



**GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND
DEPARTMENT OF MENTAL HEALTH**



**SPRING 2009 RFP
FACT SHEET
April 10, 2009**

Sponsor: The Department of Housing and Community Development (DHCD) and the Department of Mental Health (DMH) (through a Memorandum of Understanding)

Funding: DMH: Up to \$2 Million Focused on Affordable Housing Development
LIHTC: TBD
(Readiness to Proceed along with a firm commitment letter of private capital availability is paramount for consideration of any and all applications)

Dates: Notice of Funding Availability (NOFA) published: March 13, 2009;
RFP to Be Released: **April 10, 2009**
Pre-Proposal Conference: April 14, 2009.
For additional information, periodically check 202/442-7281.

RFP Closing Date: **May 18, 2009**
Announcement of Selected Projects for Underwriting: July, 2009

Access: RFP Packages Available April 10, 2009
DHCD, 1800 Martin Luther King, Jr. Avenue, SE 1st Floor
9:00 a.m. – 4:30 p.m. (442-7280)

Website access on or about April 10, 2009

Questions

E-mail address: rfpquestions@dc.gov

RFP Question Hotline: (202) 442-7281 (voicemail)

General Questions: (202) 442-7200

Pre-Proposal

Conference:

Matthews Memorial Baptist Church

2616 Martin Luther King Jr., Avenue, SE

Date: Tuesday, April 14, 2009

Time: 6:30 p.m. to 8:30 p.m.

Agenda: Discussion of the RFP process and respond to questions.

Application Fees:

DMH: None.

LIHTC:

Non-Profit	\$500
For-Profit	\$750

Funding and Focus:

The DC Department of Mental Health (DMH) is making available up to \$2 Million in local Capital Funds. Funds must be leveraged with other funds by developers committed to creating affordable housing. (The use of DMH grant funds trigger both Federal and District regulations, i.e., Davis Bacon and related acts; Section 3; environmental reviews, etc. See Table 5 in the Request for Proposals for additional information.)

The DC Department of Housing and Community Development is making available nine percent (9%) Federal Low Income Housing Tax Credits (LIHTC).

Applications seeking both LIHTC funds and DMH grant dollars will be subject to all application and monitoring requirements as set forth in Table 5 of the Request for Proposals. All applications seeking only one source of funds will be subject to only that program's respective application and monitoring requirements.

Department of Mental Health (DMH) Funds:

The Department of Mental Health (DMH) in collaboration with the Department of Housing and Community Development (DHCD) is soliciting proposals to finance the acquisition, construction or rehabilitation of long-term¹ permanent supportive housing units for the exclusive use of DMH consumers. The Department supports projects that provide housing for extremely low- (less than 30% of area median income) and very low (between 30% and 50% of area median income) income individuals and families.

Allowable costs associated with such acquisition, construction or rehabilitation of housing may include, but is 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 DMH; capital improvements; and cost to obtain matching funds for grants that provide housing and housing supports for DMH consumers.

DMH shall hold a restrictive use covenant for no less than a five (5) year period on all properties developed that receive less than one hundred thousand dollars (\$100,000.00) of Funds.

DMH shall hold a restrictive use covenant for no less than a twenty five (25) year period on all properties developed under this MOU that receive more than one hundred thousand dollars (\$100,000.00) of Funds.

Units proposed for development should be permanent housing of the following types: single-family housing, condominium or cooperative units, multifamily building,² mixed-use building serving low and moderate-income populations, single room occupancy units ("SROs") or buildings, or transitional housing if approved by DMH in writing.

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

¹/ Long-term means that the supportive housing developed pursuant to this MOU and associated transfer of funds will be reserved through use restriction covenants, or otherwise, for the exclusive use of DMH referred consumers.

²/ Multifamily properties mean housing for DMH Consumers that is not more than seventeen (17) units.

other entities, as necessary, to leverage funds are desired. Recommendations for funding shall be based on the project's size, bedroom space, common areas, 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 Community Residential Facilities (CRF) projects are not required to leverage funds.

Low Income Housing Tax Credits

The 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 claim the LIHTC on their Federal income tax return each year for a period of ten (10) years. However, projects generally must meet certain requirements for low-income use for thirty (30) years. The Mayor delegated the authority and assigned the responsibility of administering the LIHTC program to the District of Columbia Department of Housing and Community Development ("DHCD") in Mayor's Order 87-72.

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.

The Tax Credits are generally provided to project owners in equal annual installments over a ten (10) year period. The Tax Credits may not exceed the applicable percentage of the qualified basis of each low income building in the project as defined in Section 42(d) of the IRC Code. New construction and rehabilitation projects are eligible for a fixed credit of not less than 9 percent, or 70 percent of the net present value. Projects financed with Federal funds or involving the acquisition of existing buildings (when combined with eligible rehabilitation) are eligible for the thirty percent (30%) present value Tax Credit. Projects in qualified census tracts are eligible for a boost in their eligible basis of thirty percent (30%) as needed to guarantee the financial feasibility of the project.

The nine percent (9%) LIHTC is competitively awarded to eligible housing projects based on the selection criteria in the DHCD QAP. The credit is determined on a ten year present value calculation of seventy percent (70%) of the qualified basis of the low income units. The units must include either new construction or substantial rehabilitation totaling a minimum of six thousand dollars (\$6,000), or twenty percent (20%) of the adjusted basis, in expenditures per unit.

For additional information, please consult the Qualified Allocation Plan.

Priority for all DHCD and DMH funds will be given to projects that are ready to proceed, including additional sources of financing and site control.

The deadline for proposal submissions is Monday, May 18, 2009, at **4:00 p.m. EDT** at DHCD, 1800 Martin Luther King, Jr. Avenue, SE, 1st Floor. DHCD is expected to announce the developers selected to go forward to the underwriting stage in July 2009

Eligible

Organizations: Non-profit organizations and for-profit developers.