



COMMUNITY DEVELOPMENT

CITY OF DURHAM

**Affordable Multifamily Rental Development
Pre-Proposal Application Virtual Workshop**

January 5, 2022

10:00 am

Agenda

- Welcome & Introductions
- Overview of City of Durham Affordable Housing Goals
- Overview of Request for Proposal
- Request for Proposal Schedule
- Summary
- Questions and Answers (in chat at end)



City of Durham Affordable Housing Goals



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Forever Home, Durham

Forever Home, Durham is a \$160 million, multi-year investment in affordable housing and services for low-income Durham residents, funded with a combination of a \$95 million Affordable Housing Bond and \$65 million in existing City and federal funds. Program goals include:

- Build 1,600 new affordable rental homes and preserve 800 affordable rental homes
- Provide 400 affordable homeownership opportunities for first-time homebuyers
- Move 1,700 homeless persons into permanent housing
- Help 3,000 low-income renters and homeowners remain in or improve their homes
- Create at least \$130 million in contracting opportunities for Minority and Women-Owned Business Enterprises (MWBEs)



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Overview of Request for Proposals (RFP)

- Purpose
- Application Requirements
- City Funding & Federal Funding
- Application Process



RFP Purpose

This Request for Proposals (RFP) is designed to provide gap financing for multifamily rental projects, including:

1. New and existing projects that will seek Low Income Housing Tax Credits (LIHTC) from the North Carolina Housing Finance Agency in the January 2022 or May – October 2022 cycles.
2. Existing LIHTC projects that are seeking to extend their period of affordability.



Minimum Threshold Requirements

- Applicants must be a nonprofit or for profit organization
- Must have affordable housing development experience
- Projects must set aside 20% of units for households earning 30% or below AMI - includes units with project-based rental assistance and units that are part of NCHFA targeting program
- Existing LIHTC properties may request waiver of the 20% set aside
- Applicants must provide proof of site control at time of application



Additional Requirements

- Resumes for Development Team Members
- Detailed Project Schedule
- Cost Estimates from a Qualified Source
- Equity and Inclusion - Professional Services Form
- Green Building Standards Scoring Sheet (for new construction)



Funding Availability

- At least \$15,000,000 available
 - Dedicated Housing Fund
 - 2019 Affordable Housing Bond
 - HOME Funding
- Funds may be used to support:
 - New construction
 - Property acquisition
 - Property rehabilitation
 - Refinancing to lower debt burden in order to enhance affordability
 - Existing income restricted LIHTC properties that are seeking to extend the period of affordability



Federal Requirements

- Section 3
 - New rules in place
 - Section 3 Final Rule Key Changes
- Relocation
 - Occupied Properties
 - Uniform Relocation Act
- Davis Bacon
 - Wage Determination
 - Certified Payroll
- Compliance and Monitoring
 - CDD will conduct annual compliance monitoring on all projects (not just federally funded projects)



Project Review and Underwriting

- Threshold Requirements
 - Projects that do not meet threshold will not be evaluated
 - Projects that meet threshold will be forwarded to evaluation team for review and ranking
- Notification of projects going to underwriting
- Projects are underwritten in order of ranking to ensure City subsidy is required (Subsidy Layering Guidelines)
- Projects ranked highest to lowest are funded, until all funding is expended
- Recommended projects presented to City Council for approval



MWBE Requirements

- Equal Business Opportunity Program (EBOP): City ordinance providing contracting opportunities for economically disadvantaged businesses (*Sec 18-51*)
- City's of Durham Equity and Inclusion Department sets goals for the City, including all City RFPs
 - **City of Durham has established goals of 11% minority and 7% women underutilized business enterprise utilization on City-funded affordable housing projects**
- Applicants **must** address how they will meet these goals in their response and submit EBOP Participation Documentation & Contractor Diversity Questionnaire



Proposed Contract Type

- Funding source will determine contract type
- Typically in the form of a loan agreement
 - Restrictive Covenants
 - Promissory Note
 - DOT
 - Assignment of Rents and Leases
 - Other necessary documents



RFP Timeline and Evaluation Process



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RFP Timeline

Date	Action
December 20, 2021	RFP Issued
January 5, 2022 at 10:00 am	Pre-Proposal Application Workshop
December 20, 2021 – January 12, 2022	Written Questions and Response Period
January 19, 2022	Written Questions and Responses Posted
February 1, 2022 at 4:00 pm	Proposal Applications Due
February 2, 2022 – March 4, 2022	Evaluation of Proposals and Underwriting
April 18, 2022	City Council Approval
May 2, 2022	Anticipated Letter of Commitment

Evaluation Criteria

Organizational Capacity

- Board composition and engagement
- Financial capacity of organization
- Demonstrated capacity to manage public dollars

Development Track Record

- Developer experience with similar projects
- Experience and capacity of key development team members
- Property manager experience with similar developments



Evaluation Criteria

Project

- Proposed area median income being served
- Length of proposed affordability period
- Site quality, including access to amenities and/or proximity to incompatible uses
- Reasonableness of scope of work, including green and energy efficiency improvements
- Commitment to low-barrier tenant selection policies
- Readiness to proceed



Evaluation Criteria

MBE/WBE Plan

- Commitment to participation of minority and women-owned business enterprises

Financial Strength

- City investment per affordable unit (with consideration of AMI level being served)
- Total development cost per unit



Scoring Categories and Weights

Category	Points	Weight
Organizational Capacity	11	11%
Development Track Record	24	24%
Project	30	30%
MBE/WBE Plan	10	10%
Financial Strength	25	25
Total	100	100%



Proposal Process

- RFP describes information to be included in the proposal/application
- Applications should be submitted via ZoomGrants software application.



How Can Proposals be Submitted?

- Applicants must complete and submit proposals via ZoomGrants:
<https://www.zoomgrants.com/gprop.asp?donorid=2251&limited=3215>
- Link to the RFP is located on the following City website:
<https://durhamnc.gov/bids.aspx?bidID=1334>
- Proposals must be
 1. Complete
 2. Responsive
 3. On Time



When are Applications Due?

All Proposal Applications are **DUE** no later than

February 1, 2022 at 4:00 pm

Late Proposals Applications will **not** be considered **and**
will be deemed ineligible.



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Got Questions?

Questions must be submitted via ZoomGrants:

December 20, 2021 - January 12, 2022



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