

Community Ownership RFP Questions and Answers

Updated October 23, 2023

1. **Question:** Among the activities that selected community ownership entities will undertake (as noted in item #4 on page 2 of the RFP) is: “Hold the property in trust for the purpose of increasing the health and safety of the neighborhood (in accordance with 200.316 Property trust relationship.)” 2 CFR 200.316 notes that the “Federal awarding agency may require the non-Federal entity to record liens or other appropriate notices of record to indicate that personal or real property has been acquired or improved with a Federal award and that use and disposition conditions apply to the property.”

Can you please clarify what type of lien or other document may be recorded against the improved real estate and how that might impact the community ownership entity’s ability to obtain any additional financing (for example, a loan from a bank or other lender) that may be needed to complete the project?

There is a concern that a lender may not be willing to provide financing for a project if it cannot obtain a first lien on the project. For example, a lender may be concerned about their ability to undertake foreclosure proceedings in the future in the unlikely event that the project defaults on its loan. What might happen in that event?

City of Saint Paul response: This is a federal requirement that must be met with this funding opportunity. The City of Saint Paul will work with the selected program administrator to address these and other questions that may arise relating to holding a property in trust. We anticipate that the responses will differ based on the specific context as there are a number of variables to consider on a case-by-case basis.

For more information, see 2 CFR 200.316.

2. **Question:** In addition, can you please clarify how long the trust will last and what the use and disposition conditions might be? For example, could the property be sold in the future, and if so what restrictions might there be at the time of sale? Would the grant have to be repaid by the community ownership entity? Would the new owner have to be a community ownership entity and/or retain the same use of the property?

City of Saint Paul response: See response to previous question.

3. **Question:** Are development projects that seek to build on empty lots eligible for the Local Fund?

City of Saint Paul response: Eligible projects will be located in Qualified Census Tracts (QCTs) and on the City’s commercial vacant building list.

4. **Question:** In the RFP, it states that “the program administrator will work closely with community owned entities to identify eligible commercial properties and manage rehabilitation needs. Can

you better explain the role and responsibilities the program administrator will have related to managing rehabilitation needs?

City of Saint Paul response: The program administrator will provide technical assistance and guidance to selected community owned entities to:

- Identify eligible properties
- Manage rehabilitation needs

The program administrator is not expected to manage any rehabilitation needs themselves. The community owned entity should manage any rehabilitation needs. If requested by the community owned entity, then the program administrator should provide the necessary technical assistance and guidance for rehabilitation.

5. **Question:** Can the program administrator partner with other organizations or consultants to carry out program duties? If yes and it is an organization, would this be considered a subaward?

City of Saint Paul response: The program administrator can work with other organizations, either as contractors or subrecipients. The same Federal definitions of contractors and subrecipients that apply to the City's use of Federal funds would apply to the program administrator. Program administrators need to ensure they accurately determine whether the relationship is a contractor or subrecipient, and then apply Federal rules accordingly (e.g. Federal procurement requirements for contractors vs. Federal monitoring requirements for subrecipients).

For more information, see the ARPA FAQ on contractor and subawards, SLFRF-Final-Rule-FAQ.pdf (treasury.gov), as well as 2 CFR 200.331 on subrecipient and contractor determinations.