REQUEST FOR PROPOSALS

Neighborhood Stabilization Program (NSP)

Issue Date: July 1, 2011
Closing Date: August 1, 2011

The District of Columbia Department of Housing and Community Development pledges to foster the letter and spirit of the law for achieving equal housing opportunity in the District of Columbia.
REQUEST FOR PROPOSALS

Neighborhood Stabilization Program (NSP)

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Additional information regarding the use of Neighborhood Stabilization Program funds is available online at http://www.hudnsphelp.info/.
**Synopsis**

- Availability of approximately $10,000,000 in Neighborhood Stabilization Program (NSP) funds for **abandoned, foreclosed or vacant properties** to be developed into rental and/or homeownership affordable housing.
  
  - $5,000,000 in NSP-2 funds
  - $5,000,000 in NSP-3 funds

- Eligible properties are those that are **abandoned, foreclosed or vacant properties** (to be defined later in the RFP).

- Soliciting applications for acquisition, new construction and/or rehabilitation projects.

- Projects must be located in the District of Columbia and serve low to moderate income individuals or families, as defined in this RFP.

**SCHEDULE:**

**Request for Proposals (RFP) Released:** July 1, 2011

RFP is available on CD at DHCD, 1st Floor Security Desk, 1800 Martin Luther King, Jr. Avenue, SE, Washington, DC 20020. RFP available on DHCD’s website on or about July 5, 2011 (www.dhcd.dc.gov).

**Proposals Due:**

- **On or before 4 p.m. Daylight Savings Time Monday, August 1, 2011. NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE.** Incomplete applications or applications that fail to meet Eligibility Requirements outlined in Section V of this RFP will be disqualified without further review.

**Projected Announcement of Proposals to Advance to Underwriting:** August 26, 2011

**Information and Updates on this RFP:**

- DHCD website, www.dhcd.dc.gov
I. Introduction

The District of Columbia Department of Housing and Community Development (“DHCD” or “Department”) requests proposals for the development of affordable housing. Neighborhood Stabilization Program (“NSP”) funds are available (subject to federal appropriations). These NSP funds are for abandoned, foreclosed or vacant properties to be developed into rental and/or homeownership affordable housing for low- to moderate- income residents located in the District of Columbia.

Through this Request for Proposals (RFP), DHCD is soliciting funding applications for projects that will help the Department fulfill its goals to:

- Redevelop abandoned, foreclosed or vacant properties into rental and/or homeownership affordable housing;
- Help tenants who have buildings in foreclosure to purchase and develop their buildings into limited equity cooperatives;
- Increase the supply of decent, affordable rental and ownership low-income housing through assistance for preservation, rehabilitation and new construction;
- Create permanent housing opportunities, with supportive services, for individuals and families who are homeless or at risk of becoming homeless;
- Provide housing for elderly persons;
- Provide housing for persons with special needs;
- Preserve existing subsidized housing where federal subsidies are set to expire;
- Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households; and
- Achieve economic integration of subsidized housing by providing mixed-income housing, or by locating affordable housing in neighborhoods that are not poverty impacted, or that are undergoing rapid gentrification.

Proposals for funding should be submitted to DHCD requesting NSP funds. However, DHCD reserves the right to specify the funding source in order to maximize the public benefit derived.

In order to submit a fully competitive proposal and maximize its scoring potential, all application filing requirements must be closely followed and all information requested in the application must be responded to completely. Applications must be received at DHCD on or before 4:00 pm Daylight Savings Time, Monday, August 1, 2011. Applications must be delivered to DHCD, 1st floor security desk, 1800 Martin Luther King Jr., Ave., SE, Washington, DC 20020. A time/date clock stamp will be used and receipts will be issued at the time of submission.

Completed applications must be submitted on a formatted CD with all of its contents/documents remaining in the original format as released by DHCD. In addition, DHCD requests one hard copy labeled binder of the information in the CD.
No applications will be accepted after the filing deadline.

Potential Respondents are advised to review all documents which make up this RFP, including:

1. Request for Proposals (RFP);
2. RFP Reference Guidebook, and
3. Application Submission Package Guidance - (Instructions, Application Forms); and Exhibits.

**Definitions of Key Terms in this RFP**

For the purpose of this NSP RFP and any projects funded pursuant to this RFP, the following definitions will apply:

“Abandoned” – Per HUD NSP regulations, a property is defined as “abandoned” if either (a) mortgage, tribal leasehold, or tax payments are at least 90 days delinquent, or (b) a code enforcement inspection has determined that the property is not habitable and the owner has taken no corrective actions within 90 days of notification of the deficiencies, or (c) the property is subject to a court-ordered receivership or nuisance abatement related to abandonment pursuant to District of Columbia law or otherwise meets a District of Columbia definition of an abandoned home or residential property.

“Foreclosed” - Per HUD NSP regulations, a property has been foreclosed upon if (a) The property’s current delinquency status is at least 60 days delinquent under the Mortgage Bankers of America delinquency calculation and the owner has been notified of this delinquency, or (b) the property owner is 90 days or more delinquent on tax payments, or (c) under District of Columbia law, foreclosure proceedings have been initiated or completed, or (d) foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, contractor, subrecipient, developer, or end user.

“Homeless” - Refers to the *Homeless No More* definition which is derived from the HUD definition: (1) an individual who lacks a fixed, regular, and adequate nighttime residence; and (2) an individual who has a primary nighttime residence that is (A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill); (B) an institution that provides a temporary residence for individuals intended to be institutionalized; or (C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

“Chronically Homeless” means continuously homeless for a year or more, or having had at least four (4) episodes of homelessness in the last three (3) years.
“Supportive Housing” means housing provided in connection with voluntary services designed to help tenants maintain housing, including, but not limited to, coordination/case management, physical and mental health, substance abuse management and recovery support, job training, literacy, and education, youth and children’s programs, and money management.

“Permanent Supportive Housing” - Refers to the Homeless No More definition which is derived from the HUD definition: Long-term, community-based housing that has supportive services for homeless persons with disabilities. This type of supportive housing enables special needs populations to live as independently as possible in a permanent setting. The supportive services may be provided by the organization managing the housing or coordinated by the applicant and provided by other public or private service agencies. Permanent housing can be provided in one structure or several structures at one site, or in multiple structures at scattered sites.

“Disability” means a physical, mental, or emotional impairment which is expected to be of long-continued and indefinite duration; that substantially impedes the ability to live independently; and is of such a nature that such ability could be improved by more suitable housing conditions (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have AIDS and related diseases).

“Special Needs” - Refers to an umbrella group of families and individuals (that may or may not be homeless) that have conditions or needs that require the provision of supportive services. These conditions include mental health problems, drug/substance abuse problems, mobility impairment issues, HIV/AIDS and other chronic disease problems, and homelessness.

“SRO” - Refers to the Homeless No More definition which is derived from the HUD definition: a residential property that includes multiple single room dwelling units. Each unit is for occupancy by a single individual. The unit need not, but may, contain food preparation or sanitary facilities or both.

“Supportive Services” - Voluntary services designed to help tenants maintain housing, including, but not limited to coordination/case management, physical and mental health, substance use management and recovery support, job training, literacy, and education, youth and children’s programs, and money management.

“Vacant” – Per HUD NSP regulations, a property is defined as “vacant” if it is an unoccupied structure or vacant land that was at one time developed as property in use.

II. Available Programs and Funding Sources

Applicants may submit proposals only for the DHCD financing program outlined in this RFP.
Funding sources available through this RFP include:

- Neighborhood Stabilization Program (NSP) funds

**III. General Program Requirements**

Each funding source operates under separate federal or local regulations. All regulations include restrictions on the incomes of families served, and maximum allowable rents, but such restrictions vary among the funding sources. Further, definitions for income categories, such as low-income or moderate-income, vary between funding sources. A brief summary of income restrictions, rent limits and definitions related to income for NSP is outlined below. Applicants’ projects must meet the specific income limits in effect at the time of funding, and must subsequently adjust income and rent limits to maintain ongoing compliance with program regulations as new limits are published.

DHCD is soliciting proposals to finance the acquisition, new construction or rehabilitation of affordable homeownership and rental units located in the District of Columbia. The Department will provide NSP funds to support the following activities:

- Acquisition and rehabilitation in targeted neighborhoods of vacant, abandoned or foreclosed properties for households with incomes at or below 80 percent of the Area Median Income (AMI) for either rental or homeownership.
- New construction in targeted neighborhoods of vacant or demolished properties (i.e., vacant land or vacant buildings) for households with incomes below 80 percent of AMI for either rental or homeownership.
- A *minimum* of 25 percent of the NSP funds must be used to serve households with incomes at or below 50 percent of the AMI.

**A. Neighborhood Stabilization Program (NSP)**

**Background:** The Neighborhood Stabilization Program (NSP), established pursuant to Title III of the Housing and Economic Recovery Act of 2008, provides federal funds to state, county and local government units to acquire and redevelop foreclosed and abandoned properties with the goal of stabilizing neighborhoods impacted by the collapse of the mortgage market. Detailed information and other program requirements and restrictions included in Title III of the Housing and Economic Recovery Act of 2008 and HUD regulations related to the NSP can be found at: [www.hud.gov/offices/cpd/community/communitydevelopment/programs/neighborhoodspg/nspnotice.pdf](http://www.hud.gov/offices/cpd/community/communitydevelopment/programs/neighborhoodspg/nspnotice.pdf)
Income Limits:

**NSP Income Limits (Effective 7/13/11)**

<table>
<thead>
<tr>
<th>Maximum Homebuyer/ Tenant Income</th>
<th>Household Size</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1 person</td>
</tr>
<tr>
<td>Low Income (0-50%)</td>
<td>37,150</td>
</tr>
<tr>
<td></td>
<td>2 person</td>
</tr>
<tr>
<td>Moderate Income (51-80%)</td>
<td>47,350</td>
</tr>
<tr>
<td></td>
<td>3 person</td>
</tr>
<tr>
<td></td>
<td>47,750</td>
</tr>
<tr>
<td></td>
<td>4 person</td>
</tr>
<tr>
<td></td>
<td>53,050</td>
</tr>
<tr>
<td></td>
<td>5 person</td>
</tr>
<tr>
<td></td>
<td>57,300</td>
</tr>
<tr>
<td></td>
<td>6 person</td>
</tr>
<tr>
<td></td>
<td>61,550</td>
</tr>
<tr>
<td></td>
<td>7 person</td>
</tr>
<tr>
<td></td>
<td>65,800</td>
</tr>
<tr>
<td></td>
<td>8 person</td>
</tr>
<tr>
<td></td>
<td>70,050</td>
</tr>
</tbody>
</table>

Rent Limits:

**NSP/HOME Rent Limits (Effective 7/13/11)**

<table>
<thead>
<tr>
<th>Maximum NSP/Home Rents</th>
<th>Units</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Efficiency</td>
</tr>
<tr>
<td>Low HOME Rent Limit</td>
<td>928</td>
</tr>
<tr>
<td></td>
<td>995</td>
</tr>
<tr>
<td></td>
<td>1,193</td>
</tr>
<tr>
<td></td>
<td>1,379</td>
</tr>
<tr>
<td>High HOME Rent Limit</td>
<td>1,538</td>
</tr>
<tr>
<td></td>
<td>1,698</td>
</tr>
<tr>
<td></td>
<td>2,148</td>
</tr>
</tbody>
</table>

NSP affordable rents follow the HOME affordable rents limits. If income is less than 50% AMI, use Low HOME Rent limit. If income is between 50 to 80% AMI, use the High HOME Rents limit. Updated rent limits as published by HUD can be found at: [http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/2011/dc.pdf](http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/2011/dc.pdf)

Disbursement of NSP Funds: HUD regulations require that 75% of NSP funds available to the DHCD benefit households earning at or below 120% of AMI; the remaining 25% of funds may be used to benefit households earning at or below 50% of AMI.

Priorities: For purposes of this RFP, the available funding source (NSP) may be used as follows:

- 25% of NSP funds must be made available to benefit households with incomes at or below 50% of AMI; the remaining 75% of funds to benefit households with incomes below 80% of AMI
- New construction of affordable rental or for-sale housing
- Acquisition and/or substantial rehabilitation of affordable rental or for-sale housing. In the case of acquisition, the purchase price must be discounted, at minimum, by 1% of the appraised value, for purposes of NSP eligibility. In order to document this discounted purchase price, the Applicant must provide the executed sales contract/purchase agreement and/or the HUD-1 Settlement...
Statement, in conjunction with a copy of the appraisal (no older than 60 days) to verify NSP compliance.

B. NSP Requirements

- **NSP Target Areas** – NSP funds can only be spent in the target neighborhoods as identified in Section III, D – Targeted Geographic Areas, of this RFP.
- **Acquisition** - NSP requires each foreclosed-upon home or residential property purchased with NSP assistance to be purchased at a discount of at least 1% from the current market-appraised value of the home (no older than 60 days from the transactional closing date). NSP also requires that homes and residential properties purchased with NSP assistance cannot be sold for more than the total costs, which is determined by aggregating all costs of acquisition, rehabilitation, and redevelopment (including costs related to the sale of the property).
- **Limitation of Demolition** – Primary structures on properties acquired or contributed may not be demolished with NSP funds, unless they are declared as blighted in a written notice provided by DHCD.
- **Relocation** – All homes rehabilitated with NSP funds should be vacant prior to initiation of the project and prior to DHCD’s funding commitment. If occupied, the developer must adhere to federal requirements related to displacement and relocation found at 49 CFR Part 24 (the Uniform Relocation Assistance and Real Property Acquisition Act) and 24 CFR Part 570 (the Community Development Block Grant Program).
- **Environmental Review** – All properties will be subject to an Environmental Review by DHCD prior to the demolition, rehabilitation or new construction. DHCD will conduct the environmental review in compliance with 24 CFR Part 58. If the project passes the Environmental Review, DHCD will issue a Notice to Proceed, and the developer may move forward with the approved demolition, rehabilitation or new construction.

Notwithstanding any provisions of a resultant NSP contract, these documents shall not constitute a commitment of funds, which shall occur only upon satisfactory completion on an environmental review to determine whether the project meets federal, state, and local environmental standards and receipt by DHCD of a release of funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. Developers must agree that the provision of any funds to their project(s) is conditioned on DHCD’s determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review. Developer funding may be required to contract for environmental consulting services to provide the information required, which shall be an eligible project soft cost.

- **Construction/Rehabilitation** – In all work under this RFP, developers must adhere to all applicable state and local laws, codes, zoning and other requirements relating to construction, rehabilitation and housing safety, quality, and habitability. In addition, construction or rehabilitation supported with NSP funds...
will be required to conform to 24 CRF 570.603 of the CDBG regulations, as applicable.

- **Sale Price Limitation** – Per the Housing and Economic Recovery Act of 2008 (“HERA”) statute, the price for selling homes to assisted households under NSP cannot exceed the cost to acquire and redevelop/rehabilitate the home plus related costs. In determining the sale price, maintenance costs, such as boarding up units, lawn mowing etc, cannot be included.

- **Buyer Requirements** – The following requirements pertain to the sale of the homes to eligible buyers:
  1. **Occupancy by Low & Moderate Middle Income Households** – All units assisted with NSP funds must serve households with incomes at or below 80 percent of the AMI. For the rental unit properties, 25 percent of the units must serve households with incomes at or below 50 percent of the AMI.
  2. **Buyer Note and Mortgage** – All NSP funds will be secured by a mortgage and note and be provided a form of an interest deferred loan consistent with the affordability period requirements listed below.
  3. **Primary Residence** – Homes rehabilitated or newly constructed and sold under this RFP must be in use as a primary residence.
  4. **Homebuyer Counseling** – All homebuyers that are assisted through NSP funds must be provided at least eight (8) hours of homebuyer counseling through a HUD-certified homebuyer counseling organization. Potential homebuyers must provide a copy of the Homebuyer Education Certificate of Completion, prior to closing on their respective homeownership units.

- **Affordability Period** – NSP-assisted units must meet the affordability requirements for not less than the applicable period specified, beginning after project completion. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. They are imposed by a note and mortgage provided by the NSP grantee for a maximum period of fifteen (15) years. During this period, homebuyers must occupy the unit as their primary residence, and, if the home is resold, must be sold to another eligible homeowner or repay NSP funds due according to the terms of the note and mortgage (see affordability period below). For rental units, the affordability period is forty (40) years.

<table>
<thead>
<tr>
<th>NSP Funds Per Unit</th>
<th>Min Yrs of Affordability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $15,000 NSP funds/unit</td>
<td>5 years</td>
</tr>
<tr>
<td>$15,000 - $40,000 NSP funds/unit</td>
<td>10 years</td>
</tr>
<tr>
<td>Greater than $40,000 NSP funds/unit</td>
<td>15 years</td>
</tr>
</tbody>
</table>

- **Deadlines** – Developers that are awarded NSP funds for acquisition must be able to close their transaction no later than **January 31, 2012**. Developers that receive NSP funds for construction must be able to complete construction within fifteen
(15) months of receiving Notice to Proceed by DHCD. Projects must demonstrate progress toward this deadline by reaching milestones in an approved schedule. **Due to strict federal deadlines, projects that do not reach milestones in a timely manner will be subject to rescission of NSP funding.**

- **Reporting** – Each funded applicant will be expected to collect and report information about the uses of funds at least monthly, including, but not limited to:
  1. Funds budgeted and expended (NSP and all funding sources);
  2. Beginning and ending dates of activities;
  3. Sales price and NSP buyer subsidy amount for each property;
  4. Buyer income, family composition and other information required to document eligibility as need by DHCD; and
  5. Other program requirements as deemed necessary by DHCD

**DHCD Affordable Housing Themes**

These themes are closely calibrated to the six Livability Principles recently released by the federal Partnership for Sustainable Communities (HUD, DOT & EPA), and DHCD strives to finance affordable housing to support the six principles, as follows:

- Provide more transportation choices
- Promote equitable, affordable housing
- Enhance economic competitiveness
- Support existing communities
- Coordinate policies and leverage investment
- Value communities and neighborhoods

**DHCD Affordable Housing Commitments**

DHCD desires to preserve and enhance whenever possible quality housing for low-to-moderate income households and commits to:

- Utilize the expertise of the private and non-profit sector to protect and increase affordable housing;
- Leverage private funds to develop affordable housing;
- Ensure long term availability of affordable housing;
- Encourage mixed-income development; and
- Support the Administration’s housing initiatives.

The Department of Housing and Community Development of the District of Columbia seeks to partner with private owners, including for-and non-profit entities, to protect and increase the supply of affordable housing in the District of Columbia, particularly:
- in properties requiring rehabilitation as a result of significant code violations;
- in neighborhoods where affordable housing is not readily available;
- where subsidies are needed to reduce displacement as a result of gentrification;
- for low-income disabled and/or elderly households requiring supported living environments;
- for special needs populations, such as persons and families moving from shelters to permanent housing with supportive services;
- for low- to moderate-income households seeking to purchase homes; and/or
- for units in poverty impacted neighborhoods undergoing substantial rehabilitation as part of a comprehensive neighborhood revitalization strategy.

**DHCD Redevelopment Guidelines**

**Eligible Costs:**

NSP funds may be used by developers for the cost of acquisition, new construction and/rehabilitation. If NSP funds are used for project-related hard and soft costs of the developer, the following list defines the types of project costs that are eligible, subject to DHCD’s approval:

- **Acquisition** – Foreclosed homes and residential properties must be purchased at “maximum reasonable discount” from current market value, which, at minimum, represents a 1% discount from the property value as evidenced by an appraisal completed within 60 days of the transactional closing date.

- **New construction** – any project that includes the addition of dwelling units outside the existing walls of a structure or adding a housing unit to a vacant lot is considered new construction for NSP program purposes.

- **Rehabilitation** – Rehabilitation includes the alteration, improvement, or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with NSP funds. Rehabilitation may include adding rooms outside the existing of a structure. This will be determined by DHCD.

- **Eligible soft costs** – NSP funds can be used to cover the soft costs associated with a project as long as they are reasonable and necessary to the project. The following list defines the type of project related soft costs that are eligible under the NSP program. Please note that funding for soft costs is only eligible in collaboration with eligible hard costs, and must be approved by DHCD.
  - Financing fees and other finance-related costs
  - Title binders and insurance
  - Recordation fees and transaction taxes
  - Legal and accounting fees related to the project
  - Surety fees
Environmental reviews
- Homebuyer education
- Property appraisals
- Architectural, engineering
- Construction management and related professional services

- **Excess proceeds of sale** – In order to avoid undue enrichment, as required by program rules, excess proceeds from the sale of units, after all approved costs and approved fees are paid, shall be returned to DHCD unless proceeds are approved for use in the production of additional units under the Developer Agreement.

**Financing may not be used for:**
- Project-based rental assistance to tenants
- Tenant-based rental assistance to tenants
- Down payment assistance
- Security or utility deposits
- Social services
- Capacity building
- Tax liabilities nor any other District or federal obligations
- Operating and maintenance expenses

**C. Monitoring Requirements**

In accordance with Federal and District regulations, DHCD is required to monitor the use of the funds distributed under this RFP. Applicants receiving financial assistance from DHCD for projects will be subject to any and/or all of the following applicable requirements outlined below:

**Monitoring Elements, Guidelines and/or Requirements**

- Community Development Block Grant (CDBG), including all applicable Office of Management and Budget (OMB) Circulars, such as A-110, A-122, and A-133
- HOME Investment Partnerships Program (including long-term affordability requirements)
- Environmental Reviews - 24 CFR Part 85
- Affirmative Action Program (Local Small Disadvantaged Business Enterprises – Mayor’s Order 85-85)
- Section 3 - (24 CFR Part 135)
- First Source Employment Agreements
- Registration with DC Apprenticeship Council
- Americans with Disabilities Act of 1990
- Lead Safe Housing Rule (Lead Based Paint)
- Section 504 of Rehabilitation Act of 1973, as amended
- Uniform Relocation Act or District of Columbia Relocation Assistance provisions (10 DCMR Chapter 22)
- Freedom of Information Act
- Davis Bacon and related Acts
- Conflict of Interest (24 CFR § 570.611 and 24 CFR §§ 84.42 and 85.36)
- Fair Housing (24 CFR Part 14 et al)

DHCD requires each applicant to sign a Monitoring Certification indicating the agreement to comply with the regulations, to be subject to DHCD monitoring for compliance and to accept any applicable penalties for noncompliance. The applicant
is responsible for any and all costs associated with implementing and maintaining records to comply with and allow for DHCD monitoring. The Monitoring Certification Form is included in the application.

**D. Targeted Geographic Areas:**

Targeted Geographic Areas are designated by the Federal or District of Columbia government for the purpose of improving neighborhoods and providing economic stimulus. DHCD will accept proposals for eligible projects throughout the city, although the targeted geographic areas are as follows:

Neighborhood Corridors located in:

- Ward 1: Park Road/Mt. Pleasant Street/Upper Georgia Avenue
- Ward 4: Upper Georgia Avenue
- Ward 7: Ward-wide
- Ward 8: Ward-wide

New Communities Target Areas:

- Ward 1: Park Morton
- Ward 6: Northwest One
- Ward 7: Lincoln Heights/Richardson Dwellings
- Ward 8: Barry Farm

Neighborhoods within ½ mile of Metrorail stations & Metrobus stops

Neighborhoods within ½ mile of the District’s forthcoming Streetcar stops

Neighborhood Stabilization Program Target Areas:

- Ward 5: Eckington *(Census Tract 87.01)*
- Ward 5: Ivy City/Trinidad *(Census Tracts 79.01, 79.03, 85, 88.02, 88.03, 88.04, 89.03, 89.04)*
- Ward 5: Woodridge *(Census Tracts 91.01, 94)*
- Ward 7: Deanwood *(Census Tracts 78.03, 78.06, 78.07, 78.08, 78.09, 99.04, 99.05, 99.06)*
- Ward 7: Ward-wide
- Ward 8: Historic Anacostia *(Census Tracts 75.03, 75.04, 76.01)*
- Ward 8: Congress Heights
- Ward 8: Ward-wide

A map describing the NSP Targeted Geographic Area is provided in the *RFP Reference Guidebook*. Determination of property location within a given census tract can be determined at [http://pivs.dcra.dc.gov/property/search](http://pivs.dcra.dc.gov/property/search).
IV. Eligible Applicants

To be eligible for funding consideration, proposals must:

1. Be submitted by a non-profit organization, or a non-profit or for profit developer;
2. Request funding for a property located in the District of Columbia and propose to serve individuals or families consistent with income restrictions outlined under Section III of this RFP;
3. Propose activities that meet the regulatory requirements of the Neighborhood Stabilization Program (See the RFP Reference Guidebook); and,
4. Meet the Eligibility Requirements outlined in Section V, below.

V. Eligibility Requirements

Applicants must submit documentation that fully demonstrates their compliance with the Eligibility Requirements outlined below. Failure to include such documentation will result in elimination of the application from funding consideration without further review.

1) Site control/Zoning: This may be in the form of a current deed, fee simple ownership, lease option (lease term must be equal or greater than the proposed financing term), or a contract of sale. At the time of application, site control should extend for at least 180 days after the extension date (including extension options) with an option to continue the control for another 180 days. Additionally, the applicant must demonstrate that the proposed development is matter of right, or that approval from the Board of Zoning Adjustment has been obtained for necessary changes.

2) Basic regulatory eligibility: The proposed project must meet the appropriate regulatory requirements for eligibility for the Neighborhood Stabilization Program. (For guidance and background information, see the RFP Reference Guidebook.)

3) Good standing: At time of application, the applicant/developer must demonstrate good standing by providing a Certificate of Good Standing from the Department of Consumer and Regulatory Affairs (DCRA). Further, and without exception, the applicant and members of the development team may not:

   a) be delinquent on city obligations, including, but not limited to, income taxes, real estate taxes and water and sewer charges; lease payments or defaulted grant(s) from DMPED, DHCD, the former Anacostia Waterfront Corporation (“AWC”), National Capital Revitalization Corporation (“NCRC”), Office of Business and Economic Development (“OBED”) or other District-funded loan/grant obligations. (If it is determined during any stage of the review, underwriting or funding process, that the applicant or any business affiliate has any outstanding indebtedness to DHCD or the District, the applicant shall be removed from further
consideration in this funding round);

b) in the past five years, have been a party to chronic housing code violations, excessive tenant complaints, or substantial judgments;

c) be barred by the U.S. Department of Housing and Urban Development (HUD), DHCD, the District of Columbia Housing Authority (“DCHA”), the District of Columbia Housing Finance Agency (“DCHFA”), the State of Maryland or the State of Virginia; nor,

d) be suspended, voluntarily or involuntarily excluded from participation in any federal or District Programs.

4) **Creditworthiness**: Applicant has a satisfactory credit or Dun & Bradstreet report:
No member of the development team acting in the role of sponsor, developer, guarantor, or owner has had chronic past due accounts, substantial liens or judgments, foreclosures or bankruptcies within the past five years; nor has defaulted on any obligation to the District of Columbia within the past ten years.

5) **Green Design and Building**: In accordance with The Green Building Act of 2008, the application must meet the following standards relative to green design and building, which apply to all projects of 10,000 square feet or more, for which public financing constitutes 15% or more of development costs:

**Residential buildings**
- Application documents the findings of the **integrated design charrette** which has been conducted to consider the most cost effective ways to integrate required green design elements. (Exhibit GB-1)

- Application includes “2011 Enterprise Green Communities Criteria Checklist” (Exhibit GB-2) with appropriate **minimum** score:
  - **New construction** = All mandatory criteria and a **minimum** of 35 points on optional criteria;
  - **Substantial and Moderate Rehabilitation** = All mandatory criteria and a **minimum** of 30 points on optional criteria

- Application demonstrates inclusion of LEED® Accredited Professional (LEED® AP) or experienced green building design specialist as a member of the development team (Exhibit GB and Exhibits K through N in the Application Submission Package Exhibits Checklist).
Mixed Use Projects

- Residential standards apply to residential portions of project; non-residential standards apply to non-residential portions of project. *All required materials in each category must be included in application for it to be considered complete.* (For more information on green building and associated standards, see Section VI of the RFP Reference Guidebook.)

6) **Completeness of application:** Application must comply with all requirements outlined under **Section X** of this RFP. Incomplete applications will be eliminated from funding consideration without further review and notice.

**VI. Scoring Criteria**

Applications deemed to meet the Eligibility Requirements referenced above will receive further consideration. Proposals will be scored based on the below listed criteria and then compared against all others received for the proposed development type (e.g. rental housing, homeownership, etc.). In general, it is DHCD’s goal to provide funding to those projects which provide the greatest public benefit while maximizing the impact of public resources.

1. **Meeting DHCD’s Policy Objectives (maximum 20 points)**

   This score will be determined from the Applicant’s response in **Exhibit A**.

   Proposed projects will be scored according to how closely they meet the policy objectives outlined below:

   **15 points for either** of the following policy objectives *(if an applicant receives a score of “0” in this section, the project is automatically deemed ineligible for the NSP RFP):*

   - Redevelop abandoned, foreclosed or vacant properties *(as defined in this RFP)* into rental and/or homeownership affordable housing;
   - Help tenants who have buildings in foreclosure *(as defined in this RFP)* to purchase and develop their buildings into limited equity cooperatives;

   An additional **5 points can be awarded for any** of the following policy objectives:

   - Increase the supply of decent, affordable rental and ownership low-income housing through assistance for preservation, rehabilitation and new construction;
   - Create permanent housing opportunities, with supportive services, for individuals and families who are homeless or at risk of becoming homeless;
   - Provide housing for elderly persons and/or persons with special needs;
   - Preserve existing subsidized housing where federal subsidies are set to expire;
   - Stabilize neighborhoods by providing homeownership opportunities for low- and moderate-income households; and
• Achieve economic integration of subsidized housing by providing mixed-income housing, or by locating affordable housing in neighborhoods that are not poverty impacted, or that are undergoing rapid gentrification.

2. **Economic Development / Leverage (maximum 10 points)**
   This score will be determined from the Applicant’s response in Exhibit A of the Application Submission Package.

   - to serve low-income households
   - to provide the greatest level of affordability in an economically integrated environment for the longest period of time.

   This will measure the extent to which DHCD funds are leveraged with other public and private resources. The leveraging formula will deduct the total DHCD investment from the total development cost and divide the remaining total development cost by the total DHCD investment. The greatest consideration will be given to those projects that achieve the highest leverage ratio (*Non-DHCD financing to DHCD financing*).

   - 10 points = Leverage ratio of 5 : 1 or greater
   - 8 points = Leverage ratio of 3-4.99 : 1
   - 6 points = Leverage ratio of 2-2.99 : 1
   - 4 points = Leverage ratio of 1-1.99 : 1
   - 0 points = Leverage ratio less than 1 : 1

3. **Section 3 Jobs Creation (maximum 10 points)**
   This score will be determined from the Applicant’s response in Exhibit Z-4 of the Application Submission Package. Points will be awarded for the hiring or contracting of Section 3 residents or business concerns above the minimum requirement for this RFP of 5% of new hires.

   - 10 points = 20% or greater of new hires as Section 3 residents or businesses
   - 8 points = 15%-14% of new hires as Section 3 residents or businesses
   - 6 points = 10%-14% of new hires as Section 3 residents or businesses
   - 4 points = 6%-12% of new hires as Section 3 residents or businesses
   - 0 points = Less than 6% of new hires as Section 3 residents or businesses

4. **Site and Design Characteristics (maximum 10 points)**
   **Appropriateness of Site:** Proposal must adequately address topography, soil, and grade issues, environmental hazards, zoning requirements, and other special site conditions.

   - 5 points = Applicant has completed a Phase 1 environmental site assessment analysis. The applicant has formulated a satisfactory plan to deal with any issues raised through those studies. The applicant has addressed zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes.

   - 3 points = Applicant has completed a historical review of property uses and provided a minimal assessment of site and environmental issues (the Environmental Assessment Exhibit of the
Applicant has identified any issues and budgeted for associated costs. The applicant has identified zoning and historic preservation issues and has received approval from the Board of Zoning Adjustment for necessary changes.

- 0 points = Failure to document the minimum steps outlined for 3 points, above.

**Appropriateness of Design:** Proposed project design must blend with the neighborhood, be structurally sound and cost efficient, and meet the needs of the occupants with appropriate amenities.

- 5 points = Applicant has completed schematic designs. The proposal includes site plans, elevations, and floor layouts. For rehab projects, the proposal does not need site plans or elevations but does need existing layouts and proposed layouts. The design is consistent with neighborhood design characteristics. Amenities and units are appropriate for the tenant population. The project has a defined and realistic cost summary schedule. (Form 212)

- 3 points = Applicant describes project amenities and unit sizes both which are appropriate for the proposed development program and tenant/homeowner population. The project is consistent with neighborhood design characteristics. The project has a defined and realistic cost summary schedule. (Form 212)

- 0 points = Failure to document the minimum steps outlined for 3 points, above.

**5. Financial and Economic Feasibility (maximum 10 points)**

This score will be determined from the Applicant’s response in Exhibit W of the Application Submission Package exhibits.

- 10 points = There is a complete set of financial documents to support the financing request. The Development Finance Division Application (Form 202) contains a realistic set of sources and uses development budget and a pro forma operating budget. DHCD’s subsidy must be included in the sources and uses. The uses are appropriate for the project and the requested financing source. Letter(s) of commitment from other participating financial sources is/are included.

- 5 points = There is a complete set of financial documents to support the financing request. The Development Finance Division Application (Form 202) contains a realistic set of sources and uses development budget and a pro forma operating budget. DHCD’s subsidy must be included in the sources and uses. The uses are appropriate for the project and the requested financing source. Letter(s) of interest from other participating financial sources is/are included.

- 0 points = Failure to document the minimum steps outlined for 5 points, above.

**6. Capacity of the Development Team / Management (maximum 10 points)**

This score will be determined from the Applicant’s response in Exhibits J through N of the Application Submission Package exhibits.

Development teams demonstrating a strong record of capacity will receive more points.

- 10 points = The developer/development team must demonstrate a successful track record in projects of similar size, scale and complexity to the proposed project. The development team includes the appropriate members: developer/applicant, architect, green design professional, development consultant, construction management and/or general contractor, accounting, financial, legal, syndication and property and/or asset management team. All members of the
development team must be able to demonstrate and verify a successful performance history in projects of similar type and scale. The development team must also demonstrate the financial capacity to fulfill their respective responsibilities. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.

5 points = The developer/developer team must demonstrate a successful track record in projects of similar size, scale and complexity to the proposed project. Most of the members of the development team are experienced and demonstrate successful performance history and financial capacity in projects of similar size, scale and complexity. No members of the development team may have defaulted on any obligation to the District of Columbia within the past 10 years. If the proposed project includes supportive services, a qualified service provider must be a member of the development team.

0 points = Failure to document minimum capacity of each member of the development team, including experience consistent with the scope of the proposed project.

7. **Sustainability (maximum 10 points)**

This score will be determined from the Applicant’s response in **Project Narrative – Appendix – 1** of the Application Submission Package.

Sustainable communities are places that have a variety of housing and transportation choices, with destinations close to home. As a result, they tend to have lower transportation costs, reduce air pollution and stormwater runoff, decrease infrastructure costs, save people time in traffic and meet market demand for different types of housing at different prices points. For purposes of this RFP, DHCD will focus its sustainability efforts on investing in projects that are located within ½ mile of a Metrorail station, a Metrobus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).

- 10 points = The developer/sponsor must demonstrate in writing that its prospective project is located within 1/4 mile of a Metrorail station, a Metrobus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).

- 5 points = The developer/sponsor must demonstrate in writing that its prospective project is located within 1/2 mile of a Metrorail station, a Metrobus stop or the forthcoming DC Streetcar lines (as evidenced by the DC Department of Transportation at [www.ddot.dc.gov](http://www.ddot.dc.gov) or [www.dcstreetcar.com](http://www.dcstreetcar.com)).

- 0 points = Failure to document the minimum steps outlined for 5 points, above.

8. **Amount of the Subsidy Request (maximum 10 points)**

This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.
Scoring is based only on DHCD-assisted units in the project. All projects will be assessed relative to other projects of similar type. Subsidy per unit is determined by dividing the DHCD investment by the DHCD assisted units. The greatest consideration will be given to those projects that minimize DHCD’s subsidy per-unit cost.

- 10 points = up to $25,000 in DHCD subsidy per unit
- 8 points = $25,001-50,000 in DHCD subsidy per unit
- 6 points = $50,001-75,000 in DHCD subsidy per unit
- 4 points = $75,001-100,000 in DHCD subsidy per unit
- 1 point = Over $100,000 in DHCD subsidy per unit

9. **Timeliness (maximum 5 points)**
   This score will be determined from the Applicant’s response in **Exhibit A** of the Application Submission Package.

   This will measure the readiness of the site to start construction, including whether the applicant has completed a Phase 1 environmental site assessment analysis, formulated a satisfactory plan to deal with any issues raised through those studies, and has successfully addressed zoning and historic preservation issues.

   - 5 points = Applicant has completed a Phase 1 environmental site assessment analysis within the past 90 days of the RFP Application Submission date; Applicant has completed a full appraisal of the project within the past 60 days from the RFP Application Submission date that contains an after-rehabilitation value (as appropriate); Applicant has finalized and executed a construction contract with a licensed general contractor (as appropriate).
   - 3 points = Applicant has completed a Phase 1 environmental site assessment analysis within the past 180 days of the RFP Application Submission date. Applicant has completed a full appraisal of the project within the past 120 days from the RFP Application Submission date that contains an after-rehabilitation value (as appropriate); Applicant is in negotiations regarding a construction contract with a licensed general contractor (as appropriate).
   - 0 points = Failure to document the minimum steps outlined for 3 points, above.

10. **Coordination with other District Government Agencies and/or Letter of Support from the Council of the District of Columbia and/or local Advisory Neighborhood Commission (“ANC”) (maximum 5 points)**

   This score will be determined from the Applicant’s response in **Exhibit Q** of the Application Submission Package.

   - 5 points = Letter(s) of commitment from other participating District Government agencies and Letters of Support from the Council of the District of Columbia and ANC are included. If no other District Government agency is participating in the proposed project, a Letter of Support from the Council of the District of Columbia and ANC must be included.
   - 3 points = Letter(s) of interest from other participating District Government agencies and Letters of Support from the Council of the District of Columbia or ANC are included. If no
other District Government agency is participating in the proposed project, a Letter of Support from the Council of the District of Columbia or ANC must be included.

- 0 points = Failure to document the minimum steps outlined for 3 points, above

**Bonus Points (up to 16 points total)**

1) **Project Type (4 points)**
   If the funding request is for Acquisition financing, 4 bonus points will be awarded.

2) **Geographic Targeting (4 points)**
   This score will be determined from the Applicant’s response in Exhibit E of the Application Submission Package.

   Bonus points will be awarded to proposed projects located in the targeted geographic areas noted below (also detailed in Section III of the RFP):
   - Ward 5: Ivy City/Trinidad *(Census Tracts 79.01, 79.03, 85, 88.02, 88.03, 88.04, 89.03, 89.04)*
   - Ward 5: Woodridge *(Census Tracts 91.01, 94)*
   - Ward 7: Deanwood *(Census Tracts 78.03, 78.06, 78.07, 78.08, 78.09, 99.04, 99.05, 99.06)*
   - Ward 8: Historic Anacostia *(Census Tracts 75.03, 75.04, 76.01)*

3) **Green Design and Building (up to 2 points)**
   This score will be determined from the Applicant’s response in Exhibit GB-2 of the Application Submission Package.

   Bonus points will be awarded for the inclusion of green design elements above the required standard, as follows:
   - Residential, new construction projects - Green Communities Criteria, attainment of 36 or more optional points (2 points).
   - Residential, substantial rehabilitation projects - Green Communities Criteria, attainment of 31 or more optional points (1 point).

3) **Non-Profit Participation (2 points)**
   This score will be determined from the Applicant’s response in Exhibit Q of the Application Submission Package.

   Bonus points will be awarded for projects in which non-profit organizations have significant partnership roles (e.g., developer, co-developer, property manager).

4) **Use of District of Columbia Certified Business Enterprises (CBE) (2 points)**
   This score will be determined from the Applicant’s response in Exhibit P of the Application Submission Package.

   The District of Columbia encourages the maximum utilization of District of Columbia Certified Business Enterprises (“CBE”) for the development and construction of projects where DHCD invests resources. Sponsors and developers are encouraged to utilize District CBEs in all phases of the development process. Sponsors and developers may contact the Department of Small & Local
Business Development, at (202) 727-3900 for information on District of Columbia Certified Business Enterprises. The minimum requirement is 35% participation; bonus points will be awarded for evidencing a commitment above the 35% threshold.

- District of Columbia CBEs participation in 36% or more of all available development, construction, and professional opportunities. (2 points)

5) **Subsidized Family-Oriented Units (2 points)**

This score will be determined from the Applicant’s response in Exhibit A of the Application Submission Package.

- 2 points = 33 % or more of project units are 3 or more bedrooms.
- 1 point = 20% – 32 % of project units are 3 or more bedrooms.
- 0 points = Less than 20% of project units are 3 or more bedrooms.

**VII. Application Review Process & Timing of Awards**

Once applications are received, DHCD will first determine whether or not applications conform to the Eligibility Requirements outlined in Section V of the RFP. Applications determined to be ineligible will not be reviewed. All eligible applications will be scored against the scoring criteria outlined in Section VI of the RFP, and then compared against all others received for the proposed development type (e.g. rental housing, homeownership, etc.). Applications will then be forwarded to an Independent Review Panel of industry experts for review. Projects which: a) meet the eligibility requirements, and b) score competitively compared with other proposed projects of similar type will be recommended to DHCD for funding. DHCD will conduct the final review of applications and will select the applications for NSP funding against the funds available.

DHCD anticipates the announcement of applicant selection for the Underwriting Phase in August 2011. The announcement of selection means only that the applicant has been selected to advance to the Underwriting Phase, the outcome of which will impact DHCD’s final decision to award funding to a particular project.

Applicants whose projects have been selected to advance to underwriting will be so notified and invited to attend a “kick-off” meeting. The purpose of the “kick-off” meeting is to review the project status as it advances to underwriting, and to gain a common understanding of the requirements, terms and provisions for further review of the application. After this meeting has been held, applicants will have 30 days to submit any additional documentation needed for the application. During this 30-day period, DHCD will conduct due diligence, environmental and other regulatory reviews, verify all representations made in the application, will establish final underwriting terms including (where applicable) loan terms, interest rates, security and collateral requirements and other covenants, and will make a final recommendation to the Director for financing. Commitments from other funding sources must be secured prior to initial loan closing. For more details on the funding process, refer to the DFD Application Submission Package, included as an attachment to this RFP.
VIII. Application Guidelines

Application guidelines and requirements are identified below. Detailed guidelines and requirements are contained in the DFD Application Submission Package.

1. **Applying for Multiple Projects:** Applicants may apply for funding for more than one project.

2. **Application Submission:** Applications must be received at DHCD on or before 4:00 pm. Monday, August 1, 2011, Daylight Savings Time. Applications must be delivered to DHCD, 1800 Martin Luther King Jr. Ave., S.E., 1st Floor Security Desk, Washington, DC 20020. **Please note that no applications will be accepted after the 4:00 PM deadline. DHCD will use a time/date stamp clock to register the application and will monitor the timeliness of applications received.**

   Applicants must submit one CD of the application and one signed copy of the application in a three ring binder (with each exhibit tabbed). DHCD will not make copies for applicants. Application documents, other than maps and drawings, must be submitted using a 12 point type size and on 8 ½ x 11 paper.

   An individual authorized to obligate the applicant **must sign** the Application Summary Sheet. By signing the application, the authorized person is also attesting to the truthfulness of the information supplied in the application. **Unsigned applications will not be accepted.** The Certification documents, including Contract Affidavit, Qualifications Statements, and Monitoring Certification Forms (all in “Electronic Forms” of the RFP) must also be signed.

3. **Project Award Provisions:** All awards are subject to the applicable federal and District of Columbia guidelines and regulations applying to those funds. All awards are subject to the regulatory requirements referenced, and to the availability of District of Columbia or federal funds.

IX. Content of the Application

To be considered for funding, applications must be complete and must include the following elements in the order listed below. All required forms and attachments are provided in Section 6 of the NSP Financing Application Submission Package and in the Exhibits.

**Complete DHCD DFD Financing Application**

Form 202 NSP Financing Application:

A. Application Cover Page (with signature of individual authorized to obligate your organization and attest to truthfulness of application contents required; **NOTE: A lack of an authorized signature will disqualify the application**
B. Project Narrative  
C. Development Team Information  
D. Community Revitalization Information  
E. Project Income (rental projects)  
F. Project Expenses  
G. Uses of Funds  
H. Sources of Funds  
I. Project Summary Information  
J. 20-Year Operating Proforma  
K. Complete Application Submission Package Exhibit Checklist, and all executed exhibits  
L. Monitoring Certification (with required signature; lack of authorized signature will disqualify application) [Exhibit Z from the Application Submission Package]  
M. Form 212 and 215 (Note: The Summary Cost Estimate [Form 212] is **required** as part of the RFP Application for Funding. The Detailed Cost Estimate [Form 215] is included with the application, and must be completed prior to presentation of a selected project at DHCD Loan Review Committee. It is not required in the initial application for funding.)