

Compilation of questions and answers received:**1. In regard to the stated public interests, what does the City consider “a significant component” of affordable housing in terms of number of units?**

The City has not established a minimum threshold for the number of affordable units to be delivered on site, and the City is interested in hearing from teams how they would approach the development program, and what teams view as a reasonable number of affordable units that can be successfully delivered at this site.

For further context, in previous public conversations at Durham City Council meetings and work sessions, Mayor Steve Schewel has said he would like to see 80 affordable units delivered on this site (audio from a City Council work session on June 7 discussing City Council priorities for the site is available at: http://durham.granicus.com/MediaPlayer.php?view_id=5&clip_id=2187, and the Mayor’s comments regarding a desire to see 80 affordable units on site can be heard beginning at 2:00:25). However, at this stage in the process the City is most interested in understanding how developers will creatively approach this affordable housing objective. With feedback gathered through the RFQ process, it is possible the City will provide more definitive guidance on the quantity of affordable units sought on-site as part of the its stated priorities for the RFP stage of the process.

2. Would the City consider below-market-rate housing targeted to households earning 60% AMI-100% of AMI as serving the affordable housing public interest?

The stated priority in the RFQ is delivery of housing units affordable at 60% AMI. Since the City has not set unit minimums, the RFQ is inviting teams to present development approaches that they feel are feasible and accomplish stated priorities. While the City expects that some units need to be affordable at 60% AMI, inclusion of units affordable at a price point between 60 to 100% of AMI (e.g. 80% AMI) will also be considered toward meeting City priorities for

increasing the supply of affordable housing Downtown, and will be preferential to development approaches that include only market-rate units.

Ultimately, the City expects to see development programs that include some portion of units affordable at 60% AMI, though there is no required minimum unit count, and the City welcomes development programs that also include below-market-rate housing targeted to households earning between 60%-100% AMI.

- 3. Under “Relevant Project Experience” (see p. 14) are the maximum numbers given for the different categories of project experience (e.g. “3 most relevant previous projects”) applied to the team’s entire response (i.e. 3 projects total for that category)? Or to each of the team members (i.e. a team of three firms could each submit 3 projects, for 9 total examples)?**

The maximum numbers provided are per team. For instance, if an assembled team is comprised of three firms, in demonstrating the experience relevant to “A. Residential or mixed-use development that included an affordable housing component,” the team should offer three projects drawn from the collective experience of team members that it feels best represent the capabilities of the team, rather than three per team member. To this end, it should be clear which team members were involved in the featured projects, and in what capacity (e.g. highlighting whether the team member functioned as lead developer, property manager, architect, engineer, etc.). The City anticipates that not all categories of project experience will be applicable to all team members and encourages teams to submit their most compelling qualifications against each category, drawing on the diverse skillsets and capacities represented within the team. In providing professional resumes for the individuals that comprise each team in “Section 2: Development team qualifications,” respondents will be able to provide a fuller sense of the breadth of experience of the team.

- 4. For the purpose of evaluating “Relevant Project Experience” (see bottom of p. 17), is the “Respondent” defined as the entire development team on the RFQ response?**

Yes – this reference to the “Respondent” refers to the entire development team assembled to submit the response.

5. **For the purpose of evaluating “Relevant Project Experience” (see p. 18), how will the City determine whether a Respondent has “demonstrated a commitment to gathering and respecting community input” on a redevelopment project?**

The City is asking teams to provide specific examples of their experience in structuring community engagement as part of the development process. In describing past project experience, teams should describe what types of engagement activities were undertaken, and highlight instances where input from a community engagement process meaningfully shaped, impacted, and/or changed development processes and plans. Teams are invited to include sample documents they may have used to communicate with the community in past projects as an appendix to their response.

6. **Because of the financial realities of affordable housing development, it is very likely to certain that any developer who intends to meet the RFQ requirement to provide a "significant complement of housing affordable to residents at 60% AMI" would have to secure a 9% LIHTC (Low Income Housing Tax Credit) grant from the North Carolina Housing Finance Agency (NCHFA). The DPD RFQ does not appear to require any entity on a development team to have the relevant affordable housing experience required to be awarded a 9% LIHTC grant from the NCHFA. For example, one element of the experience required by NCHFA is that a 9% LIHTC grant recipient have at least one (1) 9% Tax Credit project in North Carolina or six (6) separate 9% Tax Credit projects totaling in excess of 200 units, among other requirements. A more complete description of the NCHFA requirements for a 9% LIHTC grant is available online at this site: <https://www.nchfa.com/rental-housing-partners/rental-developers/rental-development-financing-options/low-income-housing-tax-credits>.**

The question posed, then, is will the City require all development entities which submits an RFQ for the DPD site to meet the NCHFA requirements for receipt of a 9% LIHTC? If not, how will the City ensure that each development entity selected pursuant to the RFQ process can finance and construct "a significant complement of housing affordable to residents at 60% AMI?

The City will not require that development entities which submit a response to the RFQ meet NCHFA requirements for receipt of a 9% LIHTC. Given the

competitive nature of 9% LIHTC awards, and Durham's existing pipeline of affordable housing projects that are seeking 9% LIHTC awards, the City does not anticipate availability of 9% LIHTC awards for this project in the foreseeable future, and would like development at the 505 W. Chapel Hill Street site to move forward on a more expedited timeframe.

As stated in the RFQ, experience in affordable housing and/or mixed-income residential development is the first criteria against which responses will be evaluated. This experience may include past LIHTC projects undertaken in North Carolina, demonstrating the teams' ability to meet NCHFA requirements for 9% awards.

The next stage in the disposition process, the Requests for Proposals (RFP) will require pre-qualified respondents to submit detailed site programs and financial information, including an offer to purchase the site. RFP responses, and in particular the financial offer component, will be evaluated by the City to identify proposals that meet stated priorities and are financially feasible.