

HOUSING AUTHORITY OF THE CITY OF MILWAUKEE

OFFICIAL NOTICE NUMBERS – 58026, 58028 & 58029
REQUEST FOR PROPOSALS
COMMERCIAL LENDERS/MORTGAGE PROVIDERS

CLARIFICATION AND
INTERPRETATION REQUEST
SEPTEMBER 28th, 2021

CLARIFICATIONS TO RFP

Westlawn Renaissance VII

QUESTION: Would you consider equity offers that proposed a Partnership Agreement different than the one included in the RFP?

ANSWER: You may, we will evaluate the differences between the model OPA and respondent's proposal.

QUESTION: Can you provide a breakdown of the AMI levels for the units labeled at 60% AMI so we can calculate the average project AMI with the 80% units?

ANSWER: Below is the Income targeting. The units in 61%-80% AMI are designated for public housing returning residents (previously relocated) that are presently over the 60% AMI. These 10 units are PBV – RAD units. When these returning residents move out in the future, Subsequent lease up on these units will be limited to residents with up to 50% AMI as per PBV regulations.

AIM Target	# of Units
61%-80%	10
Up to 60%	53
Up to 50%	34
Total	97
Average Income	58.56%

QUESTION: What is included in the \$4.3 million in site work? What amount, if any, can be allocated to land improvements?

ANSWER: These are infrastructure works, i.e. Roads and Alleys, underground utilities (electric, gas, sewer & water), storm water management systems, lightings. They can be considered as land improvements.

QUESTION: For the 20 units of supportive housing, are the services required by the tax credit application? Is the cost of services included in the operating budget and if not, how will they be paid?

Commercial Lenders/Mortgage Providers

ANSWER: These are not hard set asides. The project is not obligated to provide specific services to these units. Services if any will be provided by outside non-profit organizations or municipality.

QUESTION: Would the Authority consider providing a guarantee during the construction period? Would it consider a guarantee during the permanent financing phase for sufficient economic benefit?

ANSWER: HACM as the developer will provide construction completion guarantee. This will be a non-recourse debt. So, no HACM will not be providing guarantees.

QUESTION: Would the Authority consider permanent debt that is not fully amortizing? i.e. there is a balloon payment at or after the end of the tax-credit compliance period?

ANSWER: Yes, balloon payment is allowed only after the 20th year. This will be subject also to HUD review and approval.

Carver Park

QUESTION: Please confirm that HACM is the current property manager of Townhomes at Carver Park and will continue on as such following re-syndication.

ANSWER: HACM will be the Property Manager

QUESTION: Could you please clarify the permanent loan assumptions under which initial investments should be based? Should we assume an immediately funded and amortizing permanent loan with a separate equity bridge loan, or a forward commitment for the permanent loan and conventional construction loan?

ANSWER: There will be 2 loans: Loan 1 – Construction Bridge Loan which will be paid from the 2nd Equity Installment. Loan 2 – Construction/Permanent Loan. This will convert into amortizing loan at stabilization

QUESTION: Can you reconfirm projected renovation completion dates (month and year) for each building/block of units? It appears that the RFP references “lease-up” beginning in 2022 and the accompanying project proforma in Exhibit C reflects this taking place in 2023. Which of these is correct?

ANSWER: Lease up starts in 2022. The Schedule reflected in the RFP Section VI is correct

QUESTION: How will renovation work be phased? Will a block of units/full building(s) be vacated upon initial closing with renovations rolling from building to building?

ANSWER: Renovation is by building to building

QUESTION: Can you please share historic expenses of the property with us, preferably the last 2-3 years audited financial statements? Do you anticipate any material reductions in historic operating expenses as a result of renovations?

ANSWER: On the website is the prior year's financial statements. Besides expenses related to unit turns, all other expenses should not significantly reduced

QUESTION: Will HACM be receiving any net proceeds relative to sale/transfer of the property to the new LIHTC Partnership? If so, how much in net proceeds will be realized?

ANSWER: Yes, HACM will be receiving net proceeds relative to sale/transfer of the property as indicated in the Sources & Uses (\$5.14mm). This amount however, will change depending on the final underwritten Sources & Uses

QUESTION: Can you detail any supportive services that will be required to be provided or made available to residents by either WHEDA or any of the project funders? If services are required, please detail how services will be funded

ANSWER: There are no required supportive services to be provided on this project. However, HACM provides supportive services program to all its residents. These are not funded by the project

QUESTION: Will any existing property reserves be transferred into the new LIHTC Partnership?

ANSWER: No, existing reserves will not be transferred. A new reserve will be set up as will be required in the deal

QUESTION: It does not appear that the development includes a clubhouse building or community room. Is this correct. Have any alternative arrangements been made for residents to access spaces for gathering or recreating at other HACM properties?

ANSWER: The project has no clubhouse building or community room on its own. Residents have access to HACM owned community room located within the area