



Eugene-Springfield Consortium

2021 HOME REQUEST FOR PROPOSALS CREATION OF NEW AFFORDABLE RENTAL HOUSING

The Eugene-Springfield HOME Consortium invites proposals from for-profit developers, non-profit developers, and public agencies for the development or preservation of rental housing affordable to low-income households. Resources offered through this Request for Proposals (RFP) include federal HOME Investment Partnership Program (HOME) funds. Applicants are responsible for knowing and understanding the regulations and requirements of the funding source sought through this application. An Evaluation Committee will assess and rank proposals, then present their scores and ranking(s) to the Cities and a HOME Consortium Governing Board, which will make final decisions for HOME funding. Other funding approvals may be necessary for additional resources requested.

Please submit a letter of intent to apply by Wednesday September 29, 2021 describing the potential site and proposed uses of funds. This will help the Consortium plan for evaluating proposals. Proposals must be received by the application deadline and contain all required components to be eligible for review. Proposed projects may be located within the city limits of Eugene or Springfield. This RFP is an open, competitive process to award available resources based upon satisfaction of the described criteria. Proposals submitted to the Consortium must meet HOME compatibility requirements. Submission of a proposal does not guarantee funding.

RESOURCES AVAILABLE

The amount of HOME funds available is approximately **\$2,846,913 (approximately \$1,130,623 in Eugene and \$1,716,290 in Springfield)**. The Evaluation Committee has the flexibility to recommend award of additional funds in either jurisdiction if a project warrants it. Please see funding priorities for the jurisdiction where a proposed site is located.

EUGENE Funding Priorities

Applications may be submitted for new construction proposals and/or acquisition of existing residential or non-residential structures to be converted to affordable housing.

SPRINGFIELD Funding Priorities

Applications may be submitted for new construction proposals, and/or acquisition of existing residential or non-residential structures that create or add units to be converted to affordable housing. **Springfield will prioritize project proposals that have previously received or been awarded public investment.**

PROPOSAL SUBMISSION

Mail or deliver* one (1) copy of your proposal(s) to Ellen Meyi-Galloway at 99 W 10th Ave. Eugene, OR 97401 to be received by the due date, AND submit an electronic copy via email by **Wednesday November 3, 2021 no later than 12:00 pm (noon)**.

Contact: Ellen Meyi-Galloway, Community Development Division of the City of Eugene
Phone: 541-682-5532 Email: EMeyi-Galloway@eugene-or.gov

*If the Atrium Building is closed due to the pandemic, drop offs can be scheduled.

APPLICATION AND SELECTION PROCESS

The Eugene-Springfield HOME Consortium invites proposals from prospective developers setting forth details regarding the development concept, planning and design, and other issues outlined in the attached Application for HOME Funds. Proposed project sites may be located within the city limits of Eugene or Springfield.

The purpose of the RFP is to increase the availability of decent, affordable rental housing for low and very low-income households in Lane County. Proposed projects must be consistent with Eugene and Springfield goals and policies as applicable for the location, including the Consolidated Plan, Housing Dispersal Policy (Eugene only) and applicable city codes. To maintain project eligibility, developers must follow specific guidelines for earnest money agreements and current tenant tracking. **Please submit a letter of intent to apply by Wednesday September 29, 2021 describing the potential site and proposed uses of funds.**

The Eugene-Springfield Consortium will accept proposals from public agencies, for-profit, and non-profit developers. Submission of a proposal does not guarantee funding. To be eligible for review, proposals must be received by the application deadline, contain all required components, and propose use of the site for affordable housing. This RFP is an open, competitive process to award the resources based upon satisfaction of the described criteria.

All proposals will be reviewed by Consortium staff and the Evaluation Committee. The Evaluation Committee will assess and rank proposals and present scores and rankings to the applicable City Councils and the Governing Board, which will make final funding decisions. The selection process is expected to be completed by the dates below. This timeline does not include negotiation of the development/HOME agreement. The tentative schedule for the selection process is as follows:

September 1, 2021	Request for Proposals Issued
November 3, 2021	Proposals Due
December 2021	Evaluation Committee Application Reviews and Public Hearing
January 2022	City Council Action
February 2022	Governing Board decision for HOME funding

AVAILABLE RESOURCES

This RFP provides the opportunity to request HOME Investment Partnerships Program funds and other resources by jurisdiction.

HOME funds - approximately **\$2,846,913 (approximately \$1,130,623 in Eugene and \$1,716,290 in Springfield)**. The Eugene-Springfield Consortium offers HOME funds for new construction, and/or acquisition of existing residential and non-residential structures to convert to affordable rental housing, with priority preference for proposals that create or add new units. The Consortium has the flexibility to award additional funds if a project warrants it. Funds will be provided in the form of deferred payment forgivable loans or low-interest loans. HOME resources may be used for acquisition, new construction, and soft costs, including the costs of tenant relocation, but not rehabilitation costs.

Eugene Resources

HOME funds - approximately **\$1,130,623**

HOME resources may be used for acquisition, new construction, and soft costs, including the costs of tenant relocation, but not rehabilitation costs.

City of Eugene Systems Development Charges Exemption –The City of Eugene offers funds to assist in the payment of City of Eugene systems development charges (SDCs). Refer to Eugene City Code section 7.725 for more details. The program has a separate RFP process. Intent to apply for the SDC Exemption should be identified in this RFP response.

City of Eugene Rehabilitation Loan Program – The City of Eugene offers low-interest loans for the rehabilitation of permanent housing for low-income households. Intent to apply for a rehabilitation loan on a property acquired through this proposal should be identified in this RFP response.

City of Eugene Low-Income Rental Housing Property Tax Exemption - The City of Eugene offers a 20-year property tax exemption for low-income rental housing. This exemption, enabled under state statute, requires a separate application for consideration by the Eugene City Council on a case-by-case basis. Intent to apply for the exemption should be identified in this RFP response.

Eugene Water and Electric Board (EWEB) Water SDC Exemption – EWEB may have funds available for water SDC exemptions. Please contact Jeannine Parisi at Jeannine.PARISI@eweb.org.

Springfield Resources

For questions about specific Springfield resources, contact Springfield HOME Consortium staff Erin Fifield at efifield@springfield-or.gov, or 541-726-2302.

HOME funds - approximately **\$1,716,290**

HOME resources may be used for acquisition, new construction, and soft costs, including the costs of tenant relocation, but not rehabilitation costs.

City of Springfield Low-Income Rental Housing Property Tax Exemption - The City of Springfield offers a 20-year property tax exemption for low-income rental housing. This exemption, enabled under state statute, requires a separate application for consideration by the Springfield City Council on a case-by-case basis. Intent to apply for the exemption should be identified in this RFP response.

City of Springfield Systems Development Charges Waiver – For projects in the Glenwood or Downtown Urban Renewal Districts, contact Springfield city about special considerations for SDCs.

City of Springfield Land-Use Application Fee Waivers –The City of Springfield currently waives land-use application fees for non-profit affordable housing providers. A separate fee waiver application is available from the City and should be submitted concurrent with a land-use application.

REQUIRED PROPOSAL COMPONENTS

There are three required components to submitted proposals. To ensure the project would qualify for use of HOME funds, developers must submit an eligibility assessment (*Attachment B*). Proposals must be submitted using the format of *Attachment C: Application for HOME Funds*, including all required documentation. Developers must submit complete financial pro formas (*Attachment D*).

HOME REGULATIONS

HOME requires at least 25% of requested HOME funds must be matched with non-federal, permanent contributions to the project. The HOME Match funds must be able to be obtained prior to receiving a HOME award. For more guidance on what qualifies as HOME Match, please refer to the HOME Match guidance in the Reference Section.

The Consortium estimates \$20,000 - 25,000 per project in related project costs may be incurred by city staff. Developers must take this into consideration when developing the project budget. Actual project costs incurred by the cities depend on the project size and complexity. Contact city staff to discuss an appropriate estimate based on your project.

The HOME Program has limits on rents, occupant income, and amount of per-unit assistance as well as procedural and long-term affordability requirements. HOME funds must be repaid if the project cannot be completed or maintain affordability over the required period.

CONSTRUCTION ACTIVITY	COMPLIANCE PERIOD
Acquisition- Rehabilitation, less than \$15,000 per unit of HOME funds	5 years
Acquisition -Rehabilitation, \$15,000 - \$40,000 per unit of HOME funds	10 years
Acquisition -Rehabilitation, more than \$40,000 per unit of HOME funds	15 years
New Construction	20 years

The minimum HOME Allocation shall be One Thousand Dollars (\$1,000) average cost per unit utilizing HOME funding. Projects may only request 75% of the total development cost in HOME funds; at least 25% of the total development cost must be non-federal leveraged funds. Leveraged funds must be able to be committed prior to receiving a HOME award. The Maximum HOME Per-Unit allocation shall be as follows:

0 - Bedroom	1 - Bedroom	2 - Bedroom	3 - Bedroom	4+ - Bedroom
\$153,314	\$175,752	\$213,717	\$276,482	\$303,489

Based on HUD-published subsidy per unit limits, 240% of Basic Statutory Mortgage Limits for "high cost" geographic areas (effective 6/4/20)

PROGRAM RESTRICTIONS

The following is a summary of HOME Investment Partnerships Program rules and regulations. This summary is provided as a guide for project development only and should not be interpreted as being the final form. All proposed projects must meet all federal regulations as they pertain to the HOME Investment Partnerships Program. For the duration of the HOME compliance period the HOME Loan recipient agrees to ensure that:

- A. Units designated as HOME units must bear rents not greater than the lesser of:
 - (1) The fair market rent for existing comparable units in the area as established by HUD, less any tenant-paid utilities and services (excluding telephone); or

- (2) 30 percent of the adjusted income of a family whose gross income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms per unit. *(**Attachment A** is a copy of the current HOME program rents. A utility allowance, to be deducted from the rent schedule, is based upon unit construction and will be determined on a project by project basis).
- B. Projects with five or more HOME units must have at least 20 percent of the units:
- (1) Occupied by very low-income families who pay as a contribution toward rent (excluding any federal, state, or tribal rental subsidy provided on behalf of the family) not more than 30 percent of the family's monthly adjusted income as determined by HUD; or
- (2) Occupied by very low-income families and bearing rents not greater than 30 percent of the gross income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for larger and smaller families.
- C. 100% of the HOME units are occupied only by households that qualify as low-income.
- D. Recipient will not refuse leasing to a holder of a Rental Certificate, Rental Voucher, or to the holder of a comparable document evidencing participation in a HOME tenant-based assistance program, solely on the status of the prospective tenant as a holder of such.
- E. The project will remain affordable, pursuant to deed restrictions, for not less than the appropriate compliance period.
- F. Recipient will maintain the rental units in compliance with HUD Uniform Property Condition Standards and substantial compliance with the applicable City Housing Code.
- G. Recipient will not discriminate against prospective tenants on the basis that the tenants have a minor child or children who will be residing with them. (Exception for elderly housing)
- H. Recipient will not convert the rental units to condominium ownership.
- I. Recipient will allow annual inspections of the property, in order to determine if the above conditions are being met.
- J. Recipient will abide by all conditions set forth in the Deed of Trust and Promissory Note securing loan on property.

DISCLAIMER/DECISIONS NOT TO FUND

The Eugene-Springfield HOME Consortium has developed this RFP and funding application with the intention of gathering information that is adequate to serve as a sound basis for decisions about funding allocations. As applications are reviewed it may become apparent that additional information is needed from one or all project applicants. In the event that something pertinent to all applications has been omitted from the application form, all who receive this RFP/application will be asked to provide supplemental information. Consortium staff may also follow up with individual applicants to clarify information contained in their application/proposal, or to gather additional information. Applications deemed incomplete will not be reviewed.

The Eugene-Springfield HOME Consortium reserves the right to allocate resources to any, all, or none of the proposals/applications for resources received under this RFP. The Consortium also reserves the right to provide funds with different financing terms to any or all projects funded, based on its determination of the severity of housing need among the populations that will be served, and on a project's financial need. The Consortium may not allocate all available resources.

CONFIDENTIALITY

Information considered confidential under Oregon law may be separated for confidential handling, if specified "confidential" and delivered at the same time as the rest of the submittal. Public bidding laws require that, at the conclusion of the selection process, the contents of all proposals be placed in the public domain and be open to inspection by interested parties. Trade secrets or proprietary information that is recognized as such and protected by law may be withheld if clearly identified as such in the proposal prior to submittal.

CRITERIA FOR PROPOSAL EVALUATION

All proposals will be reviewed by staff and evaluated by the Evaluation Committee. Proposals will be evaluated in six categories described below using a five-point scoring system. Each proposal has the potential to receive a total score of 30 points. Scores will be recorded and presented to the applicable City Council and the HOME Consortium Governing Board. In instances of tie scores, proposals will be compared against each other in order to determine which proposal uses the requested resources most efficiently and provides the greatest community benefit while meeting the Consortium goals.

- **5 = Exceptional**
A score of "5" means the proposal significantly exceeds the standards set forth in the criteria and shows some significant innovation or benefit.
- **4 = Very Good**
A score of "4" means the proposal exceeds the standards set forth in the criteria and shows some significant innovation or benefit.
- **3 = Acceptable**
A score of "3" means the proposal meets the standards set forth in the criteria.
- **2 = Needs Improvement**
A score of "2" means the proposal does not meet the standards set forth in the criteria, but could be modified to meet the standards.
- **1 = Unacceptable**
A score of "1" means the proposal does not meet standards set forth in the criteria.

Criteria for Proposal Evaluation

1. Project Concept and Design

Proposals are required to:

- a) present a well-developed design that is suitable for the targeted population(s) and project location.
- b) comply with federal requirements and the applicable City Code.
- c) demonstrate use of cost-effective green building measures (if applicable).

Preferred proposals:

- a) demonstrate a significant innovation or benefit through the project design, compatibility with surrounding uses, or services for targeted population(s).
- b) increase the existing number of units, through new construction, adaptive re-use, or rehabilitation.
- c) In Springfield, proposal has previously received or been awarded public investment.

2. Site Feasibility

Proposals are required to:

- a) demonstrate that the designated project site is suitable for affordable housing and the targeted population(s).
- b) have site control or an option to purchase at the time of application.
- c) be free of adverse environmental conditions. If a site has an adverse environmental condition, it must be possible to mitigate the condition through reasonable measures.
- d) have appropriate zoning for the type of development proposed and must be in such condition that acquisition and appropriate zoning is possible within 12 months from the date of application.
- e) demonstrate that the development will not create undue concentrations of poverty, and if the project is located within Eugene, demonstrate that consistency with the City's Housing Dispersal Policy has been evaluated.

Preferred proposals are near schools, parks, commercial areas, public transportation, services, and jobs.

3. Targeted Population and Services

Proposals are required to:

- a) demonstrate the proposed target population is identified as a priority need population as described in the Eugene-Springfield 2020 Consolidated Plan (Con Plan).
- b) demonstrate there is housing demand for identified population(s).
- b) provide adequate and appropriate services for target population(s).
- c) provide services promoting self-sufficiency and independent living for all residents.

Preferred proposals:

- a) offer all units to very-low income (50% AMI or less) individuals.
- b) identify a reasonable number of units onsite to serve a population that is uniquely needy and is significantly underserved (i.e. is a special needs population identified in Con Plan as having a high need/priority).
- c) substantially exceed the minimum requirements of providing basic services and will encourage and support residents to participate in decision making processes.

4. Cost Benefit

The proposal's per unit overall cost, HOME subsidy level, and total subsidy level will be evaluated. Proposals are required to:

- a) provide units and rent levels that justify the requested resources.
- b) leverage other resources to meet the HOME match requirements.
- c) meet minimum affordability period requirements.

Preferred proposals:

- a) create a higher number of affordable units, a higher number of bedrooms (and/or greater number of residents served) for the amount of subsidy provided.
- b) Create lower rents or greater affordability levels because of the requested resources.

5. Financial Feasibility

Proposals are required to:

- a) provide a complete financial pro forma (Attachment D).
- b) demonstrate that at least 25% of total project costs are non-federal leveraged funds, and other funding sources can be committed prior to receiving the HOME award.
- c) show financial stability throughout the entire affordability period with a minimum debt coverage ratio of 1.15.
- d) demonstrate a construction schedule that achieves acquisition or start of construction within 12 months of the application submittal.

Preferred proposals:

- a) demonstrate resources that are firmly committed at the time of application, not just with a letter of interest.
- b) have a significant amount of leveraged funds committed.
- c) demonstrate a HOME Match (non-federal permanent contribution to the Project as outlined in the HOME Match guidance in the Reference section) equaling at least 25% of total HOME funds requested.
- d) include an innovative financing model that relies less on competitive public resources.

6. Organizational Experience and Performance

Proposals are required to:

- a) demonstrate that the development team and/or lead organization has experience in serving the targeted population(s)
- b) Demonstrate the development team and/or lead organization has experience with the proposed form of development.
- c) show ability to manage additional projects if other development is in progress.
- d) demonstrate the ability of the property management team to adequately provide services to proposed target population(s) and ability to efficiently maintain the additional property/asset.
- e) Demonstrate experience of compliance with fair housing laws and affirmatively furthering fair housing.
- f) demonstrate that their organization is financially viable and able to manage unexpected costs that could arise during development.

Preferred proposals will come from development teams with an outstanding track record in the development and management of affordable housing.

REFERENCE

- Option Agreement Guidance
- Resident Relocation Templates (for existing occupied sites)
- HOME Match Guidance

2021 HOME Income Limits and Program Rents

2021 - HUD INCOME LIMITS – EUGENE/SPRINGFIELD, OREGON							
Persons in Household	1	2	3	4	5	6	7
Extremely Low Income - 30% AMI	14,900	17,100	19,250	21,350	23,100	24,800	26,500
Very Low Income - 50% AMI	24,950	28,500	32,050	35,600	38,450	41,300	44,150
60% AMI	29,940	34,200	38,460	42,720	46,140	49,560	52,980
Low Income - 80% AMI	39,900	45,600	51,300	56,950	61,550	66,100	70,650

Source: <https://www.onecpd.info/resource-library/home-income-limits/> as of June 1, 2021

2021 - HUD HOME RENTS – EUGENE/SPRINGFIELD, OREGON					
Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom
Low HOME Rent	623	668	801	925	1032
High HOME Rent	791	849	1021	1170	1286
Fair Market Rent	792	917	1201	1719	2048

*Rent limits include cost of rent and unit utilities. The total cost of rent and utilities paid by the tenant cannot exceed the identified rent limit. Effective June 1, 2021. Source: <https://www.hudexchange.info/manage-a-program/home-rent-limits/>

Utility Allowances

If a development entered into a HOME Agreement after August 23, 2013*, it **can no longer use Utility Allowances from the Public Housing Authority (Homes for Good)**. They must be calculated using a particular methodology. Project specific methodology is based on actual utility usage at the property or project-specific factors such as size, orientation, building materials, mechanical systems, construction quality and local climate conditions. The acceptable methods include but are not limited to: the HUD Utility Schedule Model, Multi-family Housing Utility Analysis, Utility Company Estimate, LIHTC Agency Estimate, and Energy Consumption Model/Engineer Model. Developers must submit their Utility Allowance calculation to the Consortium annually for approval prior to entering into leases. More information is below.

<https://files.hudexchange.info/resources/documents/HOMEfires-Vol13-No2-Guidance-on-How-to-Establish-Utility-Allowances-for-HOME-Assisted-Rental-Units.pdf>