

Building Homes Rhode Island Request for Proposals (RFP)

The Housing Resources Commission is pleased to announce the opening of a competitive funding round for Building Homes Rhode Island (BHRI) in conjunction with RIHousing's Consolidated RFP. BHRI is a State-funded initiative of the Housing Resources Commission. At this time, the Housing Resources Commission will be making an estimated \$4 million available for the development and preservation of affordable housing.

APPLICATION INFORMATION:

- Application materials will be posted and available on the State's website at <http://www.ohcd.ri.gov> and www.rihousing.com.
- 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 www.rihousing.com/rfps-rfqs/
- Housing Resources Commission reserve the right to adjust funding amounts requested by any applicant based on need, demand, and project fit with available sources.

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.

BHRI 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 activities proposed for consideration must be eligible in accordance with BHRI regulations.
- Projects must meet timeliness requirements referenced 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>.

Attachment A

BHRI Distribution Plan & Priorities

The goal of the BHRI Program 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. 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.

Note: Direct homeownership assistance, down payment and closing cost assistance are not eligible activities

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"> • The extent to which the proposal addresses one or more of the Program Priorities outlined in the applicable Distribution Plan (15 points), and • Income targeting for the project (15 points). 	30
<p><u>Applicant Ability to Obligate and Undertake Eligible Activities (Feasibility):</u> Capacity of the applicant to undertake the proposed activity. This criterion will consider</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 sources secured (10 points) • Site control (5 points) 	15
<p><u>Cost Effective:</u></p> <ul style="list-style-type: none"> • TDC/unit (10 points) • BHRI Subsidy / unit (10 points) 	20
<p><u>Geographic Diversity:</u></p> <ul style="list-style-type: none"> • Provided to projects which fall in a community not yet meeting its 10% “Affordable” housing goals (5 points) 	5
<p><u>Community Need:</u></p> <ul style="list-style-type: none"> • Special Needs – Bonus points (5 Points). This includes projects which serve the homeless, elderly, disabled or other populations requiring specialized services. • Other Factors Considered (5 points). Including, but not limited to: 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) 	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**
- | | | |
|----------|--|-----------|
| 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.

Income Targeting:

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</u>	
	<u>Targeted</u>	<u>Points</u>
Homeownership Projects	0-80%	10 points
	81%-120%	15 points
Rental Projects	0-50%	15 points
	51%-60%	10 points
	61%-80%	5 points

2. **FEASIBILITY** **UP TO 30 POINTS**

Developer Capacity: (Up to 15 points)

Past Experience:

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

Financial Soundness: (up to 10 points – see below ratios as guide)

- 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.

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.

READINESS TO PROCEED

UP TO 15 POINTS

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.

Site Control : (up to 5 points)

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

COST EFFECTIVE

UP TO 20 POINTS

Total Development Cost (TDC): (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.

Project TDC per unit at or below \$350,000	10 points
Project TDC per unit between \$350,001 and \$375,000	8 points
Project TDC per unit between \$375,001 and \$400,000	5 points
Project TDC per unit between \$400,001 and \$425,000	3 points
Project TDC per unit greater than \$425,001	0 points

BHRI Subsidy/“Affordable” Unit: (up to 10 points)

<u>Points</u>	<u>Request Per Unit</u>
10	\$25,001-\$50,000/unit
8	\$50,001-\$75,000/unit
6	\$75,001-\$100,000/unit
4	\$100,001-\$125,000/unit
2	\$125,001-\$150,000/unit
0	>\$150,000/unit

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.

3. **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.

4. **COMMUNITY NEED**

UP TO 10 POINTS

Special Needs – Bonus points (5 Points). This includes projects which serve the homeless, elderly, disabled or other populations requiring specialized services.

Other Factors Considered (5 points). Including, but not limited to:

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)

SCORING WORKSHEET

1. Priority (Up to 30 points)
 - a. Overall Priority (Up to 15 points) _____
 - b. Income Targeting (Up to 15 points) _____
 2. Feasibility (Up to 30 points)
 - a. Developer Capacity (up to 15 points) _____
 - b. Financial Feasibility (up to 15 points) _____
 3. Readiness to proceed (up to 15 points)
 - a. Other sources secured (10 points)
 - b. Site Control (5 points) _____
 4. Cost Effective (up to 20 points)
 - a. TDC/unit (10 points) _____
 - b. BHRI Subsidy/Unit (10 points) _____
 5. Geographic Diversity (5 points) _____
 6. Community Need (up to 10 points)
 - a. Special Needs (5 points) _____
 - b. Demonstrated General Need (5 points) _____
- TOTAL (UP TO 110 POINTS)