

Infill Mixed Use Multi- Family Affordable Housing RFP Pre-bid Meeting
April 10, 2019

John Zakian started the meeting by introducing himself and stated it's common practice to have informal pre-bid conference.

John provided an overview of the project: HUD approved 20 million dollars for multi-family low and moderate income (LMI) housing activities. This RFP is not for the full 20 million because a portion of the funds have already been spent on other LMI housing projects. HUD encourages grantees to promote projects that have outside leverage sources.

A critical need in Minot is a project that supports LMI housing and economic development. We are looking for projects where the first floor is for-profit commercial and the floor(s) above are rental units. Based on the city's current zoning, there are only 2 areas zoned for this type of project: south Broadway and the entire downtown area.

Two standards we are guided by are maximum per unit construction cost (\$180K per unit) and income standards based on family size that is established by HUD. All LMI units will maintain affordability within HUD standards for 20 years. If all units aren't LMI, we can't contribute any NDR funds. We can't fund anything specifically for the commercial piece. We can pay a portion of shared items: i.e. A/C units. Some of the regs aren't applicable but we have to put them in there. If funds are awarded, they cannot be spent until environmental review is completed. (3-4 months)

Q: Is the 180K per unit flexible, can it be moved?

A: No, it's fixed and isn't flexible for this program. If there is an extreme case, there may be an exception made. For example, if it could be shown that the city code requires something more than the state's requirement, we could maybe go above the 180K.

Q: Is this also for new construction?

A: yes

Q: Does this include hallways etc.?

A: Yes, if all were LMI, then shared elements can be included in the proposal. If all units are not LMI, a portion of the shared elements would be eligible.

Q: What would be considered a current appraisal?

A: HUD doesn't define it but appraisals around a year old would be considered current.

Q: Are payments made on the loan?

A: No, the loan is a guarantee and you don't have to pay on it. It's a lien on the property and it is released after 20 years.

For other questions, email John Zakian. Please make sure you provide your email address so we can email you the funding sheets in excel. A summary of this meeting along with the questions and answers will be posted on the city's website.