

# LAKESIDE APARTMENTS INTERVIEW QUESTIONS

Responses due by Thursday, Feb. 19, 2026

## 1. Use of Funds During Construction

You noted that the new funds would be introduced as a construction-phase source to expand the project scope, including unit interior work and plumbing upgrades. Can you clarify how these additional funds will be incorporated into the construction budget and timeline? What becomes of this extra scope of work if you do not receive this extra HOME award?

**RCD:**

***The current budget only allows RCD to address the baths and kitchens that are in poor and very poor condition but still leaves untouched the repair needs for those units that are nearing the end of their useful life. The additional HOME funds and the associated unit interior work for those units will ensure Lakeside's long term physical and fiscal stability. If these additional HOME funds can be secured, and these repairs needs can be addressed, the operating budget and reserves will not be burdened with as many costly repairs associated with both system failures (such as plumbing, electrical and waste) and heavy unit repairs such as kitchens and baths. Previously, the project budget included \$2m in federal funding, but given the loss of those funds, RCD respectfully requests this additional support from the County to maintain a sufficient budget and rehabilitation scope for the property.***

***Fortunately, the balance of the units is in fair to good condition, given earlier management repairs and unit turn overs, so the additional \$2m in HOME funds will go a long way in ensuring long term stability for the whole property, and good quality housing for the residents, will be achieved. To address the timing conflict with these additional funds, we are negotiating with Merritt Capital, the equity investor, to pre-approve, with set terms, the additional \$2M in HOME funds. We will also pre-negotiate unit pricing and bid alternates with TriCorp, the General Contractor, as part of the final GMP contract. The new HOME funds, and the additional scope, will be added to the project as soon as awarded but after the finance closing in June 2026 given the award schedule. The project schedule is 18 months, allowing plenty of time to efficiently incorporate the added funding and scope into the construction plan for the property***

## 2. RCD Monitoring Concerns

There have been some monitoring issues associated with RCD, particularly related to the Lakeside project. How will those issues be addressed, and what measures are in place to prevent similar concerns on this project?

***RCD: Per the email correspondence between Lakeside and Susan Johnson, the property owes additional information for units 08C and 1C. The development team will track and support the***

**property to respond as quickly as documents are available to the County's requests. Management staff are actively pursuing the final documentation required.**

### **3. Total HOME Units and Monitoring Fees**

Given all HOME funds awarded to date, the current HOME monitoring fee calculation is based on 29 units at \$7,250 per unit per year. Our records indicate 30 units. With a new award, a total of 38 HOME units would be needed. Can you confirm the HOME unit count?

**RCD: with our additional ask of \$2M, we estimate the new HOME request would constitute a minimum of 47 HOME units, pending County confirmation of match requirement, which is workable for the project. We will include a monitoring fee of \$11,750/year for the units (\$250 \* 47), to be modified if necessary.**

### **4. HOME Cost Allocation (Unit Mix)**

In order for the HOME units to float within the development, the following mix of units must be used (based on the differences in square footage within each model/type):

<b>Total Units</b>	<b>Unit Type/Model</b>	<b>Avg. Sq. Ft.</b>	<b># of Bedrooms</b>	<b># of HOME Units</b>
8	Type 1-1	593	1	2
41	Type 1-2	638	1	13
10	Type 1-3	603	1	3
8	Type 2-1	799	2	2
35	Type 2-2	753	2	11
8	Type 2-3	892	2	3
2	Type 3-1	1,032	3	1
10	Type3-2	999	3	3
<b>122</b>				<b>38</b>

We would like to see written confirmation from the property manager/regional supervisor that the above unit mix/floating HOME units is doable for the term of the new HOME Regulatory Agreement. If floating the HOME units across unit types/models is not feasible, the HOME units must be fixed for the term of the HOME Regulatory Agreement and may not be floated.

**RCD: We confirmed with our management and compliance staff that floating units will be workable for the project and we will be completing income certifications as part of the re-syndication and to finalize unit assignments for closing.**

### **5. HOME Match**

The proposed HOME match appears insufficient when accounting for the net present value of the property tax waiver. The HOME Program requires a minimum 25% permanent match from non-federal sources. The match must be a permanent contribution to the Lakeside project. Loans that

require payment, interest, repayment, or return on investment must be deposited into the County HOME local account to be eligible for matching funds. Loans that require repayment, carry interest, or involve a return of investment to the lender of origin would not be considered a permanent contribution and therefore not an eligible form of match (e.g., a permanent mortgage loan). Funds raised through LIHTC and any owner equity in a project, such as a deferred developer fee, are also ineligible forms of HOME match.

25% of \$9 million is \$2,262,500. With 38 HOME units, the NPV of the property tax waiver brings the HOME match amount to \$1,193,415. The match shortfall is approx. \$1 million.

How do you plan to address this HOME match shortfall?

**RCD:**

***Based on our meeting with you and the template terms described, attached please find our NPV calculation based on a 55-year term, a capped 2% inflation factor, a discount rate of 4.83% and a HOME proration of 48%. For 47 HOME units, our calculations result in a match amount \$2,264,160, which exceeds the minimum match requirement of \$2,262,500. Please confirm if this calculation matches the county's calculation. RCD can increase the number of HOME units, if required.***

## **6. Interest Rate Reduction**

Do you still plan on requesting an interest rate reduction on County loans? **RCD, YES** It was mentioned earlier, but we did not receive any formal written requests. If the proposal is to have an interest rate reduction on the new County HOME loan, we will need the following submitted prior to approving:

- Written request detailing the proposed request and rationale for the request. **RCD, understood.**
- Cash Flow for the 55-year HOME term with the current 3% interest rate. **RCD, understood.**
- Cash Flow for the 55-year HOME term with the proposed reduced interest rate. **RCD, understood.**

**We will work with our financial consultant to provide a comprehensive package for this request.**