

Building Homes Rhode Island Request for Proposals (RFP)

Deadline for requesting required access code: 3 p.m. Thursday, September 9, 2021

Application Deadline: 3 p.m. Friday, September 10, 2021

The Housing Resources Commission is pleased to announce the opening of a competitive funding round for the Building Homes Rhode Island (BHRI) program. BHRI is a State-funded initiative of the Housing Resources Commission that focuses on creating and preserving rental units for those making up to 80% AMI; and homeownership projects for those who make up to 120% AMI. During this round of awards, the Housing Resources Commission expects to make a minimum of roughly \$15 million available.

APPLICATION INFORMATION:

- Application materials will be posted and available on the State's website at <http://www.ohcd.ri.gov> and www.rihousing.com.
- While the BHRI RFP uses the same/similar forms as other initiatives administered by Rhode Island Housing such as the HOME and HTF programs, please note the program requirements, priorities and application process are distinct and may differ.
- Incomplete applications, applications submitted on incorrect/obsolete forms and those omitting the requested documentation will not be evaluated.
- The Housing Resources Commission requests that all applicants submit their applications electronically via RIHousing's SharePoint site. Contact Brittany Toomey at Btoomey@rihousing.com for your organization specific access code and instructions. Please allow sufficient time for technical issues and request your access code no later than Thursday, September 9, 2021 at 3:00 p.m.
- Applicants may submit multiple proposals for more than one project in any given funding round.
- Housing Resources Commission reserves the right to adjust funding amounts requested by any applicant based on need, demand, and project fit with available sources.
- Current Low Income Housing Tax Credit project sponsors that still require additional funding sources as part of their existing proposals MUST submit an application for BHRI funds in response to this RFP in order to be considered.

ELIGIBLE APPLICANTS:

Nonprofit housing developers, for-profit developers, public housing authorities, municipalities, faith-based organizations, community housing development organizations, recognized tribes, state departments or agencies and redevelopment corporations.

THRESHOLD CRITERIA:

Threshold criteria will be utilized to determine which applications will conform to the requirements of the funding round. Any application determined to be non-compliant with the stated threshold criteria will be eliminated from consideration:

- Applications must be complete, including all attachments as listed in the application.
- The applicant must be in Good Standing with the organization's state of origin and the State of Rhode Island.
- The applicant shall not have any pending lawsuits with the municipality in which they propose to develop.
- Projects must be consistent with income targets outlined in this RFP.
- Properties and projects proposed for consideration must meet the minimum standards outlined in the [BHRI regulations](#).
- Proposals must meet all applicable State and local construction and rehabilitation guidelines.
- Proposals should be consistent with the State Land Use Plan, applicable Municipal Affordable Housing Plan, [State Comprehensive Housing Plan](#), and [State Consolidated Plan](#).

DISTRIBUTION PLAN AND SCORING:

The BHRI Distribution Plan, including funding priorities and scoring criteria, are attached and can be found on the State's website at <http://www.ohcd.ri.gov>.

APPLICATION SUBMISSION:

- Applications are due by 3:00 p.m. on Friday, September 10, 2021. The Housing Resources Commission requests that all applicants submit their applications electronically via RIHousing's SharePoint site. Contact Brittany Toomey at Btoomey@rihousing.com for your organization specific access code and instructions. Please allow sufficient time for technical issues and request your access code no later than Thursday, September 9, 2021 at 3:00 p.m.

If you have questions about the BHRI program, please contact Raymond Neirinckx, Housing Commission Coordinator, at 401-222-4893 or Raymond.Neirinckx@doa.ri.gov.

BHRI Distribution Plan & Priorities

The goal of the Building Homes Rhode Island Program (BHRI) is to provide eligible developers with resources to finance the creation of “new” and preservation of existing homeownership opportunities for households up to 120% of Area Median Income (AMI) and rental housing opportunities for households up to 80% of AMI. During this round of awards, the Housing Resources Commission expects to make a minimum of roughly \$15 million available. There is an expectation that developers will give hiring preference to local contractors/subcontractors, to the greatest extent feasible.

Funding Priorities

1) Tier I:

- a) Acquisition and/or substantial rehabilitation and/or construction to provide new rental units for households earning up to 80% of AMI. “New” is defined as newly-affordable and may include rental units created in conjunction with a LIHTC development refinance;
- b) Acquisition and/or substantial rehabilitation and/or new construction to provide homeownership opportunities for households earning up to 120% of AMI;

Proposals that address critical housing needs of “Special Needs” populations, as defined by the BHRI program regulations, will be given special consideration.

- 2) Tier II: Preservation of existing affordable housing stock, no sooner than the initial fifteen (15) years for LIHTC developments and/or within ten (10) years of the end of the affordability period for all other developments, to prevent loss of units due to market conversion, loss of units due to critical physical needs, or loss of units due to ownership capacity/program commitment.
- 3) Tier III: Preservation of the existing affordable housing stock outside of the time periods outlined in Tier II, to prevent loss of units due to market conversion, loss of units due to critical physical needs, or loss of units due to ownership capacity/program commitment.

Direct homeownership assistance, down payment and closing cost assistance is not eligible.

Scoring (Please see Self-Scoring Sheet for Detail)

Scoring Factor	Points
<p><u>Meeting state priority housing needs (Priority):</u></p> <ul style="list-style-type: none"> • Proposal addresses one or more of the program priorities (15 points) • Income targeting (15 points) 	30
<p><u>Applicant ability to obligate and undertake eligible activities (Feasibility):</u></p> <ul style="list-style-type: none"> • Past experience (5 points) • Financial soundness of the organization (10 points) • Financial feasibility of the proposal (15 points) 	30
<p><u>Readiness to proceed:</u></p> <ul style="list-style-type: none"> • Other funding sources secured (10 points) • Site control (5 points) 	15
<p><u>Cost effectiveness:</u></p> <ul style="list-style-type: none"> • Total development costs (TDC) per unit (10 points) • BHRI subsidy per unit (10 points) 	20
<p><u>Geographic diversity:</u> Provided to projects which fall in a community not yet meeting its 10% “Affordable” housing goals (5 points)</p>	5
<p><u>Community needs:</u> Provided to projects that meet special needs including projects which serve the homeless, elderly, disabled or other populations requiring specialized services (5 points)</p> <p>Other factors including, but not limited to:</p> <ul style="list-style-type: none"> • Access to transportation and other services • Community engagement/ involvement • Design (including energy efficiency, Universal design) • Affordability period beyond 30 years, • Demonstrated need for proposed project (waiting list, market analysis) (5 points)	10
<u>TOTAL</u>	<u>110</u>

Building Homes Rhode Island Self-Scoring Worksheet

Please note that final scores serve as a guide for the funding committee in consideration of proposals. Other factors, not quantified in the scoring system, may be considered in making final awards.

1. PRIORITY (See Attachment A: BHRI Distribution Plan & Priorities) **UP TO 30 POINTS**

A. Project Type (Up to 15 points):

Tier I “New” Units	15 points
Tier II “Preservation” of units at end of affordability period	10 points
Tier III “Preservation” of units in affordability period	5 points

Projects which are combinations of program priorities must prorate the score(s) for each component.

B. Income Targeting (Up to 15 points):

A project which serves multiple income groups should prorate the score(s) to the percentage of the project which each population represents.

	<u>Income Group Targeted</u>	
<i>i.</i> Homeownership Projects	0-80%	10 points
	81%-120%	15 points
<i>ii.</i> Rental Projects	0-50%	15 points
	51%-60%	10 points
	61%-80%	5 points

2. FEASIBILITY **UP TO 30 POINTS**

A. Developer Capacity (Up to 15 points):

i. Past Experience (Up to 5 points):

Robust list/experience team	5 points
Limited projects	2-4 points
Zero projects	0-1 points

ii. Financial Soundness (Up to 10 points):

- Ratio Current Assets/Liabilities (1.2 or higher is questionable);
- Ratio Cash and Cash Equivalents/Current Liabilities (.5-.75 – higher the better);
- Ratio Cash and Cash Equivalents/Operating Expenses Annualized (at least 90 days);
- Current Assets (minus) Current Liabilities (Positive – higher the better);
- Long Term Debt (divided by) Net Assets (Measures how much operations are funded by debt);
- Ratio Total Operating Expenses (divided by) Revenues and Support (1 or above concern).

Agency's "financial soundness" score will be based upon the totality of all factors listed above.

B. Financial Feasibility (Up to 15 points):

Based upon an analysis of the factors/criteria listed below:

Infeasible	Not considered*
Substantial Concern	0-5 points
Moderate Concern	6-10 points
Minor Concern	11-14 points
No Concern/Feasible	15 points

- Proposed Sources & Uses;
- Projects costs (construction estimates are reasonable);
- Operational feasibility;
- Availability/need for rental subsidy.

*A financially infeasible project will be eliminated from consideration.

3. **READINESS TO PROCEED**

UP TO 15 POINTS

A. Other Sources Secured (Up to 10 points):

Score is based upon the percentage of the non-BHRI sources for the project already secured. "Secured" means awarded funds formally, as documented by an award letter or contract agreement. If BHRI is the only source needed for a particular project, the maximum score should be provided. Estimated resources realized through sale of units should be considered "secured". Actual score is 10% of percentage of funding secured – For example, 50% "Secured" results in a score of 5.

B. Site Control (Up to 5 points):

Option Agreement	1 point
Purchase and Sale Agreement	3 points
Deed	5 points

4. **COST EFFECTIVE**

UP TO 20 POINTS

A. Cost Effective (Up to 10 points):

If a project includes commercial and residential components, the residential costs should be broken out on budget forms and used solely for these calculations. Common costs to both residential and commercial components should be prorated consistent with the percentage each category represents of the total.

Total Development Costs/Total Units

<= \$275,000/unit (urban) or \$325,000/unit (rural)	10 points
\$275,000-\$325,000/unit (urban) or \$325,001-\$350,000 (rural)	5 points
>\$325,000/unit (urban) or \$350,000 (rural)	0 points

B. BHRI Subsidy/ "Affordable" Unit (Up to 10 points):

If the project is not 100% "Affordable", the score should be prorated to the percentage of units which are "Affordable". To prorate, divide the total "Affordable" units by the total number of all units, then multiply the score by the result.

Request Per Unit

\$25,001-\$50,000/unit	10 points
\$50,001-\$75,000/unit	8 points
\$75,001-\$100,000/unit	6 points
\$100,001-\$125,000/unit	4 points
\$125,001-\$150,000/unit	2 points
>\$150,000/unit	0 points

5. **GEOGRAPHIC DIVERSITY**

UP TO 5 POINTS

Bonus points (5 points) provided to projects which fall in a community not yet meeting its 10% "Affordable" housing goals. Please refer to most recent Low/Moderate Income Housing chart prepared by Rhode Island Housing.

6. **COMMUNITY NEEDS**

UP TO 10 POINTS

A. Special Needs (Up to 5 Points):

This includes projects which serve the homeless, elderly, disabled or other populations requiring specialized services.

B. Other Factors Considered (Up to 5 points):

Including, but not limited to:

- i. Access to transportation and other services
- ii. Community engagement/involvement
- iii. Design (including energy efficiency, Universal design)
- iv. Affordability period beyond 30 years
- v. Demonstrated need for proposed project (waiting list, market analysis)

SCORING WORKSHEET

1. **Meeting state priority housing needs (Priority):**
 - A. Proposal addresses one or more of the program priorities (15 points) _____
 - B. Income targeting (15 points) _____

2. **Applicant ability to obligate and undertake eligible activities (Feasibility):**
 - A. Developer Capacity
 - i. Past experience (5 points) _____
 - ii. Financial soundness of the organization (10 points) _____
 - B. Financial feasibility of the proposal (15 points) _____

3. **Readiness to proceed:**
 - A. Other funding sources secured (10 points) _____
 - B. Site control (5 points) _____

4. **Cost effectiveness:**
 - A. Total development costs (TDC) per unit (10 points) _____
 - B. BHRI subsidy per unit (10 points) _____

5. **Geographic diversity:**

Provided to projects which fall in a community not yet meeting its 10% “Affordable” housing goals (5 points) _____

6. **Community needs:**
 - A. Provided to projects that meet special needs including projects which serve the homeless, elderly, disabled or other populations requiring specialized services (5 points) _____
 - B. Other factors including, but not limited to: (5 points) _____
 - i. Access to transportation and other services
 - ii. Community engagement/ involvement
 - iii. Design (including energy efficiency, Universal design)
 - iv. Affordability period beyond 30 years
 - v. Demonstrated need for proposed project (waiting list, market analysis)

- TOTAL (110 points)** _____