



# 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)

Persons in Household	Low Income 50%	Moderate Income 80%
1	\$29,300	\$46,850
2	\$33,450	\$53,550
3	\$37,650	\$60,250
4	\$41,800	\$66,900
5	\$45,150	\$72,300
6	\$48,500	\$77,650
7	\$51,850	\$83,000
8	\$55,200	\$88,350



## 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.



# Affordable Rents

HOME unit rents are limited to applicable rent less allowance for tenant-paid utilities.

Number of Bedrooms	Low HOME Rent (50% AMI)	High HOME Rent (80% AMI)
Efficiency	\$732	\$931
1	\$784	\$999
2	\$941	\$1,202
3	\$1,086	\$1,379
4	\$1,212	\$1,519
5	\$1,338	\$1,657
6	\$1,463	\$1,796



## 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

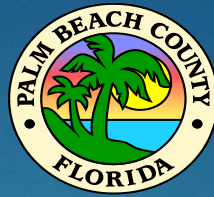
**Determination of cost eligibility and reasonableness is at County's sole discretion.**



# 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

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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 than 50% AMI, >50-80% AMI, and greater than 80% AMI in minimum proportions set by RFP definition.



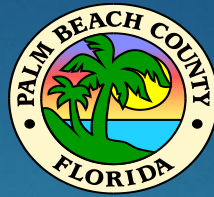
## Review / Selection Process (cont.)

- ▶ 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](http://Discover.pbcgov.org/hes)



# Contact

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