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**Addendum**

<b>Solicitation Name</b>	Equity Investor Services for Five Points Phase IV C19002	<b>Addendum Number</b>	2	<b>Date</b>	08-07-18
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This addendum answers questions raised about this solicitation. To aid in readability, the questions are in black, the answers are in **bolded blue** and the answers follow immediately below.

Q1	What is the current unit breakdown? There is a discrepancy between the Market Study and the Tax Credit application, with the largest discrepancy being the tax credit application has no 4 and 5 bedroom units @ 50% AMI ribbon.
	<b>The LIHTC application is the correct guiding document to use.</b>
Q2	What is the RAD contract rents. Assume it is the Net rents listed in the Tax Credit application?
	<b>The LIHTC application assumed projected RAD contract rents at that point in time, which were the net rents. New RAD contract rents will be adjusted per the new 2016 RAD modified rents or the 2018 stated RAD rents once available. Final RAD contract rents will be higher than stated in the application.</b>
Q3	Do you have an internal set of projections that show your flow of funds? If not can you confirm when each of the KCDC loans will be available?
	<b>The exact amount of KCDC loans will be determined as other determining factors are known. KCDC loans will be available, if needed at the beginning of construction.</b>
Q4	Can you please confirm your lease-up schedule per month for 2020. Pg 8 of 13 of the tax credit application states Lease-up 10/01/2020. Does this mean lease-up will conclude 9/30/2020 or that it will begin at this time.
	<b>Lease-up is estimated to conclude at 9/30/18</b>

**Corrections to the specification:**

**I. Delete paragraph 3d bullet 1 and replace with:**

d. Proposers shall submit a formal letter of intent along with KCDC’s Equity Investor spreadsheet, both of which serve as the basis for the evaluation of this proposal:

- Total value of the Tax Credit proposal incorporating:
  - Total amount of credits proposed
  - Assume the following Pay-In Schedule so all proposals can be reviewed equally:
    - i. 10% at closing
    - ii. 5% at construction completion



- iii. 82% on January 1, 2020
- iv. 3% at 8609
- Description of adjusters
  
- Capped amount of due diligence, legal, or other closing fees
- Construction management fees if applicable
- Any ongoing fees charged to the project

## II. Delete paragraph 10 and replace with:

### 10. **Project Description**

The property owner will be Five Points 4 LP, a Tennessee Limited Partnership, with Five Points 4 Corporation, a Tennessee Corporation (100% KCDC owned instrumentality) as the General Partner.

The Five Points Phase 4 development will be built on approximately 9.5 acres owned by KCDC. Demolition of current units is in progress and should be completed (along with the site preparation) by January/February 2019. That scope of work, along with perimeter infrastructure work is excluded from this project and is funded from other sources. The proposed Five Points Phase 4 development consists of 82 units in 31 buildings, consisting of 14 one bedroom units; 23 two bedroom units; 23 three bedroom units; 18 four bedroom units and 4 five bedroom units.

The Five Points 4 is a HUD Multi-Family Project Based Rental Assistance (PBRA) development under a Housing Assistance Payment (HAP) contract with an initial 20 year term and an automatic additional 20 year term.