



# County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax

Date: August 23, 2018

## ADDENDUM NO. 1

**SUBJECT:** Request for Proposal (RFP) for FY2019 CDBG/HOME Affordable Housing Projects

**CHANGES:** The RFP was amended on August 9, 2018, to reflect the following change: pages 5 and 9, the sentence: "*Leverage is not required if the project will serve households earning at or below 30% of AMI.*" was deleted. If you downloaded the RFP prior to August 9, 2018, please download the current version of the RFP.

**APPLICATION CLOSING DATE/TIME:** September 28, 2018 at 4:00 p.m.

**OVERVIEW:** The following are responses to questions received during the August 9, 2018 pre-proposal conference:

1. Q: Are radon inspections required?

**A: A completed radon inspection is not a requirement of the RFP submission, but Fairfax County staff may request radon testing as part of the underwriting process for unit acquisition, particularly if there is any level of rehabilitation planned for the unit pre- or post-acquisition.**

2. Q: For annual income verification, we sometimes encounter problems with obtaining responses from existing residents. Can we force them to respond?

**A: It is appropriate for nonprofit landlords of federally funded properties to appropriately penalize tenants, or in some cases, evict tenants, for failure to comply with lease terms, including those concerning regulatory compliance requirements. As the recipient of Fairfax County funding, the nonprofit is responsible for ensuring compliance with applicable federal and local regulations with respect to the eligible use of the funding. Lease agreements between the nonprofit and each tenant of Fairfax County financed housing should require that, as a condition for continued occupancy of the affordable housing unit, the tenant agrees to:**

- provide access to the tenant file upon request by the nonprofit, Fairfax County and/or HUD;
- submit household income (including verification documentation), occupancy and other data upon request by the nonprofit, Fairfax County and/or HUD;
- cooperate with other requests necessary for the nonprofit and Fairfax County to maintain compliance with the applicable federal regulations.

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3. Q: Can projects qualifying for Special Needs funding also be funded by the Affordable Housing funding?

**A: Yes. The funding designated as Special Needs represents the minimum amount of funding that must be awarded for Special Needs housing activities. However, additional funding from other categories can also be awarded for Special Needs housing activities. For example, a nonprofit qualified as a CHDO could be awarded all of the CHDO funding plus the Special Needs funding for a Special Needs housing activity.**

4. Q: Do we need to submit separate applications if we're applying for separate funding, (CDBG, HOME, and/or CHDO), streams?

**A: No. However, separate applications should be submitted for separate projects, even if submitted by the same nonprofit. Nonprofits also have the option but are not required to submit separate applications for the separate funding streams offered.**

5. Q: For the Management Capacity and Real Estate Experience criterion, in the description of previous project completion experience, do we only include projects that have been funded by Fairfax County?

**A: No. Include as many relevant projects as possible including those funded by Fairfax County.**

6. Q: There is a reference in Appendix 3, FCRHA Funding Guidelines about funding an FCRHA Reserve Account to backstop balloon payments. What does this mean?

**A: Balloon payment loans are not likely to be approved for acquisitions financed by funding awarded under this RFP or the CCFP. Although the account referenced in Appendix 3 has the same name as the FCRHA Reserve Account required with respect to the acquisitions financed by this RFP or the Consolidated Community Funding Pool (CCFP), the reserve account referenced in the appendix is not the same. The account referenced in the appendix would be required for a County funded multi-family projects for which the FCRHA, in the unlikely event, approves a loan that will have a balloon payment at maturity. The FCRHA does not prefer projects with balloon payments.**

7. Q: Can we use FCRHA reserve account to pay down debt?

**A: No. The FCRHA Reserve Account is to be used to for repairs, replacements and renovations of the properties to keep the assets in good condition. HCD staff is working on developing a policy to address the eligible uses and procedures for using the reserve account. We are researching current and best practices among asset managers, nonprofits, other jurisdictions and other lenders. Grants Management staff, along with other County staff, are tasked with developing the policy. There will be an opportunity for nonprofit input prior to the adoption of a final policy. In the meantime, please continue to maintain**

the accounts based on the current goal of \$10,000 in reserve funds per FCRHA financed unit.

8. Q: How many CHDO's are there in Fairfax County?

A: Currently, there are five active CHDOs in Fairfax County. It is up to Fairfax County to determine how often a CHDO has to be recertified. All nonprofits receiving CHDO funds should be aware that their organization must maintain the CHDO certification throughout the life of the CHDO-funded project.

9. Q: When will the FCRHA reserve account need to be established?

A: The FCRHA Reserve Account is established upon the acquisition of the first housing unit funded by the FCRHA. Thereafter, deposits are made to the same account out of the net cash flows from any and all FCRHA housing units.

All other terms and conditions remain unchanged.



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Kevin Sheehan, CPPB  
Contract & Procurement Coordinator

**THIS ADDENDUM IS CONSIDERED A PART OF THE SUBJECT REQUEST FOR PROPOSAL**