

Grays Ferry Affordable Homeownership Request for Proposals (RFP) – Q&A

Original Posting- March 1, 2019
REVISED POSTING- March 4, 2019

This Q&A was revised for additional questions that were received before the due date, but were inadvertently not included because the email was located in a “junk” folder.

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1. Is the three months for zoning approval in addition to the 18 months of construction?

The successful applicant generally has three months from the date the Purchase and Development Agreement (“PDA”) is fully executed and delivered to complete settlement. During this time, the applicant is expected to obtain any and all approvals for the project. The Land Bank generally provides that construction be completed no later than eighteen (18) months after settlement.

2. Is the deposit 10% of the offer price?

The deposit is the **greater of** 10% of the offer price or \$1500.00.

3. Page 4 indicates that not less than 70% of the residential units shall not exceed a purchase price of \$185,000. Does that mean that the remaining 30% can be at a higher price?

Yes, that is correct. This should also be explained in your project narrative

4. In addition to the certified WBE/MBE requirements for the proposal, should the proposal include if the developer is MBE/WBE?

Yes, that should be included.

5. Does the financing need to be 100% from the developer? Is there subsidy?

Yes, the developer needs to demonstrate 100% financing which can in the form of debt and/or equity. There are no tax credits or subsidies for this project.

6. Are there deed restrictions placed on the properties?

Yes, the PDA details the deed restrictions including those for affordable housing units which are located in the Declaration attached at Exhibit E to the PDA.

7. Can the properties be purchased as a syndicated group or under one entity?

Any syndication must be a single, legally formed business entity.

8. Does the developer have to hold the parcels for a time period before development and sale?

No. The successful applicant generally has three months from the date the PDA is fully executed and delivered to complete settlement. The Land Bank generally provides that construction be completed no later than eighteen (18) months after settlement.

9. Are there any buyer restrictions, if so what are they?

Other than restrictions imposed by law, any restrictions applicable to the buyer are located in the PDA and in the Declaration attached to the PDA.

10. Will the properties be conveyed with a clean title?

According to section 3.01 of the PDA, "subject to the terms and conditions of this Agreement, the Land Bank shall convey the Premises to Developer by special warranty deed (the "**Deed**"). Title shall be insurable at regular rates by any reputable title insurer licensed in the Commonwealth and shall be free and clear of all liens and encumbrances except for the following: (i) current real estate taxes and other municipal charges that are not yet due and payable; (ii) all easements, covenants, agreements, and restrictions; (iii) such facts or conditions that an inspection or accurate survey would disclose; (iv) all laws, ordinances, rules, and regulations; (v) assessments for improvements begun or completed after the Effective Date; (vi) all defects, liens, claims, judgments, encumbrances, mortgages, encroachments, and other clouds on title which existed, or were recorded, perfected, filed, or attached to the Premises, prior to the Land Bank's ownership (except for municipal liens); and (vii) Commonwealth inheritance taxes and inheritance tax liens. The Deed shall be subject to the terms, provisions, obligations, covenants, and conditions of this Agreement. This Agreement shall be recorded in the City Department of Records before recordation of the Deed. **Please be advised that you have the option to purchase title insurance. The Land Bank cannot, and does not, require you to purchase title insurance. However, you are strongly encouraged to consider purchasing title insurance. If you decide not to purchase title insurance you will not be afforded protection in the event of a defect in the title to the Premises.**"

11. Are there any similar projects or recently completed projects in the City? Can this information be shared?

While there may be similar or recently completed projects in the City involving the City or City-related entities, the Land Bank does not compile this data.

- 12. According to my research the AMI for the project zip code is \$58,784 and applying the 70% units with the 80% AMI; it appears that the selling prices of some of the units will need to be reduced substantially below \$185,000 to meet this requirement. This is too limiting. Please provide examples of the calculations so I may have a clearer understanding of how to plan this project.**

Exhibit K to the RFP shows the limit for 80% of AMI. Please note that this is subject to change as HUD updates income limits.

- 13. How do we determine which properties are 2 bedroom versus 3 bedroom?**

The bedroom configuration is at the discretion of the applicant. Please refer to Section X, Item 3 of the RFP regarding "Proposed Use". The Development Site is zoned RSA-5. The Land Bank encourages efforts to comply with the existing underlying zoning. If this is not feasible, the proposal must provide a clear, rational explanation as to why.

- 14. Can any of the new structures be built as 3 story?**

The number of stories is at the discretion of the applicant. Please refer to Section X, Item 3 of the RFP regarding "Proposed Use". The Development Site is zoned RSA-5. The Land Bank encourages efforts to comply with the existing underlying zoning. If this is not feasible, the proposal must provide a clear, rational explanation as to why.

- 15. Are roof top decks permitted?**

Roof top decks are at the discretion of the applicant. Please refer to Section X, Item 3 of the RFP regarding "Proposed Use". The Development Site is zoned RSA-5. The Land Bank encourages efforts to comply with the existing underlying zoning. If this is not feasible, the proposal must provide a clear, rational explanation as to why.

- 16. If a potential buyer has a mortgage, but wants to purchase a better and affordable home and the person meets income guidelines, are they eligible for the affordable housing purchase?**

. A person that meets the income eligibility requirements is eligible to purchase an affordable housing unit.

- 17. Is there a cap on the purchase price of the 30% of homes that can exceed the \$185,000?**

There is no cap on the sales price of the "non-affordable" housing units.



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18. If developers would like to purchase a corner vacant lot in the same community to create a green space or community garden for the community after the completion of this project, would the developer be able to purchase again from the Land Bank or they restricted to one project/transaction with the Land Bank?

A developer is not restricted to one project/transaction. However, any future projects/transactions are subject to the Land Bank's disposition policies. In addition, all other requirements whether found in any ordinance, policy, or otherwise must be satisfied.

DISCLAIMER: If any information contained in this Q&A deviates from the RFP or the PDA, the RFP and the PDA, as applicable, shall govern and control.