RFP, does Homes for Good anticipate an entitlement submission to the City of Eugene? Has the City indicated any aspects of the plan that may require alterations?

We do not anticipate an entitlement submission to the city. City staff has provided verification that the proposed use is consistent with the current zoning and applicable land use regulations and that the city requires no additional land use approvals. Consistency with all applicable codes will be reviewed during the building permit process.

15. Would Homes for Good be open to ground leading the land to the partnership (with any fees being cash contingent)?

Yes, this an interesting idea and we are open to exploring it as a potential structure.

16. The RFP mentions a HUD environmental review target of 2/15/2024. Has a Phase I Environmental Assessment or other environmental analysis been completed?

A Phase I Environmental Site Assessment was conducted in April 2022 and determined that no Recognized Environmental Conditions, Potential Recognized Environmental Conditions, Historical Recognized Environmental Conditions, Controlled Recognized Environmental Conditions, or Vapor Encroachment Conditions were identified and that no further assessment or remediation of the subject property is warranted or necessary. A HUD environmental review is in process and nearly complete.

17. The RFP indicates to provide 3 copies of the proposal; should 3 physical copies be postmarked by the deadline?

We have since determined that no physical copies are necessary. Electronic submissions via email by the deadline are sufficient.

18. Can you confirm the method/% utilized to allocate costs in the development budget between commercial and residential?

Allocated cost will reflect the % of square footage of the commercial portion of the project. We have attributed associated parts of site costs such as site work as well as infill of this space.

19. Will there be two GC contracts (one residential and one commercial) or one GC contract with a schedule dividing costs between commercial and residential?

It is our intention to have two separate GC contracts. However, we are amenable to one GC contract if it helps the deal structure while still achieving the goal of clearly dividing costs between commercial and residential construction.

20. Will Chambers be completing the TI build out or will a separate GC be doing the TIs?

Yes, Chambers will be the sole contractor for both residential and commercial.



21. Is it Homes for Good's expectation that you will obtain a forward perm loan commitment to be available at construction loan closing to purchase the condo upon completion? If Homes for Good is purchasing the condo, will all income and expense of operating the commercial condo pass through Homes for Good and not the Partnership?

Yes, our expectation is that Homes for Good will purchase the commercial condo and that all commercial condo income and expenses will pass through Homes for Good. However, we are open to create solutions for structuring this deal.

22. Who are expected to be the commercial tenants of the commercial condo? Please describe operations.

The commercial tenants and operators of the Early Learning Center are Head Start of Lane County, Early Childhood CARES, and Parkside Community Preschool.

Head Start of Lane County serves over 1,000 children, age zero to five, and their families in Lane County. Families must be under 130% of the Federal Poverty Level or be current SNAP (Supplemental Nutrition Assistance Program) participants to be accepted into Head Start. Head Start of Lane County provides high quality preschool education services to eligible Lane County children, ages birth to five, and pregnant women. Besides the preschool classroom, children receive health screening, have access to mental health and counseling supports in addition to nutritious meals, and exceptional educational services. Head Start of Lane County will operate 2 Head Start classrooms of eighteen children (ages 3-4 years) each and 1 Early Head Start Classroom of eight children (ages 0-35 months).

Early Childhood CARES serves birth to 5-year-old children with developmental delays and/or disabilities and their families throughout Lane County. Services are publicly funded through state and federal funds and every eligible child is entitled to receive individualized services and supports to meet their unique needs. They have provided these services in Lane County since 1992 and serve approximately 1,800 children a year with the largest population served residing in the city of Eugene.

Parkside Community Preschool is a community based, 501(c)3 preschool serving Eugene since 1967. They offer sliding-scale tuition, flexible scheduling, family education and support services, and a developmentally appropriate program geared toward children's individual needs.

Early Childhood CARES and Parkside Community Preschool will jointly operate 2 classrooms of eighteen children (ages 3-4 years) each and Parkside will operate 1 infant classroom of eight children (ages 0-35 months).