



REQUEST FOR PROPOSALS
WAKE COUNTY AFFORDABLE HOUSING DEVELOPMENT PROGRAM (AHDP)
CALL FOR NON-TAX CREDIT DEVELOPMENT APPLICATIONS

STATEMENT OF PURPOSE AND PROGRAM SUMMARY

Wake County's Department of Housing Affordability and Community Revitalization announces the availability of funds under the Affordable Housing Development Program (AHDP) to support the development of affordable housing. The County seeks qualified developers to submit proposals for the rehabilitation or new construction of affordable housing. Developments located within Wake County, including within the city limits of Raleigh, are eligible for County funding.

The following development types are considered eligible for this funding pool:

- Affordable rental housing
- Affordable for-sale housing
- Permanent Supportive Housing (PSH)

AHDP funding is primarily intended to provide permanent financing, but acquisition or construction financing will also be considered on a case-by-case basis. The AHDP Program is intended to provide gap financing for developments that leverage other public and private funding sources. Proposals for Wake County to provide the majority of project financing will be considered on a case-by-case basis.

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Applicants to the Wake County Affordable Housing Development Program (AHDP) must notify Wake County of intent to submit and schedule a pre-meeting before an application is submitted. Contact Mark Perlman, Lending Programs Manager at 919-856-5254 or Mark.Perlman@wakegov.com to schedule a pre-meeting. Funding is contingent upon the approval of the proposed development by the Wake County Board of Commissioners.

Wake County will accept open call submissions year-round. Once applications are submitted, Wake County will provide a tentative schedule of milestones for application review. The preliminary application submission date, as well as responsiveness to any follow-up questions and requests, will determine when those milestones occur.

Any questions regarding Wake County AHDP should be addressed to Mark Perlman at 919-856-5254 or Mark.Perlman@wakegov.com.

MINIMUM REQUIREMENTS FOR WAKE COUNTY CONSIDERATION

All applicant projects to Wake County's AHDP call for Non-Tax Credit Development must meet the following requirements:

- Be located within Wake County.
- Include the construction of new units or the rehabilitation of existing units, including the conversion of existing units to single room occupancy (SRO) or efficiency units.
- Existing properties must be vacant, presently occupied by low-income families that meet program income requirements, or if resident relocation is required, projects must incorporate relocation expenses in the project application development budget. *(NOTE: Tenants cannot be asked to relocate in anticipation of applying for County funds.)*
- Secured site control at the time of application. Staff will review applications that are in the re-zoning process; however, staff will not recommend an applicant for Board of Commissioner approval if the site is not properly zoned for its intended or proposed use. Zoning must be in place, with proper documentation provided, in-line with the milestone schedule established by Wake County with the project applicant.
- If the applicant requests HOPWA funding, project must adhere to eligibility requirements as outlined under the Federal HOPWA program, targeting housing units for low-income persons, and their families, that are medically diagnosed with HIV/AIDS.
- If the project is HOME-funded, at least 20% of the units must be set-aside for households at or below 50% AMI (refer to Attachment 1 for maximum HOME program rents). *(Note: All County Funds are used to meet HOME match requirements; therefore, all County funded developments will be required to meet minimal HOME regulations – including, but not limited to construction standards, rent limits, and requests for rent increases. Please inquire with staff for more information.)*
- Annual monitoring of tenant income certification and rent paid for units will be required by Wake County.

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EVALUATION CRITERIA

Wake County will evaluate applications based on Project Viability and adherence with Wake County Policy Goals, across the following criteria:

Criteria	Points
Project Viability	
a) Financial Feasibility	30
b) Development Quality	10
c) Development & Management Team	10
Wake County Policy Goals	
d) Target Populations	10
e) Deeper Affordability Targeting	30
f) Location	10
TOTAL	100

Project Viability

a) Financial Feasibility (30 points)

Preference is given to projects that have a *high probability of moving forward and leverage other sources of financing*. Wake County will review each project’s development pro forma for accuracy and reasonableness according to Wake County Underwriting Standards ([link](#)), evaluating and underwriting each application on a case by case basis. Reasonableness of pro forma assumptions will be a significant factor in determining County funding. Any project/applicant that receives a County funding commitment and returns to the County requesting payment modifications or an increase loan amount will be required to reapply.

Projects that have secured or seek to leverage funds from other sources, where eligible, will be given preference, and may include NCHFA programs (e.g. Supportive Housing development Program), municipal funding sources such as the City of Raleigh or other municipalities, as well as leveraging private debt. Projects that have commitments of other funding at the time of application are preferred. Letters of support from other funding sources should be provided in this application.

Land and building values will be confirmed by an appraisal provided by the applicant. After the project has been completed, the developer must furnish the County with a cost certification.

Funds available from Wake County are generally used to fund project permanent financing gaps. Unless the proposal states otherwise, the County assumes that the drawdown of its funds will take place after completion and lease-up of the units as a source of permanent financing. Applications for pre-development or construction financing will be considered on a case-by-case basis.

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b) Development Quality (10 points)

Projects will be evaluated based upon the quality of the project design, material selection and site considerations. This evaluation of project development quality will heavily consider the quality of the applicant team's past projects, including:

- The building design and use are compatible with the surrounding environment and existing neighborhood.
- The overall building design is attractive and well thought out and is characterized as possessing "architectural appeal."
- Material selections are of good quality, designed for normal maintenance and can be expected to perform well over the long-term.
- The site is suitable for the proposed development without additional major geotechnical, environmental or utility infrastructure expenditures.
- Subsidized units located within a larger development should be of comparable size and quality to the market rate units.

c) Development and Management Team (10 points)

Consideration will be given to the capacity and experience of the development and management team, including:

- A proven track record of developing and managing affordable housing projects inside or outside of Wake County, with preference given to organizations who have completed projects in Wake County.
- Developers who previously received funding from Wake County will be evaluated on those experiences in addition to history of loan repayment.
- Evaluation of the creditworthiness and financial management of the developer or sponsor to ensure acceptable financial capacity to carry the project forward. The financial capability of the developer to contribute equity and successfully obtain construction and permanent financing will be evaluated.
- The property manager's experience will be evaluated, and a review of local and state projects will be performed.
- Preference will be given to management plans that offer continuous on-site management.
- Plans to address the supportive service needs of tenants will be evaluated.

Organizations that have not previously developed housing must partner with an experienced developer. All entities in a partnership will be evaluated based on the criteria above.

Applicants that have not previously received funds from the Wake County Affordable Housing Development Program should submit letters of reference from up to three of the following types of organizations:

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- Public lenders from which they have received funding in the past, confirming that the developer is in good standing and all projects are well-maintained and constructed in a timely manner;
- Non-profit organization partners and public agency partners, supporting the applicant's commitment to serving the needs of low-income households.

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Wake County Policy Goals

d) Target Populations (10 points)

Family, Elderly, and Special Needs Developments

Wake County seeks to generate a mix of family, elderly, and special needs developments across the County through AHDP; however, to align with Wake County's long-term policy objectives and resident needs, the AHDP process will give preference to special needs and family developments.

Rental Assistance Housing Program (RAHP) and Housing Choice Voucher Holders

Applicants must set aside at least ten-percent (10%) of units to be prioritized for Wake County Rental Assistance Housing Program (RAHP) voucher holders, projects that set aside additional units for Wake County or Housing Choice Vouchers will receive additional points. All Wake County RAHP voucher holders come with County-provided case management support. Housing Choice Vouchers are provided through the Raleigh Housing Authority or the Housing Authority of the County of Wake. Attachment 3 includes additional detail on RAHP, including:

- RAHP rents;
- An overview of RAHP voucher holder populations;
- Detailed compliance requirements for landlords who accept RAHP voucher holders, including what participation may be required;
- Process requirements for prioritization of RAHP voucher holders.

Supportive or Enhanced Services Plan

All projects must include a supportive or enhanced services plan which details how supportive services will be provided and paid for within the project, as needed. Permanent Supportive Housing proposals and proposals intending to serve tenant bases described below should describe how tenants will be provided with or connected to services to address their needs. Non-supportive housing targeting low-income households should include a plan to describe how tenants will be connected with less-intensive services such as social activities, medical screenings for seniors, after-school programs, or educational opportunities. Failure to include a supportive services plan will result in a points deduction. See Attachments 4 and 5 for examples. Supportive Service housing includes, but is not limited to, housing for:

- Formerly homeless;
- Veterans;
- Mentally, developmentally, and physically disabled persons;
- Persons with HIV/AIDS;
- Bridge housing, supportive housing, and Low Barrier Housing access;
- Other special needs populations as defined in the Wake County Consolidated Plan;
- Single Room Occupancy (SRO) housing

e) Deeper Affordability Targeting (30 points)

Preference will be given to proposals that offer a portion of total units to individuals or households earning at or below 40% AMI. Additional points and funding will be awarded to

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projects that target deeper affordability. Refer to Attachment 1 for AMI levels in the Raleigh-Cary MSA.

Wake County will show preference to projects targeting deeper affordability through leveraged sources of state, local, and other funding, in addition to Wake County. Preference will also be given to projects that incorporate a mix of incomes to financially offset units with deeper affordability targeting.

f) Location (10 points)

Wake County has policy objectives of **de-concentrating poverty** and **locating affordable housing in areas of opportunity**. Proposed developments will be evaluated based on their proximity to the following factors:

- Existing and proposed affordable housing;
- Existing and proposed transit;
- Existing amenities, specifically schools, public facilities, and grocery stores;
- Location in an Area of Opportunity as defined by the Wake County Analysis of Impediments to Fair Housing.

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4) APPLICATION SUBMISSION CHECKLIST

This sheet should be used as a coversheet for your proposal with all attachments in the order as listed below. To be considered complete, the proposal must include the following supporting documents:

- Non-refundable application fee of \$100 made payable to Wake County Housing Affordability and Community Revitalization
- Cover letter briefly describing the proposed project, population to be served and the specific amounts requested from Wake County
- A pro forma:
 - A 20, 30, or 40-year pro forma for new construction or acquisition and rehabilitation projects, depending on the requested loan term
 - A two- to five-year pro forma for acquisition loan requests
- Signed, notarized affidavit of no conflict of interest or a statement of disclosure of conflict of interest (see Attachment 2)
- Location map clearly indicating the project site
- Site plan for project site (survey, plat or tax map) for new construction or acquisition and rehabilitation projects
- Evidence of site control (deed, contract of sale, option to purchase or other evidence acceptable to the County)
- Evidence of appropriate zoning for proposed project, or that rezoning is underway
- For new construction or acquisition and rehabilitation projects, outline plans and specifications, including at a minimum: elevations, floor plans and a site plan
- Resume or other qualifications of the developer or sponsor, including a list of previous projects with current vacancy rates
 - **Applicants without previous development experience are required to partner with a contractor or developer, and provide resumes and qualifications for the partner**
- Audited financial statements of the developer or sponsor for the past 2 years, including tax identification number
 - Unaudited financial statements will be accepted if audited statements are not available
- Letters of support from other agencies and funding sources with whom you intend to collaborate
- Applicants that have not previously received funds from the Wake County Affordable Housing Development Program (AHDP) should submit letters of reference from up to three public lenders from which they have received funding in the past.
- Supportive services plan, including services to be provided, provider of services, history of providing services to the proposed population, and annual budget for the supportive service delivery (examples in attachments 4 and 5)
- Appraisal (required for all acquisitions)
- Phase I environmental assessment, if available

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- A Phase I environmental assessment may be submitted later in the process, but is required for the environmental review process that the County will undertake
- Crime report for the property and a ½ mile radius for the previous six months

In addition to the above, non-profit organizations partnering with developers must provide:

- Organization by-laws
- Articles of incorporation
- 501(c)3 determination letter
- Current year operating budget
- List of board members with terms
- Commitment letters or letters of support from financing sources and developer partners

5) PROPOSAL REVIEW

To be considered for funding all applications must include one (1) hard copy with all attachments, and one (1) electronic copy should be forwarded to the following person and address:

Mark Perlman, Lending Programs Manager
Wake County Housing & Community Revitalization
336 Fayetteville St., 4th Floor Room 421
PO Box 550
Raleigh, NC 27602
919-856-5254

Reminder: Applications must be preceded with a pre-submission meeting with Mark Perlman.

Electronic submissions must not be on optical media, i.e. compact discs. Flash drives and submissions via file sharing applications such as Dropbox will be accepted.

Applications will be reviewed for completeness and eligibility. All eligible proposals will be ranked according to the criteria stated in this Request for Proposals. **Any application scoring less than 75 out of the 100 eligible points will not be recommended for funding approval.** All sources of financing must be identified before a commitment letter will be issued. All sources of financing must be secured before closing. Commitments will be valid for 12 months from the date of approval.

Should any project that the County commits funding return to the County with requests for additional funds, payment changes, changes in terms of funding commitment, units produced or any other substantial change to the original commitment, the developer may be required to resubmit an application for the changes to be considered.

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6) APPLICATION FEE

Applicants must submit a \$100 non-refundable application fee in the form of a check made payable to the Wake County Department of Housing Affordability and Community Revitalization.

7) RIGHT TO REJECT PROPOSALS

Wake County reserves the right to reject any and all proposals received as a result of the Request for Proposals or to negotiate on the terms of the funds so as to best serve the interests of Wake County.