



FAIRFAX COUNTY FY 2024 RFP

HOME/CHDO-funded Permanent Affordable Rental Housing Projects



Pre-Proposal Conference
August 23, 2023
1:00 p.m.

HCD Staff

- **Tom Fleetwood**, HCD Director
- **Tom Barnett**, HCD Deputy Director for the Office to Prevent & End Homelessness (OPEH)
- **Laura Lazo**, OPEH Associate Director for Grants Management
- **Jenny Hsu**, Grants Management Senior Program Manager
- **Malia Stroble**, Grants Management Administrative Assistant
- **Casey Sheehan**, Contracts and Procurement Manager

Agenda

Opening Remarks & Staff Introductions

- Tom Barnett

Available Funding & RFP

- Laura Lazo

Underwriting & Closing Process

- Jenny Hsu

Post-Closing Demographic Reporting

- Malia Stroble

Ongoing Monitoring

- Jenny Hsu

Q & As



Available Funding

Estimated \$357,000 in
HOME/CHDO funding

NOFA

- Regular CDBG and HOME funds will be offered competitively as part of the FCRHA's Notice of Funding Availability.
- NOFA will become available soon.

RFP Timeline

August 8, 2023	FY 2024 HOME/CHDO RFP released
August 23	Preproposal Conference
September 22	Submission Deadline (4:00 pm)
October/November	Review & Scoring of Proposals
December 14	FCRHA Approval of Funding Award
January	Post Award Kick-Off Meeting

RFP Application Submission

- **Due by: 4:00 p.m. on September 22, 2023**

<https://www.fairfaxcounty.gov/housing/2023/fy24-cdbg-home-funding-availability>

- **Must include:**

- ✓ RFP Application Form
- ✓ all other supplemental materials (e.g., worksheets, maps, attachments)

- **Submit questions to:**

Laura.Lazo@fairfaxcounty.gov (703-246-5166) or

Malia.Stroble@fairfaxcounty.gov (703-246-5170)

RFP Submission Instructions

A) **Electronic upload, plus delivery of 1 original hard copy**, received by the deadline. Contact Laura.Lazo@fairfaxcounty.gov to obtain Egnyte link

OR

B) **Delivery of 5 hard copies, including 1 original**, received by the deadline

All mail or hand* deliveries should be addressed to:

Fairfax County DHCD
Attn: Laura Lazo
3700 Pender Drive
Fairfax, Virginia 22030

** Hand-delivered copies may be left at the reception desk on the first floor*

Eligible RFP Projects

- **Funding may be used for acquisition and rehabilitation** of properties that will provide affordable housing for low- and moderate-income households
 - ✓ Scattered-site rental (condominium, townhouse, single-family)
 - ✓ Multifamily rental projects (30 units or less)
- **Vacant properties are preferred**
 - ✓ Involuntary displacement of tenants could impact your ability to use awarded funds
 - ✓ HCD Director of Homeownership and Relocation should be contacted as soon as the property is identified

Definition of a CHDO

- § 92.2 Definitions (of Part 92 CFR)
- Appendix 7 of RFP Application Guidelines
- Legal status, capacity, organizational structure, relationship with for-profit entities

RFP Application Guidelines

- Minimum Project Requirements
- Appendices
 - ✓ Communitywide Housing Strategic Plan & Consolidated Plan
 - ✓ Other reference documents
 - ✓ FCRHA Funding Guidelines
 - ✓ HOME Maximum Per-Unit Subsidy Limits
 - ✓ HOME Rent Limitations
 - ✓ HOME Income Limits
 - ✓ CHDO Checklist
 - ✓ Fairfax County Rehabilitation Standards

Plan and Policy Alignment

- Five-Year Consolidated Plan/FY 2024 Annual Action Plan
www.fairfaxcounty.gov/housing/data/consolidated-plan
- Communitywide Housing Strategic Plan
www.fairfaxcounty.gov/housing/communitywideplan
- Fairfax County Countywide Strategic Plan, and specifically the priority area entitled “housing and neighborhood livability
www.fairfaxcounty.gov/strategicplan/housing-neighborhood-livability
- One Fairfax Equity Policy www.fairfaxcounty.gov/topics/one-fairfax
- Chairman’s Task Force on equity and opportunity recommendations
www.fairfaxcounty.gov/chairman/sites/chairman/files/assets/documents/combined%20list%20of%20recommendations.pdf

Federal HOME Requirements

HOME

- Income targeting: < 80% AMI*
- Multifamily projects of 5+ units, 20% of units must serve <50% AMI
- Maximum Per-unit Subsidy & Rent limits – tables contain HOME limits
- Period of affordability: 5-20 HUD years + FCRHA required years = 30 years

HOME/CHDO

- Organization must meet capacity & organizational structure requirements
- CHDO funds finance eligible projects for HOME income-eligible households

** County uses stricter income prioritizing <60% AMI for RFP projects*

Other Federal Requirements

- **Davis-Bacon** to Tony Esse @ (703) 246-5172, Tony.Esse@fairfaxcounty.gov
 - Prevailing wages
 - CDBG-funded construction over \$2,000
 - Construction of 12 or more HOME-assisted units
- **Section 3** to Tony Esse (above)
 - Employment opportunities for low-income residents
 - Subrecipient contracts in excess of \$200,000
- **Fair Housing** for enforcement and education questions, Office of Human Rights and Equity Programs @ (703) 324-2953
 - Prohibition of discrimination towards protected classes

Other Federal Requirements

- **Environmental reviews** to Tony Esse
@ (703) 246-5172,
Tony.Esse@fairfaxcounty.gov
- **Lead-based paint testing** to Tony Esse
@ (703) 246-5172,
Tony.Esse@fairfaxcounty.gov
- **Relocation (URA)** to Carol Erhard
@ (703) 246-5085,
Carol.Erhard@fairfaxcounty.gov

RFP Evaluation Criteria

• Demonstration of Need	0-25 points
• Project Preparation, Innovation, and Collaboration	0-25 points
• Management Capacity/Real Estate Experience	0-20 points
• Capacity for Project Financing/Leveraging	0-30 points
Total	<hr/> 0-100 points

Post-Award Project Underwriting

- Each time RFP funds are used for an acquisition and/or rehab, there must be an underwriting process and presentation to the Loan Underwriting Committee (LUC) for approval.
- A written contract between nonprofit and FCRHA is prepared after LUC approval but prior to, and as a condition, of the closing.
- Underwriting ensures that Fairfax County remains compliant with the federal requirements related to the use of awarded HOME funds.

Underwriting Procedures

- Begins once nonprofit emails **notice of acquisition and/or rehabilitation project** to Laura.Lazo@fairfaxcounty.gov @ (703-246-5166)
 - ✓ Include a copy of the executed sales contract
 - ✓ Laura will assign the project to a Grants Management staffperson
- Concurrently, nonprofit should request/provide:
 - ✓ Property appraisal and inspections
 - ✓ Relocation (URA) Clearance Review
 - ✓ Environmental Review (ER) Clearance (requires 45 days)
 - ✓ Notices to Board of Supervisor and FCRHA Commissioner

Underwriting Procedures *continued*

- The following additional documents also are required:
 - ✓ Project Description
 - ✓ Updated Financials & FCRHA Financed Properties Performance Portfolio (every 6 months)
 - ✓ Most Recent FCRHA Reserve Account Bank Statement
 - ✓ Lead-Based Paint & Radon Testing results
 - ✓ Home Inspection Report
 - ✓ URA Clearance
 - ✓ Environmental Clearance
 - ✓ Appraisal(s)
 - ✓ Condo Re-Sale Packet
- Details and materials on underwriting provided at the Post Award Kick-off Meeting in January 2024

Underwriting & Closing

- Upon approval of the underwriting, the assigned GM staff must receive:
 - ✓ Confirmed ACH setup for the nonprofit
 - ✓ Closing Agent contact info & Wire Transfer instructions
 - ✓ Draft Title Binder
- GM staff will provide for closing:
 - ✓ Settlement instructions
 - ✓ HOME/CHDO Contract
 - ✓ Deed of Trust – 1st Position
 - ✓ Promissory Note

RFP Financing Terms

The loan terms for transactions awarded via the RFP are:

- Contractual agreement the property will be used as affordable rental housing for the targeted population for at least 30 years.
- If during the 30-year affordability period, the property is (a) sold or (b) no longer used as affordable rental housing, then the borrower will pay the FCRHA an amount equal to the loan proceeds plus 2% annual accrued simple interest.
- If the property is sold or no longer used for affordable housing after the end of the 30-year affordability period through year 90, the borrower will only be required to pay back the 2% annual accrued simple interest.
- Creation and maintenance of a reserve account, earmarked as “FCRHA Reserve Account,” into which 25% of the net monthly income in excess of \$200 from the property will be deposited.

Post-Closing Demographic Reporting: Initial Tenant Occupancy

- The following is to be provided to Malia.Stroble@fairfaxcounty.gov, upon completion of any repairs/renovations and in accordance with the underwritten occupancy schedule:
 - ✓ Date of occupancy/lease signing
 - ✓ Beneficiary/tenant data for units

Ongoing Monitoring: Affordability Period - 30 years+

- **Annual Desk Monitoring (remote; all units)**
 - ✓ Updated HUD rent and income limits
 - ✓ HOME Rent and Income Reports
 - ✓ Administrative and financial monitoring
- **Periodic On-site Monitoring (live; sample units)**
 - ✓ First, within 12 months of project completion
 - ✓ Then, once every 1-3 years
 - ✓ In-depth project file reviews and property inspection

Q & As

