

For more information, contact:
Cindy M. Walters, Development Officer
(757) 385-5754
cwalters@vbgov.com



CITY OF VIRGINIA BEACH
HOUSING OPPORTUNITY FUNDING & PBVs
Released October 9, 2019

REQUEST FOR PROJECT APPLICATIONS
Due November 15, 2019, 5:00 PM

PURPOSE AND ELIGIBLE ACTIVITIES

The Virginia Beach Department of Housing and Neighborhood Preservation (DHNP) is making available a limited amount of funds for the preservation or creation of affordable housing opportunities. The funding will be available from federal HUD Home Investments Partnership Programs (HOME) and Community Development Block Grant (CDBG) funds received by the city. This funding must be used for capital costs to preserve existing housing or to create new affordable housing units and must serve Virginia Beach residents. Any project funded with these funds must meet all applicable HUD and City program requirements as well as the Office of Personnel Management (OPM) regulations.

Applicants may also apply for Project-Based Vouchers under the Housing Choice Voucher program, either with or without applying for funding.

Applying organizations should be aware of the following conditions:

1. All required land use approvals must be obtained.
2. Project must meet all applicable requirements of the applicable regulations.
3. Construction may trigger the federal Davis-Bacon Wage Requirements. Construction costs *may* be higher if these apply.
4. Projects must comply with AICUZ requirements.
5. Projects must follow HUD Section 3 requirements.
6. An Environmental Review and/or Assessment will be required. If an Assessment is required, the cost will be taken from the amount of the award.
7. Relocation of Individuals, residents, farms or non-profits, as well as compliance with all federal regulations under the Uniform Relocation Act and/or Section 104(d) are the sole responsibility of the awardee. Any entity proposing the relocation of existing residents will be required to prepare and submit for approval a complete relocation plan prior to contract execution.
8. Projects may be funded for only a portion of requested funds
9. Projects selected may receive funds upon compliance with all applicable regulations and in accordance with the chart provided on Page 3 of this RFP, under "Guiding Principles for Awarding Funds".
10. All initial awards constitute contingent reservations of funds and/or vouchers, pending the applicant's compliance with all applicable laws and regulations, as well as the availability of funding.
11. Due to the above conditions and requirements, applicants should be aware of significant lead time before construction, relocation, demolition, or site work may begin.

ELIGIBLE APPLICANTS

For-Profit Businesses or Non-profit 501(c) (3) Housing Development Organizations. All applicants shall propose to create housing that will serve low- or moderate-income persons or families AND/OR homeless residents of Virginia Beach

MINIMUM REQUIREMENTS FOR ENTITIES RECEIVING FUNDS

1. The Entity shall be incorporated in the Commonwealth of Virginia and if they are a non-profit organization, they shall have received an IRS 501(c) (3) tax-exempt letter of determination.
2. The Entity must have an active corporate board of directors that hires senior leadership and sets policy and financial guidelines.
3. The Entity must have policies and procedures that include validated rental or ownership policies, rules for resident behavior, procedures for involuntary discharge and a complaint procedure.
4. The Entity shall be audited annually by a certified public accounting firm and the results must be provided to the City of Virginia Beach each year. The latest audit must be part of this application and subsequent years will be required if the project crosses FYs.
5. The Entity shall carry the following insurance standards, which shall be written by companies authorized to do business in the Commonwealth of Virginia and acceptable to the city:
 - a. Comprehensive general liability insurance at limits not less than \$1 million combined single limits
 - b. Commercial general liability insurance including contractual liability coverage's in the amount not less than \$1 million combined single limits
 - c. Errors and Omissions (Professional Liability) Insurance at limits not less than \$250,000.00
 - d. Workers Compensation Insurance as required under Title 65.2 of the Code of Virginia
6. The Entity shall comply with all the laws and regulations of the City of Virginia Beach including, but not limited to, laws involving the use, maintenance and operation of structures, including building permits, zoning, code enforcement and rental certificates of compliance.
7. The Entity shall not be involved in current litigation or contractual disputes with the City of Virginia Beach or under adverse management oversight by HUD or DHNP or debarred from receiving federal funds.
8. The Entity shall identify a point of contact for DHNP in the administration of these funds and be subject to City, DHNP, and/or HUD on-site and/or desk monitoring of the project.
9. The Entity shall provide to DHNP, and to the U.S. Department of Housing and Urban Development (HUD) or its agents – project construction progress reports, Wage reports, Section 3 reports, financial cost reports, and other information, as requested, that may be needed to ensure compliance with local, state and federal laws and regulations.
10. The Entity shall provide full and clear recognition of the City's contribution in its publications, fundraising documents, and other materials that are used to seek funding or promote the Entity or the project.
11. Entities shall be able to go to contract and start the project for which funds have been requested, within a 12-month period after the announcement of the award of

contingent funding, or DHNP reserves the right to reallocate the funds.

12. No application will be awarded funds if the Entity owns any other property in the City that has been cited by Code Enforcement and the violations have not been corrected in a timely manner.

GUIDING PRINCIPLES FOR AWARDING OF FUNDS

The goal of the selection process is to provide funding for the project or projects, which will most effectively maintain and improve existing affordable housing or provide new affordable housing, and which will enhance the area or neighborhood where they are located.

Funds will be awarded in the following manner:

Applicant	Type of Project	Average Per-Unit Subsidy (Within HUD Subsidy Limits)	Type of Financial Assistance	Required Period of Affordability
Non-Profit Developer	Rental	Any Amount	Forgivable Loan, 1% simple interest (annual, non-compounding)*	30 years
Non-Profit and For-Profit Developers	Rental	Any Amount	Deferred payment loan, 3% simple interest (annual, non-compounding)**	20 years
Non-Profit and For-Profit Developers	Rental	Any Amount	Deferred payment loan, 2% simple interest (annual, non-compounding)**	25 years
For-Profit Developer	Rental	Any Amount	Deferred payment loan, 1% simple interest (annual, non-compounding)**	40 years

*If all requirements of the loan are met for the entire period of affordability, the principal loan amount and Interest will be forgiven. If the requirements of the loan are not met during the period of affordability, the entire principal balance plus any interest due up until the time of the default of the terms of the loan, will be due and payable in full.

**No payment of principal or interest is required to be paid until the end of the period of affordability. However, developers can, should they choose, make annual interest-only payments.

GUIDELINES for AWARDING PROJECT-BASED VOUCHERS

- 1) Up to fifty (50) vouchers in total may be awarded.
- 2) Any vouchers awarded will not be available until January, 2020 at the earliest.

- 3) Voucher awards will be contingent upon voucher funding availability as well as compliance with all additional project-based voucher requirements. This includes HUD headquarters review of project financing for compliance with subsidy layering regulations.
- 4) Applicants for project-based vouchers must review and complete the additional PBV application “checklist” in its entirety included in this package as Appendix C.

TIMING OF FUND AWARDS:

Funding availability is dependent on many factors, including; the needs of the applicant’s project, the approval of a Federal budget, and approval of a City budget. While initial reservations of funds may be made in January, the dates of actual fund availability will vary significantly based on those factors and project-specific factors. Applicants should be aware that significant delays in fund availability are possible.

EVALUATION FACTORS:

Aside from the aforementioned requirements as listed in 1-11 above, DHNP staff and others, as may be selected, will participate on a proposal selection committee, during which all project proposals are reviewed in their entirety by each member and scored for various objectives as well as for certain strengths and weaknesses. The committee uses a combination of Adjectival, Numeric, Ranking, and Discussion points, both individually and as a group. The project proposals are not procured using the Commonwealth of Virginia Procurement guidelines, but are “competitive” in so far as the City and DHNP has only a certain pool of HUD grant funds to work with and wants to ensure that the most advantageous and responsible Applicants are provided the opportunity to be selected.

The committee, at a minimum, evaluates the following elements:

- 1) Other successful projects of similar scope or size as to the one the applicant is proposing
- 2) How the requested funds are used to create, preserve or enhance the affordability level of the units and/or the quality of the units
- 3) Creating affordable, accessible, or special needs housing opportunities
- 4) The capabilities of the applicant’s management
- 5) The overall financial strength of the applicant and its ability to carry-out the project
- 6) The overall desirability of the project to meet needs of the City, taxpayers, and to persons who will reside there
- 7) Extent to which the project aligns with the City’s Consolidated Plan and/or meets the strategic mission to end homelessness
- 8) The location and market information
- 9) The requested amount in relation to the overall project costs

AVAILABLE FUNDS

There is no set amount for which to apply. Notification of the decision regarding the application is anticipated to be made in writing NLT January 10th, 2020. DHNP reserves the right to award or not award any funding based on its evaluation of proposals submitted. All awards will be made contingent upon the awardee’s compliance with all Federal and City regulatory requirements and specific project award approval by HUD.

APPLICATION INSTRUCTIONS

All applicants are required to provide the completed form - Appendix A - “Application”.

All applicants are required to provide the completed spreadsheet form in Appendix B – “Development Budget”

If applicant is requesting Project Based Vouchers (PBVs) – also complete the application form - Appendix C

You may submit more than one application for different projects. Each is to be submitted separately and will be evaluated separately. DO NOT COMBINE MULTIPLE PROJECTS ON ONE APPLICATION

Please note: Any proposer of this HOF RFP requesting funds is not precluded from requesting Project Based Vouchers (PBVs) for the same development.

Completed application(s), budget(s), forms must be sent by e-mail, mail, or hand delivered to:

City of Virginia Beach
Department of Housing and Neighborhood Preservation
ATTN: Cindy M. Walters, Compliance & Development Officer
2408 Courthouse Drive, Building 21
Virginia Beach, VA 23456
Or
cwalters@vbgov.com

Completed applications shall be e-mailed, mailed, or hand-delivered NLT 5:00PM on November 15, 2019. Each applicant will receive an e-mail of the date/time the complete application was received. There will be no changes to the application unless a request is initiated by DHNP for clarity or administrative purposes or discussions are opened by DHNP specifically with an applicant.

Please carefully review the guiding principles and selection criteria shown below. It is critical that the applications respond to these selection criteria. **It is important that applicants check the current regulations to ensure that your proposed program will be compliant with the new regulations.** A link to the electronic CODE OF FEDERAL REGULATIONS for the Home Investment Partnership Program is provided: <http://www.ecfr.gov/cgi-bin/text-idx?SID=44b0795ea9af006dcc2ae4600a8dc383&node=24:1.1.1.1.41&rgn=div5>

CONDITIONS AND PAYMENT

Actual disbursement of funds can only occur after the execution of a contract between the applicant and the City of Virginia Beach. The contract will specify the amount, method of payment and reporting requirements for each applicant.

Please contact Cindy M. Walters at (757) 385-5754 or cwalters@vbgov.com if you have any questions about eligibility or information that has been required in this proposal application.