

West Virginia Affordable Housing Trust Fund



Holding the key to community revitalization

MEMORANDUM

TO: All Interested Parties

FROM: West Virginia Affordable Housing Trust Fund Board of Directors

DATE: July 20, 2006

RE: Request for Proposals

The West Virginia Affordable Housing Trust Fund Board of Directors (the Board) is soliciting proposals from parties interested in its funding. Eligible parties include local 501(c)(3) nonprofit organizations, units of local government, public housing authorities, and regional or Statewide nonprofit housing assistance organizations. Proposals designed to develop the capacity of community-based organizations to sponsor or develop housing are encouraged, but those that cause the production of housing will receive greater consideration. The Board wishes to fund, and encourages the submission of, a wide variety of project proposals that can demonstrate a sufficient probability of success. Proposals may request funds for activities that promote the provision of affordable housing services, including but not limited to building housing, purchase sites and construct improvements including water lines, water supply installations, sewer lines, sewage disposal systems, gas lines, electric lines, roads, streets, curbs, gutters, sidewalks, and other land improvements necessary to prepare sites for residential housing construction. To be considered for funding, projects must be located in West Virginia.

Total financing resources available to the Board equal \$500,000. Up to \$50,000 of this total will be made available to finance pre-development expenses, including but not limited to legal and architectural fees, engineering fees, options or land control costs, or environmental surveys. Pre-development costs may be included as part of a total project budget, or may be a separate (stand-alone) request. If submitted as part of a total project budget, pre-development costs may not exceed 10% of the total project budget. Except for pre-development costs, no disbursement of funds under the program will be made until total project financing is in place and available for closing on the project. No proposals for funding by the Board will be accepted outside the provisions of this notice. This is a highly competitive process, and many proposals will not be selected.

Unless a grant to a project is specifically approved, repayment provisions will be included in all funding agreements. Repayment provisions will be structured on a project-by-project basis and may take the form of an amortized loan, distribution from annual project cash flows, repayment at the time of sale, refinancing or conversion, or other acceptable forms such as shared loan. Requests for deferred or forgivable loans will be accepted, but proposals that include repayment of

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the loan will receive a higher number of points under the Payment Schedule portion of the Allocation and Selection Plan. Proposals must include the repayment terms requested by the applicant. Modifications to selected proposals may be necessary to comply with funding source restrictions or regulations, or to make the transaction feasible. Whenever possible, the Board will coordinate its funding with that of other financing sources to ensure compliance with the restrictions or regulations of those other sources.

You must complete and submit the attached Proposal form to be considered. Incomplete, infeasible, or clearly ineligible applications (as determined by the Board) may be returned without review or ranking. Proposals will be evaluated in accordance with the Allocation and Selection Plan attached as part of this notice. A higher ranking will be given to those proposals which propose higher owner equity and/or less Board funding as a percentage of total project costs, propose loans with higher repayment probability, serve lower-income families or demonstrate a high market demand for the project. The Board reserves the right to amend the allocation and selection process at any time.

All proposals must be received at the Trust Fund's offices, 814 Virginia Street, East, Charleston, WV 25301 no later than 4:30 PM on September 5, 2006. Proposals received outside of this Notice of Funding Available will be returned without comment. If the Board does not obligate all currently available funds as a result of this Request for Proposals, an additional request for proposals may be announced.

All proposals must be addressed:

**Funding Proposal
West Virginia Affordable Housing Trust Fund
814 Virginia Street, East
Charleston, WV 25301
Attn: Tara Woods**

If the Board approves your proposal, a letter will be provided indicating what additional information is required to complete your application for funding. Such a selection does not constitute a commitment to fund your project. Questions regarding this RFP may be directed to Tara Woods at tara_woods@hotmail.com or (304) 342-0240, or to Sandra Hamlin at sandraj@charter.net or (304) 346-6398.

The Board reserves the right to accept or reject any and all proposals received as a result of this request or to cancel in part or in its entirety this Request for Proposals. The requestor shall not discriminate on the basis of race, color, creed, sex, or national origin in the sale or lease or other use or disposition of the property or related facilities covered by the funding provided by the Board. Discrimination against any employee or applicant for employment on the basis of race, color, creed, sex, or national origin will not be permitted by a contractor or subcontractor engaged to perform any work on any project funded by the Board.

The Board is an Equal Opportunity Housing Lender

West Virginia Affordable Housing Trust Fund



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PROPOSAL

Selection of this proposal to proceed to the application stage is subject to funding availability.

1. Name of Applicant: _____ 501-c Nonprofit? Yes No
2. Address: _____
3. City: _____ County: _____ State: _____
Zip: _____ Phone and Fax #: _____
4. Contact Individual(s): _____
5. Location: _____ County: _____
6. Land Control: Do you own the land? Yes No **OR** Is it under option? Yes No
7. Purpose of Proposal: _____
8. Target market (income range of occupants) \$ _____ to \$ _____
Proposed sales price/rent: Lot: \$ _____; Completed House: \$ _____; Rental Unit: \$ _____
9. Total Estimated Project Cost: \$ _____; Cost per unit: \$ _____; Cost per square foot: \$ _____
10. Amount of Housing Trust Fund Assistance Requested: \$ _____
11. Loan Terms/Conditions Requested--Lien Position (Housing Trust Fund): First Second Other
Interest Rate Requested: _____% Term Requested: _____ Recourse? Yes No
12. Other Funding Involved in Project Financing:

| Source(s) | Status | Amount |
|-----------|-------------------|----------|
| _____ | Applied Committed | \$ _____ |
| _____ | Applied Committed | \$ _____ |
| _____ | Applied Committed | \$ _____ |
| _____ | Applied Committed | \$ _____ |
13. Applicant needs to be willing to comply with any other applicable program requirements for proposal to proceed to a final application.
14. The Housing Trust Fund reserves the right to accept or reject any proposal. The applicant shall not discriminate on the basis of race, color, creed, sex, or national origin in the sale or lease or other use or disposition of the property or related facilities covered by funding provided by the Housing Trust Fund. Discrimination against any employee or applicant for employment on the basis of race, color, creed, sex, or national origin will not be permitted by a contractor or subcontractor engaged to perform any work on any project financed by the Housing Trust Fund.

Prepared By/Signature _____

Date _____

Attachments **REQUIRED** with Proposal

1. Brief (3 pages or less) descriptive narrative of your proposal. Please include description of need for housing in project area and a description of market need for the project.
2. Site location map (USGS quadrant map locating site, access, road, and major landmarks)
3. Photos of the site (panoramic directional photos of the site or building are preferred)
4. Proposed budget listing sources and uses of funds and your contribution. Please include a proposed repayment schedule if applicable.
5. Brief resume of the proposing entity and principals (more than 5% ownership)
6. Plans and specs, if available

INSTRUCTIONS FOR COMPLETING THE PROPOSAL FORM

1. Name of applicant and whether or not it is a nonprofit entity.
- 2.-3. Self-explanatory
4. The person whom the Housing Trust Fund should contact with regarding this proposal.
5. Location of proposed project.
6. Land control (please mark appropriate box).
7. Be specific regarding the purpose (i.e., to build a 15-unit rental apartment for low-income families). You should address this subject more specifically in your narrative, indicating the number of units, lots, or persons to be served.
8. Be specific, i.e., to serve low-income families. Address this subject more specifically in your narrative estimating the market, type, and number of people/families served.
9. Provide an estimate of the total replacement cost, which includes the value of your contribution, land, cash, in-kind, or other resources. Provide more specific information in your proposed budget.
10. State the amount of funds you need from the Housing Trust Fund.
11. Indicate the terms and conditions requested (proposed).
12. List other sources of funds and amounts; i.e., foundation grants, other lenders, etc.
13. The Proposal should be addressed to:

**Funding Proposal
West Virginia Affordable Housing Trust Fund
814 Virginia Street, East
Charleston, WV 25301
Attn: Tara Woods**

REMEMBER TO SIGN AND DATE THE FORM.

NOTE:

The Housing Trust Fund will notify applicants in writing regarding the disposition of each proposal. Selection of a proposal to proceed to the next phase does not constitute a commitment by the Housing Trust Fund and nothing said, done, or written by a staff or board member in the review or development of this proposal constitutes a commitment of the Housing Trust Fund to make a program loan until a formal written commitment is issued by the Housing Trust Fund Board.

Further, anything said, done, or written by a staff or board member in the processing of this proposal is subject to change with or without notice until a formal written commitment is issued.

All expenses incurred prior to issuance of the formal written commitment are at the applicant's risk.

**WEST VIRGINIA AFFORDABLE HOUSING TRUST FUND
ALLOCATION AND SELECTION PLAN**

ELIGIBILITY: ENTITY IS
501c(3)
Unit of local government
Public housing authorities
Regional or statewide housing assistance organizations
ENTITY IS REQUESTING
A loan
ENTITY AND PROPOSED PROJECT ARE LOCATED IN
West Virginia

ALLOCATION: \$500,000 for affordable housing projects funding

Notice: While equitable geographic distribution is a goal of the Affordable Housing Trust Fund Board, a minimum of 55 points must be earned before geography will be considered as a factor.

SELECTION:

Points will be awarded based upon your project's:

Elapsed Time to Begin. The most points will be awarded for the entity that is nearest its start date. The fewest points will be awarded for the entity that will begin in 24-four months. Maximum: 12 points

Amount of Investment. The most points will be awarded for the entity that requires the least number of AHT dollars per unit. The fewest points will be awarded for the entity that requires the most AHT money per unit. Maximum 10 points.

Other Funds Committed. The most points will be awarded for the entity that has the greatest percentage of necessary funds committed. The fewest points will be awarded for the entity that has the least percentage of funding committed. Maximum 10 points.

Ratio Per Unit. The most points will be awarded for the entity that leveraged the most money per unit. Maximum 10 points.

Payment Schedule. Most points will be awarded for the most convincing repayment scenario over the shortest period of time. Maximum 15 points.

Income Targets. The most points will be awarded for the entity that targets families with the lowest incomes. Maximum 20 points.

Ranking on the following criteria may be determined by comparison within the group of applications.

Sponsor Experience. The most points will be awarded for the entity with the most years of experience producing the types of units to be financed, and/or with key staff with the most years of experience in housing production or finance. Maximum 8 points.

General Market Need. The most points will be awarded for the entity that makes the best case for the need to be met by the project. Maximum 10 points.

Project Location: The most points will be awarded for the entity that meets the stated need in a location where quality affordable housing has not been met, and for a project location where amenities such as transportation, employment, shopping and schools are near. Maximum 5 points.