

## Request for Proposals for Multifamily Affordable Housing Development Projects

- **Amount of Funding Available:** up to \$12 million\* from the following sources:

<b>Housing Blueprint</b>	\$10,157,513	Local funds
<b>CDBG</b>	\$1,200,000	Federal funds
<b>HOME</b>	\$ 705,383	Federal funds; \$214,775 reserved for Community Housing Development Organizations ("CHDO's")

- **Application Deadlines**
  - Applications for projects proposing to use only local funds, or a combination of local and federal funds, are due no later than 4:00 p.m. on September 1st, 2015.
  - Applications for projects proposing to use only federal funds are due no later than 4:00 p.m. on October 1st, 2015.
  
- **Application Process**
  - Multifamily projects (six or more units) will apply via the Fairfax County Affordable Housing Partnership Program (<http://www.fairfaxcounty.gov/rha/ahpp.htm>)
  - Applications are due September 1<sup>st</sup>, 2015
  - Projects will be evaluated by a selection committee of HCD staff; funding awards will be made to projects based on funding request, targeted affordability and underwriting goals. Projects utilizing federal HOME and CDBG funds should serve households (including individuals) with Special Needs, as described in the FY 2016 Housing Blueprint, with a preference for serving extremely low incomes (30 percent of the Area Median Income and below).
  - Applicants proposing to combine federal CDBG and/or HOME resources with local funds must complete both the AHPP application AND the CDBG/HOME application to be considered responsive.
  - Preference will be given to projects which create new committed affordable housing not already affordable under the LIHTC program or other affordability restrictions.
  
- **Maximum funding per project:** As a general guideline, local Housing Blueprint Funds requested for multifamily projects should not exceed \$50,000/unit, however higher per unit funding requests will be considered. Applicants are expected to leverage other resources to the greatest extent possible. NOTE: this general per unit cap does not apply to projects requesting only federal funding. However, if federal funding is being requested in addition to the local Housing Blueprint Funds for a project, then the per unit general guidelines apply.
  
- **Eligible applicants:** Developers experienced in the development of affordable housing
  - Developers should demonstrate experience and have clear capacity for the undertaking they are proposing; this includes the type of project proposed (# of units, scale of construction/rehabilitation, etc.) and the proposed financing structure. Fairfax County has established a policy to pay its employees a Living Wage, currently \$13.13 per hour; our partners are encouraged to adopt this policy.
  - Partnerships or joint ventures among experienced developers and community-based organizations are acceptable as a way to demonstrate the required capacity.
  - To access the HOME CHDO funding, in addition to the above, eligible applicants must be nonprofit corporations who have been officially certified as a Fairfax County Community Housing Development Organization (CHDO) by the Fairfax County Department of Housing and Community Development. CHDO's must also have paid staff with demonstrated development experience.
  
- **Eligible activities:** Funds are available for the purposes of development of affordable housing in Fairfax County.
  - Funds may only be used for capital purposes (no pre-development or operating funds)
  - New construction, acquisition, and acquisition/rehabilitation.
  - Projects must be located within Fairfax County, including the Towns of Herndon, Vienna, and Clifton.
  - Blueprint/AHPP funds may only be used for permanent financing unless the developer has a firm take out commitment from a lender for permanent financing that is accepted and approved by HCD.

- The use of HOME funding will be governed by the HOME Final Rule as amended at: <https://www.onecpd.info/home/home-laws-and-regulations>
- The use of CDBG funding will be governed by the regulations of the CDBG Program at: <https://www.onecpd.info/resource/3689/24-cfr-part-570-cdbg/>
- **Minimum threshold criteria:** Projects should meet the minimum threshold criteria noted below and determined to be financially feasible in order to be considered for funding.
  - **Complete Application – Multifamily Projects**
    - [http://www.fairfaxcounty.gov/rha/ahpp\\_app\\_2010-final.pdf](http://www.fairfaxcounty.gov/rha/ahpp_app_2010-final.pdf)
    - [http://www.fairfaxcounty.gov/rha/ahpp\\_guidelines.pdf](http://www.fairfaxcounty.gov/rha/ahpp_guidelines.pdf)
  - **Acceptable Evidence of Site Control**
    - Deed to property demonstrating fee simple ownership
    - Ground lease with a term that is at least as long as the term of the Housing Blueprint/AHPP Loan
    - Purchase Contract with a minimum 12 month term beyond the date of the AHPP application
    - Site control should clearly identify all parcels in the development
    - NOTE: site control documentation is not required for applicants using federal funds for acquiring/developing properties with five or fewer units but applications with site control will receive additional points
  - **Affordability/Income Targeting – Blueprint Funding:** Fairfax County encourages, but is not requiring, projects applying for the local Housing Blueprint Funds to meet following income targeting goals:
    - *Working families and persons with special needs (the homeless, elderly, persons with disabilities) particularly those on affordable housing waiting lists (75% of units should serve households at or below 50% AMI); and*
    - *Workforce (25% of the units should serve households between 51%AMI to no greater than 80%AMI).*
    - HCD encourages innovative approaches to meeting the established affordability targeting goals. We encourage all applicants to discuss their project proposals with HCD staff for eligibility and feasibility prior to submission of a request. Fairfax County reserves the right to award Housing Blueprint funds in a manner that achieves the stated affordability goals, to include requests for adjustments to an applicant's income targeting.
    - Federal CDBG and HOME funds may be used separately or in combination with Blueprint funding; however, projects using federal funding should serve income eligible seniors, the homeless, and/or persons with disabilities.
  - **Notification of Proposed Project to Local Area Supervisor**
- **Financial Feasibility:** Projects will be underwritten and determined to be financially feasible. This analysis will include, but is not limited to:
  - Review income and expense assumptions.
    - This includes assessing whether rents are reasonably targeted to the market, within affordability guidelines.
  - The Project's ability to support any must-pay debt, reviewing a 15 year pro forma.
  - Leveraging of other resources to the County funds
  - Expectation will be to have the County funds repaid from cash flow.
- **Loan Structure:** Generally, Housing Blueprint Funds will be structured as cash flow deferred loans from the Fairfax County Redevelopment and Housing Authority (FCRHA) at an interest rate of 2%, or other such interest rate that is acceptable to the FCRHA and/or the equity provider with a maximum term that is co-terminus with the maturity of the first mortgage. HOME and CDBG funds will be provided as a deferred, zero(0) interest loan for a term of 30 years to be repaid, or recaptured, in the event that the property is either sold or no longer used for affordable rental housing. Compliance with the HOME and/or CDBG requirements that the property be used for affordable housing will be included in the terms of the loan documents. A deed of trust will secure the note and will provide that if the property is either sold or no longer used for affordable rental housing during the 30 year period, the grantee will be indebted to the lender for the greater of the loan proceeds or the lenders equity share. NOTE: applicants requesting funds to acquire properties with 6 or more units or requesting both Housing Blueprint and federal funds will be required to utilize the AHPP application; in these cases, the loans will be structured in accordance with the Housing Blueprint requirements noted above.

- Housing Blueprint Funds are non-recourse secured loans.
  - Repayment of principal and interest from surplus cash flow shall be determined on a case-by-basis depending upon the outcome of the underwriting process.
  - It is anticipated that the Funds are part of a broader financing plan that may include additional public or private debt or tax credits; ideally, the Funds are being used to leverage additional sources of financing.
    - In situations where the financing plan includes competitive 9% LIHTC and the credits are not received, Housing Blueprint funding may be subject to recapture. HOME and CDBG funding is provided at settlement following the approval of the HCD Loan Underwriting Committee.
  - Loans are subject to annual monitoring fees.
- **Readiness to Proceed:** The project's readiness to proceed will also be a key determinant in awarding funding.
    - The project should be in the process of securing other financing or have a clear timeline for acquiring additional sources of funding necessary to complete the project.
    - Preference will be given to projects that can demonstrate closing within 12 months of receiving approval for funding.
- **Processing, Timelines:** Applications using only local funds or a combination of local and federal funds are due no later than **4 p.m., September 1, 2015.** Applications using only federal funds are due no later than **4 p.m. on October 1, 2015.**
    - Applicants proposing multifamily development (6 or more units) must complete the Affordable Housing Partnership Program (AHPP) application and submit with all necessary documents.
      - The AHPP application and Guidelines for completion can be downloaded at : <http://www.fairfaxcounty.gov/rha/ahpp.htm>
    - Applicants proposing scattered site development must complete the HOME/CDBG Application and submit with all necessary documents.
      - The HOME/CDBG application and Guidelines for completion can be downloaded [here](#).
    - Applicants proposing to combine federal CDBG and/or HOME resources with local funds must complete **both** the AHPP application AND the CDBG/HOME application to be considered responsive. Applications for combined funding must be submitted no later than 4 p.m. on September 1, 2015.
    - Projects shall be evaluated by a selection committee; the selection committee shall weigh the project's income targeting goals, amount of funding per unit requested in relation to the income targeting and financial feasibility
    - If awarded, HCD staff shall take the project to the FCRHA Board and County Board of Supervisors for approval.
    - Please refer to the Guidelines and application for more details.

**APPLICATIONS SHOULD BE DELIVERED IN HARD COPY (5 COPIES) TO THE FRONT DESK OF THE FAIRFAX COUNTY DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, 3700 PENDER DRIVE, FAIRFAX BY NO LATER THAN 4 P.M. ON THE APPROPRIATE DUE DATE.**

**LATE APPLICATIONS WILL NOT BE ACCEPTED AND WILL BE RETURNED UNOPENED.**