

## CKHA responses to questions on RFP for Development Partners

- 1) The RFP referenced CHKA can provide public housing capital funds, RHF or operating reserves as part of the development. Do you have an approximate amount of how much in funds are available towards the RAD recapitalization?

CKHA would prefer to keep the public housing funds for the continued operation of the remainder of its public housing portfolio. The goal for all development budgets is to have a balanced sources and uses without contributing PHA funds. However, if circumstances of a particular redevelopment require a contribution of PHA funds, CKHA will discuss this with the development partner.

- 2) If a development partner is selected, are they able to select their own contractor and architect as part of the renovation? We have found it to be beneficial to be engaged with a contractor and architect from the very beginning of the development process.

CKHA will assist in procuring a qualified architect and general contractor for each redevelopment. CKHA will rely on recommendations from the selected development partner based on the DP's previous working relationships with architects and general contractors.

- 3) Is CKHA/affiliate willing to pre-register properties by March 14th for both 9% and 4% tax exempt categories in the 2024 WWHDF application round?

No, CKHA will not be pre-registering properties for the 9% and 4% 2024 WWHDF application round.

- 4) Has CKHA/affiliate already pre-registered any property for any category? No
- 5) Would your board and you be willing & able to approve a development partner & application for the only 2024 tax credit application round with a submission deadline of 5-31-2024? No
- 6) Would you consider applying for 9% tax credits for Orchard Manor, South Park or Carroll Terrace properties listed in the RFP? Yes, but not in 2024.
- 7) If yes, which ones?

CKHA will consider all possible financing sources for all properties, including 4% and 9% LIHTC, but not in 2024.

- 8) Has anyone begun the process to get the CHAP for Orchard Manor, South Park or Carroll Terrace?

CKHA has not submitted any RAD Applications yet. CKHA will be submitting a RAD application for a portfolio award before the end of 2024 for all three of the properties mentioned.

9) Do you intend or expect to get the CHAP from HUD for any of the properties before May 31, 2024? No

10) Would you allow & cooperate with a prospective development partner who is willing to immediately as in today to engage, execute & pay for market studies & capital needs assessments?

CKHA will be following the protocol outlined in the RFP to select a Development Partner(s). Once the Development Partner is selected, CKHA will be working towards executing a Master Developer Agreement with the selected DP. In the interim, it is likely that CKHA will execute an MOU with the selected DP that would allow for due diligence to move forward.

11) Would you do the same for the securing of a CHAP from HUD?

CKHA does not need the Development Partner to assist with the RAD application process.

12) Will you share either the full or a redacted version of the report recently prepared by Recap Advisors to help us to evaluate the opportunities presented in your RFP?

There is no report. The opportunities presented are based on several months of dialogue between Recap Advisors and CKHA.

13) Will you provide the entire financial models for each property upon which you have based your redevelopment plans and the RFP?

The financial models include:

- Orchard Manor as a RAD debt-only conversion.
- Orchard Manor as a RAD 4% LIHTC conversion
- Combined Carrol Terrace and Lee Terrace combined as a 4% LIHTC.

14) Will you share the CNA reports of any of the properties prepared within the past three years or in the near future?

The last physical needs assessments were completed in May 2015.

CKHA is the process of completing an obsolescence PNA for South Park and will share once it is finalized.

No other PCNAs are expected in the immediate future.

- 15) Would you reconsider the decision to demolish South Park Village but instead extensively rehabilitate the buildings?

CKHA is open to considering all options as long as it is in the best interest of the residents and CKHA, however, based on the site conditions, environmental and structural issues, and poor existing infrastructure, it is unlikely.

- 16) Would you consider transferring the rental assistance of Carroll Terrace to a property only serving the Elderly as defined by HUD?

CKHA would consider transfer of assistance along with all other repositioning options.

- 17) Under the scoring category of Financial Capacity (20 points), our interpretation of the category is the following for our situation and we expect most others. The construction general contractor is unknown at this stage. Once eventually selected, the construction general contractor will provide a performance & guaranty bond. Typically, an established development company with significant financial history and financial capacity or individuals with the same will be the only parties directly guaranteeing project development loans and successful completion of the project development stage directly to the tax credit investors. Will the described audits or CPA prepared financial statements of those known parties be fully sufficient for the purposes of your evaluation of financial capacity?

Please refer to page 27 of the RFP for Financial Capacity requirements.