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and Community  
Development**

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# REQUEST FOR PROPOSALS

## Department of Mental Health (DMH) Grant Funds



**Issue Date: July 22, 2011**  
**Closing Date: September 22, 2011**



*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.*

# REQUEST FOR PROPOSALS

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## Department of Mental Health Grant Funds (DMH)

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## **Synopsis**

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

Availability of **\$3,500,000** in Department of Mental Health (DMH) grant funds.

Soliciting applications for new construction and rehabilitation projects for affordable housing.

Properties must be located in the District of Columbia and serve low to moderate-income individuals or families, as defined in the DMH Grant Funds Request For Proposals.

DHCD uses its funds to provide gap financing in projects that provide affordable housing.

## **SCHEDULE:**

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**Request for Proposals (RFP) Released:** July 22, 2011

RFP is available on CD at DHCD, 1<sup>st</sup> Floor Security Desk, 1800 Martin Luther King Jr. Avenue, SE, Washington, DC 20020. RFP will be available on DHCD's website on or about July 27, 2011 ([www.dhcd.dc.gov](http://www.dhcd.dc.gov)).

### **Proposals Due:**

- **On or before 4 p.m. (Daylight Savings Time), Thursday, September 22, 2011. NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE. Incomplete applications or applications that fail to meet Eligibility Requirements outlined in Section V will be disqualified without further review.**

### **Projected Announcement of Selection for Advancing to Underwriting:**

October 2011

**Applicants are advised that the Authorized Agency Contact Person for all matters concerning this Request for Proposals is:**

Reginald Izlar

1800 Martin Luther King Jr. Avenue, SE, Washington, DC 20020

202.442.7281 (RFP Question Hotline)

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### **Information and Updates on this RFP:**

202.442.7281 (RFP Questions Hotline)

Website: [www.dhcd.dc.gov](http://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 on behalf of the Department of Mental Health (DMH). The Department of Mental Health (DMH) grant funds 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 DMH consumers<sup>1</sup>.

Through this Request for Proposals (RFP), DHCD is soliciting applications for funding for projects that will help the Department fulfill its goals to:

- Generally, increase the supply of decent, affordable rental and ownership housing through assistance for preservation, rehabilitation and new construction;
- 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;
- Preserve existing subsidized housing where federal subsidies are set to expire;
- 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.

Proposals for funding should be submitted to DHCD for a specific funding source. However, DHCD reserves the right to specify the funding source in order to maximize the public benefit to be derived.

In order to submit a fully competitive proposal and maximize the scoring potential of the application, all application filing requirements must be closely followed and all information requested in the application must be responded to completely. Applications must be received at DHCD on or before 4:00 pm Daylight Savings Time, Monday, September 22, 2011. Applications must be delivered to the DHCD, 1st floor security desk, 1800 Martin Luther King Jr. Avenue, SE, Washington, DC 20020. A time/date clock stamp will be used and receipts will be issued at the time of submission.

**No applications will be accepted after the filing deadline.**

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<sup>1</sup> See “Definitions of Key Terms in this RFP” in the Introduction, and “DMH Grant Funds” in Section III of this RFP for further information.

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

1. Request for Proposals (RFP);
2. Application Submission Package (Instructions, Application Forms); and Exhibits
3. 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:

“Abandoned” – Per HUD Neighborhood Stabilization Program (“NSP”) regulations, a property is defined as “abandoned” if either (a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or (b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or (c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to District of Columbia law or otherwise meets a District of Columbia definition of an abandoned home or residential property.

“Foreclosed” - Per HUD NSP regulations, a property has been foreclosed upon if (a) The property’s current delinquency status is at least 60 days delinquent under the Mortgage Bankers of America delinquency calculation and the owner has been notified of this delinquency, or (b) the property owner is 90 days or more delinquent on tax payments, or (c) under District of Columbia law, foreclosure proceedings have been initiated or completed, or d) foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, contractor, subrecipient, developer, or end user.

“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.

“DMH Consumers” means adults, children or youth who are eligible to receive mental health services or supports funded or regulated by the Department of Mental Health.

“Long-term” in the context of DMH funded units, means that the supportive housing developed pursuant to this initiative will be reserved through use restriction covenants for the exclusive use of DMH Consumers.

“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” - Refers to the *Homeless No More* definition which is derived from the HUD definition: Long-term, community-based housing that has supportive services for homeless persons with disabilities. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting. The supportive services may be provided by the organization managing the housing or coordinated by the applicant and provided by other public or private service agencies. Permanent housing can be provided in one structure or several structures at one site, or in multiple structures at scattered sites.

“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.

“Vacant” – Per HUD NSP regulations, a property is defined as “vacant” if it is an unoccupied structure or vacant land that was at one time developed as property in use.

## **II. Available Programs and Funding Sources**

Applicants may submit proposals for the DHCD financing programs outlined in this *RFP*. Please see below for instructions on accessing regulations. **Again, DHCD reserves the right to allocate sources as it deems appropriate.**

Funding sources available through this RFP include:

- Funding from the District’s Department of Mental Health (DMH), 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 DMH consumers.

### **III. General Program Requirements**

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.

#### **A. DMH Grant Funds:**

The Department of Mental Health ("DMH") 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 units for the exclusive use of DMH consumers. **DMH supports projects that provide housing for extremely low (less than 30% of area median income) and very low (between 31% and 50% of area median income) income individuals and families.** The table below shows the income limits for these funds.

2011 Income Limits for Department of Mental Health Funds								
Family Size	1	2	3	4	5	6	7	8
30% AMI	\$22,300	\$25,500	\$28,700	\$31,850	\$34,400	\$36,950	\$39,500	\$42,050

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 DMH; capital improvements; and costs 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 (housing for DMH Consumers with no more than seventeen (17) units), 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 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.

**B. Project Types, Priorities and Uses of Funds:** Available funding sources may be used for a variety of projects. The most common eligible project types include:

- Permanent supportive housing for the chronically homeless
- Preservation of expiring, federally subsidized, affordable rental housing
- Special needs housing
- Elderly housing
- New construction of affordable rental or for-sale housing
- Substantial rehabilitation of affordable rental or for-sale housing
- Mixed income housing, that may include permanent supportive housing units

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

**Priorities:** Although the above projects are eligible, DHCD will give priority to certain types of projects.

The Department of Housing and Community Development of the District of Columbia is seeking to partner with private owners, including for-and non-profit entities, to protect and increase the supply of affordable housing in the District of Columbia, particularly:

- in properties requiring rehabilitation as a result of significant code violations;
- in neighborhoods where affordable housing is not readily available;
- where subsidies are needed to reduce displacement as a result of gentrification;
- for low-income disabled and/or elderly households requiring supported living environments;
- for special needs populations, such as persons and families moving from shelters to permanent housing with supportive services;
- for low- to moderate-income households seeking to purchase homes; and/or,
- for units in poverty impacted neighborhoods undergoing substantial rehabilitation as part of a comprehensive neighborhood revitalization strategy.

#### **DHCD Affordable Housing Commitments:**



1. Utilize the expertise of the private and non-profit sector to protect and increase affordable housing;
2. Leverage private funds to develop affordable housing;
3. Ensure long term availability of affordable housing;
4. Encourage mixed-income development; and
5. Support the Administration's housing initiatives.

### **DHCD Redevelopment Guidelines**

DHCD desires to preserve and enhance whenever possible quality housing for low- and very low-income households and to make redevelopment planning decisions in an open, fair and rational manner. The guidelines set forth below will govern the discussions and negotiations with private sector parties and when seeking other governmental or private funding sources in connection with developments funded through DHCD resources.

1. DHCD will give greater consideration to new construction or rehabilitation of vacant existing properties that result in mixed-income housing. Generally, the units serving extremely low income households shall comprise no more than 30 percent of the new development. This mixed income requirement does not necessarily apply to senior developments and small scale developments serving chronically homeless individuals.
2. Affordable units shall be built out simultaneously with market rate units and in place no later than the market rate housing.

**Eligible Costs:** Financing 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

**Financing may not be used for:**

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

**C. 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.

**D. 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 from DHCD for projects could be subject to any and/or all of the following requirements outlined in Table 5, below.

**Table 5: Monitoring Elements, Guidelines and/or Requirements**

<ul style="list-style-type: none"> <li>Community Development Block Grant (CDBG), including all applicable Office of Management and Budget (OMB) Circulars, such as A-110, A-122, and A-133</li> <li>HOME Investment Partnerships Program (including long-term affordability requirements)</li> <li><b>Housing Production Trust Fund regulations (including continuous affordability requirements)</b></li> <li>Environmental Reviews - 24 CFR Part 85</li> <li>Affirmative Action Program (Local Small Disadvantaged Business Enterprises – Mayor’s Order 85-85)</li> <li>Section 3 - (24 CFR Part 135)</li> </ul>	<ul style="list-style-type: none"> <li>First Source Employment Agreements</li> <li>Registration with DC Apprenticeship Council</li> <li>Americans with Disabilities Act of 1990</li> <li>Lead Safe Housing Rule (Lead Based Paint)</li> <li>Section 504 of Rehabilitation Act of 1973, as amended</li> <li>Uniform Relocation Act or District of Columbia Relocation Assistance provisions (10 DCMR Chapter 22)</li> <li>Freedom of Information Act</li> <li>Davis Bacon and related Acts</li> <li>Conflict of Interest (24 CFR § 570.611 and 24 CFR §§ 84.42 and 85.36)</li> <li>Fair Housing (24 CFR Part 14 et al)</li> <li>LIHTC (§ 42 of IRS Code of 1986)</li> </ul>
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**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.

**E. Targeted Geographic Areas:**

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

- Ward 1: Park Road/Mt. Pleasant Street/Upper Georgia Avenue
- Ward 4: Upper Georgia Avenue
- 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 Farm

Neighborhoods within ½ mile of Metrorail stations & Metrobus stops  
Neighborhoods within ½ mile of the District's forthcoming Streetcar stops

#### **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 a property 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**

<p><b>Applicants must submit documentation that fully demonstrates their compliance with the Eligibility Requirements outlined below. Failure to include such documentation will result in elimination of the application from funding consideration without further review.</b></p>
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1. **Site Control/Zoning:** 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 should extend for at least 180 days after the extension date (including extension options) with an option to continue the control for another 180 days. Additionally, the applicant must demonstrate that the proposed development is matter of right, or that approval from the Board of Zoning Adjustment has been obtained for necessary changes.
2. **Basic Regulatory Eligibility:** The proposed project must meet the appropriate regulatory requirements for eligibility (e.g., National Objective (Public Benefit) and Eligible Activities for CDBG, HOME, HPTF and DMH). (For guidance and background information, see the *RFP Reference Guidebook*.)
3. **Good Standing:** At time of application, the applicant/developer must demonstrate good standing by providing a Certificate of Good Standing from the Department of Consumer and Regulatory Affairs (“DCRA”). Further, and without exception, the applicant and members of the development team may not:
  - a. 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”), 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<sup>2</sup> has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further consideration in this funding round;

- b. in the past five years, have been a party to chronic housing code violations, excessive tenant complaints, or substantial judgments;
  - c. be debarred by the U.S. Department of Housing and Urban Development (“HUD”), DHCD, District of Columbia Housing Authority (“DCHA”), District of Columbia Housing Finance Agency (“DCHFA”), State of Maryland or the State of Virginia; nor,
  - d. be suspended, voluntarily or involuntarily excluded from participation in any federal or District Programs.
4. **Creditworthiness:** Applicant has a satisfactory credit or Dun & Bradstreet report: No member of the development team acting in the role of sponsor, developer, guarantor, or owner has had chronic past due accounts, substantial liens or judgments, foreclosures or bankruptcies within the past five years; nor has defaulted on any obligation to the District of Columbia within the past ten years.
5. **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

- Application documents the findings of the **integrated design charrette** which has been conducted to consider the most cost effective ways to integrate required green design elements. (Exhibit GB-2)
- Application includes “2011 Enterprise Green Communities Criteria 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

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<sup>2</sup> A business affiliate is an affiliate with direct management or financial interest.

- Application demonstrates inclusion of LEED® Accredited Professional (LEED® AP) or experienced green building design specialist as a member of the development team (Exhibit GB-2 and Exhibits K through N in the Application Submission Package Exhibits Checklist).

#### Mixed Use Projects

- Residential standards apply to residential portions of project; non-residential standards apply to non-residential portions of project. *All required materials in each category must be included in application for it to be considered complete.*

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

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

## **VI. Scoring Criteria**

Applications deemed to meet the Eligibility Requirements referenced above will receive further consideration. Proposals will be scored based on the below listed criteria and then compared against all others received for the proposed development type (e.g. rental housing, homeownership, 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.

### **1. Meeting DHCD's Policy Objectives (maximum 20 points)**

This score will be determined from the Applicant's response in **Exhibit A**.

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

**10** 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;**

An additional **10** points can be awarded for any of the following policy objectives:

- Increase the supply of decent, affordable rental and ownership low-income housing through assistance for preservation, rehabilitation and new construction;
- 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 and/or persons with special needs;
- Preserve existing subsidized housing where federal subsidies are set to expire;
- 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.

**2. Economic Development / Leverage (maximum 10 points)**

This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.

- to serve low-income households
- to provide the greatest level of affordability in an economically integrated environment for the longest period of time.

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. The greatest consideration will be given to those projects that achieve the highest leverage ratio (*Non-DHCD financing to DHCD financing*).

- 10 points = Leverage ratio of 5 : 1 or greater
- 8 points = Leverage ratio of 3-4.99 : 1
- 6 points = Leverage ratio of 2-2.99 : 1
- 4 points = Leverage ratio of 1-1.99 : 1
- 0 points = Leverage ratio less than 1 : 1

**3. Section 3 Jobs Creation (maximum 10 points)**

This score will be determined from the Applicant’s response in **Exhibit Z-4** of the Application Submission Package. Points will be awarded for the hiring or contracting of Section 3 residents or business concerns **above** the minimum requirement for this RFP of 5% of new hires.

- 10 points = 20% or greater of new hires as Section 3 residents or businesses
- 8 points = 15%-19% of new hires as Section 3 residents or businesses
- 6 points = 10%-14% of new hires as Section 3 residents or businesses
- 4 points = 6%-12% of new hires as Section 3 residents or businesses
- 0 points = Less than 6% of new hires as Section 3 residents or businesses

**4. Site and Design Characteristics (maximum 10 points)**

**Appropriateness of Site:** Proposal must adequately address topography, soil, and grade issues, environmental hazards, zoning requirements, and other special site conditions.

- 5 points = Applicant has completed a Phase 1 environmental site assessment analysis. The applicant has formulated a satisfactory plan to deal with any issues raised through those studies.

The applicant has addressed zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes.

- ❑ 3 points = Applicant has completed a historical review of property uses and provided a minimal assessment of site and environmental issues (the Environmental Assessment Exhibit of the application). Applicant has identified any issues and budgeted for associated costs. The applicant has identified zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes.
- ❑ 0 points = Failure to document the minimum steps outlined for 3 points, above.

**Appropriateness of Design:** Proposed project design must blend with the neighborhood, be structurally sound and cost efficient, and meet the needs of the occupants with appropriate amenities.

- ❑ 5 points = Applicant has completed schematic designs. The proposal includes site plans, elevations, and floor layouts. For rehab projects, the proposal does not need site plans or elevations but does need existing layouts and proposed layouts. The design is consistent with neighborhood design characteristics. Amenities and units are appropriate for the tenant population. The project has a defined and realistic cost summary schedule. (Form 212)
- ❑ 3 points = Applicant describes project amenities and unit sizes both which are appropriate for the proposed development program and tenant/homeowner population. The project is consistent with neighborhood design characteristics. The project has a defined and realistic cost summary schedule. (Form 212)
- ❑ 0 points = Failure to document the minimum steps outlined for 3 points, above.

## 5. Financial and Economic Feasibility (maximum 10 points)

This score will be determined from the Applicant's response in **Exhibit W** of the Application Submission Package exhibits.

- ❑ 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 budget and a pro forma operating budget. DHCD's subsidy must be included in the sources and uses. The uses are appropriate for the project and the requested financing source. **Letter(s) of commitment** from other participating financial sources is/are included.
- ❑ 5 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 budget and a pro forma operating budget DHCD's subsidy must be included in the sources and uses. The uses are appropriate for the project and the requested financing source. **Letter(s) of interest** from other participating financial sources is/are included.
- ❑ 0 points = Failure to document the minimum steps outlined for 5 points, above

## 6. Capacity of the Development Team / Management (maximum 10 points)

This score will be determined from the Applicant's response in **Exhibits J through N** of the Application Submission Package exhibits.

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

- ❑ 10 points = The developer/development team must demonstrate a successful track record in projects of similar size, scale and complexity to the proposed project. The development team includes the appropriate members: developer/applicant, architect, green design professional, development consultant, construction management and/or general contractor, accounting, financial, legal, syndication and property and/or asset management team. All members of the development team must be able to demonstrate and verify a successful performance history in projects of similar type and scale. The development team must also demonstrate the financial capacity to fulfill their respective responsibilities. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.
- ❑ 5 points = The developer/development team must demonstrate a successful track record in projects of similar size, scale and complexity to the proposed project. Most of the members of the development team are experienced and demonstrate successful performance history and financial capacity in projects of similar size, scale and complexity. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.
- ❑ 0 points = Failure to document minimum capacity of each member of the development team, including experience consistent with the scope of the proposed project.

## 7. Sustainability (maximum 10 points)

This score will be determined from the Applicant's response in **Project Narrative – Appendix – 1** of the Application Submission Package.

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 stormwater 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, a Metro bus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).

- ❑ 10 points = The developer/sponsor must demonstrate in writing that its prospective project is located within **1/4 mile** of a Metrorail station, a Metro bus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).
- ❑ 5 points = The developer/sponsor must demonstrate in writing that its prospective project is located within **1/2 mile** of a Metrorail station, a Metro bus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).
- ❑ 0 points = Failure to document the minimum steps outlined for 5 points, above.



**8. Amount of the Subsidy Request (maximum 10 points)**

This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.

Scoring is based only on DHCD-assisted units in the project. All projects will be assessed relative to other projects of similar type. Subsidy per unit is determined by dividing the DHCD investment by the DHCD assisted units. The greatest consideration will be given to those projects that minimize DHCD’s subsidy per-unit cost.

- ❑ 10 points = up to \$25,000 in DHCD subsidy per unit
- ❑ 8 points = \$25,001- 50,000 in DHCD subsidy per unit
- ❑ 6 points = \$50,001 - \$75,000 in DHCD subsidy per unit
- ❑ 4 points = \$75,001- \$100,000 in DHCD subsidy per unit
- ❑ 1 point = Over \$100,000 in DHCD subsidy per unit

**9. Timeliness (maximum 5 points)**

This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.

This will measure the readiness of the site to start construction, including whether the applicant has completed a Phase 1 environmental site assessment analysis, formulated a satisfactory plan to deal with any issues raised through those studies, and has successfully addressed zoning and historic preservation issues.

- ❑ 5 points = Applicant has completed a Phase 1 environmental site assessment analysis within the past 90 days of the RFP Application Submission date; Applicant has completed a full appraisal of the project within the past 60 days from the RFP Application Submission date that contains an after-rehabilitation value (as appropriate); Applicant has finalized and executed a construction contract with a licensed general contractor (as appropriate).
- ❑ 3 points = Applicant has completed a Phase 1 environmental site assessment analysis within the past 180 days of the RFP Application Submission date. Applicant has completed a full appraisal of the project within the past 120 days from the RFP Application Submission date that contains an after-rehabilitation value (as appropriate); Applicant is in negotiations regarding a construction contract with a licensed general contractor (as appropriate).
- ❑ 0 points = Failure to document the minimum steps outlined for 3 points, above.

**10. Coordination with other District Government Agencies and/or Letter of Support from the Council of the District of Columbia and/or local Advisory Neighborhood Commission (“ANC”) (maximum 5 points)**

This score will be determined from the Applicant’s response in **Exhibit Q** of the Application Submission Package.

- ❑ 5 points = **Letter(s) of commitment** from other participating District Government agencies and **Letters of Support** from the Council of the District of Columbia **and** ANC are included. If no

other District Government agency is participating in the proposed project, a Letter of Support from the Council of the District of Columbia **and** ANC must be included.

- ❑ 3 points = **Letter(s) of interest** from other participating District Government agencies and **Letters of Support** from the Council of the District of Columbia **or** ANC are included. If no other District Government agency is participating in the proposed project, a Letter of Support from the Council of the District of Columbia **or** ANC must be included.
- ❑ 0 points = Failure to document the minimum steps outlined for 3 points, above

## **Bonus Points (up to 16 points total)**

### **1) Project Type (4 points)**

**If the funding request is for Acquisition financing, 4 bonus points will be awarded.**

### **2) Geographic Targeting (4 points)**

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

Bonus points will be awarded to proposed projects located in the targeted geographic areas noted below (also detailed in Section III (E) of the RFP):

- Ward 1: Park Road/Mt. Pleasant Street/Upper Georgia Avenue
- Ward 4: Upper Georgia Avenue
- Ward 7: 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 Farm

### **3) Green Design and Building (up to 2 points)**

This score will be determined from the Applicant's response in **Exhibit GB-2** of the Application Submission Package.

Bonus points will be awarded for the inclusion of green design elements above the required standard, as follows:

- ❑ Residential, new construction projects - Green Communities Criteria, attainment of 36 or more optional points (2 points).
- ❑ Residential, substantial rehabilitation projects - Green Communities Criteria, attainment of 31 or more optional points (1 point).

### **3) Non-Profit Participation (2 points)**

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

Bonus 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) (2 points)**

This score will be determined from the Applicant’s response in **Exhibit P** of the Application Submission Package.

The District of Columbia encourages the maximum utilization of District of Columbia Certified Business Enterprises (“CBE”) for the development and construction of projects where DHCD invests resources. Sponsors and developers are encouraged to utilize District CBEs in all phases of the development process. Sponsors and developers may contact the Department of Small & Local Business Development, at (202) 727-3900 for information on District of Columbia Certified Business Enterprises. The minimum requirement is 35% participation; bonus points will be awarded for evidencing a commitment above the 35% threshold.

- District of Columbia CBEs participation in 36% or more of all available development, construction, and professional opportunities. (2 points)

**5) Subsidized Family-Oriented Units (2 points)**

This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.

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

## ***VII. Application Review Process & Timing of Awards***

Once applications are received, DHCD will first determine whether or not applications conform with the Eligibility Requirements outlined in Section V of the RFP. Applications determined to be ineligible will not be reviewed. All eligible applications will be scored against the scoring criteria outlined in Section VI of the RFP, and then compared against all others received for the proposed development type (e.g. rental housing, homeownership, etc.). Applications will then be forwarded to an Independent Review Panel of industry experts for review. Projects which: a) meet the eligibility requirements, and b) 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 against the funds available.

DHCD anticipates the announcement of applicant selection for the Underwriting Phase on or about October 28, 2011. The announcement of selection means only that the applicant has been selected to advance to the Underwriting Phase, the outcome of which will impact DHCD’s final decision to award funding to a particular project.

Applicants whose projects have been selected to advance to underwriting will be so notified and invited to attend a “kick-off” meeting. 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 provisions for further processing of the application. After this meeting has been held, applicants will have 30 days to submit a best and final application. During this 30-day period, DHCD will conduct due diligence, environmental and other regulatory reviews, verify all representations made in the application, and will establish final underwriting terms including (where applicable) loan terms, interest rates, security and collateral requirements and other covenants. DHCD will make its final determination regarding underwriting within 60 days of submission of the best and final application. Commitments from other funding sources must be secured prior to initial loan closing. For more details on the funding process, refer to the *DFD Financing 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 Financing Application Submission Package.

1. ***Applying for Multiple Projects:*** Applicants may apply for funding for more than one project.
2. ***Application Submission:*** Applications must be received at DHCD on or before **4:00 PM September 22, 2011, Daylight Savings Time**. Applications must be delivered to DHCD, 1800 Martin Luther King Jr. Avenue, SE, 1st Floor Security Desk, Washington, DC 20002. **Please note that no applications will be accepted after the 4:00 PM deadline. DHCD will use a time/date stamp clock to register the application and will monitor the timeliness of applications received.**

Applicants must submit 1 CD of the application and one signed copy of the application in a three ring binder (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 “Exhibits” of Application Submission Package) 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. All required forms and attachments are provided in Section 6 of the DFD Financing Application Submission Package and in the Exhibits.

- A. Application Cover Page (with signature of individual authorized to obligate your organization and attest to truthfulness of application contents required. **NOTE: Lack of authorized signature will disqualify application**)
- B. General Information:
  - Appendix 1 - Project Narrative
  - DFD Financing Application (Form 202)
- C. Development Team Information
- D. Community Revitalization Information
- E. Project Income (rental projects)
- F. Project Expenses
- G. Uses of Funds
- H. Sources of Funds
- I. Project Summary Information
- J. 20-Year Operating Proforma
- K. Complete Exhibit Checklist, and all executed exhibits
- L. Monitoring Certification (with required signature; lack of authorized signature will disqualify application) [Exhibit Z]
- M. Form 212 and 215 (Note: The Summary Cost Estimate [Form 212] is required as part of the RFP Application for Funding. The Detailed Cost Estimate [Form 215] is included with the application, and must be completed by the final submission deadline for projects selected for underwriting. It is not required in the initial application for funding.)