Request for Proposals HES.2019.1
HOME Affordable Housing Development
Pre-Submittal Conference
October 9, 2019
Statement of Purpose

To solicit proposals from Developers to create affordable Multi-Family or Single-Family housing through new construction or rehabilitation, with or without acquisition.
Eligible Developer

A Developer is an entity with project site control that implements and delivers a completed project to beneficiaries. This includes private for-profit / not-for-profit entities and public agencies, and ventures between the same.
Available Funding

$2,550,672 of federal HOME Program funds

- Loans to Developers
- To fund development of HOME-assisted units
- Awards subject to BCC approval
Location Limitations

Projects must be located exclusively within the geographic bounds of Palm Beach County.

Projects located within the municipal bounds of the City of West Palm Beach must document a dollar-for-dollar match from the City.
Eligible Projects

New construction or rehabilitation, with or without acquisition:

- **Multi-Family Housing**: 4 or more attached units per structure under common ownership and offered for rent through lease agreement.

- **Single-Family Housing**: 1 detached unit or 2-4 attached units per residential structure, not under common ownership, and offered for sale / owner occupancy.

- **Group Home**: housing occupied by 2 or more single persons consisting of common space/facilities for group use, and separate private space for each single person.
Maximum Per Unit Subsidy

HOME subsidy is provided for each HOME Assisted Housing Unit in amount required to make project viable and affordable, but not to exceed:

**Multi-Family Housing**
- $50,000/unit for all unit sizes up to and including 2 bedroom
- $75,000/unit for all unit sizes 3 bedroom and larger

**Single-Family Housing / Group Homes**
- $100,000/unit for all unit sizes up to and including 2 bedroom
- $125,000/unit for all unit sizes 3 bedroom and larger
Eligible Beneficiaries

- All HOME-Assisted units must be occupied by Low (80% AMI) or Very Low (50% AMI) Income households.

- Multi-family projects with 5 or more units must set aside at least 20% of HOME units for Very Low Income.

- Single Family and Group Home projects are not required to serve Very Low Income.
## HOME Income Limits (2019)

<table>
<thead>
<tr>
<th>Persons in Household</th>
<th>Low Income 50%</th>
<th>Moderate Income 80%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$29,300</td>
<td>$46,850</td>
</tr>
<tr>
<td>2</td>
<td>$33,450</td>
<td>$53,550</td>
</tr>
<tr>
<td>3</td>
<td>$37,650</td>
<td>$60,250</td>
</tr>
<tr>
<td>4</td>
<td>$41,800</td>
<td>$66,900</td>
</tr>
<tr>
<td>5</td>
<td>$45,150</td>
<td>$72,300</td>
</tr>
<tr>
<td>6</td>
<td>$48,500</td>
<td>$77,650</td>
</tr>
<tr>
<td>7</td>
<td>$51,850</td>
<td>$83,000</td>
</tr>
<tr>
<td>8</td>
<td>$55,200</td>
<td>$88,350</td>
</tr>
</tbody>
</table>
Period of Affordability

- All HOME-Assisted units will bear affordability requirements for no less than 30 years.
- Affordability requirements will be secured through a mortgage and/or declaration of restrictions.
HOME unit rents are limited to applicable rent less allowance for tenant-paid utilities.

<table>
<thead>
<tr>
<th>Number of Bedrooms</th>
<th>Low HOME Rent (50% AMI)</th>
<th>High HOME Rent (80% AMI)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td>$732</td>
<td>$931</td>
</tr>
<tr>
<td>1</td>
<td>$784</td>
<td>$999</td>
</tr>
<tr>
<td>2</td>
<td>$941</td>
<td>$1,202</td>
</tr>
<tr>
<td>3</td>
<td>$1,086</td>
<td>$1,379</td>
</tr>
<tr>
<td>4</td>
<td>$1,212</td>
<td>$1,519</td>
</tr>
<tr>
<td>5</td>
<td>$1,338</td>
<td>$1,657</td>
</tr>
<tr>
<td>6</td>
<td>$1,463</td>
<td>$1,796</td>
</tr>
</tbody>
</table>
Affordable Sales Prices

1. Cannot exceed 95% of median sales price per FHA limits, currently $294,500.
2. Cannot exceed price that will cause homebuyer’s housing expense (PITI + HOA) to exceed 35% of gross income.

The County will recapture the entire HOME subsidy in the event of subsequent resale or transfer during the Period of Affordability.
Rehabilitation Standards

- F.S. 553, Building Construction Standards
- HUD Housing Quality Standards
- Lead Based Paint & Asbestos Remediation
- Hurricane Protection
- Energy Efficiency
- Removal of Architectural Barriers
Eligible Costs

Project development costs directly attributable to HOME-Assisted units:

▶ Acquisition
▶ A&E Services
▶ Construction (demo, rehab, site improv)
▶ Development permits and fees
▶ Developer Fee

Determination of cost eligibility and reasonableness is at County’s sole discretion.
Loan Terms – Permanent Financing

Multi-Family projects and Group Homes will be offered Permanent Financing:

► Loan secured by mortgage requiring repayment of principal and interest.
► Rate, term, and structure are negotiable.
► County may consider fixed-rate, adjustable, balloon, or interest-only loans.
► Cash flow structure for no longer than first 9 years / hard pay no later than Year 10.
Loan Terms – Interim Financing

Single-Family projects will be offered Interim Financing:

- Loan secured by mortgage.
- Rate and term are negotiable.
- Principal repaid upon sale of HOME unit when subsidy passes to homebuyer.
- Interest due paid from sale proceeds.
- Land Trust projects with permanent affordability offered forgivable loans.
Delivery Schedule

June 30, 2020 .......... Execute Loan Agreement

September 30, 2021 ..... 100% HOME Expenditure

September 30, 2022 .... 100% Lease Up / Sales
Federal Requirements

HOME funds carry Federal requirements. A partial list:

- 2 CFR Part 200 (Super Circular)
- 24 CFR Part 90 (HOME Program Regulations)
- 24 CFR Part 58 (HUD Environmental Regulations)
- Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA)
- Davis-Bacon Act (Labor Standards)
- Fair Housing Act (Non-discrimination in housing)
- ADA/Section 504 (accessibility requirements)

All applicable federal requirements will be conveyed through the HOME loan agreement.
Proposal Requirements

Submittal requirements delineated in the RFP Section II.A.

- Certifications and disclosures
- Detailed project description
- Market analysis
- Project team member information
- Respondent past experience
- Evidence of site control
- Appraisal (if acquisition)
- Development and operating / sales pro forma
- Documentation of non-HOME sources of project funding
- Project Schedule

Submissions which fail to include all requirements will be deemed non-responsive, and will not be considered for funding.
Review / Selection Process

Deadline to submit RFP – November 8, 2019, 4:00pm

- Notice of proposals received by deadline
- Responsiveness review by DHES staff
- Notification to Respondents of review results
- Responsive proposals to Selection Committee
Review / Selection Process (cont.)

Public meeting of Selection Committee on December 11, 2019 to discuss and score responsive proposals per RFP criteria (Section III.A.):

- 25 points – Quality of Proposed Project
- 25 Points – Qualifications and Experience
- 15 Points – Financial Viability
- 10 Points – Leveraging
- 5 Points – Geographic Preferences
- 5 Points – Mixed Use Preference
- 5 Points – Mixed Income Preference
Review / Selection Process (cont.)

- **Geographic:** Project site is located within the Glades Region or within an Opportunity Zone.

- **Mixed Use:** Project has residential and commercial component on same site, and commercial will generate at least 3 jobs within 1 year.

- **Mixed Income:** development where housing units are set aside for no greater that 50% AMI, >50-80% AMI, and greater than 80% AMI in minimum proportions set by RFP definition.
Review / Selection Process (cont.)

- Selection Committee will recommend award to proposal(s) deemed most advantageous to County.
- Notification to Respondents of Selection Committee funding recommendations
- Protest period (file within 5 days from notification)
  1. HES Director
  2. Special Master ($1,500)
- BCC meeting to approve funding award(s) tentatively scheduled for January 14, 2020.
“Cone of Silence”

- PBC Lobbyist Registration Ordinance
- The "Cone of Silence" means a prohibition on any non-written communication regarding this RFP between any Respondent or Respondent's representative and any County Commissioner or Commissioner's staff.
- The Cone of Silence is in effect upon the submittal deadline.
- The Cone of Silence terminates when the BCC approves a funding award, or otherwise ends the RFP process.
- Violation punishable with $250 fine, and makes a contract entered into pursuant to the RFP voidable.
Important Dates

- November 8, 2019 – RFP Submittal Deadline
- December 11, 2019 – RFP Selection Committee
- January 14, 2020 – BCC Meeting (tentative)
- June 30, 2020 – Execute HOME Agreement
- September 30, 2021 – 100% HOME expenditure
- September 30, 2022 – 100% Lease Up / Sales
Questions?

This presentation and Q&A will be posted on the HES website.

Discover.pbcgov.org/hes
Contact

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