



ADDENDUM No.1

TO: All Proposers

FROM: Metro Purchasing

RFP: #3590 Consulting Firm to Provide Underwriting Services

DATE: 1/14/2016

Questions and Answers

1. How many applications/underwriting assignments do you expect in the first year?

Louisville CARES is a Pilot program that has not officially launched yet, so we do not have a benchmark to reference. However, given the community participation we've received in numerous public forums, and the feedback we've received in online forums, we anticipate approximately 10 to 15 applications each year.

2. What will the average loan request be in unpaid principle amount?

Louisville CARES is a Pilot program that has not officially launched yet, so we do not have a benchmark to refer to. The program is a revolving loan pool of \$11 million designed to provide gap financing for affordable multifamily housing. The minimum loan will be \$10,000. However, there is no maximum.

3. Do you have standard underwriting guidelines for this program and if so, can you please provide?

The Louisville CARES program is designed to be very flexible, so minimum and maximum thresholds typically seen in affordable housing programs have not been included in the guidelines. Each applicant will be required to submit with their application a project pro forma, including revenue projections for at least fifteen years after completion of construction, the date of expected project rent stabilization, and other information including but not limited to the developer's fee, construction contingency which shall not exceed 10%, and operating debt reserve. There are no minimum or maximum interest rates, and no minimum or maximum amortization terms. An origination fee is required for each loan.

4. What firm is doing this work for the County now? What is their pricing structure?

Louisville CARES is a Pilot program that has not officially launched yet. This is the first RFP of its kind for Develop Louisville so an underwriting partner is not currently in place.

All addenda must be acknowledged.