

REQUEST FOR APPLICATIONS RESIDENTIAL ACCESSORY APARTMENTS PROGRAM (RAAP) - 2nd Issuance

Release Date: June 30, 2022

Responses Due: August 1, 2022

Information Session: July 19, 2022

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Checklist for Applications for the Residential Accessory Apartments Program

Verify that the application form and attachments conform to all instructions.

See Section 7 below for submission instructions.

The Request For Applications (“RFA”) application should include only the requested information listed below:

1. Cover page with Contact Information for Applicant including the following information:
 - Name of organization
 - Key contact for this RFA
 - Mailing address
 - Telephone
 - Email

2. Program Narrative including the following sections listed on pages 6-7
 - Commitment and Experience Related to the Development of Affordable Housing
 - Commitment and Experience Related to the Development of Residential Accessory Apartments
 - Program Summary, Structure and Management
 - Organizational Experience

3. Attachments:
 - Attachment A: Organizational chart and Resumes of Board Members and Key Program Staff
 - Attachment B: Tax-exempt status determination letter, if applicable
 - Attachment C: Certificate of Clean Hands from DC Office of Tax and Revenue (“OTR”) (current within ninety (90) days)
 - Attachment D: Certificate of Good Standing from DC Department of Consumer and Regulatory Affairs (“DCRA”) (current within ninety (90) days)
 - Attachment E: Two years of Audited Financial Statements and Tax Returns
 - Attachment F: Program Budget
 - Attachment G: Conflict of Interest Policy and Statements
 - Attachment H: Debarment Affidavit
 - Attachment I: Evidence of DSLBD CBE determination

Section 1: Invitation for Applications for the Residential Accessory Apartment Program

The District of Columbia Department of Housing and Community Development (“DHCD” or “the Department”), is releasing this Request for Applications (RFA) for DHCD’s Residential Accessory Apartments Program (the “Program”). DHCD invites applications from qualified for-profit or non-profit/tax-exempt entities, either as a single entity or a partnership, capable of structuring and administering a program for the creation of residential accessory apartments in Washington, D.C. Preference will be given to District Certified Business Enterprises (“CBE”).

Section 2: Goal and Budget of the Residential Accessory Apartment Program

The goal of the Program is to support the creation of residential accessory apartments in existing residential properties. A residential accessory apartment is defined as a dwelling unit that is secondary to the principal single household dwelling unit in terms of gross floor area, intensity of use, and physical character, but which has kitchen and bath facilities separate from the principal dwelling and may have a separate entrance. See Exhibit A for a list of resources on residential accessory apartments.

Through this RFA, the District will award a grant to a successful applicant (“Grantee”) that can provide outreach, application intake and award, technical assistance and construction to a minimum of fifteen (15) homeowners who have existing basements or accessory apartments that require upgrades to meet DC Department of Consumer and Regulatory Affairs (DCRA) standards to be rented to tenants in the District. The residential accessory apartments must be in R or RF zones.

Five (5) of the fifteen (15) homeowners must either utilize a [Department of Consumer and Regulatory Affairs \(DCRA\) Pre-Approved Plans](#) or provide their own architectural plans to be added to DCRA’s preapproved plan library. The five (5) homeowners will have each of their project awards increased by \$30,000.

A total of \$1.386 million in funding is available for this grant to be disbursed to the Grantee by September 30, 2022. This funding amount includes the Grantee’s Program administrative costs (not to exceed 15% of total grant award) as well as the architectural, permitting and construction costs associated with the accessory apartments. Suggested project costs for each accessory apartment are indicated below.

The Grantee must facilitate the permitting, design, construction, and licensing process to ensure the fifteen (15) accessory apartments are ready for occupancy within eighteen (18) months of the disbursement of the grant funds. Grant funds shall be used for direct architectural and construction costs to the greatest extent possible. No disbursed grant funds may be paid directly to homeowners. Services should be budgeted to homeowners based on the following suggested sliding-scale:

Homeowner Eligibility Based on Median Family Income (“MFI”)*	Value of Project Costs	Affordability Covenant Requirement	Tenant Income Eligibility Requirement	Total Value of Project Costs for 5 homeowners who use Pre-Approved Plans or share plans with DCRA
80% and below	\$75,000	No	None	\$105,000
81% - 100%	\$56,250	No	None	\$86,250
101% - 120%	\$37,500	No	None	\$67,500
121% - 150%	\$18,750	Yes	60% MFI or below	\$48,750
151% and above	n/a	Yes	60% MFI or below	\$30,000

* Incomes are posted on the [Inclusionary Zoning Maximum Income, Rent and Purchase Price Schedule](#)

All homeowners will be responsible for paying for any costs above the awarded amount by income listed above. Homeowners will also be responsible for becoming a registered and licensed rental accommodation after the accessory apartment is upgraded to meet DCRA requirements for a residential accessory apartment.

The Grantee is expected to counsel homeowners in meeting the necessary licensing, inspections, and registrations requirements. The Grantee is also expected to educate the homeowners on typical landlord responsibilities including, but not limited to, budgeting for repairs, preparing for lost rental income due to vacancies, and budgeting for unexpected costs. The homeowners will be responsible for all maintenance of the accessory apartment and all homeowner and landlord obligations.

Homeowners with incomes at or above 121% of the Median Family Income (MFI) must execute a 10-year affordability covenant on their property that restricts occupancy of the residential accessory apartment to renters with incomes at or below 60% MFI. Each homeowner with incomes at or above 121% MFI, with guidance from the Grantee, will work with DHCD to determine the maximum allowable rent for each residential accessory apartment, and DHCD will conduct a lottery from its list of inclusionary zoning (IZ)-registered households to select possible tenants. The selected households will have their qualifications certified by a community-based organization (CBO) and once approved, may then sign a lease with the homeowner. This process will be required for the entire 10-year period for any homeowners with incomes at or above 121% MFI.

Section 3: Funding Terms

Program funds will be awarded on or before September 30, 2022. Grant funds provided through the Program must support fifteen (15) homeowners in achieving the goals of the Program. Homeowners may not have received any prior financial assistance from the Grantee’s organization for a period of five (5) years prior to grant disbursement. Residential accessory apartments must be ready for occupancy within eighteen (18) months from the issuance of funds. A schedule will be provided to Grantee detailing expected milestones.

The funding must be used to provide technical assistance and architectural and construction costs. Grant funds must be used in the development of architectural plans, obtaining permit approvals, and upgrading the residential accessory apartment for each homeowner. Coordination with DCRA is necessary to ensure the timely completion of projects.

The Grantee must counsel homeowners on their obligations to obtain Basic Business Licenses, register with the Rental Accommodations Division of DHCD, and comply with all other requirements of being a landlord in the District. This will include counseling homeowners on the obligations to find qualified tenants.

For homeowners with incomes at or above 121% of MFI, coordination between the homeowner and DHCD is necessary to ensure a covenant is executed on the property and that their prospective tenants will go through the IZ program's lottery and income certification process. The IZ program does not function as a landlord or provide guidance or advice to landlords. The homeowner and tenant will need to work together like all landlords and tenants, in addition to complying with the income and rent restrictions, lottery and reporting requirements of the IZ program. General information about the IZ program is available [here](#).

The Grantee will be required to provide annual reporting to DHCD with information regarding the homeowners and their tenants for the duration of any covenants.

All residential accessory apartments must be utilized as the primary residence for tenants. No residential accessory apartment that receives funds under the Program may be utilized as a short-term rental or as a vacation rental. Grantee is required to have all homeowners sign and record a covenant stating that the residential accessory apartment will only be used as a primary residence for a tenant(s).

Section 4: Applicant Qualifications

Knowledge and Experience Supporting Affordable Housing Development

Applicants should have a minimum of five years of experience providing affordable housing in the District of Columbia or nationally. DCHD encourages responses from applicants who understand the [District's housing goals](#) and are committed to furthering those goals through the Program.

Conducting Outreach and Technical Assistance to Homeowners

Applicants should understand the unique needs of homeowners at different income levels and how a program could be structured to help homeowners move from an idea to a concept plan to implementation. Applicants should also know how to best approach and provide outreach to this community of stakeholders to ensure the program information, application, and any other related communication would reach them. Additional consideration will be given to applicants who have prior experience providing technical assistance to low-income homeowners. DHCD will provide contact information of approximately twenty (20) interested homeowners to the successful Grantee. No research or vetting has been done to determine if any of the interested homeowners qualify for this program.

Experience Developing Residential Accessory Apartments

Applicants should have experience completing residential accessory apartments especially in the District and demonstrate knowledge of processes that include working with the Office of Planning and DCRA.

Applicants must demonstrate that they have either in-house expertise or partners who will assist with the creation of architectural plans, approval of permits, and the construction of each residential accessory apartment.

Organizational Capacity

Applicants should have the staff and resources available to administer a program from the planning stages to construction as well as provide any follow up support needed to program participants. Applicants must have administrative capacity, including financial stability, management capacity, experienced staff and the ability to track and report results. A maximum of 15% of the total grant award may be used for administrative costs.

Governing Body Membership

Successful applicants will have a staff and board, or other governing body, with the skills and/or experience related to the financing, management and development of affordable housing.

Nondiscrimination in the Delivery of Services

The applicant must comply with federal and local laws that prohibit discrimination in the delivery of program and services, including, but not limited to, the following:

Fair Housing Act ("FHA") (Title VIII of the Civil Rights Act of 1968): The FHA prohibits a broad range of practices that discriminate against individuals based on color, disability, familial status, national origin, race, religion, or sex (collectively, "status") to ensure equal access to housing opportunities. Under the FHA, it is unlawful for direct providers of housing, such as landlords and real estate companies, as well as other entities, such as municipalities, banks, and homeowners' insurance companies, to discriminate in the sale or rental of, or otherwise make unavailable or deny, a public or privately-owned dwelling because of the status of the renter or buyer.

D.C. Human Rights Act of 1977, as amended, D.C. Official Code Section 2-1401.01 et seq.: Prohibits discrimination in housing based on actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, disability, matriculation, political affiliation, source of income, status as a victim of an intra-family offense, or place of residence or business of any individual.

Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000(d)): Prohibits discrimination based on race, color or national origin in programs and activities receiving federal financial assistance.

Section 109 of Title I of the Housing and Community Development Act of 1974 (24 CFR Part 6): No person based on race, color, national origin, sex or religion, shall be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with community development funds.

The Age Discrimination Act of 1975 (42 U.S.C. 6101-6107): Prohibits discrimination based on age in programs or activities receiving federal financial assistance. All federal and local laws and regulations that offer consumer protections from prohibited lending practices and mortgage foreclosure procedures.

In addition, each applicant must certify that the proposed program is, and will be, in compliance with all applicable federal and local laws and regulations. To the extent applicable, applicants receiving financial assistance from DHCD could be subject to any or all of the following laws and regulations listed in the table below:

- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR part 200
- The Fair Labor Standards Act

- The requirements of Executive Order 11246, as amended by Executive Orders 11375, 11478, 12107 (Equal Opportunity Programs) and the implementing regulations issued at 41 CFR Chapter 60
- The provisions of 24 CFR 570.603 pertaining to the Davis-Bacon Act, as amended, 40 U.S.C. 276a -267a(7) and the Contract Work Hours and Safety Standards Act, 40 U.S.C. 327 et seq.
- Conflict of Interest provisions
- The Hatch Act, 5 U.S.C. Chapter 15
- National Environment Policy Act; 24 CFR part 58
- Drug-Free Workplace requirements, 24 CFR part 21
- The Americans with Disabilities Act of 1990, 42 U.S.C. § 12101 et seq.
- First Source Program, D.C. Official Code § 2-219.01 et seq.
- The Language Access Act of 2004
- Small Local and Disadvantages Business Enterprise Development and Assistance Act of 2005, D.C. Official Code § 2-218.49

Section 5: Required Written Narrative

Applications will be evaluated based on the written narrative for each of the criteria outlined below. The evaluation will be based on the completeness of answers provided for each requested component defined in each category.

Commitment to the Development of Affordable Housing (20%)

Describe your organization's interest in meeting Mayor Bowser's housing goals—see Exhibit A for more details. Please also describe your organization's expertise in supporting the development of affordable housing and residential accessory apartments through current or prior initiatives.

Program Summary, Structure, and Management (40%)

Provide a narrative summary of the proposed program for homeowners based on the articulated goals and requirements of Sections 1 through 4. Please address the following in the narrative response:

1. Program narrative on how the proposed program meets the goals articulated by this RFA.
2. A program budget and work plan that describes the assistance to be provided to program participants with expected timelines per project and all in-house expertise or partners that will meet the stated goals of this RFA.
3. Collaboration with DHCD on process for facilitating execution of program requirements including ensuring homeowners are aware of their obligations to maintain their property and legally and ethically act as landlords, execution of covenants by each applicable homeowner participant as well as in qualifying tenants as applicable for available units.
4. Coordination with DCRA for the submission and approval of permits and completion of construction.
5. The structure and terms of assistance to be provided directly to program participants.
6. An outreach plan detailing how program participants will be recruited for the program and a sample program homeowner application.
7. A description detailing how program progress and results will be tracked and reported.

Applicants should put forth the program that they believe will result in the best outcomes aligning with the goals of the Program.

Organizational Experience (30%)

Please describe the administrative and organizational experience that demonstrates the applicant's ability to implement the program including the following:

1. Define the best practices used to provide technical assistance to low-income homeowners.
2. Describe outcomes from existing or prior efforts like those described in this RFA.
3. Please also include a list of prior affordable developments including those with accessory apartments that have been assisted with a similar program structure and the outcomes of efforts for those programs. If other entities were involved in any of those developments, please explain the organization's role.

Required Attachments (10%)

The following documentation is required to be included with the narrative above:

Attachment A: Organizational chart and Resumes of Board Members and Key Program Staff

Attachment B: Tax-exempt status determination letter, if applicable

Attachment C: Certificate of Clean Hands from OTR (current within 90 days)

Attachment D: Certificate of Good Standing from DCRA (current within 90 days)

Attachment E: Two years of Audited Financial Statements and Tax Returns

Attachment F: Program Budget

Attachment G: Conflict of Interest Policy and Statements

Attachment H: Debarment Affidavit

Attachment I: Evidence of DSLBD CBE determination

Section 6: Application Review and Selection Process

Applications are pre-screened for completeness and compliance. Approved applications will be reviewed by an internal review panel including up to three members that will submit scoring, ranking and comments to DHCD leadership.

The review panel will submit recommendations to the DHCD Interim Director who will consider the review panel recommendations, the goals of the program, the Mayor's budget priorities, the resources available, and the communities served in making the final grant award.

Post-Selection

The selected applicant will enter into a grant agreement with DHCD for implementation of the Program. The selected applicant will also be required to provide compliance documentation before grant execution - see Exhibit B for more details. Awardees must be prepared to implement the program as soon as practical after selection.

In accordance with District requirements, DHCD will conduct periodic evaluations of the use of the local funds. The areas of review will include financial management, regulatory compliance, and program performance. Accordingly, the Grantee will be required to make available to DHCD all information and records necessary for the completion of its evaluation.

Section 7: Instructions to Submit Application

Application Submission Deadline

August 1, 2022 by 5pm EST.

How To Submit the Application

Applications should be submitted via email to RFPQuestions@dc.gov. Applications can be submitted as a zipped pdf attachment or a link can be provided for DHCD to download the application. Due to possible mailbox size constraints, after submission, applicants should send a second email without any attachments to the same email address to confirm DHCD's receipt of its application.

Application Questions

Please email questions to RFPQuestions@dc.gov. Questions and Answers will be posted on the DHCD website.

Exhibit A: Possible Resources on Residential Accessory Apartments

The District's goals and commitments to housing: <https://housing.dc.gov/>

The District's resource for homeowners: <https://frontdoor.dc.gov/>

DCRA Homeowner Residential Center: <https://dcra.dc.gov/page/homeowners-center>

[Department of Consumer and Regulatory Affairs \(DCRA\) Pre-Approved Plans](#)

Zoning for accessory apartments in the District: <https://handbook.dcoz.dc.gov/use-categories/other-uses/accessory-dwelling-units/>

ADU DC Homeowner's Manual: <https://www.smartergrowth.net/resources/adu-d-c-homeowners-manual/>

Exhibit B: Additional Required Documentation for Selected Award Recipient(s)

Clean Hands Certification

District of Columbia Department of Employment Services First Source forms

Non-Construction First Source Employment Agreement

Revised Employment Plan Hours Worked Percentages Form

District of Columbia Department of Small and Local Development Small Business Enterprise

Utilization Acknowledgment Form

Affirmative Action Plan Form

Assurance of Compliance with Mayors Order 85-85

Equal Employment Opportunity Policy Statement

Fillable Employment Information Report Pages 1 & 2

Authorizing resolution showing that the Grantee has the authority to enter into the Grant Agreement and that the person executing the agreement on behalf of Grantee has the requisite authority to sign and deliver the agreement to the Grantor.

A written opinion of the Grantee's counsel stating that the Grantee:

Is validly organized, existing and authorized to do business in the District of Columbia;

Has the full authority and legal right to carry out the terms of the grant agreement;

Has taken all actions to authorize the execution, delivery and performance of the grant agreement;

None of the aforesaid actions, undertakings or agreements violates any restriction, condition or provision of the Grantee's organizational or management documents.