

HOUSING AUTHORITY OF THE CITY OF CHARLESTON

550 MEETING STREET, CHARLESTON, SC 29403

RFP Developer Services for Meeting Street Manor Extension

Demolition and Redevelopment

**Addendum No. 1**

Job No.: 240301

Issued January 30, 2024

*This Addendum is issued under the Conditions of the Contract and is hereby made part of the Contract Documents for the Project entitled RFP Developer Services for Meeting Street Manor Extension Demolition and Redevelopment. This Addendum serves to clarify, revise, and supersede information in the Project Manual / Specifications, the drawings, and any previously issued Addenda. The addendum shall be noted as received and acknowledged on the Bid/ Proposal and or Addendum Acknowledgement Form when submitted as outlined in the project manual referenced above.*

The following corrections, additions, deletions, and/or modifications to the above package, by this reference, shall be incorporated therein:

1. **QUESTIONS AND ANSWERS:**

1. QUESTION - *Does Section 18 relate to the demolition of existing units which means CHA can replace the existing units with new units?*

ANSWER - HUD Section 18 deals with demolition and disposition so if a public housing site has 50 units and it qualifies for Section 18 then those 50 units could be torn down and replaced with 50 units, 100 units, or whatever total number works for the site financially, but the initial 50 units that were torn down would qualify to apply for HUD project based Tenant Protection Vouchers.

1. QUESTION -*Would the 44 units under this job be eligible for vouchers from HUD and if so what is the rental value for each unit?*

ANSWER - Yes. The rental values (“gross rents”) are listed on page 6 of the RFP under SAFMRs. The utility allowances would need to be deducted from these rents to get to what HUD refers to as the “contract rent” which would be the net amount due to the landlord. Current utility allowances can be found on our website using the following link: <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&ved=2ahUKEwjs3_6v0fODAxVjSDABHV9FCh0QFnoECBkQAQ&url=https%3A%2F%2Fwww.chacity.org%2Fdeveloper-landlord-general-info%2Futility-allowances%2F&usg=AOvVaw13K_UnZtltTLKy7iORAZqm&opi=89978449>

1. QUESTION - Under Section III, Item b., CHA expresses the desire “to see additional workforce housing units as well as united included that do not have long-term compliance to provide a more balanced mixed-use development”.

*Will CHA accept proposals that only include units at 80% AMI and below? Or is CHA only looking for proposals that are mixed-income and not 100% LIHTC restricted?*

ANSWER Yes, CHA will accept proposals that are mixed income or 100% LIHTC restricted.

1. **CLARIFICATION REQUESTS**
2. Please clarify the statement, “*Respondents need to include the ownership percentage of CHA and the asset management fee paid to CHA*.”

ANSWER - The respondent needs to propose an ownership structure. The ownership structure may vary depending on the type of financing and which party bares more risk.

The respondent also needs to propose an asset management fee split. That split may be 100% to the Housing Authority or it may be less if a joint venture is proposed.

1. Clarification is requested on ground lease payments.

ANSWER - The respondent needs to propose a ground lease payment to the Housing Authority if it is proposed that the land should continue to be owned by the Housing Authority. That annual ground lease payment should be based on the value of the land in the deal proposed.

1. **Modification/Permission to Submit Alternative Information REQUESTS**
2. Section IV, Item B(3)vi. – CHA is requesting annual audits for 2020, 2021 and 2022 for each rental property owned by any member of the Developer’s team. This would be a lot of information to transmit as the prospective Developer Team has nearly 100 properties under ownership.

*Would CHA accept a Schedule of Real Estate Owned (SREO) that would contain pertinent information such as location, unit count, year built, occupancy rate, net operating income, debt service, debt service coverage ratio (DSCR) and net cash flow? This schedule would give CHA similar information to help determine the financial health of a property while significantly decreasing the amount of information needed to be included in the response.*

1. ANSWER - Yes, CHA will accept a SREO.

**End Addendum NO. 1**

**ALL OTHER INFORMATION REMAINS THE SAME**