

Responses to Developer Inquiry of VA Enhanced-Use Lease (EUL)
Request for Proposal VA101-16-R-0031

**VA responses are in black*

- 1) Is the site currently listed on the National Register of Historic places, which would directly impact the timing on eligibility for historic tax credits? *The EUL site is on the National Register of Historic places. VA is willing to work with Selected Developers regarding their desire to submit applications for Historic tax- credits during the development phase for EUL projects.*
- 2) Does the VA plan to respond directly to the Section 106 review, or will it work with the selected developer? This relates to Question #1. *All EULs are required to go through the Section 106 consultation prior to executing a lease agreement with a Developer. VA and the Selected Developer work together to accomplish this goal during the development phase.*
- 3) I am not clear on the tax situation. Is the entire site currently exempt from property taxes at this time? *The EUL site is not automatically tax-exempt because it is on Federal property. It is the Selected Developers responsibility to speak with the local and State agencies regarding the EUL site/and or improvements on the site to be become tax-exempt. VA will require proper documentation regrading if the property will be or not be tax-exempt before a lease agreement is executed.*
- 4) Does the overall site currently have physical security? I am assuming the developer would be responsible for securing each building under consideration? *It is the Selected Developers responsibility to provide security for the EUL site and each building within the EUL site boundary.*
- 5) Will the VA accept Kentucky Housing Corporation's Energy Efficiency guidelines in lieu of LEED, which can be very expensive without any necessary energy advantage? *VA is willing to review other sustainability requirements from other organizations/agencies prior to accepting in lieu of LEED requirements. However, it is not guarantee that this requirement will be waived.*
- 6) Does the VA currently conduct on-site supportive housing programs for Veterans, including resident services, self-sufficiency training, needs assessment and outreach services, and other programs targeted directly to veterans? *VA does have programs to assist Veterans at the local VA Medical Center. However, it is the responsibility of the Selected Developer to provide supportive services (which can include, self-sufficiency training, needs assessment, resident transport services and outreach services) separate from the VA Medical Center for the residents who live in the facility operated by the Selected Developer.*
- 7) Does the VA hold any VASH certificates for Veterans' housing? *VA does have VASH available to Veterans that qualify. However, just because this is a project on VA property, set aside VASH is not guaranteed to the Selected Developer for the EUL project.*
- 8) While the RFP contemplates at least 75 year leasehold, it appears to preclude the site to be used as security. This would be problematic for an investor purchasing the tax credits, as the partnership owning the leasehold would require collateralization in order to secure construction financing and any gap financing. *VA has worked with Selected Developers and their tax-credit investors on this matter many times. After lease negotiations during the development phase, Selected Developers of EUL projects have successfully executed lease agreements and worked out deals with tax-credits investors.*
- 9) Our typical procedure is to provide a bond in the amount of 10% of the total construction contract, not the total project cost, which would include soft costs. Typically, only hard costs are bonded. *VA requires a bond of the project cost.*

- 10) Does the VA have a set aside for tax credits from Kentucky Housing Corporation contemplated for the upcoming funding round? (2016-2017)? *VA is not involved in the decisions of State tax-credit set asides for EUL projects.*
- 11) Are you looking for an existing facility or does this call for "New Development"? *The VA Medical Center is looking for renovation of the existing buildings on the identified EUL site. A "new development" structure within the EUL property is something VA will consider.*
- 12) I am currently working with the Charleston, VA on a 55,000 sq. ft. medical facility that will be built using modular construction. Is this something that you are open to? *The Lexington (Leestown Division) VA Medical Center is not open to modular construction on this project.*