

ARKANSAS HOUSING TRUST FUND PILOT PROGRAM

REQUEST FOR PROPOSALS (“RFP”)

SECTION I: INSTRUCTIONS TO APPLICANTS / GENERAL INFORMATION

The Arkansas Housing Trust Fund (“AHTF”) was created by the Arkansas Legislature in 2009 by passage of Act 661, now known as the Arkansas Housing Trust Fund Act of 2009, codified at Subchapter 17, Section 15-5-1701 through 15-5-1709. The Arkansas Legislature made an initial appropriation to the AHTF of five hundred thousand dollars (\$500,000).

This RFP is intended to allocate the initial appropriation as an AHTF Pilot Program, with emphasis on production of affordable housing in each of the four (4) Congressional districts. If and when there are sufficient AHTF appropriations, future RFPs may be issued for other eligible AHTF activities.

- A. PURPOSE.** The Arkansas Development Finance Authority (“ADFA”) is seeking proposals from applicants to provide development services for affordable housing projects funded, in part, by AHTF resources. The services provided by your organization will be in accordance with all applicable program regulations and policies under the direction of ADFA and AHTF.

It is the intent of ADFA to select applicants who will advise and consult with ADFA staff and carry out any and all services listed in Section II: Scope of Services and Requirements. The AHTF currently has five hundred thousand dollars (\$500,000) available for distribution, with one (1) or more project(s) to be awarded in each of the four (4) Arkansas Congressional districts.

- B. SUBMISSION OF PROPOSALS.** Written proposals responding to the questions and requests for information in the manner specified in this Request for Proposal (“RFP”) should be submitted to the following:

rfp@adfa.arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA not later than Monday, August 18, 2014, by 12:00 p.m. CST, via email only. Late proposals will not be accepted. ADFA reserves the right to reject any or all proposals.

- C. ADDITIONAL INFORMATION.** It is the responsibility of the proposer to inquire about and clarify any aspect of the RFP. Questions should be directed to Sara Oliver (sara.oliver@adfa.arkansas.gov), Vice President for Housing at 501-682-5903 or Patrick Patton (patrick.patton@adfa.arkansas.gov), Vice President for Internal Audit at 501-682-5902. Substantive questions and answers will be documented in letter form and will be sent by electronic mail to all the proposers who provide us with an email address. **IN ORDER TO**

BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST **IMMEDIATELY** ADVISE PATRICK PATTON, AT THE EMAIL ADDRESS STATED ABOVE, OF THE INTERNET EMAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.

- D. **PROPERTY OF ADFA.** Any information or materials submitted as a response to this RFP shall become the property of ADFA and will not be returned. All submitted materials will be available for public review.

- E. **RESPONSE TO REQUEST FOR PROPOSAL.** Applicants wishing to respond to this RFP may contact Sara Oliver, Vice President for Housing. **NO CONTACT WITH ADFA BOARD MEMBERS OR ADFA STAFF MEMBERS CONCERNING THE RFP IS ALLOWED DURING THE RFP PROCESS, AND ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF AN APPLICANT’S PROPOSAL, EXCEPT THAT ADFA STAFF MAY CONTACT THE APPLICANT WITH QUESTIONS REGARDING THE SUBMITTED PROPOSAL.**

- F. **SELECTION TIMETABLE.**

	Request for Proposal Issued
Monday, August 18, 2014	Proposals Due @ 12:00 p.m. CST, via email
TBD	Oral Interviews, if needed
TBD	Board Action
TBD	Submission to Legislative Committee for contract review (if required)

- G. **SELECTION PROCESS.** The ADFA Housing Staff will review and underwrite the submitted proposals. Proposals will be evaluated based on (1) responses to specifics outlined in Section III – Application Checklist and (2) Section I, Paragraph H. - Selection Criteria as contained in this RFP. Proposals which omit any of these items may be rejected as non-responsive. The ADFA Housing staff will make its recommendation(s) to the ADFA Staff Housing Review Committee, the Board Housing Review Committee, and the ADFA Board of Directors. The final selection will be made by a vote of the ADFA Board members at a regularly scheduled meeting.

ADFA may at any time prior to the selection of an applicant, reject any and all proposals and cancel this RFP, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any applicant costs and expenses incurred in submitting a response to this RFP. Each applicant who submits a response does so at the applicant’s cost,

risk, and expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This RFP in no way obligates ADFA to select an applicant.

Any organization selected will be required to complete a conflict of interest disclosure form in compliance with Governor's Executive Order 98-04.

- H. SELECTION CRITERIA.** The proposals will be reviewed and underwritten by ADFA Housing Staff. The Staff will generally use the following criteria to rank all acceptable proposals and to develop recommendations to be presented to the ADFA Staff Housing Review Committee, the Board Housing Review Committee, and the ADFA Board of Directors; however, ADFA reserves the right to evaluate the ranking of proposals based on factors beyond the listed criteria.

CRITERIA

1. The experience of the entity making the proposal determined through consideration of the proposer's past history in completing activities of a similar scale and nature;
2. If rental housing is being proposed, an evaluation of the property management history of the developer and/or management agent;
3. The timeliness with which affordable housing units will be developed or the activity implemented and completed;
4. The number of years a development shall maintain units at affordable rental or sales prices and the strength of enforcement mechanisms to ensure long-term affordability;
5. The number of affordable units being made available to households with household incomes at or below fifty percent (50%) and thirty percent (30%) of area median household income, adjusted for family size;
6. The degree to which AHTF resources are used to leverage additional funding and the extent to which AHTF resources will be returned through repayment. Applicants are encouraged to leverage AHTF resources to the maximum extent possible with funds from other sources.
7. The extent to which the activity will leverage or augment local community affordable housing goals or locally adopted affordable housing plans such as revitalization areas or other geographic areas targeted for investment;
8. The extent to which the activity will minimize negative impacts on existing tenants and community members, with particular emphasis on displacement;
9. The extent to which housing produced will be part of a mixed income development or neighborhood;
10. The extent to which the activity serves households with special needs, including persons residing in rural areas, persons who are elderly, disabled, homeless, victims of domestic violence, or veterans;
11. The extent to which the activity adheres to energy efficiency and other environmental and sustainability standards, as adopted by ADFA;
12. The extent to which housing will be located near shopping, community services, grocery stores, schools, medical facilities, public transportation, bicycle and pedestrian-friendly sidewalks and streets, and other amenities;

13. The extent to which financial counseling, homeownership counseling, and health and wellness services or other supportive services will be provided to households served by the activity;
14. The amount of the activity budget spent on administrative costs or developer fees, with such costs/fees capped at no more than ten percent (10%) of total development costs;
15. The amount of AHTF resources requested, the total development budget, provision of firm financial commitments of all other funding budgeted, per unit costs, and the reasonableness of all development costs associated with the AHTF-financed activity; and
16. The appropriateness, quantity, and quality of any supportive services to be provided in conjunction with the activity.

SECTION II: SCOPE OF SERVICES AND REQUIREMENTS

The ADFA is seeking qualified applicants to serve as developers of affordable housing projects. The qualified organization(s) will have extensive experience providing the required services specifically for affordable housing projects. These services include but are not limited to the following (all of the following services **must** be addressed in your response to be considered):

- A. Prepare and submit a complete ADFA application. For sections not applicable to your housing proposal, please mark as “not applicable” or “NA”.
- B. Provide firm financial commitments of all other sources of funding to be used for the project.
- C. Provide evidence of site control regarding land for new construction or land and structure(s) to be rehabilitated.
- D. Submit a market study of the selected geographic market area, evidencing the need for the affordable housing units proposed. The market study must be performed by an ADFA-approved market study provider, and the market study must conform to all ADFA-adopted market study guidelines.
- E. Obtain and submit a letter of support from the chief elected official or a majority of the members of the elected governing body of the jurisdiction where the affordable housing is to be located.
- F. Submit proof of all development team members’ relevant experience and qualifications, along with contractors’, and subcontractors’ qualifications and appropriate, active licenses in good standing.
- G. Submit a completed ADFA Form Attachment A – Criminal Background and Disclosure Form – Housing, for each development team member.
- H. Establish and include a timeline for completion of all activities to be accomplished.
- I. Satisfactorily complete all required environmental review processes (see Application Checklist Nos. 15, 19, and 47).
- J. Include an explanation of any projected program income in the project pro forma and/or project budget and explain when and how any program income will be repaid to the AHTF for reallocation to eligible projects.
- K. Submit proof of all development team members having attended Fair Housing training provided by the Arkansas Fair Housing Commission.

- L. Ensure per unit cost caps are within those established by ADFA for the type of affordable housing proposed.
- M. Ensure plans include the same affordability requirements as specified by the HOME Investment Partnerships Program for the type of affordable housing proposed.
- N. Ensure plans provide for a minimum of five (5) affordable housing units.
- O. Satisfactorily execute an AHTF agreement, which will serve as the commitment of AHTF funds, an ADFA agreement for any other ADFA funds included in the budget, closing documents, and a mortgage and note in favor of ADFA, if applicable, for all ADFA funds allocated to the project as a loan.
- P. Participate, along with all development team members, in a pre-implementation meeting and any other called project meetings, as necessary.
- Q. Commence work only after receipt of a written Notice to Proceed issued by ADFA.
- R. Ensure project rents, if applicable, or purchase prices are affordable to persons at or below eighty percent (80%), sixty percent (60%), fifty percent (50%), or thirty percent (30%) of HUD area median income, adjusted for family size.
- S. Provide periodic reports, as required by ADFA.
- T. Participate in periodic compliance monitoring processes, performed by ADFA staff, to ensure initial and ongoing project compliance.
- U. Maintain a cooperative working relationship with ADFA staff and inspectors.

SECTION III: APPLICATION CHECKLIST

The proposal should be labeled “Proposal to Serve as Developer using AHTF Resources.” The submission must contain sufficient information to enable the ADFA Housing Staff to evaluate and underwrite the proposal. It should be prepared in a clear and concise manner and should address each of the following application checklist items.

- A. **ADFA Housing Application** (www.arkansas.gov/adfa / Publications & Forms – Housing Development / Multi-Family Housing Documentation / 2014 Multi-Family Housing Application **OR** Publications and Forms – Housing Development / HOME Investment Partnerships Program Documentation / Owner-Occupied Rehabilitation / 2012 Homeowner-Occupied Rehabilitation Application)
- B. **Additional Attachments Required:**
 1. **Explanation of Treatment of Program Income, if applicable.**
 2. **References** – Attach references with particular attention to affordable housing projects you have successfully completed similar to the affordable housing projects proposed in your response to this RFP.
 3. **Administrative Costs/ Development Fee Proposal** – The administrative cost / development fee section of the proposal is an important component of the evaluation process. State the basic assumptions on which the figures are based and any factors that would affect the proposal. Administrative costs / development fees lower than the

ten percent (10%) cap will be evaluated more favorably than those fees which are at the ten percent (10%) cap.

4. Ethics Certification – In accordance with the State of Arkansas Procurement Law and Rule Subchapter 7 on Ethics 19-11-703(c), it is essential that those doing business with the state also observe the ethical standards prescribed in this subchapter. The ethical standards deal with Arkansas conflicts of interest and the persons or organizations which may participate in AHTF programs with AHTF resources. An Ethics Certification, executed by the RFP applicant, the contractor, subcontractor, consultant or a duly authorized representative thereof, must accompany any written proposal submitted in response to this RFP. For the full version of the ethical standards, they can be found in subchapter 7 at
<http://www.dfa.arkansas.gov/offices/procurement/Documents/lawsRegs.pdf>.
- C. **Acceptance** – Submission of proposals, in response to this RFP, constitutes acceptance of all conditions, requirements, and limitations described in this document.