NOTE: All grayed out sections are NOT applicable to the PADD-DFD Request For Proposals. ONLY HPTF, DBH and HOPWA funds are available as part of the PADD-DFD RFP.

PADD 2014 REQUEST FOR PROPOSALS

Housing Production Trust Fund Program (HPTF)

HOME Investment Partnerships Program (HOME)

Community Development Block Grant Program (CDBG)

Department of Behavioral Health (DBH) Grant Funds

Housing Opportunities for Persons with AIDS (HOPWA)

Low Income Housing Tax Credits (LIHTC)

Local Rent Supplement Program (LRSP)

Housing Choice Vouchers Program (HCVP)

Annual Contributions Contract Authority (ACC)

Permanent Supportive Housing (PSH) – Case Management

Issue Date: November 12, 2014
Closing Dates: Solicitations (SFO) 7-9: February 19, 2015

Solicitations (SFO) 10-12: March 4, 2015

EQUAL HOUSING OPPORTUNITY

The District of Columbia Department of Housing and Community Development pledges to foster the letter and spirit of the law for achieving equal housing opportunity in the District of Columbia.

District of Columbia Department of Housing and Community Development

Department of Housing and Community Development
BUILDING ENDURING COMMUNITIES
www.dhcd.dc.gov

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Vincent C. Gray
Mayor

Victor L. Hoskins
Deputy Mayor for Planning and Economic Development

Michael P. Kelly
Director, Department of Housing and Community Development

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- Housing Production Trust Fund Program (HPTF)
- HOME Investment Partnerships Program (HOME)
- Community Development Block Grant Program (CDBG)
- Department of Behavioral Health Grant Funds (DBH)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Low Income Housing Tax Credits Program (LIHTC)
- Local Rent Supplement Program (LRSP)
- Housing Choice Voucher Program (HCVP)
- Annual Contributions Contract Authority (ACC)
- Permanent Supportive Housing Supportive Services – Case Management(PSH)

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Synopsis

The following synopsis is provided to give applicants quick access to essential information:

- Availability of capital funds from HPTF, HOME, CDBG, 9% Low Income Housing Tax Credits (LIHTC), Department of Behavioral Health (DBH) and HOPWA.
- Availability of rental assistance funds from the District of Columbia Housing Authority's LRSP (***preferably for permanent supportive housing projects***), HCVP and ACC programs receiving funding in this round through the sources listed above.
- Availability of supportive services funds from the Department of Human Services for ***permanent supportive housing projects*** receiving funding in this round through the sources listed above.
- Soliciting applications for acquisition, new construction and rehabilitation projects for affordable housing. New construction projects must allocate at least 5% of the units to provide permanent supportive housing.
- Properties must include at least 5 units, be located in the District of Columbia and serve low to moderate-income individuals or families, as defined in the RFP.
- DHCD uses its funds to provide gap financing in projects that provide affordable housing and community facilities.
- Application review will take place in two Tiers, based on readiness to close.
- No Community Facility applications will be accepted in the 2014 round.

Schedule:

Request for Proposals (RFP) Released:

November 12, 2014. RFP is available on CD at DHCD, 1st Floor Security Desk, 1800 Martin Luther King, Jr. Avenue, SE, Washington, DC 20020. RFP is also available on DHCD's website on or about November 12, 2014 (www.dhcd.dc.gov).

Proposals Due:

- **Applications for PADD Solicitations 7,8, and 9 are due on or before 4 pm February 19, 2015. Applications for PADD Solicitations 10, 11, and 12 are due on or before 4 pm, March 4, 2015. <u>NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE</u>. Incomplete applications or applications that fail to meet Eligibility Requirements/Threshold Criteria outlined in Section V of this RFP will be disqualified without further review.**

Applicants are advised that the Authorized Agency Contact Person for <u>all</u> matters concerning this Request for Proposals is:

Name: Reginald Izlar
Mailing Address: 1800 Martin Luther King Jr. Avenue, SE, Washington, DC 20020
Email address: rfpquestions@dc.gov

Information and Updates on this RFP:

202.442.7281 (RFP Questions Hotline)
Website: www.dhcd.dc.gov

I. Introduction

The District of Columbia Department of Housing and Community Development (DHCD or "Department") requests proposals for the development of affordable housing in response to the PADD Solicitations released November 12, 2014. Housing Production Trust Funds are available, subject to local and federal appropriations. Department of Behavioral Health (DBH) funds are also available, and are designated for financing the acquisition, construction or rehabilitation of long-term permanent supportive housing units in the District of Columbia for the exclusive use of DBH consumers[1]. The District of Columbia Housing Authority funds are available to provide rental subsidies designated preferably to permanent supportive housing units receiving funding from DHCD in this round. The Department of Human Services funds are available to provide supportive services designated to ***permanent supportive housing units*** receiving funding from DHCD in this round.

Funding for the PADD-DFD RFP is currently available and is independent from the Notice of Funding Availability (NOFA) process.

Through this Request for Proposals (RFP), DHCD is soliciting applications for funding for projects responding to the PADD 2014 Solicitations 7-12 that will help the Department fulfill its goals to:

- Increase the supply of decent, affordable rental and ownership low-income housing through assistance for preservation, rehabilitation, new construction and acquisition;
- Create permanent housing opportunities, with supportive services, for individuals and families who are homeless or at risk of becoming homeless;
- Provide housing for elderly persons;
- Provide housing for persons with special needs, including persons living with HIV/AIDS;
- Preserve existing subsidized housing where federal housing subsidies are set to expire;
- Help tenants who have buildings in foreclosure to purchase and develop their buildings into limited equity cooperatives with affordable units;
- Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households; and
- Achieve economic integration of subsidized housing by providing mixed-income housing, or by locating affordable housing in neighborhoods that are not poverty impacted, or that are undergoing rapid gentrification.
- Provide needed public facilities serving low-income residents and low-income areas of DC, if the public facility is incorporated into a housing project. No applications for use exclusively as a community facility will be accepted in this round.

Proposals for funding may be submitted to DHCD for one or more specific funding sources; however, DHCD reserves the right to specify another funding source in order to maximize the public benefit derived.

In order to submit an acceptable, fully competitive proposal and maximize the scoring potential of the application, all application filing requirements must be closely followed and all

[1] See "Definitions of Key Terms in this RFP" in the Introduction, and "DBH Grant Funds" in Section III of this RFP for further information.

information requested in the application must be responded to completely. Applications regarding PADD Solicitations 7, 8, and 9 must be received at DHCD on or before 4:00 pm February 19, 2015. Applications regarding PADD Solicitations 10, 11, and 12 must be received at DHCD on or before 4:00 pm March 4, 2015. Applications must be delivered to DHCD, 1st floor security desk, 1800 Martin Luther King Jr., Ave., SE, Washington, DC 20020. A time/date clock stamp will be used and receipts will be issued at the time of submission.

Completed applications must be submitted on a formatted CD with all of its contents/documents remaining in the original format as released by DHCD. In addition, DHCD requests **one** hard copy labeled binder of the information in the CD.

No applications will be accepted after the filing deadline.

Potential Respondents are advised to review all documents which make up this RFP, including:

1. Request for Proposals (RFP);
2. Application Submission Package,
3. Application Submission Package Exhibits Checklist, and
4. RFP Reference Guidebook

Definitions of Key Terms in this RFP

For the purpose of this RFP and any projects funded pursuant to this RFP, the following definitions will apply:

"Homeless" - Refers to the *Homeless No More* definition which is derived from the HUD definition: (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and (2) an individual who has a primary nighttime residence that is (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

"Chronically Homeless" means continuously homeless for a year or more, or having had at least four (4) episodes of homelessness in the last three (3) years.

"DBH Consumers" means adults, children or youth who are eligible to receive mental health services or supports funded or regulated by the Department of Behavioral Health.

"Long-term" in the context of DBH funded units, means that the supportive housing developed pursuant to this initiative will be reserved through use restriction covenants for the exclusive use of DBH Consumers for time periods specified later in this RFP.

"Supportive Housing" means housing provided in connection with voluntary services designed to help tenants maintain housing, including, but not limited to, coordination/case management,

physical and mental health, substance abuse management and recovery support, job training, literacy, and education, youth and children's programs, and money management.

"Permanent Supportive Housing" – Supportive housing for an unrestricted period of time for individuals and families who were once homeless and continue to be at imminent risk of homelessness, including persons with disabilities as defined in 24 CFR 582.5 for whom self sufficient living may be unlikely and whose care can be supported through public funds. (DC Official Code 4-751.01(28)

"Disability" means a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; that substantially impedes the ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have AIDS and related diseases).

"Special Needs" - Refers to an umbrella group of families and individuals (that may or may not be homeless) that have conditions or needs that require the provision of supportive services. These conditions include mental health problems, drug/substance abuse problems, mobility impairment issues, HIV/AIDS and other chronic disease problems, and homelessness.

"SRO" - Refers to the *Homeless No More* definition which is derived from the HUD definition: a residential property that includes multiple single room dwelling units. Each unit is for occupancy by a single individual. The unit need not, but may, contain food preparation or sanitary facilities or both.

"Supportive Services" - Voluntary services designed to help tenants maintain housing, including, but not limited to coordination/case management, physical and mental health, substance use management and recovery support, job training, literacy, and education, youth and children's programs, and money management.

"Funding Sources" – The sources of funds made available for rehabilitation and construction of affordable housing and public facilities under the mentioned federal and local programs.

II. Available Programs and Funding Sources

Applicants may submit proposals **only** for the DHCD financing sources outlined in this RFP.

Funding sources available through this RFP include:

- The District's Housing Production Trust Fund (HPTF);
- Community Development Block Grant (CDBG) (no CDBG applications will be accepted in the 2014 RFP);
- HOME Investment Partnerships (HOME) (no HOME applications will be accepted in the 2014 RFP);

- The District's Department of Behavioral Health (DBH), dedicated for financing the acquisition, construction or rehabilitation of long-term permanent supportive housing units in the District of Columbia for the exclusive use of DBH consumers;
- Housing Opportunities for Persons with AIDS (HOPWA);
- 9% Low Income Housing Tax Credits (LIHTC) - credit authority as allocated (no 9% LIHTC applications will be accepted in the PADD Solicitation process).
- Local Rent Supplement Program (LRSP), Housing Choice Voucher Program (HCVP) and Annual Contributions Contract Program (ACC), for rental subsidies of ***permanent supportive housing*** units receiving funding from DHCD in this round in the District of Columbia (no LRSP, HCVP or ACC will be available in the PADD Solicitation process); and
- Case management services dedicated to the ***permanent supportive housing*** units receiving funding from DHCD in this round in the District of Columbia (no case management funding will be available in the PADD Solicitation process).

III. General Program Requirements

Each funding source operates under separate federal or local regulations. All regulations include restrictions on the incomes of families served, and maximum allowable rents, but such restrictions vary among the funding sources. Further, definitions for income categories, such as low-income or moderate-income, vary between funding sources. A brief summary of income restrictions, rent limits and definitions related to income for each funding source is outlined below. Applicants' projects must meet the specific income limits in effect at the time of funding, and must subsequently adjust income and rent limits to maintain ongoing compliance with program regulations as new limits are published.

Applications for funding of public facilities are subject to all requirements of this RFP and the referenced Application Submission Package, except for requirements specific to residential projects and other variations noted in these documents. **No funding for public facilities or commercial uses will be available in the PADD Solicitation process..**

A. Housing Production Trust Fund (HPTF)

Background: HPTF funds are District funds regulated by local rulemaking. Detailed information on HPTF is included in the *RFP Reference Guidebook*, included as part of this RFP.

Income Limits: As noted in Table 1, the HPTF income eligibility limits, unlike the CDBG and HOME Program, income eligibility limits are calculated against a true percentage of the four-person Area Median Income (AMI) published by the U.S. Department of Housing and Urban Development (HUD), without the adjustments that HUD makes for federal funds. AMI for Washington, DC for FY 2014 is $107,000 resulting in a slight downward adjustment of income levels for federally funded programs. However, for HPTF, the 2013 income limits will be used in 2014. For example, 80% of median income is calculated as a true 80 percent of the FY 2013 AMI of $107,300, 50% of median income is calculated as a true 50 percent of $107,300 and so on, as outlined on Table 1, below. DHCD further adjusts the income limits for household size by

increasing or decreasing the four-person household income limit by 10 percent for each additional (or fewer) person in the household.

Income-Related Definitions: For HPTF, the following definitions apply:

Extremely Low-Income refers to households earning 0 – 30% of AMI
Very Low-Income refers to households earning 31 – 50% of AMI
Low-Income refers to households earning 51 - 80% of AMI

Table 1
HPTF Income Limits (2013 and 2014)
Effective: December 1, 2012

INCOME BAND	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
0 - 30%	22,533	25,752	28,971	32,190	35,409	38,628	41,847	45,066
31 - 50%	37,555	42,920	48,285	53,650	59,015	64,380	69,745	75,110
51 - 80%	60,008	68,672	77,256	85,840	94,424	103,008	111,592	120,176

Maximum Allowable Rents: HPTF rent limits for 2014 are outlined in Table 2 below.

Table 2
HPTF Rent Limits (2013 and 2014)
Effective: December 1, 2012

	0 - 30%	31 - 50%	51 - 80%
Efficiency	563	939	1,502
1 Bedroom	644	1,073	1,717
2 Bedroom	724	1,207	1,931
3 Bedroom	805	1,341	2,146
4 Bedroom	885	1,475	2,361
5 Bedroom	966	1,610	2,575

Disbursement of Funds: The Housing Act of 2002 requires that of total HPTF funds disbursed in a given fiscal year:

- At least 40 percent benefit extremely low-income households (0-30 percent of AMI);
- At least 40 percent benefit very low-income households (31-50 percent of AMI); and
- The remainder, or 20 percent, may benefit low-income households (51-80 percent of AMI).

This requirement applies to the entire funding in a fiscal year, not to each individual project.

B. CDBG

Background: **No CDBG applications will be accepted in the PADD 2014 Solicitation process.** CDBG are federal funds provided and regulated by HUD. Detailed information on CDBG can be found on the internet: At www.hud.gov , go to "Resources/Handbooks-forms/HUD handbooks, etc./HUDCLIPS/Shortcuts/Code of Federal Regulations; CDBG is Title 24, Part 570; HOME is Title 24, Part 92. Alternatively, call the Superintendent of Documents Office, Government Printing Office, 202-512-1800 to requests regulations in hard copy.

Low-Income Benefit (applies to public facilities): A public facility using CDBG funding must benefit a low-income community (an area in which at least 51 percent of the residents are low-income, and the activity will benefit them primarily), or a limited clientele (e.g., homeless persons) that are primarily low-income. **(No public facilities applications will be accepted in the 2014 RFP.)**

Income Limits: For residential projects, CDBG funds are restricted to individuals and households wit incomes of up to 80 percent of AMI. Tables 3 and 4 below show the current 80% of AMI income levels. Note that HUD approval is pending for DHCD to use the "uncapped" 80% of AMI income levels in Table 4.

While the baseline AMI figure, $107,000 is the same for Federal and local funds, HUD applies adjustments to this figure not utilized by HPTF. As a result, the income limits for CDBG-funded activities as published by HUD are slightly different than for HPTF, as outlined in Table 3, below.

The 30% AMI and 50% AMI income limits indicate lower income bands that the District of Columbia chooses to serve. All CDBG income limits are adjusted annually. DHCD-funded projects are required to comply at all times with the current, adjusted income limits.

Table 3
2014 CDBG Income Limits (Effective 12/18/13)

Maximum Tenant Income	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low Income (30% of AMI)	22,500	25,700	28,900	32,100	34,700	37,250	39,850	42,400
Very Low Income (50% of AMI)	37,450	42,800	48,150	53,500	57,800	62,100	66,350	70,650
Low Income (80% of AMI)	47,950	54,800	61,650	68,500	74,000	79,500	84,950	90,450

Note: The CDBG "low income" limits are provided for informational purposes. Typically, HUD allows DHCD to use the "uncapped low income" limits below.

Uncapped Low Income Limit: DHCD generally uses the definitions of "low" and "moderate" as defined in CDBG regulations, which correspond to the "very low" and "low" in the HOME and Section 8 Housing Choice Voucher regulations. However, since 1999 HUD has exempted DHCD from these "low-income" figures, and has allowed the use of "uncapped limits" i.e. 80% of the actual median DC income. DHCD may use the exemption, as necessary, in its CDBG and HOME programs, as outlined in Table 4 below.

Table 4
Washington DC Uncapped CDBG and HOME 80% Income Limits

(Effective 2/14/13)

Household Size							
1 person	2 person	3 person	4 Person	5 person	6 person	7 person	8 person
60,100	68,650	77,250	85,800	92,700	99,550	106,400	113,300

Income-Related Definitions:

For CDBG (as administered by DHCD) the following definitions apply (with slightly different dollar amounts than for HPTF):
Extremely Low-Income refers to households earning 0 – 30% of AMI
Very Low-Income refers to households earning 31 – 50% of AMI
Low-Income refers to households earning 51 - 80% of AMI

Maximum Allowable Rents: HUD does not impose rent limits for CDBG funds. However, rent levels must be affordable to targeted households such that their monthly cost, including utilities, does not exceed thirty percent of household monthly income. Projects that follow the HOME income limits will comply with CDBG affordability requirements as well.

Disbursement of Funds: CDBG funds can be disbursed only to housing projects committed to serving homebuyers, rs or special needs clientele with incomes at or below 80% of AMI rent However, DHDC's ng criteria encourages developers to target very-low and extremely-low-scori income residents in e instances. As a condition of CDBG funding, regulatory agreements will require and specify income targeting for all individual CDBG-funded projects.

C. HOME Investment Partnerships Program

Background: **(No HOME applications will be accepted in the PADD 2014 Solicitation process.)** Through the U.S. Department of Housing and Urban Development (HUD), HOME is the largest Federal block grant to State and local governments designed exclusively to create affordable housing for low-and moderate- income households. HOME provides formula grants to States and localities that communities use in partnership with local nonprofit groups to fund a wide range of activities that build, buy, and/or rehabilitate affordable housing for rent or homeownership. Detailed information on the HOME program can be found at: www.hud.gov.

Go to "Resources/Handbooks-forms/HUD handbooks, etc./HUDCLIPS/Shortcuts/Code of Federal Regulations.; HOME is Title 24, Part 92.

The program was designed to reinforce several important values and principles of community development:

- HOME's flexibility empowers people and communities to design and implement strategies tailored to their own needs and priorities.
- HOME's emphasis on consolidated planning expands and strengthens partnerships among all levels of government and the private sector in the development of affordable housing.
- HOME's technical assistance activities and set-aside for qualified community-based nonprofit housing groups builds the capacity of these partners.

Income Limits: The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90 percent of benefiting families must have incomes that are no more than 60 percent of the HUD-adjusted median family income for the area. *(92.216).* DHCD only funds rental projects with five or more assisted units, and when HOME funds are used, at least 20% of the units must be occupied by very low-income families with incomes that do not exceed 50% of the HUD-adjusted median income for the area. *(92.252(b)).* The incomes of households receiving HUD homeownership assistance must not exceed 80 percent of the area median. HOME income limits are published each year by HUD *(92.217).* As of the effective dates noted, and until further notice, project sponsors currently receiving HOME funds should use the following limits as they set their fiscal year 2012 occupancy and rent guidelines. The Washington, DC area median income as determined by HUD for fiscal year 2014 is to equal $107,000.

Table 5

2014 HOME Income

Maximum Homebuyer/ Tenant Income	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low Income (30% AMI)	22,550	25,800	29,000	32,200	34,800	37,400	39,950	42,550
Very Low Income (50% AMI)	37,600	42,950	48,300	53,650	57,950	62,250	66,550	70,850
60% AMI	45,120	51,540	57,960	64,380	69,540	74,700	79,860	85,020
Low Income (80% AMI)	46, 750	53,400	60,100	66,750	72,100	77,450	82,800	88,150

For the HUD-approved 2013 uncapped low-income (80% AMI) income limits, see Table 4.

Income-Related Definitions:

For HOME as administered by DHCD) the following definitions apply (with slightly different dollar amounts than for HPTF):

Extremely Low-Income refers to households earning 0 – 30% of AMI
Very Low-Income refers to households earning 31 – 50% of AMI
Low-Income refers to households earning 51 - 80% of AMI

Maximum Allowable Rents: Maximum HOME rents are provided in Table 6 below. Rent levels must be affordable to targeted households such that their monthly cost, including utilities, does not exceed thirty percent of household monthly income.

Table 6
2013 HOME Rent Program Limits (Effective 6/20/13)

Maximum HOME Rents	Units						
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOME Rent Limit	941	1,008	1,210	1,397	1,558	1,720	1,881
High HOME Rent Limit	1,118	1,191	1,412	1,656	1,828	1,998	2,169

See the HOME regulations at 24 CFR Part 92 for the complete set of eligibility requirements.

DHCD must ensure that HOME-funded housing units remain affordable in the long term. This affordability period is enforced through a restrictive covenant deed on the property. The affordability period is based on the type of project and the total amount of HOME assistance. *(92.252 and 254)*

HOME Investment Per Unit	Affordability Period
☐ Less than $15,000	5 years
☐ $15,000-$40,000	10 years
☐ More than $40,000	15 years
☐ New Construction of rental housing	20 years

Projects must contain five (5) or more units to be eligible for funding. All housing assisted under this RFP must meet the residential federal and local housing codes and the appropriate income guidelines for beneficiaries.

Disbursement of Funds: HOME funds can be disbursed only to housing projects that meet the following income requirements:

For-sale housing – HOME regulations require that buyers have incomes at or below 80% of AMI.

Rental housing – HOME regulations require that 90% of HOME funds benefit households earning at or below 60% of AMI; the remaining 10% of funds may be used to benefit households

earning at or below 80% of AMI. Further, for any individual project with five or more units, at least 20% of those units must be occupied by families at or below 50% AMI.

HUD requirements – Each project sponsor/owner must execute the DHCD HOME Written Agreement that shall accurately describe the terms and conditions of the HOME funding for the project. See 24 CFR Part 92.

DHCD local requirements – Notwithstanding the basic HOME requirements, DHCD's scoring criteria encourage developers to target some very-low households in addition to low-income households, and in rental projects extremely low-income households in some instances. As a condition of HOME funding, regulatory agreements will require and specify income targeting for all individual HOME-funded projects.

D. DBH Grant Funds

The Department of Behavioral Health (DBH) in collaboration with the Department of Housing and Community Development (DHCD) will fund proposals to finance the acquisition, construction or rehabilitation of long-term permanent supportive housing (PSH) units for the exclusive use of DBH consumers. The per unit DBH funding will be capped at $42,000 per unit, with higher funding available at DBH's discretion based on an explanation of need. DBH supports projects that provide housing for extremely low income individuals and families (less than 30% of area median income). The table below shows the income limits for DBH funds.

2014 Income Limits for Department of Behavioral Health Funds								
Family Size	1	2	3	4	5	6	7	
30% AMI	$22,550	$25,700	$$28,900	$ 32,100	$34,700	$37,250	$39,850	

Rents for DBH funded units may not exceed HUD Fair Market Rents.

Allowable costs associated with such acquisition, construction or rehabilitation of housing may include, but are not limited to: pre-development costs, including, but not limited to, third party reports, earnest money deposits, option fees, architectural drawing or renderings, appraisals and physical inspections; closing and settlement costs including attorney fees; equity contributions on behalf of the developer/sponsor, on its own behalf or on behalf of DBH; capital improvements; and costs to obtain matching funds for grants that provide housing and housing supports for DBH consumers.

DBH shall hold a restrictive use covenant for no less than a five (5) year period on all projects developed that receive total DBH funding of less than one hundred thousand dollars ($100,000.00). DBH shall hold a restrictive use covenant for a twenty five (25) year period on all projects that receive total DBH funding of more than one hundred thousand dollars ($100,000.00). For applicants which also receive HPTF financing, there will be an additional extend use period, for a total restricted use period of 40 years.

Units proposed for development should be permanent housing of the following types: single-family housing, condominium or cooperative units, multifamily building, mixed-use building serving low and moderate-income populations, single room occupancy units ("SROs") or buildings, or transitional housing if approved by DBH in writing. Projects that integrate DBH consumers with the general public are desired. No more than thirty percent (30%) of the units at any multi-family property may be set aside for DBH consumers, unless an exception is granted by DBH.

Projects that maximize the use of the funds by reducing the cost of housing development by entering into agreements with for-profit and non-profit organizations, government agencies and other entities, as necessary, to leverage funds are desired.

Projects applying for DBH capital funding must demonstrate that the monthly rent charged for the DBH unit will be affordable to the extremely low income resident. Applicants should not assume the DBH residents will have a tenant based operating subsidy. If other sources of subsidy are not sufficient to cover the operating expenses of the unit, applicants should plan to request project based operating subsidy/voucher assistance through this RFP.

DBH will refer eligible DBH consumers to fill vacancies in the use-restricted housing create through this RFP. Senior housing developments will be referred age eligible residents. Priority populations will be 1) homeless, 2) consumers discharged from St. Elizabeth's Hospital, and 3) consumers moving out of a more restrictive setting.

DBH residents will receive supportive services from DBH. Applicants requesting DBH capital funding do not need to contract with a social service provider for additional supportive services for DBH residents and do not need to secure additional funding for supportive services for DBH residents. A Supportive Service Plan and budget is not required for DBH units.

In addition to standard DHCD underwriting criteria, specific considerations for applicants for DBH funding include:

- project's size (number of units),
- adequacy of bedroom space,
- adequacy of common areas,
- overall condition of property,
- neighborhood amenities/services,
- safety from fire,
- security,
- access to public transportation,
- absence of drug activities, and
- suitability of the location for promoting community integration.

Funds granted to prospective developers for Licensed Mental Health Community Residential Facilities (MHCRF) projects are not required to leverage funds, and are not limited to thirty percent (30%) of the units as set-aside for DBH consumers.

E. Housing Opportunities for Persons with AIDS (HOPWA)

Background: Through the U.S. Department of Housing and Urban Development (HUD), HOPWA funds are allocated to State and local governments on a formula basis to create and operate service-enriched affordable housing for low-income persons living with HIV/AIDS (PLWHAs) and their families. HUD imposes minimum restrictions on income eligibility and eligible project design, and the District of Columbia further restricts resident income and eligible project design. Information on both the Federal minimum restrictions (for your information) and the applicable District of Columbia restriction is provided below.

Funding Available: The per unit HOPWA funding will be capped at $65,000 per unit, with higher funding available at Department of Health's discretion based on an explanation of the need.

Income Eligibility: HUD restricts all HOPWA funding to households with incomes at or below 80 percent of area median. The District of Columbia further restricts eligibility for HOPWA-funded activities to very low- and extremely low-income households, i.e. those with incomes at or below 50% AMI and 30% AMI respectively. HOPWA units developed through this RFP will be restricted to households with incomes below 30% AMI. (Income and rent charts are included below.)

Eligible Expenditures and Priority Project Design:
HOPWA funding may be used for acquisition, rehabilitation, conversion, and repair of facilities to provide housing. Priority projects will provide permanent housing (no predetermined time limit on residency) in a mixed-population project. The primary need is for efficiency and one bedroom units. Transitional housing and projects restricted solely to residents with HIV/AIDS may be considered, but are not a priority in this round.

In this RFP, new construction will be allowed for single room occupancy housing only. Federal HOPWA regulations restrict new construction to single-room occupancy (SRO) housing and "community residences." However, community residences are not a priority project type for this funding round.

In this round, HOPWA funds will only be available for capital expenses; there is no additional HOPWA funding for operating subsidy or supportive services to residents of HOPWA units. HOPWA referred residents will be capable of independent living without need for supportive services. Therefore, HOPWA units will not meet the definition of Permanent Supportive Housing and will not contribute to the 5% PSH Threshold for new construction projects.

Affordability:
Projects applying for HOPWA capital funding must demonstrate that the monthly rent charged for the HOPWA unit will be affordable to the extremely low income resident. Applicants should assume the HOPWA residents will not have a tenant based operating subsidy. If other sources of subsidy are not sufficient to cover the operating expenses of the unit, applicants should plan to request project based operating subsidy/voucher assistance through this RFP.

Restricted Use Period:
HOPWA-funded housing units must remain affordable over the long term. The required Federal minimum affordability period is enforced through a restrictive covenant deed on the property. The Federal minimum affordability period is based on the type of project and the total amount of HOPWA assistance. *(574.3 – Definitions)*

HOPWA Investment Per Unit	Minimum Federal Affordability Period
☐ Up to 75% of post-rehabilitation value	3 years
☐ More than 75% of post-rehabilitation value	10 years
☐ New construction	10 years

For applicants that also receive HPTF financing, there will be an additional extend use period, for a total restricted use period of 40 years.

Projects must contain five (5) or more units to be eligible for HOPWA funding. All housing assisted under this RFP must meet applicable federal and local residential housing codes and the income guidelines appropriate for the intended beneficiaries.

Income and Rent Limit Charts: Tenancy in HOPWA-funded housing is restricted to individuals and households with incomes of up to 80 percent of AMI. Tables 7 and 8 below show the current 80% of AMI income levels. The 30% AMI income limits indicate lower income band that the District of Columbia chooses to serve. All HOPWA income limits are adjusted annually. DHCD-funded projects are required to comply at all times with the current, adjusted income limits.

Table 7
2014 HOPWA Income Limits

Maximum Tenant Income	Household Size							
	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Extremely Low Income (30% of AMI)	22,500	25,700	28,900	32,100	34,700	37,250	39,850	42,400
Very Low Income (50% of AMI)	37,450	42,800	48,150	53,500	57,800	62,100	66,350	70,650
Low Income (80% of AMI)	47,950	54,800	61,650	68,500	74,000	79,500	84,950	90,450

Note: The HOPWA "very low income" and "low income" limits are provided for informational purposes.

Uncapped Low Income Limit: DHCD generally uses the definitions of "low" and "moderate" as defined in CDBG regulations, which correspond to the "very low" and "low" in the HOME and Section 8 Housing Choice Voucher regulations. However, since 1999, HUD has exempted DHCD from these "low-income" figures, and has allowed the use of "uncapped limits," i.e. 80% of the actual median DC income. DHCD may use the exemption, as necessary, in its HOPWA program, as outlined in Table 8 below.

Table 8
Washington, DC Uncapped HOPWA 80% Income Limits

Household Size							
1 person	2 person	3 person	4 Person	5 person	6 person	7 Person	8 person
60,100	68,650	77,250	85,800	92,700	99,550	106,400	113,300

Income-Related Definitions:

For HOPWA (as administered by DHCD), the following definitions apply:
Extremely Low Income refers to households earning 0 – 30% of AMI
Very Low Income refers to households earning 31 – 50% of AMI
Low Income refers to households earning 51 - 80% of AMI

Maximum Allowable Rents: Maximum HOPWA rents are provided in Table 9 below.
Rent levels must be affordable to targeted households such that their monthly costs, including utilities, do not exceed thirty percent of household monthly income.

Table 9
2013 HOPWA Rent Program Limits

Maximum HOPWA Rents	Units						
	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Low HOPWA Rent Limit	941	1,008	1,210	1,397	1,558	1,720	1,881
High HOPWA Rent Limit	1,118	1,191	1,412	1,656	1,828	1,998	2,169

See the HOPWA regulations at 24 CFR Part 574 for the complete set of eligibility requirements.

Disbursement of Funds: Federal minimum standards require HOPWA funds be disbursed only to housing projects committed to serving renters with incomes at or below 80% of AMI. However, units developed in this RFP must be restricted to extremely low-income residents. As

a condition of HOPWA funding, regulatory agreements will require and specify income targeting for all HOPWA-funded projects.

Detailed information on the Federal HOPWA program can be found at: http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&rgn=div5&view=text&node=24:3.1.1.3.7&idno=24.

F. Federal Low-Income Housing Tax Credits (LIHTC): Section 42 of the IRS Code of 1986: www.irs.gov

Background: **No LIHTC (9% credit) applications will be accepted as part of the PADD 2014 Solicitation Process.** The Tax Reform Act of 1986 established the Federal Low Income Housing Tax Credit ("LIHTC") Program. The LIHTC Program was subsequently made permanent by the Revenue Reconciliation Act of 1993 as further amended by The Community Renewal Tax Relief Act of 2000. The LIHTC Program was created to encourage the private sector to invest in the construction and rehabilitation of housing for low and moderate-income individuals and families. Project owner/investors can claim the LIHTC on their Federal income tax return each year for a period of ten years. However, Projects generally must meet certain requirements for low-income use for thirty years.

Federal law requires The District of Columbia ("District") to adopt a plan to allocate the LIHTC to Projects based on federally mandated requirements and priority needs determined by the District. The District's Low Income Housing Tax Credit Qualified Allocation Plan ("QAP") is intended to ensure the selection of only those Projects that comply with Federal law and address, on a priority basis, the housing needs of the District. All projects that are requesting LIHTCs funds will be scored independently as outlined in the QAP. If a project is requesting LIHTCs and another DHCD funding source, it must meet the requirements for both funding sources and it will be scored for both requests. For any project requesting both LIHTCs and other DHCD funding, in the event of differences between the QAP and information in this RFP, the more conservative standard will be applied. For projects requesting LIHTCs alone, the QAP will apply.

Mandatory Application Fee Tax credit applications MUST include the Application Fee with the application. (For-profits: $750; non-profits: $500)

9% Competitive Credit Reservation Application Schedule for FY 2014 Credits

- April 2, 2014 - RFP Released
- June 2, 2014 - Deadline for Application, Market Study and Application Fee
- September, 2014 - Initial Project Selection Review ends / Begin Independent Review Panel Presentations
- September, 2014 - DHCD mails selection letters
- October 31, 2014 - (Fully executed) reservation documents, Contract to Enforce Representation (original), Election to Fix Applicable Percentage (if applicants choose to lock in rate) and fees due to DHCD.
- November 17, 2014 - Carryover Allocation Application due to DHCD
- October 31, 2015 - 10% Test Certifications due to DHCD for 2014 allocations

9% Carryover Allocation Application Schedule

- November 4, 2014 - DHCD sends out customized Allocation Application to developers that have received a reservation of Tax Credits
- November 17, 2014 - (1) Allocation Application, (2) Owner's Certification; and (3) IRS Letter with EIN# assignment due to DHCD
- December 1, 2014 - (1) Allocations are finalized; (2) Carryover Agreements are mailed by DHCD to developers
- December 13, 2014- Carryover Agreements due back to DHCD

See the District of Columbia 2012 Low Income Housing Tax Credit Program QAP as an attachment to this RFP.

G. Local Rent Supplement Program, Housing Choice Voucher Program and the Annual Contribution Contracts Program

A limited amount of rent subsidy will be available to housing projects receiving funding from DHCD in this round. For each type of rent subsidy, DHCA prioritizes a) the integration of subsidized units into mixed income housing and b) owner/operator successful prior experience operating units with DHCA rental subsidies.

Local Rent Supplement Program (LRSP) - This District of Columbia government funded rental assistance program serves extremely low income families (0-30% of AMI). Project based LRSP funding will be available ***preferably for permanent supportive housing projects*** receiving funding from DHCD, DBH, or DHS in this round. The amount available will be based on a per-unit subsidy. The term of funding is 15 years with possible extensions. All subsidies are subject to funding availability. Maximum rents are set based on project location and number of bedrooms; current subsidy standards for each neighborhood can be found at dchousing.org. Unless otherwise provided, LRSP is administered in accordance with federal and District of Columbia Housing Choice Voucher Program (HCVP) rules and regulations (24CFR Chapters 982 and 983) (14 DCMR Chapters 49,41,53,54,56,59,61, 93 and 95) as administered by the District of Columbia Housing Authority (DCHA). See also Section 5102 of the Fiscal Year 2013 Budget Support Act of 2012, effective September 20, 2012 (D.C. Law 19-168; 59 DCR 8025); and the Shelter and Supportive Housing for Individuals and Families rules (59 DCR 1236, effective February 1, 2013).

Rental units must meet minimum standards of health and safety, as determined by HUD's Housing Quality Standards (HQS). A housing subsidy is paid to the landlord directly by the public housing authority on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

Up to one hundred (100) units can be provided with LRSP subsidy.

Housing Choice Voucher Program (HCVP) - The Housing Choice Voucher Program (HCVP) is a federally-funded rental assistance program that aids very low-income families, the elderly and

disabled to afford decent, safe and sanitary housing in the private market (established by Section 8 of the United States Housing Act of 1937, 42 U.S.C. §1437f(2006)). Project based HCVP funding will be available for projects receiving DHCD, DHS, or DBH funding in this round. The vouchers must serve households earning less than 50% of Area Median Income. The term of funding is 15 years with possible extensions. All subsidies are subject to funding availability. Maximum rents are set based on project location and number of bedrooms; current subsidy standards for each neighborhood can be found at dchousing.org.

Rental units must meet minimum standards of health and safety, as determined by HUD's Housing Quality Standards (HQS). A housing subsidy is paid to the landlord directly by the public housing authority on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

DCHA will provide approximately Fifty (50) HCVP project-based vouchers for projects coming online no earlier than January 1, 2016.

Annual Contributions Contract (ACC) Authority - The Annual Contributions Contract (ACC) available under this RFP will provide rental assistance for housing developments which receive funding from DHCD, DHS or DBH in this round. These funds can serve households earning up to 80% of Area Median Income. The term is up to 40 years. All subsidies are subject to funding availability. ACC operating subsidy is based on a number of factors; however developers should use $400 per month per unit for the operating subsidy or Project Expense Level (PEL); and $200 per unit per month for the Utility Expense Level (UEL). DCHA will calculate the actual ACC subsidy and provide to DHCD prior to award. The ACC subsidy cannot be used to cover debt service. If project anticipates layering ACC with any other project based subsidy, the maximum rent cannot not exceed subsidy standards set based on project location and number of bedrooms.

The ACC is a contract between the U.S. Department of Housing and Urban Development (HUD) and a Public Housing Authority whereby HUD agrees to provide financial assistance and the Public Housing Authority agrees to comply with HUD requirements (including long-term (usually 40 years) low income use restrictions).

ACC operating subsidy is a potential funding source under this RFP for up to 300 units.

H. Case Management-Supportive Services

DHS will provide funding for the provision of supportive services (case management) to single adults and families who reside in ***permanent supportive housing*** (PSH) units developed through this RFP. The priority for DHS funding is projects which expand the total pool of available PSH resources. Existing PSH (and other forms of existing service enriched housing) and occupied units are not a priority for DHS subsidy in this RFP. The initial term of the subsidy is one year, which may be renewed subject to funding availability. Up to 25 units per project may receive DHS funding, and DHS may consider a waiver of this unit cap.

Residents of DHS funded units will be selected by DHS. Senior housing developments will be referred age eligible applicants. Single adults and families who are provided supportive services through this Solicitation utilizing DHS funding will meet DHS eligibility criteria. These criteria include:

- the completion and submission to DHS of the required assessment tool (either the Vulnerability Survey OR Service Prioritization Decision Assistance Tool (SPDAT) (included for reference in the "Electronic Forms Folder");
- the individual or family meets or exceeds the threshold criteria on the PSH assessment tool;
- the individual or family is deemed literally homeless; and,
- the individual or family resides on the streets or in a DHS funded homeless services program/facility immediately prior to placement.

There is not an additional income eligibility criteria – households are eligible regardless of income if they meet the criteria above.

Projects applying for DHS supportive services funding must demonstrate that the monthly rent charged for the DHS unit will be affordable to the resident. Applicants should not assume the DHS resident will have a tenant based operating subsidy. If other sources of subsidy are not sufficient to cover the operating expenses of the unit, applicants should plan to request project based operating subsidy/voucher assistance through this RFP.

DHS supportive service funding is a potential funding source under this RFP for up to a total of approximately 175 units.

The applicant's budget for supportive services will be evaluated for consistency with the existing PSH provider cost contracts.

Providers of case management services who receive DHS funding through this Solicitation to provide supportive services (case management) must also meet DHS provider eligibility criteria. These criteria include:

- demonstrating/documenting previous experience providing supportive services/case management to single adult and/or families;
- documenting good track record of similar services provided by positive evaluations for contracts or grants with Federal government, District government, foundations and non-profit organizations;
- Be an incorporated and licensed organization in the District of Columbia in good standing with the District of Columbia Department of Consumer and Regulatory Affairs.
- Have a clean track record for managing funds.
- Submit a staffing plan that meets the case manager qualifications requirements and maximum case load standards. (indicated below).
- adhere to all service standards/requirements which are described in "DHS PSH Supportive Services (Case Management) Standards/Requirements" attached in the "Electronic Forms Folder."

Case Manager Qualifications: All case managers must meet minimum qualification standards. These minimum qualifications for case managers are a bachelor's degree in social work, psychology, sociology, counseling or other related social service/science disciplines and two (2) years experience providing case management services. Certification and/or licensure in a relevant discipline (e.g., certified additions counselor) may substitute for education requirement. Any/all staff supervising case managers providing services under this RFP must possess a Master's Degree in social work, psychology, sociology, counseling or other related social service/science disciplines and two (2) years experience supervising case managers. Having the highest level of licensure as a social worker, psychologist or counselor may substitute for the supervisory experience.

Case Load Standards: Caseloads for case managers shall not exceed 17 adults or 12 families for a scattered site devel pment. Caseloads for case managers shall not exceed 25 single adults or 15 families for a single location.

Note on mixing "Designated Unit" Funding:
DBH, DHS, and HOPWA units each are restricted solely to residents selected by the specific funding agency. It is not possible to blend these funding sources in a single UNIT. However, applicants are encouraged to blend sources within a PROJECT and are encouraged to consider requesting funding from multiple agencies. This would result in designated units with more than one agency. For instance, a single 100 unit development might have 3 DBH units, 3 DHS units, (which together exceed the minimum 5% PSH requirement) and 3 HOPWA units.

I. Project Types, Priorities and Uses of Funds:

Requirements:

ALL projects must meet the following criteria to receive funding:

- Number of Units: the project must include at least 5 units;
- Code and Income Requirements: the units must, upon occupancy, meet all federal and local housing codes and the appropriate resident income guidelines.

All new construction projects must meet the following criteria to receive funding:

- Permanent Supportive Housing: at least 5% of any new construction rental project units (and no less than 1 unit) must provide Permanent Supportive Housing as defined above;

Available funding sources may be used for a variety of projects. The most common eligible project types include:

- Permanent supportive housing for chronically homeless persons;
- Preservation of expiring, federally subsidized, affordable rental housing;
- Special needs housing, including housing for persons living with HIV/AIDS;
- Elderly housing;

- New construction of affordable rental or for-sale housing;
- Substantial rehabilitation of affordable rental or for-sale housing; and
- Mixed income housing, that may include permanent supportive housing units.

Priorities: Although the above projects are eligible, DHCD will give priority to certain types of projects, particularly those which:

- Respond to emergency situations within existing housing stock:
- Rehabilitate properties with significant code violations;
- Preserve existing subsidized housing where federal subsidies are set to expire;

Provide Supportive Housing for Special Populations:

- Create housing for low-income disabled and/or elderly households requiring supported living environments;
- Create permanent supportive housing opportunities, linked with on- or off-site supportive services, for individuals and families with special needs (for example: households that are experiencing or at risk of homeless and/or living with HIV/AIDS;

Advance Economic Integration:

- Achieve economic integration of subsidized housing by:
    - providing mixed-income housing (in which the units serving extremely low income households shall comprise no more than 30% of the new development), or
    - locating affordable housing in neighborhoods that are not poverty impacted and/or where affordable housing is not readily available, or
    - locating affordable housing in neighborhoods that are undergoing rapid gentrification;

Support Neighborhood Stabilization

- Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households;
- Support comprehensive neighborhood revitalization strategies in poverty impacted neighborhoods through housing creation or renovation.

Eligible Costs: Capital funding may be used for virtually any development finance purpose including, but not limited to:

- Acquisition
- Construction financing
- Interim financing
- Permanent financing
- Eligible predevelopment costs
- Eligible hard and soft costs

Operating funding for permanent supportive housing maybe used for:

- Project-based rental assistance to tenants
- Supportive services

Financing may not be used for:

- Tenant based rental assistance to tenants
- Capacity building
- Down payment assistance
- Security or utility deposits
- Tax liabilities nor any other District or federal obligations
- Operating and maintenance expenses

J. Types of Investment:

DHCD may provide investment in projects in the forms of loans and, on a limited basis, as grants. DHCD will have the sole discretion to determine the type of investment it will make in a project.

K. Monitoring Requirements:

In accordance with Federal and District regulations, DHCD is required to monitor the use of the funds distributed under this RFP. Applicants receiving financial assistance under this RFP are required to submit annual project financials, second quarter internal financial statements including balance sheet and income and expense report, and any changes in members of the development team (including property management companies).Other monitoring requirements will be specified in loan documents and contracts with service providers, if applicable.

In addition, projects could be subject to any and/or all of the following requirements outlined in Table 7 below.

Table 7

Monitoring Elements, Guidelines and/or Requirements	
☐ Community Development Block Grant (CDBG), including all applicable Office of Management and Budget (OMB) Circulars, such as A-110, A-122 and A-133) - 24 CFR Part 570	☐ Section 3 - (24 CFR Part 135)
☐ HOME Investment Partnerships Program (including long-term affordability requirements) – 24 CFR Part 92	☐ First Source Program. D.C. Official Code §§2-219.01 *et seq*.
☐ Environmental Reviews - 24 CFR Pt 85	☐ Registration with DC Apprenticeship Council
☐ Certified Business Enterprise Agreement	☐ Americans with Disabilities Act of 1990 – 42 USC 2181 *et seq*.
☐ Age Discrimination Act of 1975 – 24 CRF Part 146	☐ Lead Safe Housing Rule (Lead Based Paint) – 24 CFR Part 35
☐ Affirmative Action Plan – Mayor's Order 85-85);	☐ Section 504 of Rehabilitation Act of 1973, as amended – 24 CFR Part 8
☐ Non-procurement Debarment – 2 CFR Part 2424	☐ Uniform Relocation Act – 42 USC Chapter 61: District of Columbia Relocation Assistance provisions (10 DCMR Chapter 22)
☐ Anti-lobbying Restrictions – 24 CFR Part 87	☐ Freedom of Information Act – D.C. Official Code §2-531 *et seq*.
☐ D.C. Notice on Non-Discrimination – D.C. Official Code §§ 2-1401.1 *et seq*.	☐ Davis Bacon and related Acts – 40 USC §§276a-276a-5 and 42-USC 5310: 42 USC 327 *et seq*.
☐ Drug Free Workplace – 24 CFR Part 21	☐ Conflict of Interest (24 CFR § 570.611:24 CFR §§ 85.42 and 85.36)
	☐ 24 CFR §§
	☐ Fair Housing (24 CFR Part 107: 24 CFR Part l00)
	☐ Hatch Act 5 USC Chapter 15
	☐ LIHTC (§ 42 of IRS Code of 1986)

DHCD requires each applicant to sign a Monitoring Certification indicating the agreement to comply with the regulations, to be subject to DHCD monitoring for compliance and to accept any applicable penalties for noncompliance. The applicant is responsible for any and all costs associated with implementing and maintaining records to comply with and allow for DHCD monitoring. The Monitoring Certification Form is included in the application. All DHCD monitoring requirements apply to any project receiving capital funding under this RFP, regardless of the source of funding.

L. Targeted Geographic Areas:

Targeted Geographic Areas are designated by the Federal or District of Columbia government for the purpose of improving neighborhoods and providing economic stimulus. DHCD will accept proposals for eligible projects throughout the city, although the targeted geographic areas are as follows:

Neighborhood Corridors located in:

- ☐ Ward 1: Park Road/Mt. Pleasant Street/Upper Georgia Avenue
- ☐ Ward 4: Upper Georgia Avenue
- ☐ Ward 5: Ward-wide
- ☐ Ward 7: Deanwood & Ward-wide
- ☐ Ward 8: Ward-wide

New Communities Target Areas:

- ☐ Ward 1: Park Morton
- ☐ Ward 6: Northwest One
- ☐ Ward 7: Lincoln Heights/Richardson Dwellings
- ☐ Ward 8: Barry Farms

Neighborhoods within ½ **mile** of Metrorail stations & bus hubs/depots

Neighborhoods within ½ **mile** of the District's forthcoming Streetcar stops

A map describing the Targeted Geographic Areas is provided in the *RFP Reference Guidebook*.

IV. Eligible Applicants

To be eligible for funding consideration, proposals must:

1. Be submitted by a non-profit organization or a non-profit or for profit developer;
2. Request funding for the development of a property included in the PADD 2014 Solicitation 7-12 with 5 or more units located in the District of Columbia and propose to serve individuals or families consistent with income restrictions outlined under Section III of this RFP;
3. Propose activities that meet the eligibility requirements of the funding source through which they receive financing (See the *RFP Reference Guidebook*); and,
4. Meet the Eligibility Requirements outlined in Section V, below.

V. Eligibility Requirements (Threshold Selection Criteria)

Applicants must submit documentation that fully demonstrates their compliance with the Eligibility Requirements outlined below. Note there are differences between Tier 1 and Tier 2 Eligibility/Threshold criteria. Applicants must document that they meet each and every one of these requirements. Failure to include such documentation and meet the eligibility requirements will result in elimination of the application from funding consideration without further review. However, applications submitted for Tier 1 review which fail to meet Tier 1 Threshold will be considered in the Tier 2 Threshold review.

1. **Permanent Supportive Housing:** For new construction rental projects only, at least 5% of the project units, and no less than 1 unit, must provide Permanent Supportive Housing as defined in this RFP. A letter of interest or intent from a Service Provided must be included in the application. A Resident Service Plan must be included with applications which will provide permanent supportive housing (except for DBH units).
2. **Site control: Not Applicable** Applicants must have control of the site proposed for development. This may be in the form of a current deed, fee simple ownership, lease option (lease term must be equal or greater than the proposed financing term), or a contract of sale. At the time of application, site control MUST extend for at least 180 days beyond the date of the application submission or be demonstrably renewable so site control can extend to the 180 day period.
3. **Zoning:** The applicant must demonstrate that the proposed development is matter of right, or how the proposed development will meet the requirements for any proposed re-zoning. An architect's zoning analysis is required for any proposed new construction. .

4. **Basic regulatory eligibility:** The proposed project must meet the appropriate regulatory requirements for eligibility (e.g., meeting the low-moderate income housing national objective for the CDBG program and Eligible Activities for CDBG, HOME, HOPWA and HPTF). (For guidance and background information, see the *RFP Reference Guidebook*.)

5. **Development team thresholds:** The applicant must have the development team in place and provide complete information regarding the development team. (If the project includes supportive services, a qualified service provider must be a member of the team to meet threshold review. For Tier 1 applicants, the General Contractor must be selected at the time of application. For Tier 2 applicants, The General Contractor and property management firm may be selected later in the process.)
    a. Developer Qualifications information:
        i. Complete Form 202 Application Form;
        ii. Complete Form 203 for each applicable team member;
        iii. Complete Form 209 for rental projects, including special needs projects.

    b. Development team financial statements – the three most recent audits (if available, otherwise year-end balance sheet and income statement) and most recent interim financial statements from the developer, sponsor, owner, applicant, and guarantor, as applicable.

    c. Applicant's Organizational Documents (for example, Articles of Incorporation and Bylaws), which must be congruent with the purpose of the funding requested.

6. **Good standing:**
    a. At time of application, the applicant/developer, sponsor, and guarantor (if any) must demonstrate good standing by providing:
        i. A Certificate of Good Standing from the Department of Consumer and Regulatory Affairs (DCRA); and

ii. A Certificate of Clean Hands from the Office of Tax and Revenue

b. Further, and without exception, the applicant and members of the development team may not:

i. be delinquent on city obligations, including, but not limited to, income taxes, real estate taxes and water and sewer charges; lease payments or defaulted grant(s) from DMPED, DHCD, the former Anacostia Waterfront Corporation ("AWC"), national Capital Revitalization Corporation ("NCRC"), the Office of Business and Economic Development ("OBED") or other District-funded loan/grant obligations. (If it is determined during any stage of the review, underwriting or funding process, that the applicant or any business affiliate[2] has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round);

ii. be barred by the U.S. Department of Housing and Urban Development (HUD), DHCD, District of Columbia Housing Authority (DCHA) or District of Columbia Housing Finance Agency (DCHFA), the State of Maryland or the State of Virginia; nor,

iii. be suspended, voluntarily or involuntarily excluded from participation in any federal or District Programs.

7. **Creditworthiness:**

a. Applicant, sponsor, guarantor, (if applicable) and service provider (as applicable) have a satisfactory Dun & Bradstreet "Business Information Report";

b. No member of the development team acting in the role of sponsor, developer, guarantor, or owner has had foreclosures or bankruptcies within the past five years; nor has defaulted on any obligation to the District of Columbia within the past ten years.

8. **Green Design and Building:** In accordance with The Green Building Act of 2008, the application must meet the following standards relative to green design and building, which apply to all projects of 10,000 square feet or more, for which public financing constitutes 15% or more of development costs:

Residential buildings

Residential buildings must be certified by Enterprise Community Partners using the Green Communities Criteria (GCC) 2011 standard. **Please note that GCC 2011 now requires a two-step certification process, similar to the third party certification process which governs LEED.**

[2] A business affiliate is an affiliate with direct management or financial interest.

- Application documents the findings of the 2011 Enterprise Green Communities **Integrated Design Charrette** which has been conducted to consider the most cost effective ways to integrate required green design elements. (Exhibit GB-3)

- Application includes "The Green Communities Criteria 2011 Intended Methods Checklist" (Exhibit GB-2) with appropriate **minimum** score:

  - *New construction* = All mandatory criteria and a **minimum** of 35 points on optional criteria
  - *Substantial and Moderate Rehabilitation* = All mandatory criteria and a **minimum** of 30 points on optional criteria

- Application demonstrates inclusion of LEED® Accredited Professional (LEED® AP) or experienced green building design specialist as a member of the development team (Exhibit GB-3 and Exhibits L through N in the Application Submission Package Exhibits Checklist).

Non-residential buildings

Non-residential buildings must be certified by the US Green Building Council at the LEED Silver level. Consult with your teams' design professionals and submit the appropriate completed LEED checklist, demonstrating compliance with all prerequisites and sufficient points to achieve LEED Silver.

(For more information on green building and associated standards, see Section VI of the RFP Reference Guidebook.)

9. **Completeness of architectural plans and cost estimates**.

a. Tier 1 applications will fail Tier 1 Threshold if they do not include:

   a. Permit ready architectural plans and materials specifications (specific requirements are described in Exhibit V).

   b. Complete Form 215 detailed estimates of costs based on "take-offs" from those plans, completed and signed by the selected General Contractor. "Rule of thumb" square foot costs or other non-detailed cost estimates are not acceptable.

b. Applications will be rejected if they do not include:

   a. Preliminary Schematic architectural plans and materials specifications sufficient to create a cost estimate (specific requirements are described in Exhibit V).

   b. Complete Form 212 OR Form 215 estimates of costs based on "take-offs" from those plans, completed and signed by a qualified professional such as an architect, engineer or professional construction cost estimator. "Rule of

thumb" square foot costs or other non-detailed cost estimates are not acceptable.

10. **Appraisal. NOT APPLICABLE at the time of application. An "as built" appraisal will be required of selected proposal. PADD will provide an "as is" appraisal.** An "as is" appraisal no more than 90 days old as of the date of application submission must be included in the application materials. If the project involves renovation, a "post construction" estimate of value must be included. (Please note that an appraisal update will be required if the project moves to closing.)

11. **Phase I. NOT APPLICABLE at the time of application. PADD will provide a Phase I, however a Phase I or a Phase I update may be required of selected proposal, if the provided Phase I becomes "stale" - more than 6 months old.** Applicant must include a completed Phase I. The Phase I must have been issued within the last year, and if more than 6 months old, must be accompanied by an update. If the property contains existing improvements, the scope of the Phase I must include the identification of possible asbestos containing materials. If the property includes an existing structure (which will not be exempt via age or usage), a lead assessment must also be included in the application.

12. **Completeness of Application**: Application must comply with all requirements outlined under **Section IX** of this RFP. Incomplete applications will be eliminated from funding consideration without further review.

13. **Final Funding Commitments from All Funding Sources: (Tier 1 Applicants ONLY)** Tier 1 Applicants must include final commitment letters from all anticipated funding sources not allocated in this RFP. The specific requirements of "Final Funding Commitment" are outlined in Exhibit X.

VI. Scoring Criteria

Applications which meet the Eligibility Requirements/Threshold Criteria above will move on to underwriting and scoring.

Proposals will be scored on the 9 Underwriting Criteria below. A proposal may receive no more than two "zero" scores among the 9 underwriting criteria (which are applicable to the project) and must receive at least a score of 75 out of 100 points

Proposals will also be scored on the 9 Prioritization Criteria, worth a total of 50 points. Prioritization is divided into two categories: Policy Objectives worth 40 points and Financial Goals worth 10 points.

Proposals receiving Underwriting and Prioritization Scoring will then be compared against all other scored proposals for the proposed development type (e.g. rental housing, homeownership, permanent supportive housing, etc.). In general, it is DHCD's goal to

provide funding to those projects which provide the greatest public benefit while maximizing the impact of public resources.

DHCD's Director reserves the right to consider, and fund, projects that do not meet the scoring thresholds above, if otherwise there will not be sufficient awardees for the available funding resources.

a. Underwriting Scoring

1. Financial and Economic Feasibility (maximum 30 points)

- 30 points = There is a complete set of financial documents to support the financing request. The Development Finance Division Application (Form 202) contains a realistic set of sources and uses development budgets and a pro forma operating budget. DHCD's subsidy must be included in the sources. Sufficient reserves for operations and maintenance, including pre-funded reserves, are included. The uses are appropriate for the project and the requested financing sources. The proposed project requires **no zoning changes or variances**. Long term financial sustainability of the project is **highly likely**. **Detailed** letter(s) of interest from all other participating financial sources is/are included.
- 20 points = There is a complete set of financial documents to support the financing request. The Development Finance Division Application (Form 202) contains a realistic set of sources and uses development budgets and a pro forma operating budget. DHCD's subsidy must be included in the sources. The uses are appropriate for the project and the requested financing sources. Reasonable reserves for operations and maintenance, including pre-funded reserves, are included. The proposed project requires no more than a **modest zoning change or variance**. Long term financial sustainability of the project is **likely**. **Letter(s) of interest** from all other participating financial sources is/are included.
- 10 points = There is a complete set of financial documents to support the financing request. The Development Finance Division Application (Form 202) contains a realistic set of sources and uses development budgets and a pro forma operating budget. DHCD's subsidy must be included in the sources. The uses are appropriate for the project and the requested financing sources. Reasonable reserves for operations and maintenance, including pre-funded reserves, are included. The proposed project requires a **significant zoning change or a PUD**. Long term financial sustainability of the project is **likely**. Not all sources are documented with a letter of letter of interest, but where a letter has not yet been obtained, the project is consistent with typical projects funded by likely sources.
- 0 points = Failure to document the minimum steps outlined for 10 points, above.

2. Capacity of the Development Team / Management (maximum 30 points)

Development teams demonstrating a strong record of capacity with comparable projects will receive more points.

- 30 points = **ALL** members of the developer/development team demonstrate an exemplary track record in projects of similar size, scale, type and complexity to the proposed project. The

development team demonstrates the financial capacity to fulfill their respective responsibilities. Within the past 5 years, no member of the development team acting as sponsor, developer, guarantor, or owner has been disbarred, had chronic past due accounts, substantial liens or judgments, chronic housing code violations, excessive tenant complaints, or consistently failed to provide information to DHCD about other loan applications or existing developments.

- ❑ 20 points = **Most** developer team members demonstrate a successful track record in projects of similar size, scale, type and complexity to the proposed project. One or more team members may have a capacity gap which is addressed in within the existing development team. The development team demonstrates the financial capacity to fulfill their respective responsibilities. Within the past 5 years, no member of the development team acting as sponsor, developer, guarantor, or owner has been disbarred, had chronic past due accounts, substantial liens or judgments, chronic housing code violations, excessive tenant complaints, or consistently failed to provide information to DHCD about other loan applications or existing developments.
- ❑ 10 points = **Most** developer team members demonstrate an adequate track record in projects of similar size, scale, type and complexity to the proposed project. There is no more than ONE critical capacity gap which the development team is in the process of filling. The development team demonstrates the financial capacity to fulfill their respective responsibilities. Within the past 5 years, no member of the development team acting as sponsor, developer, guarantor, or owner has been disbarred, had chronic past due accounts, substantial liens or judgments, chronic housing code violations, excessive tenant complaints, or consistently failed to provide information to DHCD about other loan applications or existing developments.
- ❑ 0 points = Failure to document minimum capacity of each member of the development team, including experience consistent with the scope of the proposed project.

3. Environmental (maximum 5 points) NOT APPLICABLE

Proposal must adequately address topography, soil, and grade issues, environmental hazards, and other special site conditions.

- ❑ 5 points = The applicant has a clean Phase I and no environmental issues have been identified on the property OR the applicant has formulated a satisfactory plan (including budget) to deal with any issues raised through the Phase I and any subsequent environmental testing.
- ❑ . 0 points = The Phase I identifies environmental issues but no plan has been formulated to address those issues.

4. Site Selection and Design Characteristics (maximum 5 points)

Appropriateness of Design: Proposed project design must blend with the neighborhood and meet the needs of the occupants with appropriate unit design and amenities.

- ❑ 5 points = Site selection is appropriate for use. The design is consistent with neighborhood design characteristics. Amenities and unit design are well thought out and appropriate for the end users.
- ❑ 3 points = While generally the design is appropriate, some questions remain outstanding on either site selection or tailoring of unit design and amenities to the population.
- ❑ 0 points = There are significant unaddressed concerns re site selection or unit design and amenities.

5. Market and Demand Analysis (maximum 10 points)

Developer must provide documentation which demonstrates there is sufficient market demand for the project. This MUST be in the form of a conventional market analysis produced by a third party market research firm for conventional rental or for sale housing developments. Special needs projects, TOPA projects, and public facilities applicants may provide an alternative assessment based on their own data collection.

- ❑ 10 points = Information presented makes a compelling case for the market demand and need for the project.
- ❑ 5 points = Information presented makes a reasonable case for the market demand and need for the project.
- ❑ 0 points = There are significant questions regarding the demand for the project.

6. Acquisition Cost Reasonableness (maximum 5 points): NOT APPLICABLE

Proposed property acquisition costs must be reasonable and may not exceed the market value of the property as evidenced by an appraisal (not over 90 days old at the time of the application.) DHCD will determine reasonableness through an analysis of the appraisal and by comparison of recent DHCD-funded projects in similar locations and for uses similar to those proposed in the application. DHCD reserves the right to request a second appraisal. An appraisal update will be required prior to closing so that a current appraised value is available within 120 days of closing. If federal funding is proposed, the acquisition cost (regardless of how it is funded) may not exceed the market value per a new or updated appraisal made within 120 days of closing on DHCD financing. For projects where the property has been acquired within the past two years, acquisition cost reasonableness will be considered as part of the project evaluation. If the property has already been acquired, submit the most recent appraisal.

- ❑ 5 points = Acquisition appraised value is consistent with all sources of market data.
- ❑ 3 points = Acquisition appraised value is consistent with most sources of market data, but some questions linger regarding acquisition price.
- ❑ 0 points = Acquisition price is out of line with market data.

7. Development and Operating Cost Reasonableness (maximum 5 points):

Cost estimates must be determined by DHCD staff to be reasonable. To determine reasonableness, DHCD staff will analyze the cost estimates and compare them with the costs of recent, similar projects funded by DHCD and with market and industry standards.

- ❑ 5 points = Development and Operating budgets are consistent with market experience.
- ❑ 3 points = A few development or operating budget line items are out of line with market experience (either high or low) but the impact on the overall budget is minimal.
- ❑ 0 points = Development and/or operating budget line items are significantly outside of market experience with a significant impact on the overall budget.

8. Compliance with DHCD Cost Funding Guidelines (maximum 5 points):

The following cost and funding guidelines apply to all applications. The purpose of these requirements is to assure efficient use of DHCD funds and thus enable DHCD to serve more households with its finite amount of subsidy funds.

- 5 points = Project complies with both Cost and Funding Guidelines as outlined below.
- 2 points = Project fall 10% or less outside the Cost and Funding Guidelines as outlined below, and there are reasonable justifications for the deviation; OR Project exceeds one cost or funding guideline but complies with the other guidelines
- 0 points = Projects either:
  - fall more than 10% outside Funding Guidelines and/or the Cost Limits as outlined below, on two or more guidelines, or
  - less than 10% outside the Funding Guidelines and/or Cost Limits, but without reasonable justification.

- **Cost Guidelines**: Each application for DHCD funding must conform to the maximum construction/rehabilitation cost guidelines and maximum total development cost limits described in the Application Submission Package that is appended to this Request for Proposals, unless exceptions are justified by the application. The guidelines are as follows in Tables 8 and 9. See the Application Submission Package for more details regarding how these limits are calculated and applied by DHCD. Total development costs of proposed public facilities will be evaluated on a case-by-case basis.

Table 8: Maximum Construction Costs per Gross Square Foot			
Type of Building	New Construction	Substantial Rehabilitation	Moderate Rehabilitation
Townhouses	$135	$120	$85
Garden Apartments/Condos	115	105	75
Elevator Buildings (≤5 floors) and public facilities	130	115	85
Mid-rise Buildings (6 or more floors)	160	140	100

Table 9: Maximum Total Development Costs Per Residential Unit			
	Studios/1BR	2 BR	3+BRs
Total Development Cost Limits	$230,000	$250,000	$270,000

- **Funding Guidelines:** For residential projects, DHCD has established a guideline of funding not more than 40% of all project costs, with exceptions noted below.

- For projects funded with equity through the Low Income Housing Tax Credit (LIHTC), the equity contributions of investors are not considered DHCD funding subject to the guideline limit of 40%. Furthermore, due to the fact that these equity contributions act, in fact, as substantial subsidies, LIHTC projects are expected to require less than 40% DHCD funding. Recent LIHTC projects have been awarded an average of approximately 20% DHCD funding.

- Rental and special needs projects without LIHTC equity contributions and/or serving predominantly very-low and extremely-low-income households may be approved for a higher percentage of DHCD funding, if justified by the details of the application.

- For-sale housing projects serving predominantly very-low-income households may be approved for a somewhat higher percentage of DHCD funding, if justified by the details of the application.

- Proposals to rehabilitate existing rental projects (without acquisition) may be considered for a higher percentage of funding if the details of the application indicate that the property cannot support substantial additional debt from conventional sources and the rehab will benefit very-low and/or extremely low-income households.

- Applications for public facilities funding will be considered on a case by case basis. **(No public facilities applications will be accepted in the 2014 RFP.)**

9. Supportive Services Plan (maximum 5 points, if applicable):

- 5 points = Supportive services plan is complete, thorough, and specifically tailored to the needs of this project. Responsibilities among all parties are clear and well defined. Development team members are well-experienced in successfully implementing such a plan. The supportive service budget is complete and thorough, and sources of funding for services match or exceed expected expenditures.
- 3 points = A draft supportive services plan is included which is in the process of being tailored to the specific needs of the project. The draft is an appropriate model for this project. Development team members have some experience in successfully implementing such a plan. There is a draft budget.
- 0 points = No supportive services plan is provided, or no budget is provided, or the plan presented is inappropriate for this project.

b. Prioritization Scoring

Proposals which meet the Underwriting Scoring Criteria will then be scored on the 7 Policy Objective Criteria, worth a total of 40 points, and 2 Financial Objective Criteria, worth a total of 10 points, for a total of an additional 50 points available.

Policy Objective Score (maximum 40 points)

1. **Meeting DHCD's Policy Objectives (maximum 15 points)**

   Proposed projects will be scored according to how closely they meet the policy objectives outlined below:

   5 points for either of the following policy objectives:

   - **Redevelop abandoned, foreclosed or vacant properties *(as defined in this RFP)* into rental and/or homeownership affordable housing**;
   - **Help tenants who have buildings in foreclosure *(as defined in this RFP)* to purchase and develop their buildings into limited equity cooperatives**;

   Up to an additional **10** points can be awarded for up to two of the following policy objectives:

- ☐ Rehabilitate properties with significant code violations;
- ☐ Preserve existing subsidized housing where federal subsidies are set to expire;
- ☐ Create housing for low-income disabled, elderly, or other households with special needs requiring supported living environments;
- ☐ Create permanent supportive housing opportunities, with supportive services, for individuals and families who are experiencing or at risk of experiencing homelessness;
- ☐ Create permanent housing for households living with HIV/AIDS;
- ☐ Achieve economic integration of subsidized housing by:
  - providing mixed-income housing (in which the units serving extremely low income households shall comprise no more than 30% of the new development), or
  - locating affordable housing in neighborhoods that are not poverty impacted and/or where affordable housing is not readily available, or
  - locating affordable housing in neighborhoods that are undergoing rapid gentrification;
- ☐ Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households;
- ☐ Support comprehensive neighborhood revitalization strategies in poverty impacted neighborhoods through housing creation or renovation.

2) Family-Oriented Units (6 points)

This score will be determined from the Applicant's response in **Exhibit A Form 202** of the Application Submission Package Exhibits Checklist.

- 6 points = 33 % or more of project units are 3 or more bedrooms.
- 3 points = 20% – 32 % of project units are 3 or more bedrooms.
- 0 points = Less than 20% of project units are 3 or more bedrooms.

3. Non-Profit Participation (2 points)

This score will be determined from the Applicant's response in **Exhibit R** of the Application Submission Package Exhibits Checklist.

Points will be awarded for projects in which **non-profit organizations** have significant partnership roles (e.g., developer, co-developer, property manager).

4. Use of District of Columbia Certified Business Enterprises (CBE) (4 points)

This score will be determined from the Applicant's CBE Plan from the 202 Application and the submissions in **Exhibit Q** of the Application Submission Package Exhibits Checklist. The minimum requirement is 35% participation. Points will be awarded for demonstrating a commitment **above** the 35% threshold for this project, and points will be awarded for demonstrating prior success in achieving 35% or higher participation in other projects.

- 2 points will be awarded to developers demonstrating prior success in achieving CBE participation of 35% or higher AND;

- 2 points will be awarded to developers with strong CBE Plans (as documented on the 202 Form). Strong CBE plans:
  - show a significant portion of already selected development service providers are CBE.
  - demonstrate a commitment to achieving significantly higher than 35% CBE participation in the project.

5. Section 3 Jobs Creation (maximum 4 points)

This score will be determined from the Applicant's past performance on Section 3 covered projects listed in **Exhibit Z-4** of the Application Submission Package Exhibits Checklist for the past three years. Points will be awarded for the hiring or contracting of Section 3 residents or business concerns **above** the minimum requirements established in 24 CFR Part 135. The contracting points will be awarded for the total amount of construction and non-construction contracts awarded on past Section 3 covered projects.

Hiring

- 2 points = 40% or more of new hires as Section 3 Residents
- 1 point = 30%-39% of new hires as Section 3 Residents

Contracting

- 2 points = 30% or more of total dollar amount awarded to Section 3 Businesses
- 1 points = 15%-29% or more of total dollar amount awarded to Section 3 Businesses

6. Sustainability (maximum 5 points) NOT APPLICABLE

Sustainable communities are places that have a variety of housing and transportation choices, with destinations close to home. As a result, they tend to have lower transportation costs, reduce air pollution and storm water runoff, decrease infrastructure costs, save people time in traffic and meet market demand for different types of housing at different prices points. For purposes of this RFP, DHCD will focus its sustainability efforts on investing in projects that are located within ½ **mile** of a Metrorail station or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at www.ddot.dc.gov or www.dcstreetcar.com).

- ❑ 5 points = The developer/sponsor must demonstrate in writing that its prospective project is located within **1/4 mile** of a Metrorail station or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at www.ddot.dc.gov or www.dcstreetcar.com).

- ❑ 3 points = The developer/sponsor must demonstrate in writing that its prospective project is located within **1/2 mile** of a Metrorail station or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at www.ddot.dc.gov or www.dcstreetcar.com).

- ❑ 0 points = Failure to document the minimum steps outlined for 5 points, above.

7. Geographic Targeting (4 points) NOT APPLICABLE

This score will be determined from the Applicant's response in **Exhibit E** of the Application Submission Package Exhibits Checklist.

Points will be awarded to proposed projects located in the targeted geographic areas noted in Section III (E) of the RFP.

Financial Objective Score (maximum 10 points)

1. Leverage (maximum 5 points)

This will measure the extent to which DHCD funds are leveraged with other public and private resources. The leveraging formula will deduct the total DHCD investment from the total development cost and divide the remaining total development cost by the total DHCD investment.

- ❑ 5 points = Leverage ratio of 5 : 1 or greater
- ❑ 4 points = Leverage ratio of 3-4.99 : 1
- ❑ 3 points = Leverage ratio of 2-2.99 : 1
- ❑ 2 points = Leverage ratio of 1-1.99 : 1
- ❑ 1 points = Leverage ratio less than 1 : 1

2. Amount of the Subsidy Request (maximum 5 points)

Scoring is based only on DHCD-assisted units in the project. All projects will be assessed relative to other projects of similar type, measuring average subsidy per unit against the weighted average of the guideline maximum per-unit DHCD subsidy limits in Tables 7 and 8 above. Subsidy per unit is determined by dividing the DHCD investment by the DHCD assisted units.

- 5 points = up to $25,000 in DHCD subsidy per unit
- 4 points = $25,001- 50,000 in DHCD subsidy per unit
- 3 points = $50,001 - $75,000 in DHCD subsidy per unit
- 2 points = $75,001- $100,000 in DHCD subsidy per unit
- 1 point = Over $100,000 in DHCD subsidy per unit

VII. Application Review Process & Timing of Awards

Tiered Review Process:

The review process will take place in two tiers based on the project's readiness to close. Tier One applications are ready to move to closing pending DHCD's commitment, as evidenced by permit ready architectural drawings, final commitments from other funding sources, and application materials in final form. Tier Two applications are well developed projects which are finalizing some aspects of their project, including components of the financing package.

The underwriting and review of Tier One and Tier Two applications will occur on different timelines, as outlined below. The underwriting standards for Tier One and Tier Two applications will be identical. Tier One and Tier Two applications will be reviewed with the same level of rigor by the same committee of reviewers.

Timeline:	**SFO 7-9**	**SFO 10-12**
RFP Released	November 12, 2014	November 12, 2014
Application due to DCHFA (if applicable)	March 14, 2014	April 21, 2014
Application due to DHCD	February 19, 2015	March 4, 2015
Completeness, Deficiency or Rejection Notification Letter	Spring 2015	Spring 2015
Anticipated Loan Closings	Fall 2015	Winter 2015

Once applications are received and accepted, DHCD will first determine whether or not applications conform to the Eligibility Requirements/Threshold Criteria outlined in Section V of the RFP. Applications must meet EACH Eligibility/Threshold Criteria or they will be ineligible and will not be reviewed.

All eligible applications will then receive a preliminary underwriting. Eligible applicants will attend a "kick-off" meeting called by DHCD staff. The purpose of the "kick-off" meeting is to review the project status as it advances to underwriting, and to gain a common understanding of

the requirements, terms and questions for further review of the application. After this meeting has been held, Tier 1 applicants will have 10 days and Tier 2 applicants will have 30 days to submit any additional documentation or clarification needed for the application. DHCD will conduct due diligence, environmental and other regulatory reviews, interview other proposed and actual sources of financing and operating subsidy and otherwise verify representations made in the application, will establish final underwriting terms including (where applicable) loan terms, interest rates, security and collateral requirements and other covenants. A site visit will be scheduled with each applicant to visit the proposed project site, and another project of the developer already completed or underway.

Applications will be scored against the Underwriting Scoring Criteria outlined in Section VI of the RFP. Projects meeting the minimum Underwriting Scoring Standards will also be scored against the Prioritization Scoring Criteria. Once scored, projects will be compared against all others received for that PADD site.

Applications will be forwarded to an Independent Review Panel of industry experts for review and prioritization. Projects which the Panel finds: a) meet the eligibility requirements, b) meet the minimum Underwriting Scoring Standards, and c) score competitively compared with other proposed projects of similar type, will be recommended to DHCD for funding. DHCD will conduct the final review of applications and will select the applications for funding.

DHCD anticipates issuing DFD Letters of Reservation in conjunction with PADD Award Letters. The Letter of Reservation will outline the conditions under which DHCD will fund the project. This may include such items as, for example, an updated appraisal, acceptable final commitments from all other funding sources, or a final construction contract, in addition to materials typically required in a DFD loan application but deferred in the PADD process, such as Form Z-2 Accessibility Compliance and Form Z-3 Affirmative Fair Marketing Plan.

For more details on the funding process, refer to the *DFD Application Submission Package,* included as an attachment to this RFP.

VIII. Application Guidelines

Application guidelines and requirements are identified below. Detailed guidelines and requirements are contained in the DFD Application Submission Package.

1. ***Applying for Multiple Projects:*** Applicants may apply for funding for more than one project.

2. ***Application Submission:*** **Applications in response to PADD Solicitations 7, 8, and 9** must be received at DHCD on or before **4 pm February 19, 2015**. **Applications in response to PADD Solicitations 10, 11, and 12** must be received at DHCD on or before **4:00 March 4, 2015.** Applications must be delivered to DHCD, 1800 Martin Luther King Jr. Ave., S.E., 1st Floor Security Desk, Washington, DC 20020. **Please note that no applications will be accepted after the 4:00 PM EDT deadline. DHCD will use a time/date stamp clock to register the application and will monitor the timeliness of applications received.**

Applicants must submit one CD of the application and TWO (2) signed copies of the application in three ring binders (with each exhibit tabbed). DHCD will not make copies for applicants. Application documents, other than maps and drawings, must be submitted using a 12 point type size and on 8 ½ x 11 paper.

An individual authorized to obligate the applicant *must* sign the Application Summary Sheet. By signing the application, the authorized person is also attesting to the truthfulness of the information supplied in the application. Unsigned applications will not be accepted. The Certification documents, including Contract Affidavit, Qualifications Statements, and Monitoring Certification Forms (all in "Electronic Forms" folder of the RFP) must also be signed.

3. ***Project Award Provisions:*** All awards are subject to the applicable federal and District of Columbia guidelines and regulations applying to those funds. All awards are subject to the regulatory requirements referenced, and to the availability of District of Columbia or federal funds.

IX. Content of the Application

To be considered for funding, applications must be complete and must include the following elements in the order listed below.

1. 202 Application Cover Page (with signature of individual authorized to obligate your organization and attest to truthfulness of application contents required.) **NOTE: Lack of an authorized signature will disqualify the application.**
2. 202 Application Form
3. Project Narrative – Appendix 1
4. All Exhibits**:** Print the coverage page for each exhibit and add the required documentation associated with each exhibit. Any forms listed on the exhibit checklist can be found in the electronic folder included under the RFP.

All required forms and attachments are provided in Section 6 of the DFD Financing Application Submission Package and in the Exhibits.

If the proposed project is feasible within multiple financing scenarios, applicants may present for consideration multiple versions of Form 202 that present each of those scenarios