



The City of
OKLAHOMA CITY
Planning Department
Community Development Division
420 W. Main, Suite 920 Oklahoma City, OK 73102

**2009 SOLICITATION OF PROPOSALS
FOR
AFFORDABLE RENTAL HOUSING DEVELOPMENT**

Introduction:

The City of Oklahoma City (CITY) Planning Department Community Development Division is soliciting proposals from experienced housing providers to expand the supply of affordable rental housing in the City's Neighborhood Revitalization Strategy Area (NRSA). Funds from the CITY's HOME Investment Partnership Program (CITY-source HOME) have been allocated for this purpose.

The solicitation package for this Affordable Rental Housing Development (ARHD) HOME program application is available at the Planning Department Community Development Division office, 420 West Main Street, Suite 920. The solicitation is also available online at http://www.okc.gov/planning/planning_library/index.html#APPS. Questions or requests for additional information may be submitted to Teresa Smith, Planner III, HOME Program Manager at (405) 297-2380.

Applicants may submit one proposal for a single project under this ARHD solicitation. Submittals may be made during the period **starting 8:00 am August 3, 2009 and ending 4:00 pm September 18, 2009**.

One original and two copies of the proposal must be hand-delivered or mailed to:

**Oklahoma City Planning Department
Community Development Division
C/O HOME Program ARHD
420 West Main, Suite 920
Oklahoma City, OK 73102**

Faxed or emailed proposals will not be accepted. Please do not bind or staple. Proposals must be logged in and stamped as received by the Planning Department Community Development Division. The applicant is responsible to ensure its application has been received and accordingly logged and stamped. Evidence of receipt shall be provided to the applicant upon request.

The CITY will review each proposal in regard to conformance with the guidance in this solicitation as well as HOME program requirements. Applicants must be familiar with the HOME final rule, HUD supplemental guidance on the rule and cross-cutting federal requirements (specifically, applicants should understand that the HOME program has statutory and regulatory requirements that govern HOME-assisted activities including but not limited to

Income Qualifying standards; Affordability Requirements; Fair Housing; Labor Standards; Equal Opportunity; Accessibility; Environmental Requirements; Affirmative Marketing, etc.).

Applications will be reviewed, scored and evaluated by Planning Department staff. A minimum of 50 points out of 100 is required for funding consideration. Applications that pass scoring threshold shall be recommended for funding based on rank order and available funds. Applications recommended for funding will be forwarded to the Neighborhood Conservation Committee for review and recommendation to City Council for funding approval. Applicants with projects approved for funding will enter into a Loan or Grant Agreement, which will define the HOME program regulations and any special project terms and conditions.

Approved applications proposing to incorporate Low Income Housing Tax Credits, known also as Affordable Housing Tax Credits (AHTC), will receive a loan commitment contingent on the award of tax credits.

Projects applying for financing from other sources, including government and/or private, must specifically reference the source and requested amount. Significant discrepancies between the ARHD application and the complementary funding applications may result in the withdrawal of any CITY-source HOME program funding commitment.

Section I, Eligible Applicants:

Developers of proposed housing may be small-scale property owners, CITY-approved Community Housing Development Organizations (CHDO's), for-profit developers or nonprofit housing providers. Applicants must demonstrate sufficient experience for the proposed activity or project and must demonstrate capacity as a developer of affordable housing.

Section II, Eligible Activities:

Activities are limited to new construction or acquisition/rehabilitation of rental housing. Properties of 1-4 units that are constructed or acquired/rehabilitated are eligible to be sold to owner occupants who agree to maintain the affordability requirements on all CITY-source HOME-funded units. Applicants must understand the special rules that apply to the sale of single-family properties having one or more units. These rules will be discussed individually with developers proposing the use of HOME funds for such projects. Applicants intending to sell housing developed under this program must ensure that buyers receive downpayment assistance through a City-approved downpayment assistance provider.

There are no administrative funds available under this solicitation. Developer fees are allowed as a percentage of hard construction costs (not total development costs) per Section IV part 2 below.

Projects may be for one or more buildings on a single site or multiple sites, but must be located within the CITY's established Neighborhood Revitalization Strategy Area (NRSA¹), an area of the inner city consisting primarily of low-income census tracts. A map of the NRSA is included in this solicitation as Attachment A.

¹ For scattered site projects, 20% of funding may be used for units located outside the NRSA.

Eligible activities include reasonable energy efficiency measures that will result in ongoing savings for property owners and building residents. Preferences and points shall be given to projects proposing to install ENERGY STAR products and appliances; and to projects agreeing to perform energy audits and implement ENERGY STAR solutions based on energy audit results. Eligible activities are limited by HOME eligible costs enumerated in Section IV below.

Rehabilitation projects must meet The City's minimum rehabilitation standards, which shall be based on a scope of work (aka work write up) provided by City Planning staff following the funding award. No project contemplating the use of HOME funds under this opportunity may proceed without first receiving a City-approved environmental review clearance.

All housing units assisted with funds under this opportunity must meet minimum property standards at project completion. Housing units rehabilitated with CITY-source HOME funds must meet all applicable local codes and conform to the CITY Housing Rehabilitation Policy Handbook as currently revised.

Mixed-income or mixed-use projects are eligible, but only HOME-eligible tenants may occupy HOME-assisted units; only HOME-eligible activities may be funded with CITY-source HOME funds. All eligible activities for which HOME funds are used must result in a fully completed residence or residences suitable for immediate occupancy.

Section III, Eligible Funding:

Funding will be provided as a grant or a construction or permanent loan. Loans shall be given at favorable rates and terms approximating federal affordability requirements. Planning Staff shall make the determination to fund as a grant or loan based on the applicant's request and on a determination by staff of the project's financial feasibility. Preferences and points will be given to projects based on ability to repay.

All proposals must contain sufficient detail for CITY staff to assess project feasibility. This should include information on the project's gross income, operating expenses, cash flow, debt service requirements and net operating income or net proceeds.

The obligation to repay a loan may be subject to certain deferral and forgiveness provisions based on special project conditions including high cost factors for historical preservation, lead based paint remediation costs for rehabilitation projects, deep income targeting of proposed residents, or unit set-asides and accommodations for special needs populations as identified by The City's Consolidated plan including the homeless, disabled and elderly.

The term and final rate for loan-funded projects will be established following negotiations with CITY staff and will be based on individual project needs. Interest on unpaid balances will accrue but not compound.

Approved applications proposing to incorporate AHTC may request, in conjunction with a loan commitment, a separate commitment of HOME funds in the form of a grant to meet the requirements for maximum Community Support for the project.

Section IV, Eligible Costs:

CITY-source HOME funds under this opportunity are limited for development costs², which include but are not limited to the following:

- 1) Hard Costs (examples)
 - Acquisition of land (for a specific project) and existing structures
 - Site preparations or improvement, including infrastructure
 - Materials and labor
- 2) Soft Costs (examples)
 - Appraisals
 - Architectural/engineering fees, including specifications and job progress inspections
 - Environmental reviews
 - Builder or developer fees (based on a percentage of hard construction costs)

Section V, Proposal Minimum Submission Criteria:

The CITY reserves the right to request project-related information in addition to the minimum requirements at any time during the proposal review process. Each proposal must be responsive, as applicable, to either A or B below:

- A. If the HOME units in the project or the HOME funding request from the CITY is greater than 10% of the total project costs **and** the project does not intend to utilize AHTC, the applicant must submit the following minimum documentation:
 - 1) A complete and clear project description providing location-specific information including address or legal description and zoning, as well as a delineation of all activities included in the overall scope of the project
 - 2) Summary of the project financing, including the project development budget and operating budget
 - 3) A list of proposed funding sources and uses identifying federal and nonfederal funds
Note: applications with an excessive reliance on federal funds may be rejected
 - 4) Site plan and floor plans by building
 - 5) Unit breakdown by building, including unit sizes, type and the proposed unit rents
 - 6) Number of HOME units in the project. Identify the location of the HOME unit(s) on the site and floor plans, and designate whether the HOME unit(s) will be either floating or fixed. Floating units must be of comparable size and type
- B. If the number of HOME units in the project or the HOME funding request from the CITY is 10% or less of the total project cost, **or** if the project proposes HOME funds for use in an AHTC project, the applicant is required to submit the following documentation:
 - 1) Project summary including:
 - Project location
 - Site description

² Relocation costs are not eligible under this opportunity. Projects involving acquisition/rehabilitation of occupied rental property will be rejected.

- Description of need for the project
 - Project description (must fit at least one of the eligible activities cited above)
 - Total number of units proposed (by size and type)
 - Number of HOME assisted units proposed (size and type)
 - Total cost of project
 - Total HOME fund request
- 2) Development Budget (include all sources and uses)
 - Line item detail of activities to be paid with proposed CITY-source HOME and non-HOME funds (show in separate columns)
 - For scattered sites projects show CITY-source HOME funds by site/address
 - Show all hard and soft costs with line item detail under each respective category
 - Explicitly show all funding sources along with the anticipated financing terms
 - 3) Operations Budget
 - Show income and expenses
 - Specifically show income for HOME assisted units by unit size and type
 - Indicate whether utilities are included in the rents
 - Operations budget must be reasonable and demonstrate project feasibility
 - 4) Pro forma extending through the applicable period of affordability as described in Section VI part 4 of this Application
 - 5) Development Timetable
 - 6) Market Study prepared by an independent market analyst who is experienced in analysis of multi-family rental housing markets
 - 7) Site Control Evidence; may include an option to purchase, a long term lease agreement (i.e. 99 years), warranty deed, etc.
 - 8) Preliminary Plans, including site plans, floor plans and elevations
 - 9) Evidence that zoning suitable to the project is in place at the time of application
 - 10) Phase I Environmental Assessment

Section VI, Other Requirements³:

- 1) The CITY is requiring a minimum number of CITY-source HOME-assisted units per project. The following chart shows the minimum requirement based on the project's total number of units.

Minimum # HOME Units per project:

Total Project Units	Minimum # HOME Units
1-4	1
5-8	2
9-12	3
13-16	4
>16	5

³ Projects located within 100 Year Flood Zones or Floodways are not eligible.

- 2) The proposal must specifically identify which units are HOME units or indicate that the units will float among all of the units in the project. Floating units must be comparable in terms of size, type and amenities.
- 3) Rent and Occupancy Requirements:
Projects proposing fewer than five HOME-assisted units should use the current year HUD Section 8 Fair Market Rents (these will be provided upon request). For properties with five or more HOME-assisted units, at least 20 percent of HOME-assisted units must have rents which are no greater than thirty (30) percent of the tenant's monthly adjusted income, OR thirty (30) percent of the annual income of a family whose income equals 50 percent of median income (Low HOME Rent).
- 4) Affordability Requirements:
 - New construction projects: 20 years affordability period for HOME-assisted unit(s)
 - Acquisition/rehabilitation of existing housing: affordability period is determined by the amount of HOME assistance per unit: \$15,000/unit = 5 years; \$15,000-\$40,000/unit = 10 years; >\$40,000 = 15 years
 - Please note that any property currently under a HOME long-term affordability period is not eligible for additional HOME funding.
- 5) Unit Accessibility: Developers must abide by accessibility requirements of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973 as applicable.
- 6) Match: Projects must provide a minimum of 25% nonfederal (Match) financing.

Section VII, Proposal Selection Preferences⁴:

The CITY will give special consideration to the following:

- 1) Projects demonstrating an ability to pay back
- 2) Projects with the highest percentage of HOME-assisted units relative to the total number of units in the project. Projects may consist entirely of HOME-assisted units
- 3) Projects of small-scale, i.e. 1-8 contiguous units, or scattered site projects irrespective of scale
- 4) Projects proposing energy efficiency measures that will result in ongoing savings for property owners and building residents
- 5) Projects that demonstrate a maximum use of private financing and utilize federal assistance (including AHTC) as a means of supplemental financing
- 6) Projects focused on acquisition/rehabilitation of rental property in historic districts
- 7) Projects proposing to serve disabled and elderly populations
- 8) Projects providing housing for the homeless in any of the following categories:
 - Single Room Occupancy (SRO) projects with on site services
 - New Safe Haven (low demand housing with no stay limits for specific populations)
 - Rapid re-housing for homeless families with children
 - New permanent supportive housing for chronically homeless persons with disabilities.

⁴ The CITY reserves the right to award or to reject any or all proposals in whole or in part; and, waive technical defects, irregularities and/or omissions.

Section VIII, Point Structure:

Applications will be individually scored by three members of the Planning Department Community Development Division utilizing the point system below. Projects with the highest aggregate scores will receive awards based on rank order and available funding. A minimum score of 50 points is required for funding consideration.

1) Repayment Ratio (in the case of property developed for sale, points will be awarded for projects where the net proceeds are sufficient to repay all or a portion of the loan): Possible 20 points

100%	20 points
80%-99%	15 points
60%-79%	10 points
40%-59%	8 points
20%-39%	6 points
10%-19%	4 points
< 10%	2 points

2) Private (Match) financing: Possible 10 points

81%-100%	10 points
61%-80%	8 points
41%-60%	6 points
26%-40%	4 points
10%-25%	2 points

3) Total Project size: Possible 10 points

1-8 units	10 points
9-11 units scattered sites	8 points
9-11 units contiguous	6 points
13-16 units scattered sites	4 points
> 16 units	2 points

4) Project Type: Possible 10 points

Housing for special needs populations requiring specific design accommodations	10 points
Acquisition/rehabilitation of historic structures	8 points
Acquisition or rehabilitation (general)	6 points
New construction of affordable rental housing	4 points

5) Percentage of HOME units: Possible 20 points

100%	20 points
80%-99%	15 points
60%-79%	10 points
40%-59%	8 points
20%-39%	6 points
10%-19%	4 points
< 10%	2 points

7) Demonstrated experience with housing development as proposed Possible 10 points

Previous successful experience using CITY HOME Funds	10 points
Previous and substantial experience with similar project type	8 points
Previous but limited experience with similar project type	6 points
Previous experience with housing development	4 points

9) Developer Fee (based on a percentage of hard construction costs)	<u>Possible 10 points</u>
< 10%	10 points
10-12%	8 points
13-14%	6 points
15-18%	4 points
> 18%	2 points

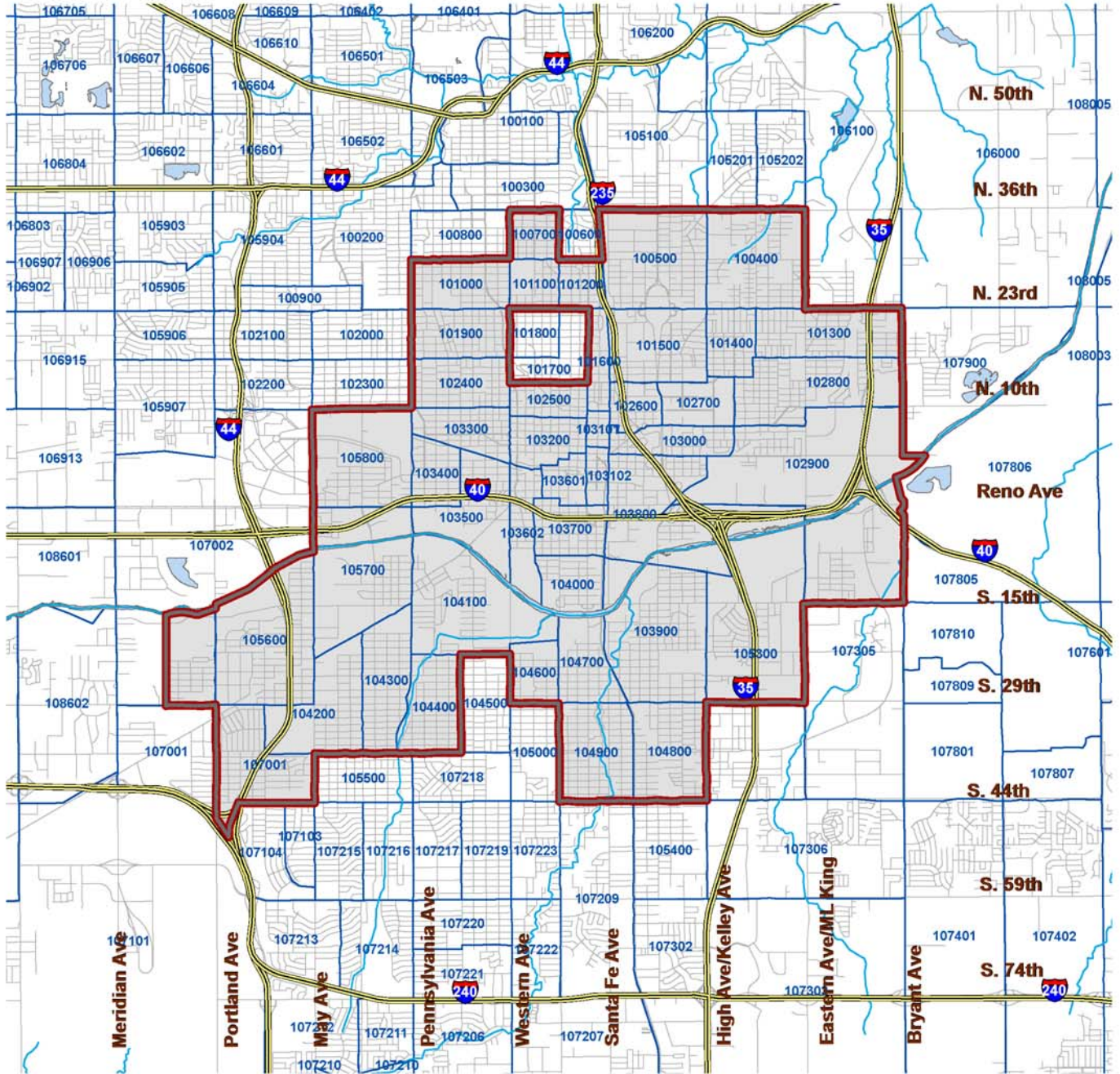
10) Energy Efficiency: points may combine for up to the maximum..... Possible 10 points



ENERGY STAR building materials beyond products/appliances for rehabilitated housing	6 points
ENERGY STAR building materials beyond products/appliances for new construction	4 points
Perform Energy Audits	2 points
ENERGY STAR products/appliances	2 points

Total Points Possible = 100

Attachment A

Neighborhood Revitalization Strategy Area



-  Neighborhood Revitalization Strategy Area
-  2000 Census Tracts

Current as of 8/1/2008

