

# FAIRFAX COUNTY FY 2021 REQUEST FOR PROPOSALS CDBG/HOME PERMANENT AFFORDABLE HOUSING PROJECTS

Pre-Proposal Conference

August 19, 2020

10:00 A.M.



8/20/2020

# YOUR PARTNER CONTACTS

- Tom E. Fleetwood, Agency Director, DHCD
- Teresa G. Lepe, Deputy Director, DHCD
- Laura Lazo, Associate Director, Grants Management
- Kehinde Walker, SPM, Grants Management
- Beverly Moses, SPM, Grants Management
- Jenny Hsu , SPM, Grants Management
- Malia Stroble, AA, DHCD

# ONLINE LINK

<https://www.fairfaxcounty.gov/housing/news/2020/cdbg-and-home-funds-available-for-affordable-housing>

# CDBG/HOME AFFORDABLE HOUSING RFP TIMELINE

- August 10, 2020      FY 2021 CDBG/HOME RFP Released
- August 19, 2020      Preproposal Conference
- September 25, 2020   Deadline for Responses to RFP (4:00 pm)
- October/November   Review & Scoring of Proposals
- December 17, 2020   FCRHA Approval of Funding Awards

# \$2.9 MILLION AVAILABLE FOR AFFORDABLE HOUSING

## CDBG

- \$1.2 Million

## HOME

- \$1.7 Million
- (of which \$321,279 HOME CHDO)

# TOPICS

- Application Guidelines, Instructions, and Evaluation Criteria  
Kehinde Walker
- FCRHA Underwriting Requirements  
Beverly Moses
- Rehabilitation Standards, Closing and Ongoing Monitoring  
Jenny Hsu

# APPLICATION

- Due by 4p.m. on September 25, 2020
- Must include the **NEW!** fillable RFP Application Form followed by all other supplemental materials (e.g. worksheets, maps and other attachments)
- If questions, contact [Malia.Stroble@fairfaxcounty.gov](mailto:Malia.Stroble@fairfaxcounty.gov) (703-246-5170) or [Kehinde.Walker@fairfaxcounty.gov](mailto:Kehinde.Walker@fairfaxcounty.gov) (703-246-5117)



# APPLICATION INSTRUCTIONS

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Applicants may either:

1. Save a PDF version of your entire application package and submit it via ShareFile (please contact [Kehinde.Walker@fairfaxcounty.gov](mailto:Kehinde.Walker@fairfaxcounty.gov) to obtain a ShareFile link); and print 2 hard

copies (one with an original signature) and mail or deliver\* them to  
**Fairfax County Department of Housing and Community Development**  
**Attn: Kehinde Walker**  
**3700 Pender Drive**  
**Fairfax, Virginia 22030**

*\* Application packages may be hand-delivered to this address and deposited in the grey drop box located to the right of the main entrance to the building*

**OR**

2. Print 5 hard copies (including one with an original signature) and mail or hand-deliver them to the address or drop box listed above.



# APPLICATION GUIDELINES

- Minimum Project Requirements
- Appendices
  - Housing Blueprint and Consolidated Plan
  - Specific Housing Objectives
  - FCRHA Funding Guidelines
  - HOME Maximum Per-Unit Subsidy Limits  
2020 to be updated by HUD, Addendum to this RFP
  - CDBG/HOME Rent Limitations
  - CDBG/HOME Income Limits
  - CHDO Checklist
  - The **NEW!** Rehabilitation Standards

# STRATEGIC PLAN ALIGNMENT

- Projects should align with the proposed Fairfax County Countywide Strategic Plan, and specifically the priority area entitled “Housing and Neighborhood Livability,” which can be found at <https://www.fairfaxcounty.gov/strategicplan/housingneighborhood-livability>
- As well as align with the One Fairfax Equity Policy, which can be found at <https://www.fairfaxcounty.gov/strategicplan/>

# ELIGIBLE PROJECTS

- Acquisition and rehabilitation for scattered-site rental (condominium, townhouse, single-family)
- Multifamily rental projects (30 units or less)

# EVALUATION CRITERIA

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

# FEDERAL REQUIREMENTS

- **Davis-Bacon** to Tony Esse @ (703) 246-5172
  - Prevailing wages
  - CDBG-funded construction over \$2,000
  - Construction of 12 or more HOME-assisted units
- **Section 3** to Lura Bratcher @ (703) 246-5073
  - Employment opportunities for low-income residents
  - Subrecipient contracts in excess of \$100,000
- **Fair Housing** to Kim Abel @ (703) 246-5012
  - Prohibition of discrimination towards protected classes

# FCRHA UNDERWRITING REQUIREMENTS

- The **NEW!** **Nonprofit Capital Project Funding Application Checklist** identifies all of the documents to be submitted relative to
  - Final approval of the use of awarded funds for the project; and
  - Date of closing.
- The **NEW!** Rehabilitation Standards
- Reserve Policy Forthcoming

# POST-AWARD UNDERWRITING AND CLOSING

- Project Descriptions & Budgets
  - Targeted Population
  - PBV & HCV
  - Rents & Cash Flow Projections
- Portfolio Performance updated every 6 months
  - Income
  - Debt Service – loans, security, terms, maturity, current balance
  - Expenses
- Wiring Instructions & Title Documents

# DOCUMENTATION FOR UNDERWRITING

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- Contract to Associate Director for GM and Director of Homeownership (Relocation)
- Confirmation of compliance with terms of RFP award
- Notice to Supervisor & Commissioner
- Environmental Abstract
- Appraisal
- Home Inspection, Radon, Lead-Based Paint (pre-1978) and other property related reports, including explanations of when each item cited is to be addressed and the responsible party (buyer or seller);
- Executed Notice of Voluntary Arms Length Offer
- Updated Financial Data (if last submitted more than 6 months prior)
  - Corporate audit or most recent unaudited financial Balance Sheet and Statement of Income & Expenses
  - RHA Financed Portfolio Performance Spreadsheet
  - RHA Reserve Account bank statement
- Condominium Resale Packet
- Capital Project Description, which includes
  - Pro Forma\* of project funding sources (identification of all estimated sources of funds and, if any are from another lender, the identification & status of that funding) and funding uses (itemized listing of all expenses to be incurred for the project, i.e., acquisition price, settlement fees, taxes, inspections, etc.),
  - Targeted Population, including the status of tenant identification for the property,
  - Occupancy Date,
  - Operating Budget of income and expenses, including expected rent subsidies,
  - Management Plan, and
  - Risk Assessment
- Wire Transfer instructions for settlement
- Title Binder



# POST-AWARD UNDERWRITING AND CLOSING

- Grants Management Underwriting Team(one will be selected):  
[Beverly.Moses@fairfaxcounty.gov](mailto:Beverly.Moses@fairfaxcounty.gov) (703)246-5060  
[Kehinde.Walker@fairfaxcounty.gov](mailto:Kehinde.Walker@fairfaxcounty.gov) (703)246-5117  
[Jenny.Hsu@fairfaxcounty.gov](mailto:Jenny.Hsu@fairfaxcounty.gov) (703)246-5259
- Appraisal - Northern Virginia Appraisal Services Angie Kirchner  
[nvappraisals@cox.net](mailto:nvappraisals@cox.net)
- Relocation Staff Notice to [Carol.Erhard@fairfaxcounty.gov](mailto:Carol.Erhard@fairfaxcounty.gov)  
(703) 246-5085 AND [John.Turner@fairfaxcounty.gov](mailto:John.Turner@fairfaxcounty.gov) (703) 246-5241
- Environmental Abstract to [Peter.Uhrmacher@fairfaxcounty.gov](mailto:Peter.Uhrmacher@fairfaxcounty.gov)  
(703) 246-5173 AND [Tony.Esse@fairfaxcounty.gov](mailto:Tony.Esse@fairfaxcounty.gov) (703)246-5172
- Supervisor/RHA Commissioner Email Notices
  - Copy Chief of Staff (BOS) & HCD Underwriting Staff

# LOAN TERMS

- 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 deferred accrued simple interest. If the property is sold or no longer used for affordable housing after the end of the 30-year affordability period, the borrower will only be required to pay back the 2% annual deferred accrued simple interest.

# MONITORING

- Annual Desk Audits (remote)
  - Rent and income limits
  - Property inspection records
  - Administrative and financial monitoring
- On-Site Monitoring
  - First, within 12 months of project completion
  - Then, once every 1-3 years. An annual risk assessment is now conducted which could impact the on-site monitoring frequency, topics to be covered, and the technical assistance that is provided.
  - Tenant files reviews and documentation of unit inspections
    - Income/rent calculations, tenant leases and protection, tenant selection, affirmative marketing, certification and recertifications, property standards
    - **COVID-19 Update: Monitoring of tenant files are conducted virtually. Property and unit inspections, with the exception of new Housing Choice Voucher move-in inspections, will be suspended until further notice.**



# POST-ACQUISITION BENEFICIARY DATA

- Demographic Form
  - Beneficiary/tenant data for CDBG/HOME units
  - Date of occupancy/lease signing
- Delayed Occupancy due to COVID-19
  - Protocol for addressing delays
  - For additional guidance and safety protocols please visit
- <https://www.fairfaxcounty.gov/housing/coronavirus-update-operational-changes-in-effect>

