

Co-Op and Rental Preservation RFQ Questions – March 2011

1. Can MOH provide a list of all potential projects that will be available under this RFQ?

Answer: Yes, this was provided at the meeting.

2. Will the potential projects include affordable rental housing, not only cooperatives?

Answer: Yes, a majority of the potential projects are affordable rentals.

3. Please clarify if requested services will include payment of fees. If possible, please advise on amount of fees for the various requested services.

Answer: Fees will be determined upon negotiation of contracts with the TA providers.

4. If re-syndication and rehabilitation are required, are you anticipating that the nonprofit will become part of the existing ownership entity of the rental housing project, or will the nonprofit act as a fee developer? If re-syndication/rehabilitation is required, will the project be a typical affordable housing project funded by MOH, tax credits, and other affordable housing sources?

Answer: The nonprofit developer could either be a fee developer or become part of the ownership entity, depending on the desire of the existing property's board of director's directive. If rehab is required, MOH does not intend to be a source for the rehabilitation funds since there are other lenders and financial tools available to projects with Section 8 rental subsidy contracts. HUD has informed MOH that they are in conversations with 8 out of the 13 properties on the list provided at the pre-submission meeting about entering into 20-year Section 8 contracts prior to maturity of their HUD 236 Mortgages.

5. For the capital needs assessment work, are you anticipating that the nonprofit will evaluate and prepare such assessment, or do you anticipate that the nonprofit will oversee a CNA consultant?

Answer: MOH expects the nonprofit to either prepare or oversee a CNA consultant depending on the nonprofit's capacity to do the capital needs assessment in-house.

6. It might be moot if MOH decided to carve out developers for a separate RFQ later, but for the Preservation RFQ, if a developer is providing services as part of team but is not the lead agency that is directly advising the co-op or tenant boards, would that developer be barred from potentially being the developer if the lead agency advises the co-op/tenant board on a recap/re-financing plan?

Answer: MOH will do a separate selection process for the developers since MOH does not know what properties will want to pursue refinancing/recapitalization at this time and does not want developers who are interested in providing technical assistance from not wanting to respond to the current TA RFQ.

7. Are you looking for replies from firms offering legal services? CNAs/PNAs?

Answer: Yes, MOH is looking for legal services and consultant who can perform capital needs assessments/physical needs assessments.

8. We see these projects as having a major component that looks pretty much like what we do regularly: a project manager, working with consultants, and with input from those most knowledgeable about the property, determines a scope of work, prices it, funds it, and gets the work done. (Admittedly, there are important elements involving resident communication/involvement and unusual legal issues which are significantly different than the work

we mostly do.) Is that the way you see this happening, too? Assuming a developer/project manager-type is selected, can they pick their own team or do they have to use respondents? In other words, are respondents the only ones who can work on these projects? And, therefore, if we want to have a team that we work with, should we be submitting as a team?

Answer: Ideally MOH would like responses from technical assistance teams so an entire team can be offered to the co-op/rental boards and they will not be burdened with having to select individual TA providers under the 3 service areas. In the event a specialist TA providers responds to one but not all 3 service areas, then MOH reserves the right to offer individual TA providers to the co-op/rental boards.

9. Is the money in this plan going to go out to resident-controlled entities, or is some going directly to respondents from MOH?

Answer: MOH intends to administer the money directly to the TA providers and not the resident-controlled entities.

10. Can respondents add team members after the RFQ submission deadline, for instance for specific tasks like to perform the CNAs/PNAs?

Answer: Yes, if it is for specific tasks.

11. If MOH intends to contract directly with the TA providers, is it anticipated that the TA providers will have an MOU between themselves and the co-op/rental boards?

Answer: Yes, MOH anticipates there will be an MOU between the TA providers and the co-op/rental boards, with the possible exception being legal services since the co-op/rental boards will be the client of the legal TA provider.

12. Although MOH's intention is to contract directly with the TA providers, shouldn't the contract be between the TA provider and the co-op/rental housing boards because they are the legal services' client?

Answer: Yes, the contract could be between the boards and the legal services TA provider.

13. Under Service Area B it states one of the desired deliverables is "successful funding applications to fund re-capitalization". However, it sounds like the intention of the RFQ is only to do financial analysis in anticipation of funding applications, so is that deliverable actually required?

Answer: As it was pointed out at the pre-submission meeting that the intention of the RFQ is to provide financial feasibility analyses and not securing recapitalization financing at this time. Consequently, MOH will eliminate reference to "successful funding applications" under Service Area B; however, MOH will add a deliverable of "general HUD and co-op financing guidance" that may be made available to both MOH and all of the RFQ respondents.

14. What are the differences between the "developer" and "TA" role?

Answer: The "developer" may be an entity that may assist the co-op/rental boards with actual refinancing and recapitalization of their properties, including possibly purchasing the properties or being a turn-key developer. The "TA" role is for this initial financial feasibility phase that may or may not lead to actual refinancing and recapitalization of the properties.

15. When will the "developer" selection process take place, assuming "developers" will be selected under a separate process?

Answer: The “developers” will be selected after completion of the services requested under this RFQ. The actual date/timeline for that process has not been determined.

16. Please send copies of the sign-in list to the group.

Answer: Please see the accompanying sign-in list that will also be posted on MOH’s website.

17. If we are a nonprofit with one particular specialty like community organizing, can we apply as a sole respondent or must be apply as a team?

Answer: Yes, a nonprofit with a particular specialty can apply by itself to the RFQ and is no required to apply with a team.

18. Under the SFRA Section 8 Preservation Program there was dedicated Agency staff to act as a liaison between the TA provider and the rental board of directors. Will MOH do a same structure or use existing MOH staff, who are already very busy with other work?

Answer: MOH will investigate the hiring of liaisons rather than using existing MOH staff to perform that function.

19. What if the co-op board says they want the TA provider to be the developer, will that be allowed?

Answer: Yes, MOH will permit the TA provider to be the developer if that is the expressed wish of the co-op/rental boards.