

Request for Proposals

2018 Homeowner Assistance Program (HAP) – Housing Opportunity Fund

Questions & Answers

The following is an overview of the general questions that have been submitted online and that were asked at the December 20, 2018 pre-proposal meeting.

What is the policy on lead-paint?

Work must be done in compliance with HUD Lead Safe Regulations. Additionally, for income-eligible households with children under the age of 6, they may also apply to Allegheny County's Lead Based Paint Remediation program.

What are required repairs?

The URA will conduct an inspection of each property identifying conditions presenting a danger to health and safety. Priority use of loan funds will be initial code violations, energy related improvements, and finally general property improvements.

Is it the responsibility of the Program Administrator to order/pay for the pre-construction appraisal?

Yes. Program Administrators should account for this expense when calculating their total funding requests.

What appraisers are eligible to carry out the pre-construction appraisal?

At a minimum, each appraiser must be a PA Certified General Appraiser or a PA Certified Residential Appraiser.

Can funds be layered with other programs?

Projects will be approved on a case by case basis. A borrower may be able to use more than one program but there needs to be demonstrated need for that level of public assistance.

Can a Program Administrator apply with the intention of only spending \$5,000 of HAP funds on each home and using other funds for additional repairs?

There needs to be a balance between helping as many households as possible and also creating a future potential loan-repayment stream to continue to fund the program in the future. Therefore, proposing Program Administrators should be as transparent as possible in their applications about how their organization would use HAP funds.

In the case of a “Love and Affection Sale” from one family member to another, would the loan need to be paid back?

As per Program Guidelines, if the person purchasing the home is low-income, then the loan may be assumed by the buyer. If the purchaser is not low-income, then they would owe the Net Proceeds of the loan to HOF, as per the calculation below:

$$\begin{array}{r} \text{Gross sales} \\ \text{price or fair} \\ \text{market} \\ \text{value} \end{array} - \begin{array}{r} \text{Real estate sales} \\ \text{commission, realty} \\ \text{transfer taxes,} \\ \text{financing fees,} \\ \text{closing costs} \end{array} - \begin{array}{r} \text{Outstanding} \\ \text{principal} \\ \text{balance of} \\ \text{first} \\ \text{mortgage} \end{array} - \begin{array}{r} \text{Homeowner's} \\ \text{equity in the} \\ \text{house} \end{array} = \begin{array}{r} \text{Net} \\ \text{Proceeds} \end{array}$$

Program Administrators must hire separate construction managers?

No. If an organization has the capability to manage construction with internal staff members, this is allowable. Please be as detailed as possible in the proposal response about how construction would be managed if awarded HAP funds.

If a Program Administrator uses sub-contractors, who needs to meet the necessary insurance requirements?

If a Program Administrator facilitates a program where they hire sub-contractors, then it is the responsibility of the Program Administrator to ensure that the hired sub-contractors are carrying appropriate insurance as per the HAP Program Guidelines.

If a Program Administrator has applied for other HOF programs, is it necessary to provide basic information again?

If attachments have already been submitted to HOF through the application related to a separate 2018 program, it is not required that they be resubmitted for the HAP proposal.

Will the funds awarded through this RFP be expended between March 2019 and December 2019?

This is the goal for the current round of funding. The rate at which these funds are expended depends on the collective capacity of the Program Administrators and the demand from residents.

Can a homeowner with an outstanding URA loan apply for this program?

Yes, as long as the homeowner is not delinquent with his/her URA loan.

Is it required to have specific homeowners identified and ready to go to be a Program Administrator?

No. All HAP participants will need to come through the HOF application process, regardless of whether they were in a Program Administrators pipeline or not.

Is the January 10, 2018 proposal deadline set in stone?

Yes. If funds are still available after the January 10, 2018 proposals are vetted and taken through necessary approval processes, then there is a possibility, but not a guarantee, that a second RFP may be issued.

Can these funds be paired with community land trust properties where the land trust holds the lien instead of the homeowner?

HOF is dedicated to finding creative avenues for the use of HAP funds moving forward, however given that this is the pilot year for the HAP program, the procedures as currently laid out in the Program Guidelines will be followed.

Can independent third parties' carry out construction inspections instead of the URA?

At this time, the URA Engineering and Construction department will be the sole entity charged with conducting inspections for HAP projects.