

REQUEST FOR PROPOSALS - GUIDELINES

Virginia Housing PDC Housing Development Program
Central Shenandoah Planning District Commission

Date issued: December 15, 2021

Purpose of Solicitation: The Central Shenandoah Planning District Commission (CSPDC) seeks submissions that will increase the inventory of affordable housing in the CSPDC region through the development of new, affordable units. Successful applicants will be awarded funding as part of the \$2 million granted to the CSPDC from Virginia Housing as a part of a \$40 million state-wide grant program to Virginia's Planning District Commissions. This is a competitive process; submission of a complete RFP does not guarantee an award.

RFP Release Date: January 3, 2021

Deadline for Submission: February 3, 2021 @ 5pm

Applications submitted after the deadline will not be considered.

***Please submit all questions and application materials to Olivia Raines,
Housing Program Manager at olivia@cspdc.org.***



NOTICE: The CSPDC reserves the right to reject any or all proposals wherever it is in the best interest of the Planning District Commission. Any questions related to this request for concepts shall be directed to Olivia Raines at olivia@cspdc.org. The CSPDC is an Equal Opportunity Employer. Minority and women-owned businesses are encouraged to submit an application.

Background: The Central Shenandoah Planning District Commission is a regional governmental body that assists our local member governments, partners, and stakeholders with a variety of technical and program services. Member governments include the Counties of Augusta, Bath, Highland, Rockbridge, and Rockingham and their eleven associated towns, as well as the Cities of Buena Vista, Harrisonburg, Lexington, Staunton, and Waynesboro. The CSPDC works with its member jurisdictions, communities and agencies to provide high-quality planning, technical assistance, and facilitation of services that address local, regional and state needs in the fields of affordable housing, land use planning, transportation, water and waste-water utilities, natural resource management, economic and community development, disaster mitigation and preparedness, agritourism, human services, and more.

The CSPDC has a range of experience in affordable housing grant administration; the CSPDC administers the HOME (First Time Homebuyers) Program, a regional homeownership program that provides down payment & closing cost assistance to qualified low- to moderate-income, first-time homebuyers. The HOME program has served more than 250 households in the region. The CSPDC also provided grant management and administration services for a workforce housing project in Rockbridge County, leveraging HOME program funds to reduce homeownership costs. Finally, our organization has administered and/or provided support on several regional housing studies.

In July of 2021, Virginia Housing announced \$40 million in grants to Virginia's 21 Planning District Commissions for the creation of new housing initiatives. The CSPDC was awarded \$2 million to help support the creation of affordable housing units in the region. Approximately \$1.65 million will be used to fund implementation of selected projects. The balance will be set aside by the CSPDC to operate the project across the 3-year project period. Through this grant, the CSPDC will facilitate the development of at least 20 affordable units by July 1, 2024.

Period of Performance: All units created using Virginia Housing PDC Housing Development Program grant funds must be completed and move-in ready by July 1, 2024.

Eligible Applicants: The CSPDC seeks applications from affordable housing developers both non-profit and for profit, as well as from local housing authorities and member local governments. Applicants may submit multiple project applications, but funding requests will be limited to one application per project. The CSPDC cannot guarantee that all proposed projects eligible for submission will receive funding through this program.

Eligible Project Locations:

- Counties of: Augusta, Bath, Highland, Rockbridge, Rockingham
- Cities of: Buena Vista, Harrisonburg, Lexington, Staunton, Waynesboro
- Towns of: Bridgewater, Broadway, Craigsville, Dayton, Elkton, Glasgow, Goshen, Grottoes, Mt. Crawford, Monterey, Timberville

Eligible Project Types:

- Ownership and rental
- New construction
- Rehabilitation of currently uninhabitable units
- Adaptive re-use of existing structures
- Mixed-use developments

Eligible Uses of Funds - may include costs directly related to development of units such as:

- Consultant fees
- Contractor fees (includes construction costs, tap fees) and materials
- Soft costs (permitting fees, utility connections, final design, inspection fees, capitalization fees)
- Equipment (tangible personal property with per-unit acquisition costs of \$5,000 or greater)
- Land and building acquisition costs (maximum of \$500,000 available across entire region)

Ineligible Uses of Funds:

- Land trust development and land banking
- Units already proffered as a condition of rezoning
- Emergency shelter, transitional housing
- Rental assistance, owner equity requirements for loan qualification
- Existing/owner-occupied housing unit rehabilitation or replacement
- Market analysis
- Virginia Housing loan application fees
- Subsidy of fully funded units (projects that have already closed financing)

Virginia Housing Threshold Criteria:

1. Projects must be within the CSPDC footprint (see 'Eligible Project Locations').
2. Rental units must remain affordable for a designated affordability period to households whose incomes do not exceed 80% AMI.
(<https://www.vhda.com/BusinessPartners/PropertyOwnersManagers/Income-Rent-Limits/Pages/HUDMedianIncome.aspx>).
3. Units for homeownership must comply with Virginia Housing's income and sales price limits (<http://virginiahousing.com/loanlimits>).
4. Mixed-use projects must include at least 60% of the square footage as residential.
5. Mixed-income projects must include at least 50% of the units restricted to at or below 80% AMI or as additional funding sources require, whichever is more restrictive.
6. Projects must be in pre-development phase by September 1, 2022.
7. Projects must be move-in ready by July 1, 2024.
8. Applicants with existing/previous Virginia Housing grants must not have any outstanding compliance issues resulting in funds withheld in the past 12 months.

Application Process:

Between January 2022 and March 2022, the CSPDC will implement a solicitation and review of proposals from parties interested in utilizing grant funds for affordable housing developments within the CSPDC footprint.

Applications will be accepted beginning on January 3rd, 2022 and ending February 3rd, 2022. The application allows interested parties to provide detailed information regarding the proposed project and enable the CSPDC to fully and fairly consider all projects.

The CSPDC will review all applications in February 2022 and anticipates notifying applicants of funding decisions in March 2022. Applicants applying for Low-Income Housing Tax Credit (LIHTC) funds will be reviewed and receive funding decisions prior to the LIHTC deadline. Submission of a full application does not guarantee funds.

Project Analysis and Selection:

The CSPDC will oversee the selection process including review, selection, and award decisions. The review and selection of proposals will be made by CSPDC staff. Project selection and approval will be defined by restrictions and allowances based on Virginia Housing grant guidelines and threshold criteria.

The CSPDC has identified the following focus areas to direct funding decisions:

- Funding a mix of ownership and rental opportunities
- Serving historically underserved markets and expanding housing choice
- Prioritizing a mix of income levels (low to moderate)
- Funding projects across the CSPDC footprint

Projects will be evaluated on the following criteria:

- Supply (total number of new units and AMI level)
- Project experience, capacity, and readiness (experience, financial viability/feasibility)
- Site control (if applicable)
- Geographic location of project and proximity to public infrastructure and services
- Description of planning, design, and/or construction process
- Project timeline and/or construction schedule
- Regulatory compliance with current zoning or description of rezoning process
- Quality assurance
- Length of affordability period
- Proposed use of requested funds (applicants will need to submit a project budget)
- Efficient use of funding

Project selection may be subject to additional competitive criteria as follows:

- Projects incorporating innovative building practices and/or design (eco-friendly, green building practices, universal design, etc.)
- Projects that promote tenant/homebuyer choice by offering housing outside areas of concentrated poverty and low opportunity. Projects located in close proximity to jobs, transit, community services, amenities, etc.
- Projects that serve lower-income populations (60% AMI, 40% AMI), individuals with disabilities, seniors, permanent supportive housing needs, and other marginalized populations
- Support from localities and/or public feedback received
- Other committed funding sources, if applicable

Award Process:

The CSPDC expects to notify applicants of award decisions by March 2022. Projects applying for LIHTC funds will be reviewed and receive funding decisions prior to the LIHTC deadline. The CSPDC will oversee and manage the award process. Virginia Housing funds are to be administered from Virginia Housing via the CSPDC to selected development partners based on the process outlined in this document. Funds will be distributed through a reimbursement request process according to Virginia Housing guidelines.

All project awards will be conditional pending execution of written agreements between the CSPDC, Virginia Housing, and selected applicants. Projects seeking other funding sources, such as LIHTC, may receive conditional awards contingent on successful award of other funding applications.

Award Amount:

- The CSPDC has set aside \$1.2 million for up to 3 large projects, defined as 5 units or more (i.e. multifamily development and/or single family neighborhood projects).
- \$450,000 has been set aside for scattered-site projects, defined as 1-4 units.
- If the CSPDC does not receive eligible applications for 3 large projects, the remaining balance of the \$1.2 million set-aside will become available to all applicants.
- Applicants can request funding **up to** \$80,000/unit with a maximum of \$400,000.
- Projects are encouraged to use funds efficiently and request less than maximum funding per unit if able.

What should I be prepared to submit?

- Organizational information (including any prior affordable housing experience)
- Information on experience, organizational capacity, and project readiness
- Number of units and AMI level served
- Type of development proposed (multifamily, single family, rehabilitation, etc.)
- Affordability restrictions
- Current status of project/project timeline
- Proof of site control, if applicable
- Information on population served and housing choice

- Location of project
- Proximity of project to infrastructure and community services, if applicable
- Public input received, if applicable
- Innovative features of project, if applicable (green building, universal design, etc.)
- Funding amount requested and activities funding will be used for
- Project budget (using provided budget worksheet)
- Site plan and/or map
- Evidence of any other committed funding sources

Submission:

- Applicants will be able to access the Request for Proposals application on Monday, January 3rd. The application will be available on our website (<https://www.cspdc.org/programs-services/housing/>) through Thursday, February 3rd.
- All completed applications should be sent via email to Olivia Raines at olivia@cspdc.org no later than 5:00pm on February 3rd, 2022.
- Applications should be submitted in .pdf format along with any supporting documentation (a Budget Worksheet Template will be provided, and can be submitted in Excel format).