Responses are due NO LATER THAN MONDAY, March 11th at 5:00pm. The responses must be Submitted as a Word Document using the format below. The responses should include both the Question and Answer. Responses must be submitted via email. Email should be addressed to Mike Goodison at mgoodison@cityofdavis.org. Responses should not be mailed.

DEADLINE: RESPONSES ARE DUE NO LATER THAN 5PM ON March 11, 2013.

1. What is the minimum amount of funding you could utilize to complete your proposed project or program?

We have applied for what we consider to be the minimum amount of funding required to include a new community room as part LINC’s acquisition and rehabilitation of the three properties. If the award amount is reduced, we will reconsider whether the addition of a community room is financially feasible at this point or if the budget for rehabilitation should be reduced to accommodate the costs to construct a new community room.

2. At which site is the community room proposed to be developed? How would the room be shared? What services would it provide?

At this point, we are proposing to build the new community room at Heather Glen. This is subject to the City’s review, approval and issuance of building permits however the Heather Glen property appears to be ideally suited to accommodate a new community room. The community room will be open to the residents of all three communities. The LINC Cares resident services programs are tailored to meet the needs of each community and the residents are given an opportunity to vote on the types of resident services programs they would like to see offered. Some of the programs offered at other LINC communities include after school, tutoring, volunteer programs, health and well being, and financial counseling. A more detailed list of the services is attached.

3. The City typically provides 55-year, 3% interest residual receipts loans to affordable housing projects. Can these projects support this type of loan? Why or why not?

Yes, the properties can support additional residual receipts debt. Each of these properties already have subordinate residual receipts debt from the City of Davis and the State’s Housing and Community Development Dept.

4. What other funding opportunities would LINC pursue if the tax credits are not awarded to this project?
LINC proposes to apply for 4% tax credits for these properties, which are generally non-competitive however, if tax credits are not awarded to these properties, LINC would work to secure funding from other sources of subsidy, research other sources of permanent financing, and attempt to secure other sources of non-tax-credit equity if feasible.

5. Has LINC used HOME federal funding before at other projects? Is LINC familiar with the requirements of HOME funding?

Yes, LINC has used HOME funds on several projects in the past, including one recently completed new construction project in Whittier called Mosaic Gardens at Whittier, and a new project that is currently under construction in Huntington Park called Mosaic Gardens at Huntington Park. LINC is familiar with the requirements of HOME funding.

6. Would LINC look to earn a developer fee for this project? How much of a fee and how would it be paid?

Yes, LINC would look to earn a developer fee for the entire acquisition and rehabilitation project. At this point, LINC estimates the capitalized developer fee to be in the magnitude of $865,000 however the developer fee estimate may be reduced to accommodate changes in the financing structure, including interest rate changes and changes to tax credit pricing. Furthermore, we have found that our financial partners tend to categorize developer fee as an additional source of contingency should any unforeseen issues arise during the scope of rehabilitation. Finally, the amount of developer fee will be scrutinized by both the City of Davis and HCD during the assignment and assumption process to transfer the existing subordinate debt on the properties.