



**District of Columbia Department of Housing and Community Development  
NEIGHBORHOOD STABILIZATION PROGRAM (NSP)  
REQUEST FOR PROPOSALS ADDENDUM:**

**RFP Issue Date July 1, 2011;  
RFP Addendum Date: July 12, 2011**

Note: The information in this RFP Addendum supersedes that which is in the original RFP.

**Section III (B) is amended as noted under the following categories:**

- **Relocation** – To be considered for an award, a property already owned by the applicant must have been vacant as of the NOFA date (July 1, 2011). If a proposed property is subject to a purchase agreement or option, the property must have been vacant at the time of the applicant’s first investigation of the property – as determined by DHCD. DHCD will not award NSP funds for a property unless the developer has documentation that the property was vacant as defined and required herein and that best efforts have been taken to determine that no tenant in a foreclosed property was evicted by the seller in violation of the Protecting Tenants at Foreclosure Act of 2009 (“PTAF”), which requires that existing written leases with bona fide tenants be honored for their full term, or if there is no written lease, that a bona fide tenant be allowed to remain in residence for at least 90 days from the date of any eviction notice. Acceptable forms of documentation of vacancy include: 1) a signed, dated inspection report indicating vacancy; 2) copies of utility records indicating termination of service; and 3) signed affidavits by neighboring residents. If such property proves to have been occupied by a bona fide tenant whose rights under the federal Uniform Relocation Act were violated, the developer **must** adhere to federal requirements and financial responsibilities related to displacement and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act) and 24 CFR Part 570 (the Community Development Block Grant Program). If such property proves to have been occupied by a bona fide tenant in a foreclosed property whose rights under PTAF were violated, the NSP award for such property will be terminated and all NSP funds expended must be repaid by the NSP awardee.
- **Environmental Review** – All properties will be subject to an Environmental Review by DHCD prior to an award of NSP funds to such properties. If a property proposed for NSP funding is not owned by the project sponsor but subject to an option or purchase agreement, an environmental clearance must be completed before the property purchase closes. DHCD will conduct the environmental review in compliance with 24 CFR Part 58. If the project passes the Environmental Review, DHCD will issue a Notice to

Proceed, and the developer may move forward with the approved demolition, rehabilitation or new construction.

- **Sale Price Limitation** – Per the Housing and Economic Recovery Act of 2008 (“HERA”) statute, the price for selling homes to low-to-moderate income households under NSP must be the **lesser** of a) the total development cost to acquire and redevelop/rehabilitate the property plus related costs, or b) the market value of the home as determined by an after-redevelopment appraisal. In determining the total development cost, maintenance costs, such as boarding up units, lawn mowing etc, while in a static condition (i.e., not during rehabilitation) **cannot** be included.
- **Buyer Requirements** – The following requirements pertain to the sale of the homes to eligible buyers:
  1. **Occupancy by Low & Moderate Middle Income Households** – All units assisted with NSP funds must serve households with incomes at or below 80 percent of the AMI. A minimum of 40% percent of the units (**both rental and for-sale units**) must serve households with incomes at or below 50 percent of the AMI.
  2. **Buyer Note and Mortgage** – All NSP funds will be secured by a mortgage and note and be provided a form of an interest deferred loan consistent with the affordability period requirements listed below.
  3. **Primary Residence** – Homes rehabilitated or newly constructed and sold under this RFP must be in use as a primary residence.
  4. **Homebuyer Counseling** – All homebuyers that are assisted through NSP funds must be provided at least eight (8) hours of homebuyer counseling through a HUD-certified homebuyer counseling organization. Potential homebuyers must provide a copy of the Homebuyer Education Certificate of Completion, prior to closing on their respective homeownership units.

**Section III (D) is amended as follows:**

***D. Targeted Geographic Areas:***

While Targeted Geographic Areas are designated by the Federal or District of Columbia government for the purpose of improving neighborhoods and providing economic stimulus, DHCD will only accept proposals under this RFP in the following Neighborhood Stabilization Program Target Areas:

Ward 5: Eckington (*Census Tract 87.01*)

Ward 5: Ivy City/Trinidad (*Census Tracts 79.01, 79.03, 85, 88.02, 88.03, 88.04, 89.03, 89.04*)

Ward 5: Woodridge (*Census Tracts 91.01, 94*)

Ward 7: Deanwood (*Census Tracts 78.03, 78.06, 78.07, 78.08, 78.09, 99.04, 99.05, 99.06*)

Ward 7: Ward-wide

Ward 8: Historic Anacostia (*Census Tracts 75.03, 75.04, 76.01*)

Ward 8: Congress Heights

Ward 8: Ward-wide

Two maps describing the NSP2 and NSP3 Target Areas are provided as appendices to the *RFP Reference Guidebook*. Determination of property location within a given census tract can be determined at <http://pivs.dcra.dc.gov/property/search>.

### **Section VI is amended as follows:**

#### **1. Meeting DHCD's Policy Objectives (maximum 20 points)**

This score will be determined from the Applicant's response in **Exhibit A**.

Proposed projects will be scored according to how closely they meet the policy objectives outlined below:

**15** points will be awarded for either of the following policy objectives:

- **Redevelop only abandoned or foreclosed (*as defined in this RFP*) into rental and/or homeownership affordable housing, or**
- **Help tenants who have buildings in foreclosure (*as defined in this RFP*) to purchase and develop their buildings into limited equity cooperatives;**

An additional **5** points can be awarded for any of the following policy objectives:

- Increase the supply of decent, affordable rental and ownership low-income housing through assistance for preservation, rehabilitation and new construction;
- Create permanent housing opportunities, with supportive services, for individuals and families who are homeless or at risk of becoming homeless;
- Provide housing for elderly persons and/or persons with special needs;
- Preserve existing subsidized housing where federal subsidies are set to expire;
- Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households; and
- Achieve economic integration of subsidized housing by providing mixed-income housing, or by locating affordable housing in neighborhoods that are not poverty impacted, or that are undergoing rapid gentrification.