



## **McPherson Square Affordable Housing Pilot Program Request for Qualifications (RFQ) – Q&A**

**Q1: In Financing Structure A (Lease-to-Own), is it required that nonprofits lease to tenants for five (5) years prior to selling the property or can units be sold immediately following the non-profit's acquisition of the properties?**

A1: The lease period can be up to five years, but must be no less than one year.

**Q2: Can the target geography be expanded to Kensington Avenue in order to capture Potter Street?**

A2: No.

**Q3: May an affiliated for-profit and non-profit real estate entities respond to the RFQ together?**

A3: Yes.

**Q4: Will the real-estate transfer tax be waived?**

A4: No.

**Q5: How many of the properties within the target area are publically owned?**

A5: There are about six (6) publicly owned properties within the target area.

**Q6: When will the properties be appraised?**

A6: They will be appraised after the developer acquires the properties and before construction commences.

**Q7: Are the uses restricted to residential?**

A7: Yes.

**Q8: Are the developers responsible for leasing up the properties?**

A8: No, all leasing responsibilities will be carried out by the nonprofit partners.

**Q9: If a tenant has to be evicted who is responsible for carrying out the eviction process?**

A9: The nonprofit organization that is managing the buildings.

**Q10: Is there any flexibility with regard to the requirement that properties be vacant for 12-months prior to acquisition?**

A10: There is flexibility on that point; however, it is essential that this program be used to renovate vacant structures, and not occupied homes.

**Q11: How should respondents prove that a property has been vacant for 12-months?**

A11: We ask that respondents submit the best evidence available for each property.

**Q12: How many properties do you envision will be rehabbed through the program?**

A12: Based on the program's financing we expect portfolios to contain approximately 10 properties.

**Q13: How firm is the two (2) year deadline from acquisition to sale?**

A13: We believe that the program will be the most successful if the period between developer acquisition and sale remains within a two (2) year timeframe.

**Q14: Will more than one developer be selected?**

A14: Not for this pilot.

**Q15: Will PRA cherry pick developer and nonprofit teams from the responses?**

A15: No, it is PRA's intention to select teams who submit a response together.

**Q16: Since PRA incorporated economic inclusion in the selection criteria, will there be oversight of M/W/DBE during the development period?**

A16: Because public funding does not enter until the development process is complete, PRA will not oversee any compliance relating to the construction and development process.

**Q17: When does PRA expect that this program will be scaled?**

A17: The program will be scaled based on the success of the pilot.

**Q18: In the rental scenario, will the income covenants for leasing be in a separate covenant on the land or in the financing documents?**

A18: The affordability requirements will be included in mortgage documents reflecting PRA received a first-position lien on the Properties for the loan term.