

**FAIRFAX COUNTY FY 2023 REQUEST FOR PROPOSALS**  
**CDBG & HOME funded**  
**Permanent Affordable Rental Housing Projects**



**Pre-Proposal Conference**  
**August 23, 2022**  
**1:00 P.M.**



# AGENDA

- **OPENING REMARKS & STAFF INTRODUCTIONS**
  - *Thomas Fleetwood, HCD*
  - *Thomas Barnett, OPEH*
  - *Laura Lazo, Grants Management*
- **OVERVIEW OF AVAILABLE FUNDING & RFP**
  - *Stephen Knippler, Grants Management Senior Program Manager*
- **OVERVIEW OF PROJECT UNDERWRITING & CLOSING PROCESS FOR USE OF AWARDED FUNDING**
  - *Beverly Moses, Grants Management Senior Program Manager*
- **REVIEW OF POST-CLOSING DEMOGRAPHIC REPORTING REQUIREMENT**
  - *Malia Stroble, Grants Management Administrative Assistant*
- **EXPLANATION OF ONGOING MONITORING REQUIREMENT**
  - *Jenny Hsu, Grants Management Senior Program Manager*
- **Q & A DIALOGUE**
  - *Stephen Knippler, Grants Management Senior Program Manager*

# HCD staff

- **Thomas E. Fleetwood**, HCD Agency Director
- **Thomas Barnett**, HCD Agency 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
- **Stephen Knippler**, Grants Management Senior Program Manager
- **Beverly Moses**, Grants Management Senior Program Manager
- **Malia Stroble**, Grants Management Administrative Assistant

# ONLINE LINK

[www.fairfaxcounty.gov/housing/news/2022/fy23-cdbg-home-funding-availability](http://www.fairfaxcounty.gov/housing/news/2022/fy23-cdbg-home-funding-availability)

# RFP Timeline

<b>JULY 1, 2022</b>	FY 2023 CBDG/HOME RFP released
<b>AUGUST 23</b>	Preproposal Conference
<b>SEPTEMBER 23</b>	Submission Deadline (4:00 pm)
<b>OCTOBER/NOVEMBER</b>	Review & Scoring of Proposals
<b>DECEMBER 15</b>	FCRHA Approval of Funding Award
<b>JANUARY 2023</b>	Post Award Kick-Off Meeting

# \$2.0 Million Available\*

## CDBG

Estimated \$424,130

## HOME

Estimated \$1.63 Million

Including est. \$370,685 CHDO

\*CDBG amount may increase by \$236,000 and HOME by \$208,000. If so, new estimated amounts will be confirmed in an Addendum to the RFP.

# Application Submission

- **DUE BY: 4:00 p.m. on September 23, 2022**
- **MUST INCLUDE:**
  - RFP Application Form
  - all other supplemental materials (e.g., worksheets, maps, attachments)
- **SUBMIT ALL QUESTIONS to:**
  - [Stephen.Knippler@fairfaxcounty.gov](mailto:Stephen.Knippler@fairfaxcounty.gov) (703-246-5161), or
  - [Malia.Stroble@fairfaxcounty.gov](mailto:Malia.Stroble@fairfaxcounty.gov) (703-246-5170)

# Submission Instructions

A) **Electronic upload, plus delivery of 1 original hard copy**, received by deadline. Contact [Stephen.Knippler@fairfaxcounty.gov](mailto:Stephen.Knippler@fairfaxcounty.gov) to obtain ShareFile 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 Department of Housing and Community Development  
Attn: Stephen Knippler  
3700 Pender Drive  
Fairfax, Virginia 22030

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



# Eligible 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**
  - ✓ Occupancy status can impact your ability to use awarded funds
  - ✓ HCD Director of Homeownership and Relocation should be contacted as soon as the property is identified

# Application Guidelines

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

# Plan and Policy Alignment

- FIVE-YEAR CONSOLIDATED PLAN  
[WWW.FAIRFAXCOUNTY.GOV/HOUSING/DATA/CONSOLIDATED-PLAN](http://WWW.FAIRFAXCOUNTY.GOV/HOUSING/DATA/CONSOLIDATED-PLAN)
- COMMUNITYWIDE HOUSING STRATEGIC PLAN  
[WWW.FAIRFAXCOUNTY.GOV/HOUSING/COMMUNITYWIDEPLAN](http://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](http://WWW.FAIRFAXCOUNTY.GOV/STRATEGICPLAN/HOUSING-NEIGHBORHOOD-LIVABILITY)
- ONE FAIRFAX EQUITY POLICY [WWW.FAIRFAXCOUNTY.GOV/TOPICS/ONE-FAIRFAX](http://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](http://WWW.FAIRFAXCOUNTY.GOV/CHAIRMAN/SITES/CHAIRMAN/FILES/ASSETS/DOCUMENTS/COMBINED%20LIST%20OF%20RECOMMENDATIONS.PDF)

# Federal CDBG & HOME Requirements

## CDBG

- Income targeting: Beneficiaries' income  $\leq$  80% Area Median Income (AMI)\*
- Rent limits: Not exceed HUD's Fair Market Rent (FMR)
- Period of affordability: 5 years + FCRHA required 25 years = 30 years

## HOME

- Income targeting: Beneficiaries' incomes  $\leq$  80% AMI\*
  - Multifamily projects of 5+ units, 20% of units must serve  $\leq$ 50% AMI
- Maximum Per-unit Subsidy & Rent limits – tables contain HOME limits
- Period of affordability: 5-20 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 utilizes stricter income prioritizing at/below 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

# 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
<b>TOTAL</b>	<b>0-100 POINTS</b>

# 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 CDBG and HOME funds.



# Underwriting Procedures

- Begins once nonprofit emails **notice of acquisition and/or rehabilitation project** to [Laura.Lazo@fairfaxcounty.gov](mailto: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 Clearance Review (requires 45 days)
  - ✓ Notices to Board 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 2023

# 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
  - ✓ CDBG or HOME Contract
  - ✓ Deed of Trust – 1<sup>st</sup> Position
  - ✓ Promissory Note

# RFP Financing Terms

The loan terms for transactions awarded via the RFP are:

- Contractual agreement that the property will be used as affordable rental housing for the targeted population for no less than 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-Acquisition Compliance re: Initial Tenant Occupancy

- The following is to be provided to [Malia.Stroble@fairfaxcounty.gov](mailto: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 CDBG/HOME units

# Post-Acquisition Affordability Period Compliance and Monitoring - 30 years+

- **Annual Desk Monitoring (remote; all units)**
  - ✓ Updated HUD rent and income limits
  - ✓ CDBG and 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 & A Dialogue

