

Building Homes Rhode Island Request for Proposals (RFP)

Application Deadline: 3 p.m. Friday, December 15, 2017

The Housing Resources Commission is pleased to announce the opening of a competitive funding round for Building Homes Rhode Island (BHRI), a State-funded initiative of the Housing Resources Commission. At this time, the Housing Resources Commission will be making an estimated \$13.5 million available for the development and preservation of affordable housing.

While the BHRI RFP is being issued on the same general schedule, using the same/similar forms as other initiatives administered by Rhode Island Housing such as the HOME, HTC programs, please note the program requirements, priorities and application process are distinct and may differ.

APPLICATION INFORMATION:

- Application materials will be posted and available on the State's website at <http://www.ohcd.ri.gov>.
- Incomplete applications, applications submitted on incorrect/obsolete forms and those omitting the requested documentation will not be evaluated.
- Applicants must submit three hard copies and one electronic version of the full application on CD or thumb drive to the address provided below.
- Applicants may submit multiple proposals for more than one project in any given funding round.
- Housing Resources Commission reserve the right to adjust funding amounts requested by any applicant based on need, demand, and project fit with available sources.
- Current Low Income Housing Tax Credit project sponsors that still require additional funding sources as part of their existing proposals MUST submit an application for BHRI funds in response to this RFP.

ELIGIBLE APPLICANTS:

Nonprofit housing developers, for-profit developers, public housing authorities, municipalities, faith-based organizations, community housing development organizations, recognized tribes, state departments or agencies and redevelopment corporations.

THRESHOLD CRITERIA:

Threshold criteria will be utilized to determine which applications will conform to the requirements of the funding round. Any application determined to be non-compliant with the stated threshold criteria will be eliminated from consideration:

- Applications must be complete, including all attachments as listed in the application.
- The applicant must be in Good Standing with the organization's state of origin and the State of Rhode Island;
- The applicant shall not have any pending lawsuits with the municipality in which they propose to develop;
- Projects must be consistent with income targets outlined in this RFP;
- Properties and activities proposed for consideration must be eligible in accordance with BHRI regulations;
- Projects must meet timeliness requirements referenced in the BHRI regulations;
- Proposals must meet all applicable State and local construction and rehabilitation guidelines;
- Proposals should be consistent with the State Land Use Plan, applicable Municipal Affordable Housing Plan, State Comprehensive Housing Plan, and State Consolidated Plan.

DISTRIBUTION PLAN AND SCORING:

The BHRI Distribution Plan, including funding priorities and scoring criteria, are attached and can be found on the State's website at <http://www.ohcd.ri.gov>.

Details of scoring, including information on the key criteria of Financial Viability and Capacity, will accompany the final RFP.

APPLICATION SUBMISSION:

Applications are due by 3:00 p.m. on Friday, December 15, 2017. Two hard copies and one electronic version of the full application on CD or thumb drive must be submitted to Raymond Neirinckx, Office of Housing and Community Development/Housing Resources Commission, One Capitol Hill, 3rd Floor, Providence, R.I. 02908-5873.

If you have questions about the BHRI program, please contact Raymond Neirinckx, Housing Commission Coordinator, at 222-4893 or Raymond.Neirinckx@doa.ri.gov.

Attachment A: BHRI Distribution Plan & Priorities

The goal of the Building Homes Rhode Island Program (BHRI) is to provide eligible developers with resources to finance the creation of “new” and preservation of existing homeownership opportunities for households up to 120% of Area Median Income (AMI) and rental housing opportunities for households up to 80% of AMI. At this time, the Housing Resources Commission will be making an estimated \$13.5 million available for these activities, with additional funding resources in subsequent years until the entire \$40 million available for this program has been obligated. There is an expectation that developers will give hiring preference to local contractors/subcontractors, to the greatest extent feasible.

Funding Priorities

1) Tier I:

- a) Acquisition and/or substantial rehabilitation and/or construction to provide new rental units for households earning up to 80% of AMI. “New” is defined as newly-affordable and may include rental units created in conjunction with a LIHTC development refinance;
- b) Acquisition and/or substantial rehabilitation and/or new construction to provide homeownership opportunities for households earning up to 120% of AMI;

Proposals that address critical housing needs of “Special Needs” populations, as defined by the BHRI program regulations, will be given special consideration.

- 2) Tier II: Preservation of existing affordable housing stock, no sooner than the initial fifteen (15) years for LIHTC developments and/or within ten (10) years of the end of the affordability period for all other developments, to prevent loss of units due to market conversion, loss of units due to critical physical needs, or loss of units due to ownership capacity/program commitment.
- 3) Tier III: Preservation of the existing affordable housing stock outside of the time periods outlined in Tier II, to prevent loss of units due to market conversion, loss of units due to critical physical needs, or loss of units due to ownership capacity/program commitment.

Direct homeownership assistance, down payment and closing cost assistance is not eligible.

Scoring Section	Max Points Available	Comments..
BHRI Housing Priority Housing Needs	30	Proposal addresses housing priorities outlined in the Distribution Plan. Tier I proposals = 30 points, Tier II proposals = 25 points, Tier III proposals = 10 points. Partial points (based on percentage of units) will be given across tiers if new units are created as part of Tier II and III applications. Example: Tier II project proposes to preserve 50 units and create 25 new units. This application would receive a total of 26.7 Priority Housing Needs points (Tier II - 66.7% x 25 points = 16.7 and Tier I 33.3% x 30 = 10
Readiness to Proceed	20	* Site Control (3.5 points) Planning/Zoning Approval (2.5 points, Applicant to receive points if not needed) Environmental Clearance Obtained/Wetlands Permitting (2.5 points, Applicant to receive points in not needed) 50% Drawing (1S points).
		Leverage (up to 10 points) Points allocated based on % of total development cost already committed by other federal, state, local or private sources. Example: Total development cost is \$1 million, have secured commitment of \$450,000 or 45% of project. Points allocated 4.5
Income Targeting	10	Homeownership - 10 points allocated if serving households at or below 80% AMI. 5 point allocated if serving households above 80% AMI.
		Rental - 10 points allocated if 60% or more of units serve households at or below 50% AMI. For developments proposing less than 60% of units to serve households at or below 50% AMI, points awarded will be weighted and based on the percentage of units proposed within each income category. At or below 50% AMI - multiple of 10, Up to 60% AMI multiple of 6, Up to 80% AMI - multiple of 3. Example - Proposed development of 50 units - 25 at or below 50% AMI, 20 @ 60% AMI, 5 @ 80% AMI. This proposal would receive a total of 7.7 Target points (50% of units at or below 50% x multiplier of 10 = 5 points, 40% of units @ 60% x multiplier of 6 = 2.4 points, 10% of units @ 80% x multiplier of 3 = 0.3 points)
Financial Feasibility	10	Points allocated based on demonstrated financial feasibility of proposal and takes into account proposed sources and uses, project costs, operational feasibility, need for subsidy, availability of rental subsidy (as applicable). Note A financially "infeasible" project will be eliminated from consideration.
Needs Assessment	10	Adequate demonstration of need/demand for the proposed development within the community or special needs populations (if applicable).
Developer Capacity	10	Homeownership (up to 4 points) - Development team must demonstrate prior experience and capacity in completing BHRI funded (or similar) projects. See ATTACHMENT A Rental (4 points) - Development and Property Management Team must demonstrate prior experience and capacity in completing and maintaining BHRI funded (or similar) projects. See ATTACHMENT A
		Financial Soundness (up to 6 points) - Applicant must demonstrate the organization's financial ability to successfully implement, complete and if rental proposal, maintain the proposed project. See ATTACHMENT B
Cost Effectiveness	5	Total development cost/unit. Full points awarded to projects where total development cost/unit is less than \$250,000 (less than \$300,000 for projects located in Rural areas). 2.5 points will be allocated to proposals where total development cost/unit is between \$250,001 - \$300,000 (between \$300,001 - \$330,000 for projects located in Rural areas). Projects which exceed \$300,000 (\$330,000 for Rural areas) in total development cost /unit will receive no points.
BHRI Subsidy/Unit	5	Less than \$10,000/unit (5 points), \$10,001- \$20,000/unit (4.5 points), \$20,001 - \$40,000/unit (4 points), \$40,001 \$60,000/unit (3.5 points), \$60,001- \$80,000/unit (3 points), \$80,001 - \$100,000/unit (2.5 points), over \$100,000/unit (2 points)
TOTAL POSSIBLE POINTS	100	would suggest setting a minimum score here to ensure that poor proposals don't get funded by making up points in the bonus category
Bonus Points Section .	Maximum .Points* Available	

Special Needs Targeting	5	Proposal seeking to provide 100% of units to serve Special Needs populations will be considered separately and against one another. For proposals which designate a portion of the proposed units to serve Special Needs populations, points will be allocated based on % of Special Needs units relative to the whole. Example: Total number of units proposed is 100, 35 are designated to Special Needs populations. Points allocated 1.75
Public Transportation	5	Points will be awarded in this category if the proposed development is located within 1/2 mile in the Urban Services Boundary (1 mile in non-USB areas) from a regularly scheduled RIPTA stop (bus) or MBTA stop (rail) or is within a RIPTA "Flex" Zone. Documentation must be provided
Resident Empowerment Services	5	1 point per activity, up to 5 activities. Applicant must include Letter of Commitment detailing each proposed service. See ATTACHMENT C. If applicant is providing service, see ATTACHMENT D for template Letter of Commitment. If applicant is partnering with an outside organization to provide service, see ATTACHMENT E for template Letter of Commitment.
Energy Efficiency/Sustainable Design/ Universal Design	5	1.5 point <u>per feature</u> , up to 5 total point. See ATTACHMENT F.
Brownfield	3	Proposal makes use of a federal or state-designated Brownfield site. Documentation to support designation must be provided
Historic	3	Property is located in a local, State or National Historic district or is individually listed on the National Register. Documentation must be provided
Geographic Diversity	3	3 points allocated if project located in a community with less than 5% affordable housing stock. 2 points allocated in project is located in community with more than 5% but less than 10% affordable housing stock. (according to most recent LMI Chart available, includes communities who are "Exempt" but have not achieved 10% goal)
Proximity to Key Services	3	1 point per service, up to 3 services. See Question 10: Geographic Diversity. Access to other services may be provided in the application narrative.
Community/Resident Participation	3	1.5 point per strategy, up to 2 strategies: Developer is able to demonstrate community/resident participation within project or organization. See ATTACHMENT G.
Community Based Economic Empowerment	3	Proposal provides economic opportunities to residents/surrounding community during project construction or beyond exceeds State minimums for MBE/WBE participation. Efforts should be detailed in activity narrative.
Reuse	1	Proposal seeks to reuse existing building(s) or is an adaptive reuse of an existing structure, where the existing building is attached and is at least 50% of the total proposal development
Term of Affordability	1	Proposal extends Term of Affordability to 99 years
TOTAL POSSIBLE BONUS POINTS	42	

Please note the above scoring system is used as a guide for BHRI funding committee discussions. The funding committee will meet, drafting recommendations based upon this initial score, factoring in other considerations for adjustments.