



REQUEST FOR PROPOSALS

HOME RFP No. 2009-01

RENTAL HOUSING PROPOSAL

HOME CHDO PROGRAM

June 1, 2009





Rental Housing Proposal

HOME CHDO Program

The West Virginia Housing Development Fund (WVHDF) is seeking proposed projects from WVHDF-certified Community Housing Development Organizations with the qualifications and capacity to develop affordable rental housing for low- and very low-income households. The WVHDF is making available federal HOME Investment Partnerships Act funds (CFDA No. 14.239) through the HOME Community Housing Development Organization (CHDO) Program to assist in the development of affordable rental housing projects. Eligible projects may involve (1) the acquisition and rehabilitation of existing rental housing units and (2) the new construction of rental housing that meets the needs of low- and very low-income households and special housing populations.

The WVHDF is prepared to allocate up to **\$4,473,195** in financial assistance through the HOME CHDO Program under this Request for Proposals (RFP). The amount of financial assistance that will be reserved and committed to either eligible rental housing or affordable homeownership projects under this RFP will be limited to availability of HOME CHDO funds.

The financial assistance for eligible affordable rental housing projects will be made in the form of direct loans, deferred payment loans, and forgivable loans. All loans will be secured by a first or second lien on the property. The rates and terms of the loans shall be subject to negotiation on a project-by-project basis.

Eligible rental housing proposals include the acquisition and rehabilitation of existing rental housing units, and the acquisition of real property and/or the construction of improvements including water lines, sewer lines, sewage disposal systems, gas lines, electric lines, roads, streets, curbs, gutters, sidewalks, and other land improvements necessary to prepare the site for the construction of affordable rental housing and the new construction of rental housing units for low- and very low-income families. Predevelopment loans and rental housing assistance are not eligible activities under this RFP.

Rental housing units assisted under the HOME CHDO Program shall comply with the applicable federal, State and local codes and ordinances; the rules and regulations for affordable rental housing set forth at 24 CFR 92.252 and all other applicable requirements.

Preliminary HOME CHDO Proposals will be reviewed by the HOME Program staff for compliance with HOME Program regulations and the terms of the RFP. Projects that are determined to comply with both the HOME Program Regulations and the RFP will be issued a Preliminary Acceptance and Reservation of Funds Letter within ten (10) days of the receipt of the Preliminary Application. The WVHDF will initially reserve or set aside HOME CHDO funds for each of these projects. Under the terms of the Preliminary Acceptance and Reservation of Funds Letter, the CHDO will be allowed forty-five (45) days to submit the final HOME CHDO Program proposal.

Final HOME CHDO Program Proposals that are determined to meet CHDO Program Guidelines will be reviewed and evaluated according to the Evaluation Criteria. Each proposal will be scored by multiple reviewers, and the scores will be averaged to achieve a final score. Subject to CHDO Program funding availability, projects determined to be the most competitive will be selected for assistance through the HOME CHDO Program. Upon receipt of project proposals, the WVHDF reserves the right to request additional information and/or reject any or all proposals.

The Submission Period will remain open until all the funds available under this RFP have been reserved for eligible projects. The WVHDF reserves the right to issue a standby reservation of HOME CHDO funds for eligible projects. If the final Application is not submitted within the forty-five (45) day period following the issuance of a Preliminary Acceptance, the WVHDF reserves the right to cancel the reservation and obligate the funds to other eligible HOME CHDO projects.

CHDOs should carefully review the HOME Program Regulations prior to submitting a Preliminary HOME CHDO Program Proposal. Guidelines and answers to questions that may arise in completing the proposal are available by contacting Megan L. Howard at 1.866.623.6283 or at mhoward@wvhdf.com, or Robert F. Cary at 1.800.933.9843, or at bobcary@wvhdf.com.

PROPOSAL SUBMISSION PROCESS

The WVHDF has developed a two-step proposal submission process that is designed to expedite the review of proposals and reservation of funds. The initial step has been developed to identify and reserve funds for eligible proposals. The second step has been developed to evaluate eligible homeownership and rental housing proposals against specific evaluation criteria. The principle steps in the submission and revaluation process are outlined hereafter.

1. Applicants should submit an original and two (2) copies of the Preliminary HOME CHDO Proposal and required attachments for review and consideration by the WVHDF. The preliminary proposals will be reviewed for initial compliance with the objectives of the HOME Program and the terms of the RFP within ten (10) days of receipt by the WVHDF. The preliminary proposal must be typed and/or electronically prepared and printed on the prescribed form.
2. If the preliminary proposal is approved by the staff, the WVHDF will issue a Preliminary Acceptance and Reservation of Funds Letter and reserve HOME CHDO funds for the project. The applicant shall have forty-five (45) days from the date of the Preliminary Acceptance and Reservation of Funds Letter to submit the final HOME CHDO Program Proposal.
3. Applicants should submit an original and two (2) copies of the final HOME CHDO Program Proposal and required attachments for review and consideration by the WVHDF within forty-five (45) days of the date of the Preliminary Acceptance Letter. The HOME CHDO Program project will be evaluated in accordance with the established Evaluation Criteria for each type of project. The final HOME CHDO Program Proposals will be reviewed within ten (10) days of receipt by the WVHDF. Proposals must include sufficient information to allow the comprehensive review and analysis of the proposed project. The final proposal must be typed and/or electronically prepared and printed on the prescribed form.
4. If the final HOME CHDO Program Proposal is approved by the WVHDF, the WVHDF will issue a Firm Commitment and Approval Letter. The applicant should be prepared to close the project loan within thirty (30) days of the Firm Commitment and Approval Letter.

Completed preliminary applications and project proposals should be mailed or delivered to:

Robert F. Cary
HOME Program Manager
West Virginia Housing Development Fund
814 Virginia Street, East
Charleston, WV 25301

We look forward to reviewing your project proposals and are eager to answer any questions regarding the HOME Program or this Request for Proposals.

EVALUATION CRITERIA: CHDO RENTAL PROJECTS

The proposed HOME CHDO Rental projects will be reviewed and scored on a competitive basis relative to the evaluation criteria below. The maximum possible score is 135 points. Proposed projects must receive a minimum average score of 80 points to be considered eligible for funding. A score above the minimum average score does not guarantee funding.

1. EXPERIENCE AND QUALIFICATIONS (maximum 15 points)

Developer has successfully completed project similar in size and scope.	15
Completed similar project but smaller in size and scope.....	10
Consultant directly involved who has completed project similar in size and scope.....	8
Own or manage low-income rental property	3

2. PROJECT BUDGET (maximum 10 points)

Project budget is complete and anticipated development costs are reasonable.	10
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3. SOURCES & USES OF FUNDS (maximum 10 points)

All sources and uses of funds are clearly indicated and sufficient evidences of funding availability and/or commitments are included.	10
All sources and uses of funds are clearly indicated, but evidence of funding availability and commitments are incomplete.	5

4. OPERATING COSTS (maximum 10 points)

Operating Pro Forma realistically indicates current and anticipated revenues, expenses and debt for a minimum three-year period, and reasonable operating costs.	10
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5. DEBT COVERAGE RATIO (maximum 10 points)

1.25 or greater	10
1.21 - 1.24	6
1.15 - 1.2	4

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6. **LEVERAGE** (maximum 15 points)

CHDO Program Funding Relative to Total Project Costs Equals:

25% or less	15
26% - 50%	12
51% - 75%	9
76% - 90%	6

7. **PROJECT READINESS & DEVELOPMENT SCHEDULE** (maximum 10 points)

Project can realistically be completed following WVHDF approval:

<u>Acquisition/Rehabilitation of Existing Properties</u>	<u>New Construction Projects</u>	
Within 6 months.....	Within 12 months	10
Within 9 months.....	Within 18 months	6
Within 12 months.....	Within 24 months	4

8. **PROJECT COMPLETION RECORD** (maximum 20 points)

The CHDO staff will review and consider the applicant's prior performance in the completion of projects on a timely basis.

Applicant has completed all projects on a timely basis.	20
Applicant has had minor difficulty in completing projects on a timely basis.	15
Applicant has had <u>major</u> difficulty in completing projects on a timely basis.	10
Applicant has been unable to complete any projects on a timely basis.	5

9. **PROPERTY MANAGEMENT** (maximum 10 points)

Designated Property Management Entity has documented track record of success managing federally-assisted properties of similar scope and has the capacity to take on the management of the proposed project. 10

Designated Property Management Entity has a documented track record of success managing properties of similar scope and has the capacity to take on the management of the proposed project. 8

Designated Property Management Entity has a documented track record of success managing properties of smaller scope and has the capacity to take on the management of the proposed project. 6

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10. NEIGHBORHOOD SUPPORT (maximum 10 points)

Proposal application includes letters from all local neighborhood organizations in the area of the proposed project. 10
Demonstrated effort to gain support from local neighborhood organization. 5

11. SUPPORTIVE SERVICES (maximum 10 points)

Appropriate supportive services will be provided and are described in detail; the developer has qualified staff and has provided and/or facilitated a variety of supportive services to meet special needs for 7+ years; funds have been secured for the operation of supportive services programs; and a 3-year operating budget for the operation of the supportive services programs is provided. 10

Appropriate, well-detailed supportive services will be provided; funds have been secured for the operation of the supportive services programs; a 3-year operating budget for the operation of the supportive services programs is provided; and the developer has qualified staff that have provided similar support services for 3 to 7 years. 8

Appropriate, well-detailed supportive services will be provided; funds have been secured for the operation of the supportive services programs; a 3-year operating budget for the operation of the supportive services programs is provided; and the developer has qualified staff that have provided similar support services for 1 to 3 years. 5

Appropriate, well-detailed supportive services are expected to be provided and qualified, experienced staff are in place to provide services, but funds have not been secured for the operation of the supportive services programs. 3

12. MBE/WBE PROJECT PARTICIPATION (maximum 5 points)

Entities anticipated to be involved in implementing the project include registered West Virginia minority- or women-owned business enterprises (MBE/WBE). 5

RENTAL HOUSING PROPOSAL HOME CHDO PROGRAM

Project Name _____

Project Address: _____ Zip Code: _____

of Units: _____

Project Type (check all that apply):

Acquisition Rehabilitation New Construction

Amount of CHDO Funds Requested: \$ _____ Terms: _____

Role of CHDO in Project (check all that apply): Owner Developer Sponsor

1. CHDO Information

(If CHDO is not acting as the developer, please provide all of the information below for the developer as well as for the CHDO. If the developer involves multiple entities, is a partnership, or a joint venture, please provide duplicative information for each and identify the entity that will serve as the "lead" organization.)

Organization Name

Street Address

City

State, Zip

Telephone

Contact Person

Contact's Telephone

CHDO's Federal Tax ID Number or Social Security Number

The applicant/developer certifies that the information and exhibits comprising this proposal are true and correct. *Unsigned/undated submissions will not be considered.*

Legal Name of Developer

Signature of Authorized Officer

Title

Date

2. Board Authorization

Include a copy of the Board of Directors' resolution approving the proposed project and authorizing the request for funding. Attach a copy of your Articles of Incorporation, Bylaws, and list of current officers.

3. Project Description. In two pages or less, describe the project including the information listed below.

- a. In addition to providing an Itemized Development Budget through your response to Item 11, summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of WVHDF funds requested, amount and provider of other funding, and the stage of those commitments.
- b. Location by street address and include an area map with the properties indicated.
- c. Type of structure (multifamily or single-family), square footage, number and size of units.
- d. If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.
- e. Proposed tenants including number and type of individuals to be served, and yearly income relative to 30%, 50%, 60%, or 80% MFI. If the project will serve families with special needs, describe the population to be served and the outreach or referral plan that will be used to publicize the availability of housing and/or supportive services.
- f. Units reserved for Section 8 families.
- g. Units accessible and adaptable for person with mobility, sight, or hearing disabilities.
- h. Whether the project is occupied at the time of proposal submission.
- i. Supportive services to be provided such as chemical dependency counseling, education and training, employment referral, health services, tenant counseling, etc.
- j. Compatibility with current Neighborhood Plan (if applicable).

4. Site Control and Demonstration of Value

Include evidence of site control such as warranty deed or option, and provide a real estate appraisal or documentation that substantiates the value of the subject property. The documentation should indicate that the value of the project is at least 80% of the total debt including any new debt incurred if this CHDO loan were to be approved.

5. Zoning

Include a letter from the local jurisdiction verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to the local jurisdiction. Should the project receive funding approval, appropriate zoning must be in place prior to executing loan documents.

6. Tenant Relocation

If the project is occupied at the time of proposal submission, include a Tenant Relocation Plan. The developer is responsible for providing tenant relocation assistance should the proposed project require or result in the temporary or permanent displacement of current tenants. The Plan must include, at a minimum, the following:

- a. Total number of households in the project and number to be permanently or temporarily displaced.

6. Tenant Relocation (continued)

- b. Description of households to be displaced (including the family size and ages of individuals).
- c. Circumstances under which the displacement is necessary.
- d. Description of assistance to be provided and a schedule for assistance.
- e. Source(s) of funds to be used for relocation assistance.
- f. Procedures/methods by which those being displaced will be advised of their rights and available assistance.

7. Development Team

Identify the entities anticipated to be involved in implementing the project including lenders, attorneys, accountants, architects, engineers, general contractor, subcontractors, property managers, and consultants. Also, indicate if any entity is a minority- or women-owned business enterprise (MBE/WBE) or if any of the entities are also a CHDO.

Name(s)	Comments on Role	MBE?	WBE?	CHDO?
Owner				
Developer				
Architect				
Engineer				
Construction Lender				
Other Lenders				
Attorney				
Accountant				
General Contractor				
Consultant (if applicable)				
Property Management Provider				
Other				

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8. **Development Schedule.** Complete the grid below. Reorder the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property.

	Date(s)
Acquisition and/or Holding	
Environmental and/or Historic Review	
Securing and Packaging Project Financing	
Construction Specifications and Cost Estimates	
Construction Bids	
Construction Start	
Anticipated Draws (list all)	
End Construction	
Start of Rent-Up	
Completion and Operation	

9. **Accessible and Adaptable Units**

Indicate the number of units proposed to be accessible and adaptable for persons with mobility, sight, and hearing disabilities as required by CHDO Program Guidelines.

- _____ Units adaptable for persons with mobility disabilities
- _____ Units accessible for persons with mobility disabilities
- _____ Units adaptable for persons with sight and hearing disabilities
- _____ Units accessible for persons with sight and hearing disabilities

10. **Experience and Qualifications—Rental Development and Property Management**

- a. Is this the developer's first housing project? Yes No
- b. Completed projects (complete table below)

COMPLETED PROJECTS				
Address	# of Units	New or Rehab	For Rent or Homeownership	Year Completed

- c. Describe below the experience/qualifications in completing projects similar in size and scope that indicates the developer's ability and capacity to implement the proposed project. Of particular importance is the developer's experience with successfully completing (a) projects that triggered Davis-Bacon and other Federal Labor Standards; (b) federally-funded projects involving temporary or permanent relocation of tenants; or (c) projects involving the testing and appropriate treatment of lead-based paint and/or asbestos if the proposed project will involve any of those three dimensions. If this is the CHDO's first project of this type, please provide a detailed description of the experience of the other members of the development team with similar projects.
- d. Indicate who will provide property management services. Provide documentation to demonstrate the entity's level of experience and track record in operating federally-funded properties of similar size.

11. Detailed Project Budget

Use the following table to provide a complete project budget. Add line item categories as necessary.

DETAILED PROJECT BUDGET		
	Cost	Description
PREDEVELOPMENT		
Appraisal		
Environmental Review		
Engineering		
Survey		
Architectural		
TOTAL PREDEVELOPMENT		
ACQUISITION		
Site and/or Land		
Structures		
Other (specify)		
TOTAL ACQUISITION		
CONSTRUCTION		
Infrastructure		
Site Work		
Demolition		
Concrete		
Masonry		
Rough Carpentry		
Finish Carpentry		
Waterproofing & Insulation		
Roofing & Sheet Metal		
Plumbing/Hot Water		
HVAC		
Electrical		
Doors/Windows/Glass		
Lath & Plaster/Drywall & Acoustical		
Tile Work		
Soft & Hard Floor		
Paint/Decorating/Blinds/Shades		
Specialties/Special Equipment		
Cabinetry/Appliances		
Carpet		
Other (specify)		
Construction Contingency		
TOTAL CONSTRUCTION		
SOFT & CARRYING COSTS		
Legal		
Audit/Accounting		
Title/Recording		
Architectural (Inspections)		
Construction Interest		
Construction Period Insurance		
Construction Period Taxes		
Relocation		
Marketing		
Davis-Bacon Monitoring		
Developer's Fee		
TOTAL SOFT & CARRYING COSTS		
TOTAL PROJECT COSTS		

NOTE: Total Developer's Fee and Project Management Cost limited to 10%

12. **Funds Proposal.** Provide the following information to facilitate financial review of the proposed project.

- a. **Sources and Uses of Funds**--Complete **Tables A and B** below, identifying all sources and uses of funds to implement the project. Include evidence of funds anticipated (financial statements, letters of commitment, etc.)
- b. **Leveraging**--Complete **Table C** below. Include evidence of other funds leveraged by WVHDF funds to implement the project such as owner equity and commitments from private and/or other public resources.
- c. **Operating Pro Forma**--Complete **Table D** below, preparing a minimum three-year (3) financial Operating Pro Forma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses, and debt. The Pro Forma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR.

TABLE A. SOURCES OF FUNDS PROPOSAL					
	Term	Interest Rate	Amount	Evidence of Funds	Use of Funds
Owner Equity					
Private Financing (list lenders below)					
Other Sources (list below)					
Proposed CHDO Funds					

TABLE B. USES OF FUNDS SUMMARY		
	Total Cost	Cost Per Unit
Predevelopment Costs*		
Acquisition Costs		
Hard Costs		
Soft & Carrying Costs		
Other Costs		
Total Project Costs		

*HOME CHDO funds may not be used for Predevelopment Costs

TABLE C. LEVERAGE SUMMARY	
TOTAL CHDO FUNDS	
TOTAL OTHER FUNDS	

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TABLE D. AFFORDABILITY DATA					
Number of Units of a Given Unit Size	Unit Size	Monthly Income	Annual Income		
FULL OCCUPANCY ANNUAL INCOME					
Less Vacancy Loss (indicate % and Amount of Loss)					
GROSS ANNUAL INCOME					
Inflation Factor for Income					
Inflation Factor for Expenses					
	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income					
EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					
Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL DEBT SERVICE (DS)					
CASH FLOW AFTER DEBT SERVICE (CF = NOI - DS)					
DEBT COVERAGE RATIO (DCR = NOI/DS)	%	%	%	%	%

13. Neighborhood and Local Government Support

Include letters of support from local organizations and governmental entities within the area of the proposed project.

14. Description of Supportive Services

Indicate whether supportive services will be provided to residents. If supportive services are to be provided to residents, provide a description of the services in one (1) page or less that includes the following information:

- a. A description of the supportive services to be provided to residents and/or clients.
- b. The number and types of clients expected to be served annually.
- c. The use of the proposed project relative to the services provided.
- d. If services are not provided by the developer of the project, a description of the organization providing the services and a memorandum of understanding outlining the relationship between the developer and service provider.

15. Experience and Qualifications (Supportive Services)

If supportive services will not be provided to the residents, you need not complete Item 15. If supportive services will be provided, describe the developer's experience and qualifications in providing the services described in Question 14. Provide resumes of key personnel actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.

16. Financial Information (Supportive Services)

If supportive services will not be provided to the residents, you need not complete Item 16. If supportive services will be provided, the developer must demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:

- a. **Sources of Funds**--Identify sources and amounts of funds that will be utilized to provide services to the proposed project.
- b. **Budget**--Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.