



# County of Fairfax, Virginia

To protect and enrich the quality of life for the people, neighborhoods and diverse communities of Fairfax County

Date: September 15, 2021

## ADDENDUM NO. 1

**SUBJECT:** Request for Proposal (RFP) for FY2022 CDBG/HOME Affordable Housing Projects

**APPLICATION CLOSING DATE:** September 24, 2021 @ 4:00 P.M.

**OVERVIEW:** The following are responses to questions received during and after the August 24, 2021, pre-proposal conference:

### **1. What are considered in-kind contributions?**

In-kind contributions are services, material, equipment, or labor committed or received at a conservative value that would otherwise be paid from the project budget and specifically tied to the acquisition or rehabilitation. Documentation of prospective in-kind services should be provided along with the application.

### **2. Can closing cost contributions be considered an in-kind contribution? Can that be used to meet the leveraging component in Criteria #4.**

Seller negotiated closing cost are considered a project contribution. The seller can contribute up to 6% of the sales price toward closing costs, prepaid expenses, discount points, and to offset non-safety repairs identified in the home inspection. These costs would otherwise be paid from the nonprofit's budget. If the project site is secured, please provide documentation of the seller contribution. Otherwise, indicate in the proposal application if seller contributions will be sought out.

### **3. What about donated services?**

Donated services are services that require specialized training and technical tools used with high proficiency that are generally not possessed by the general public or within the nonprofit (NP) staff. Common applicable services to DHCD funded projects may include plumbers, architects and lead abatement specialists. Services should be recognized at the customary rate services performed along with the nature and extent of contributed services received. The NP should recognize the value of the service as revenue and include in the notes in their project description and in the annual financial statements. Documentation of donated services or prospective donated services should be provided along with the application.

### **4. Will there be Project Based Vouchers (PBVs) available for proposed projects?**

There are no PBV competitions planned at this time.

### **5. Can these transactions be considered "cash deals"?**

No. CDBG and HOME financed transactions involve what is usually a 45-day underwriting and contract negotiation process to provide final approval for transactions using the funds awarded through the RFP. These transactions require an appraisal consistent with the amount being financed, relocation and

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environmental review, and home inspection, among other items. Closing is contingent upon final approval of DHCD underwriting requirements.

**6. Can the 45 to 60-day underwriting period be shortened to provide NP's an opportunity for a more competitive offer to sellers by closing more expeditiously?**

DHCD is currently examining its internal underwriting process to determine if it can be streamlined. Until the review is complete, the current underwriting period remains 45 to 60 days in order to complete the work necessary to comply with DHCD closing policy and federal requirements.

All other terms and conditions remain unchanged.



Kevin Sheehan, CPPB  
Contract & Procurement Coordinator

**THIS ADDENDUM IS CONSIDERED A PART OF THE SUBJECT REQUEST FOR PROPOSAL**