



November 2023

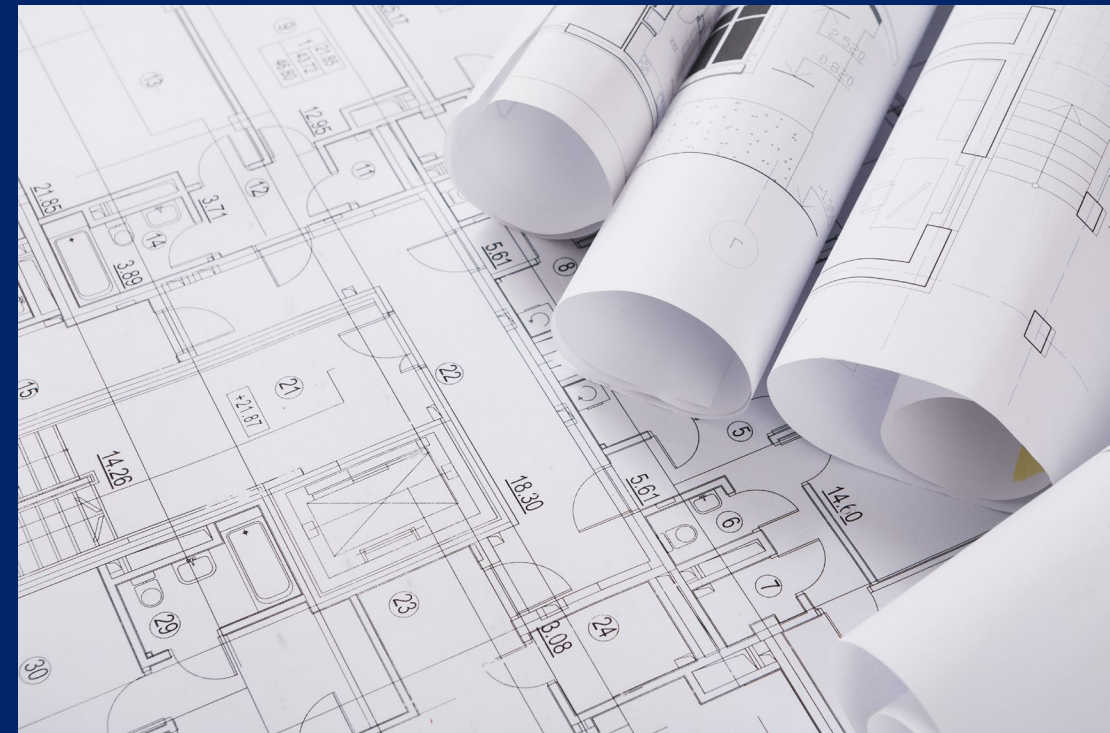
Tucson, AZ

HOME/ARP-SLFRF

Request for Proposals

Pre-Proposal Conference

November 14, 2023



INTRODUCTION

- Ben Carpenter (he, him)
 - Community Development Manager
 - HOME Program
 - ben.carpenter@tucsonaz.gov

HOUSEKEEPING

- If you experience technical difficulties, please log out and log back in
- Please remain muted throughout the presentation
- We will hold time for questions and answers at the end of the session
 - Please submit your questions in the Q&A
- The slides from today's presentation will be posted at <https://p-chip.tucsonaz.gov/pages/call-for-projects> on or before November 30th.

AGENDA

- HOME/ARP-SLFRF Overview
- Request for Proposals
 - Eligible Activities
 - Financing Model
- Application
 - Overview
 - Evaluation Criteria
- Timeline
- Q & A

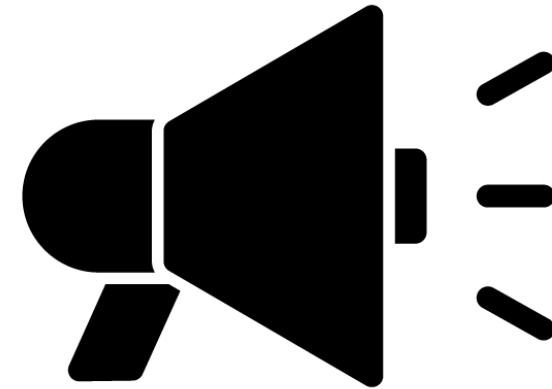


HOME/ARP-SLFRF OVERVIEW

- City receives an annual HOME entitlement grant from the US Department of Housing and Urban Development
- Recent US Treasury guidance has authorized the use of State and Local Fiscal Recovery (SLFRF) funds to be used for affordable housing
 - SLFRF funds will be administered under the HUD HOME Investments Partnership Program
- Approx. \$2.5M will be available through this solicitation
 - \$1M is set aside for Choice Neighborhood activities
 - 4% LIHTC projects; up to \$1M
 - 9% LIHTC projects; up to \$500K
 - Non-LIHTC and rehabilitation; up to \$1M
 - City reserves the right to adjust these levels based on project underwriting
- Full HOME program guidance in [42 U.S.C. 12701](#) and [24 C.F.R. § 92](#)

HOME/ARP-SLFRF REQUEST FOR PROPOSAL

- RFP posted @ <https://p-chip.tucsonaz.gov/pages/call-for-projects>
- Solicitation includes three documents:
 - Request for Proposals
 - Application Narrative (Word)
 - Application Workbook (Excel)



RENTAL HOUSING DEVELOPMENT ELIGIBLE ACTIVITIES

- Acquisition/rehabilitation of existing rental housing
- New construction of rental housing
- Refinance existing debt when used to rehabilitate a property

*Any use of HOME program funds must result in the creation of housing unit(s) to be made available for HOME eligible low-income families

RENTAL HOUSING DEVELOPMENT ELIGIBLE PROPERTY TYPES

- Site-built single-unit and multi-unit housing
- Group homes
- Manufactured housing
- Single Room Occupancy (SRO) units

*All projects must begin work within 12 months of award, must be completed within 4 years of award, and HOME/ARP-SLFRF assisted units must be occupied within 6 months of completion



ELIGIBLE COSTS

- Project Hard Costs
 - Acquisition of land and existing structures
 - On-site costs, such as site preparation or improvement, demolition, and utility connections from the property line to the adjacent street
 - Materials and labor
 - Improvements for disability accessibility
 - In pre-1978 structures, compliance with HUD Lead Based Paint regulations
 - Energy-related improvements

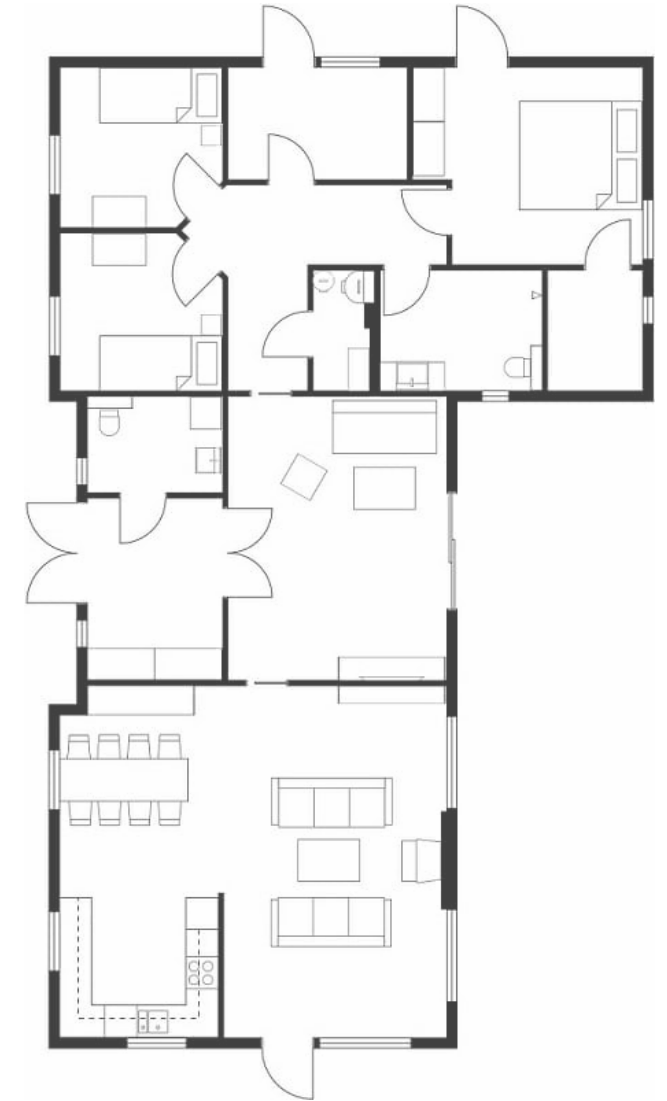
ELIGIBLE COSTS

- Project Soft Costs
 - Architectural, engineering and related professional services to prepare plans, drawings, specifications, or work write-ups
 - Financing fees, including private lender origination fees, credit reports, Title binders and insurance, recordation fees, appraisals
 - Transaction taxes
 - Surety fees (surety bond/performance bonds)
 - Legal and accounting, including cost certifications
 - Environmental reviews
 - Builder and developer fees within consortium caps
 - Building permits and impact fees
 - Affirmative marketing and marketing costs
 - Homebuyer counseling

HOME ASSISTED UNITS

Must be:

- Occupied by families determined to be low-income
- Eligibility is determined at initial occupancy and annually
- All assisted households must be at or below 65% AMI
- 90% of HOME rental households must be at or below 60% AMI at lease-up
- Projects with 5 or more units:
 - At least 20% of units must be households at or below 50% AMI



HOME/ARP-SLFRF RFP

FINANCING MODEL

- Financing provided under this RFP will be provided at a fully amortized rate of 2%
- 30-year term
- Gap financing is the primary use of funding
- Affordability period determined by finance level
 - All new construction incurs a 20-year period of affordability



**EQUAL HOUSING
OPPORTUNITY**

APPLICATION MATERIALS

- Applicant information
- Project goals
 - Populations served
 - Support services
- Proposed project information
 - Location
 - Site and structure
 - Access to transit, amenities, etc.
- # of HOME units supported
- Zoning/rezoning information
- Existing utilities and payment plan
 - Tenant vs owner



APPLICATION MATERIALS

- Property management plan
 - Entities
 - Rent collection method
- Appropriate market demand analysis
 - Detailed vs. abbreviated
- Development cost estimates
- Property and lien information
 - Acquisition plan (if required)
- Budget and Financing
- Project team



APPLICATION MATERIALS

- Attachments are listed in RFP and application
- This is not exhaustive, please review the RFP and application documents carefully
- Technical assistance is available
 - Last day to submit questions is December 13th
 - HCDGrants@tucsonaz.gov
 - Q&A



RENTAL HOUSING DEVELOPMENT APPLICATION

- Applicant information
 - List of officers/board of directors
 - Copy of articles of incorporation and by-laws
 - Corporate resolution approving the application
 - Most recent financial audit/statement
 - Contact information and tax ID

PROJECT DESCRIPTION

- Project goals
 - Specific populations served
 - Services offered
 - Do the project goals align with goals of the City
- Location
 - Access to transit, employment, amenities
- Structure
 - Will green building strategies be incorporated
 - TEP, LEED certification, etc.
- Site
 - Is there convenient pedestrian and vehicular access

PROJECT TYPE

- Describe the type of project being proposed
 - Acquisition
 - Rehabilitation
 - New construction
- Type of housing to be acquired, rehabilitated or constructed
 - Multi-family vs single-family
 - Townhouse, duplex/attached
 - Condominium
 - Apartments

FUNDING REQUESTED

- Describe how funding will be used if awarded
 - Direct construction
 - Architecture and engineering
 - Demolition
 - Rehabilitation
- Amount of funding requested
 - * Actual amount of funding provided will be determined by underwriting assessment

SITE INFORMATION

- Has the project site been determined
- Is the project on a single site or multiple locations
- Provide
 - Address
 - Legal description
 - Descriptive location
 - Total cost
 - Acreage and lot size information
 - Existing buildings on site
 - Information on existing structures over 45 years old

ENVIRONMENTAL INFORMATION

- Floodplain information
- Geological hazard areas
- Historical, archaeological or cultural resources
- Proximity of noise hazards
 - Major roads
 - Railway lines
 - Military or commercial airfields
 - Other noise
- Proximity to industrial hazards

READINESS TO PROCEED

- Provide information related to:
 - Existing cash flows
 - Expectation of timeline to project completion
- Demonstrate progress on:
 - Site control
 - Environmental studies
 - Marketing plans
 - Project entitlements
 - Project design

ZONING APPROVAL AND PERMITTING

- Zoning
 - Provide evidence of project zoning conformity, or
 - Outline plan and timeline to obtain approval
- Utilities
 - Show which utilities exist at site
 - Describe utility work required for the project
- Permitting
 - Site plan approval
 - Building permits
 - Estimated time to approval

PLANS

- Provide plans and specifications
 - Estimated time to completion
 - At a minimum, elevations, line drawings and available renderings
- New construction must meet [ENERGY STAR](#) guidelines
- For rehabilitation attach cost estimates from qualified, licensed contractor
- Provide unit description
 - Floor plans
 - Measurements
 - Materials/amenities/etc.
 - Estimated per unit cost

PROJECT BUDGET

- Sources
 - Identify all sources of development funding
 - Include firm commitments only
 - Indicate loan or grant
 - Attach commitment letters
- Uses
 - Indicate total budget for each activity
 - Specify proposed uses of HOME funding
- Provide contact information for all funding sources

MARKET DEMAND

- Abbreviated Analysis should include:
 - Market capture, potential tenants
 - Special populations to be served
 - Projects with fewer than five units should conduct an abbreviated analysis
- Detailed Analysis should include:
 - Description of the market area
 - Target population
 - Comparable sales
 - Current waiting lists (if applicable)

*Awards can be made contingent on the completion of a full analysis being completed prior to entering contract

PROJECT TEAM

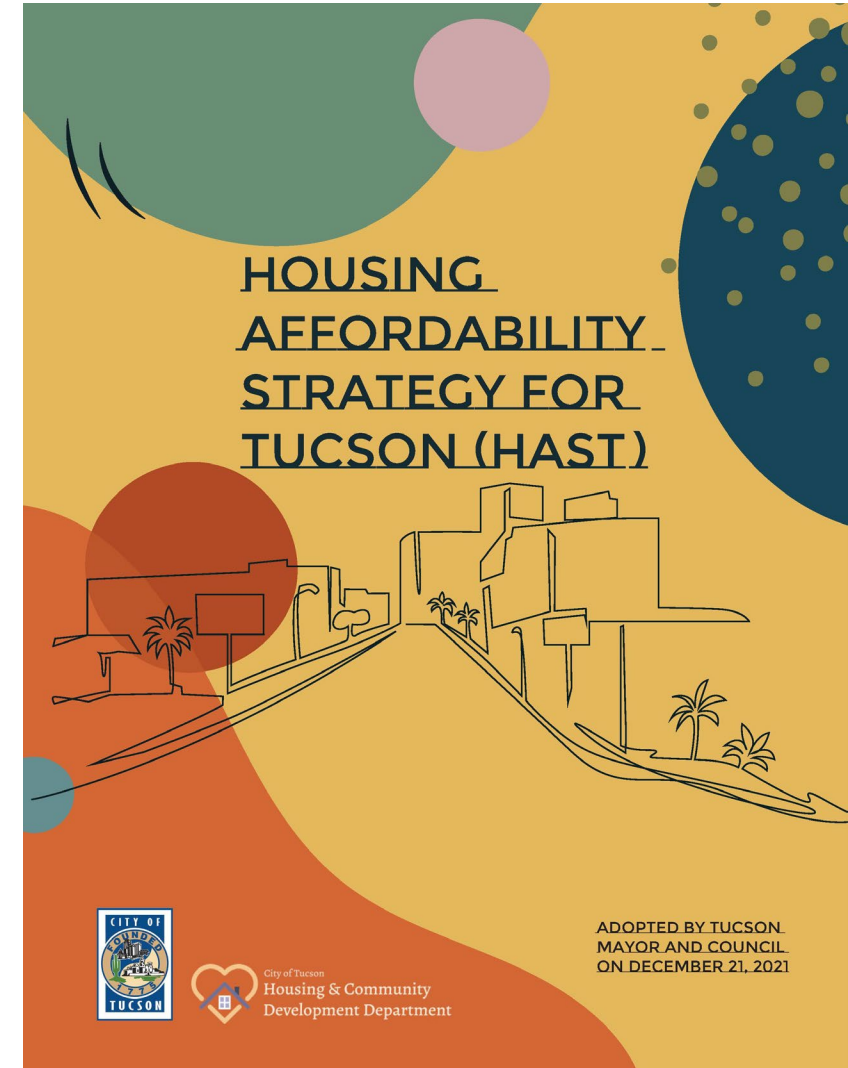
- Submit resumes for all team members
 - Project manager
 - Project coordinators (if additive to above)
 - Fiscal manager
 - Project architect
 - Contractor
 - Consultants
 - Any others

APPLICATION ATTACHMENTS

- Please include
 - Site information for all proposed sites
 - Deed or title demonstrating site control
 - Contract or option for purchase
 - Zoning approval
 - Architectural plans and specifications
 - Line drawings and elevations
 - Commitment letters from funding sources
 - Market demand analysis narrative
 - Resumes for project team

EVALUATION CRITERIA

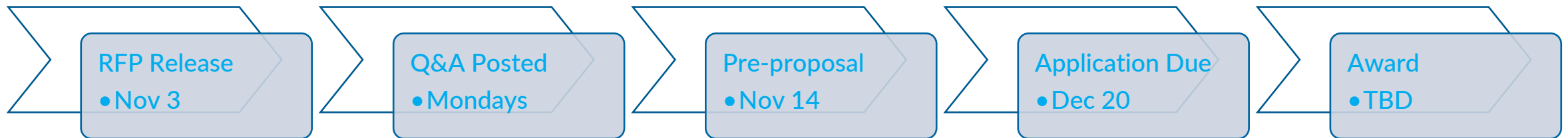
- All proposals will be evaluated based on the criteria published in the Request for Proposals (beginning on page 26), projects that do not meet threshold criteria will not be scored
- Evaluation Criteria relate directly to the application contents. Be sure to answer each question fully and provide all required attachments.
- Projects that are aligned with the goals of the [Housing Affordability Strategy](#) for Tucson and [Plan Tucson](#) may be prioritized for funding



HOME/ARP-SLFRF RFP

TIMELINE

- RFP Release November 3, 2023
- Q&A Posted to P-CHIP website every Monday
- Pre-proposal Conference November 14, 2023
- Applications due December 20, 2023
- Award Announcements TBD based on evaluation and approval



Q&A

Please submit additional questions to HCDGrants@tucsonaz.gov
Questions and responses will be posted online each Monday until the week of application deadline. Final day to submit questions is December 13th

- Visit: https://p-chip.tucsonaz.gov/pages/call-for-projects?utm_medium=email&utm_source=govdelivery

THANK YOU FOR ATTENDING!