

REQUEST FOR PROPOSALS
FAIRFAX COUNTY
REQUEST FOR PROPOSALS FOR
AFFORDABLE HOUSING PROJECTS, FY 2010

The Fairfax County Department of Housing and Community Development (HCD) announces the availability of funds up to \$2,076,070 under the federal Neighborhood Stabilization Program (NSP)-\$1,066,899, Community Development Block Grant-Recovery (CDBG-R) Program-\$600,000, and HOME Investment Partnerships (HOME) Program for Community Housing Development Organization's (CHDO)-\$409,171.

Project proposals are being solicited from eligible non-profits to:

- Acquire and/or rehabilitate non-foreclosed and foreclosed units to be used for affordable housing
- Rehabilitate existing units owned by the non-profit applicant to make needed improvements that could include accessibility, energy efficiencies or other capital needs that have been deferred due to lack of adequate funding

For foreclosed units, additional rehabilitation funds may be available through HCD's existing Home Improvement Loan Program (HILP) in the form of rehabilitation loans up to 10% of the current market appraised value; provided that the sum of the amounts of the first trust (if applicable) and loan funds under this RFP and the HILP loan do not exceed 110% of the current market appraised value.

Preference will be given to projects serving:

- Persons with disabilities
- Very-low income households (at or below 50% Area Median Income (AMI))
- *Housing First* which provides people who are homeless permanent housing first, along with supportive services, instead of placing them into shelters
- Projects involving acquisition and/or rehabilitation of foreclosed units
- Projects that can be completed by the non-profit applicant within a three to twelve month timeframe upon receipt of funding award

To be considered in the first round of awards, nonprofits are strongly encouraged to submit completed applications by no later than **4:30 p.m., Monday, Oct. 5, 2009** at the 1st Floor Reception Desk, Fairfax County Department of Housing and Community Development, 3700 Pender Drive, Fairfax, VA 22030. An original and four copies are to be submitted. After the first round of awards, funds will be awarded for qualified proposals on a first-come, first-served basis until all funds are allocated.

NOTE: A pre-proposal conference will be held Tuesday, Sept. 29, 2009, 10 a.m. to 11:30 a.m. at the Government Center, 12000 Government Center Parkway Fairfax, VA 22035 Fairfax, VA, Rm. 9/10.

For questions or additional information, please contact Audrey Spencer-Horsley, Associate Director, Grants Management at 703-246-5170 or Kehinde Powell, Community Program Coordinator at 703-246-5117 (TTY 703-385-3578) at the Department of Housing and Community Development (HCD) 3700 Pender Drive, Fairfax 22030.

Summary of Funding Sources

Neighborhood Stabilization Program-Silver Lining Plus (NSP-SLP)

- Targeted Areas:** Countywide, but primarily focused in these neighborhoods: Springfield, Alexandria (Route 1/Fairfax County), Centreville, Chantilly, Herndon, and Lorton. Specific zip codes within the above areas are available upon request.
- Description:** NSP-SLP funds will be provided to qualified non-profits to acquire (at least 1% below the current appraised value) and rehabilitate foreclosed properties, for use as affordable rental housing. Additional rehabilitation (rehab) loans may be available through HCD's existing Home Improvement Loan Program (HILP) for rehabilitation only up to 10% of the current market appraised value; provided that the sum of the amounts of the first trust and the NSP-SLP loan and the HILP loan cannot exceed 110% of the current market appraised value. Funds will be provided to nonprofits to cover necessary rehab for NSP assisted units. Processing of the HILP loan begins at the time of application for NSP funds.
- Funding Guidance:** Typical loan amounts for acquisition are \$91,767 per single family unit, \$90,000 per condominium unit, and \$66,200 per townhouse unit. Proposals demonstrating ability to leverage funds are preferred, however proposals requesting 100% financing per unit will be considered as well {particularly if serving a special needs population}.

Community Development Block Grant -Recovery Program (CDBG-R)

- Target Area:** Countywide
- Description:** CDBG-R funds may be used for rehabilitation of foreclosed units acquired through the NSP-SLP program, mentioned above, and rehabilitation of existing units currently owned by a nonprofit.

Community Housing Development Organization (CHDO) Set-Aside Home Investment Partnerships (HOME) Program

- Target Area:** Countywide
- Description:** CHDO HOME funds may be used by eligible CHDO nonprofits to construct, acquire, or rehabilitate affordable rental housing. Applications for CHDO Certification for FY 2010 may be submitted by any nonprofit organizations seeking certification.

AMERICAN REINVESTMENT AND RECOVERY ACT OF 2009

This RFP involves the use of CDBG-R funds from the federal American Recovery and Reinvestment Act of 2009, Pub. L. 111-5 and all applicable regulations will be reflected in the terms and conditions of the funding award contract.

MINIMUM GUIDELINES FOR ALL FUNDING SOURCES

In order for a project/proposal to receive consideration, it must meet the following minimum requirements:

1. The purpose of the proposal is to use funds to finance a project which, upon completion, will be occupied by income-eligible households based on the requirements of the funding source. The properties must be rented to households whose incomes are at or below 50% of AMI.
2. The project to be financed is located in Fairfax County (including the Participating Jurisdictions of the Towns of Clifton, Vienna, and Herndon and the City of Fairfax).
3. The project will not result in the permanent displacement of any households or other entities. Projects that involve temporary relocation must meet the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. (***Projects requiring permanent relocation will not be considered for funding.***)
4. The proposal does not include an expansion or improvement of a county-owned facility or other publicly owned residential facility.
5. Project plan will comply in accordance with Fairfax County, Virginia and federal conflict of interest requirements (including Title 24 CFR Part 570.611);

“No persons who exercise or have exercised any functions or responsibilities with respect to CDBG Activities, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities may 1) obtain a financial interest or benefit from a CDBG-assisted activity, or 2) have a financial interest in any contract, subcontract, or agreement with respect to a HOME or CDBG-assisted (NSP) activity, or with respect to the proceeds of the HOME or CDBG-assisted activity.”

Persons covered under the conflict of interest provision are as follows:

- Employees of the non-profit organization
- Agents representing the non-profit
- Consultants to the non-profit
- Officers or Board members of the non-profit
- Elected official, appointed official or employees of the recipient, or of any designated public agencies, or of subrecipients (i.e., nonprofits)
- Those who have business or immediate family ties, during their tenure or for one year thereafter.

6. Funds will be disbursed only at the time all conditions of the award have been met by the nonprofit applicant. Disbursement of funds under this RFP is subject to:

- Execution of a contract between the applicant and the Fairfax County Redevelopment and Housing Authority;
- Federal and local program requirements;
- A contract of sale and the transfer of the deed of ownership at closing.
- A deed of trust, loan, or partnership agreement; and/or
- Any other additional legal documentation as required, and environmental clearance conducted by HCD.

Where the applicant has failed to meet the conditions of the award within the allotted time, in accordance with the contract, the award may be revoked and the funds allocated may be deobligated and reprogrammed to other projects or to other non-profits. The funds must be expended in full accordance with the contract and deferred trust or loan agreement with the applicant.

Before funds are disbursed, successful applicants will be required to provide audited financial statements and auditor's opinion and management letter, if issued. Audits must be conducted by an independent licensed certified public accountant. Applicants should note that an A-133 audit is required by Federal regulations if total federal dollars expended in any fiscal year of the organization exceeds \$500,000 from all sources.

7. General administrative or operating costs are not eligible for funding under this RFP.
8. Applicants are expected to comply with all local zoning and regulatory requirements. Related documentation may be required.
9. Projects must be financially feasible. Proposals demonstrating ability to leverage funds are preferred, however proposals requesting 100% financing per unit will be considered.
10. It is not the intent to use funds under this RFP for the purpose of analyzing project feasibility. Third-party inspections and appraisals, subject to HCD satisfaction, will be required prior to release of funds.
11. An environmental review must be completed for any project funded with federal funds *prior* to the commitment and/or disbursement of funds to a specific property. Rehabilitation or new construction projects may be subject to the wage and hour requirements of the Davis-Bacon Act, as well as the accessibility requirements under 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973.

12. Acquisition and/or renovation of existing housing are also subject to lead based paint (LBP) testing (particularly units built prior to 1978). Depending on age of the structure(s), scope of work, and type of work, LBP testing can vary in extent and need as mandated by HUD.

ELIGIBLE APPLICANTS

Non-profit organizations that apply under this RFP and plan to administer NSP/CDBG-R/HOME CHDO funds must demonstrate adequate capacity. An eligible non-profit must have the following:

- A designation as a 501(c)(3) organization by the Internal Revenue Service.
- A demonstrated successful track record in owning and managing real estate. If a non-profit applicant does not have an established track record, the organization is encouraged to partner with another nonprofit organization with applicable experience.
- A current sound financial condition. Non-profits will be required to provide the last three (3) years annual audited financial statements and auditor's opinion and management letter, if issued. Audits must be conducted by an independent licensed certified public accountant.

CHDO ELIGIBILITY

(Applicable for non-profits intending to apply for HOME CHDO funds)

Eligible applicants are non-profit corporations who have been officially certified as a Fairfax County CHDO by HCD for FY 2010 (July 1, 2009 – June 30, 2010); or can either meet or can reasonably be expected to meet the criteria of the federal HOME regulations for a Community Housing Development Organization (CHDO)¹. Under this RFP, applications for CHDO Certification for FY 2010 may be submitted by any nonprofit organizations seeking certification. HOME CHDO funding cannot be disbursed until the organization has successfully applied for and received its CHDO certification.

AWARD OF FUNDS

All applications will first be subject to preliminary screening by HCD for completeness and minimum requirements. An internal Selection Advisory Committee, to be appointed by the Director of HCD, will review those deemed complete.

The proposal(s) selected and recommended for final award will be subject to approval by the FCRHA and the Board of Supervisors (Board). Once the non-profit has identified a specific project, any funds awarded are contingent upon the project's review and approval of HCD's Loan Underwriting Committee (LUC). Additional information will be requested as specific properties are identified as required by the LUC. Funds shall be made available in the form of a deferred loan and secured with a deed of trust and shared equity and will require an equity share if the property is sold, transferred or cease to be used for the purposes funded. The affordability period is typically a minimum of 30 years.

¹ HOME Definition of CHDO, 24 CFR § 92.2
(www.hud.gov/offices/cpd/affordablehousing/lawsandregs/regs/finalrule.pdf).

Any contract(s) between the FCRHA and the awardees must be executed prior to any disbursement of funds. The final awardees will be notified of the recommended award(s). HCD reserves the right to not fund any application(s) submitted through this RFP process.

Fairfax County is committed to nondiscrimination on the basis of disability in all County programs, services and activities. Special accommodations will be provided upon request. For information call 703-246-5101 or TTY 703-385-3578.

