

City of Quincy

Massachusetts



FY 2010-2011 Request for Proposal (RFP) Application for Quincy HOME Consortium Funding

IMPORTANT DATES:

Attendance at one of the public hearings on the FY 2010-2011 Annual Update to the Consolidated Plan and the FY 2009-2010 Consolidated Plan and the FY 2008-2009 Consolidated Performance Accomplishment and Evaluation Report (CAPER) is mandatory. Participation in the public hearing will be one of criteria used in considering request for Federal funding.

Public Hearings- Dates and Locations

Wednesday, **January 6, 2010** – 6:00 PM

2nd Floor Conference Room, City Hall Annex, 1305 Hancock Street, Quincy

Wednesday, **January 13, 2010** – 9:30 AM

Thomas Crane Public Library, 40 Washington Street, Quincy

Deadline for submission of proposals

Proposals for Housing and CHDO projects may be submitted **at any time** during the year and shall be considered by the Quincy Consortium—*the City of Quincy, the Town of Weymouth, the Town of Braintree, the Town of Holbrook, and the Town of Milton*—subject to the availability of funds, provided that site control is in place or imminent.

Estimated available funding

For Fiscal Year 2010-2011 (beginning July 1, 2010), the City of Quincy is expected to receive the following federal funds from the US Department of Housing and Urban Development (HUD) (**preliminary numbers**):

Quincy HOME Consortium - \$993,555

Questions regarding the content and/or the completion of this application should be directed to Nancy A. Callanan, Community Development Director at (617) 376-1372

***BRIEF ON THE
HOME PROGRAM***

I. OVERVIEW

The general purpose of the HOME Investment Partnership Act is to enable local governments to increase the supply of affordable housing by strengthening public-private partnerships. The multi-year program may provide loans, advances, equity investments, and interest subsidies for acquisition, rehabilitation, and new construction of housing for low and very low-income households. The City of Quincy has utilized this program for the following programs:

- First Time Homebuyer Program
- Moderate Housing Rehabilitation
- Rental Production
- Community Housing Development Organizations (CHDO) set-aside for rental production.

The following sections are based on the latest available information and outline the requirements for:

- Housing Production for Homeowners and First Time Homebuyers
- Rental Housing Production
- CHDO Projects

**II. HOUSING PRODUCTION FOR HOMEOWNERS
and FIRST TIME HOMEBUYERS**

2.1. ELIGIBLE APPLICANTS

Eligible applicants may be for-profit or non-profit developers and public agencies. Non-profit agencies need not meet the strict qualifications required of Community Housing Development Organizations under this program category to apply for all non-CHDO set-aside funds.

2.2. ELIGIBLE ACTIVITIES

Eligible activities include acquisition, moderate rehabilitation, substantial rehabilitation, new construction projects of modest size, or conversion of a vacant or under-used commercial or industrial building to residential use. Mixed-income and mixed-use buildings are also eligible, but no HOME funds may be used for any costs other than those for affordable housing units. Because of the financial and emotional costs of relocation, projects that will require relocation of residential or commercial tenants and consequent financial assistance under the Uniform Relocation Act may receive a low priority.

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2.3. ELIGIBLE PROPERTIES

Proposals may be for two or more units, e.g. cooperatives, condominiums, and clustered or scattered-site single family homes within a four-block area. Conversion from commercial or industrial to residential use is eligible, and projects may be mixed-income and mixed use.

2.4. PROPERTY STANDARDS

All projects, after construction or moderate or substantial rehabilitation, must meet, at a minimum, Section 8 Housing Quality Standards and also Quincy's codes, ordinances, and permitting requirements. New construction must meet the model energy code for "Energy Star Qualified New Homes", published by the Environmental Protection Agency, and substantial rehabilitation property must meet the cost-effective energy conservation standards of the HUD regulations for the HOME program.

2.5. USE OF FUNDS

The city will work with developers on an appropriate financing package. HOME funds may be used as "gap" financing, based on need, with only enough HOME funds invested to make the project feasible. Loans for pre-construction costs may be made to non-profit developers and, if necessary, payment may be waived if the proposed project does not materialize. For-profit developers will be expected to put their pre-construction costs at risk to be reimbursed at loan closing.

2.5.1 Eligible production costs All reasonable and necessary development costs including:
Hard costs: acquisition of property; site improvement; demolition; construction

Soft costs: architecture and engineering fees; cost estimating fees; loan origination and processing fees; appraisal and credit report fees; legal and accounting costs; title and recording fees; relocation costs; marketing costs; developer fees

2.5.2 Subsidy limits

HUD has set limits on the amount of federal funds that can be used for HOME units. These limits include HOME funds and all other federal funds (e.g, low-income housing tax credits; CDBG). Figures are as of **01/01/2009** and subject to change.

BEDROOM SIZE	SUBSIDY LIMIT PER UNIT
Studio/0 bedroom	\$135,626
1 bedroom	\$156,376
2 bedrooms	\$188,592
3 bedrooms	\$241,404
4 bedrooms	\$268,934

2.6. AFFORDABILITY STANDARDS

There are no HUD requirements that principal, interest, taxes, and insurance payments for the buyer be at a fixed percentage of income. However, prudence requires that the city (as lender), as well as bankers, developers, and buyers, be aware of selling prices in relation to incomes of eligible buyers.

2.7. INCOME LIMITS FOR TARGET BENEFICIARIES

The beneficiaries of the development must be households or individuals whose income is at or below the 80% of Boston area median income, adjusted for household size, as shown on Section 3.3. The City may require that a percentage of units be set-aside for those whose income is below 80% of area median income to meet overall HOME goals or specific housing needs.

2.8. DEED RESTRICTIONS

Units developed under the HOME program will be required to deed restrictions that reflect the City’s recapture policy. That is, if a unit assisted with the City’s HOME funds is sold prior to the end of the affordability period, that unit will be subject to the City’s recapture provision. Please contact the PCD for more details.

2.9. HOME PRICE LIMITS

The latest available figures *as 3/5/2008* are:

UNIT SIZE	HOME PRICE LIMITS*
1 living unit	\$389,500
2 living unit	\$498,644
3 living unit	\$602,744
4 living units	\$749,064

* Projects assisted under the State MHP funded Soft Second (homeownership) program are subject to lower price limits.

III. RENTAL HOUSING PRODUCTION PROGRAM

Developers, including non-profits and public agencies, may submit proposals for acquisition and moderate or substantial rehabilitation, or new construction projects of a modest size.

The rules for eligible activities, eligible applicants, property standards, eligible property types, use of funds, eligible costs, and maximum subsidy limits also apply to Housing Production Program for Homeowners and First Time Homebuyers. Please refer to sections 2.1 - 2.5 above. In addition, the following provisions apply to rental housing production programs:

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3.1 RENT RESTRICTIONS

HUD has set two rent levels to assure affordability:

1. The "high" rent is the lesser of the HUD Fair Market Rent or 30% of adjusted gross income, based on 65% of median income. This rent is minus allowances for any tenant-paid utilities.
2. The "low" rent is equal to 30% of annual income, assuming that income is 50% of median, minus allowances for any tenant-paid utilities.

HUD adjusts these rents up or down on a yearly basis according to housing market conditions. The Planning Department will notify potential developers of any adjustments.

BEDROOM SIZE	HOME PROGRAM RENTS (as of 04/29/2009)		
	FAIR MARKET	LOW HOME LIMIT	HIGH HOME LIMIT
STUDIO*	\$1,080	\$788	\$1,006
1-BEDROOM	\$1,146	\$845	\$1,079
2-BEDROOM	\$1,345	\$1,015	\$1,298
3-BEDROOM	\$1,609	\$1,172	\$1,491
4-BEDROOM	\$1,767	\$1,307	\$1,644
5-BEDROOM	\$2,032	\$1,443	\$1,795
6-BEDROOM	\$2,297	\$1,578	\$1,947

**Single Room Occupancy (SRO) rent is 75% of Studio FMR (\$810).*

Minimum Duration of Rent Restrictions:

Affordability Period HOME funds per unit

- 5 years - rehabilitation/acquisition of existing units - under \$15,000/unit
- 10 years - rehabilitation/acquisition of existing units - \$15,000 to \$40,000/unit
- 15 years - rehabilitation/acquisition of existing units over \$40,000/unit
- 20 years - new construction or acquisition of newly constructed units

Subsidy limits, rent restrictions, and occupancy rules (see below) apply only to HOME assisted units.

3.2 ELIGIBLE OCCUPANTS

HUD regulations state that for developments 5 units or more, 90% of HOME rental housing assisted units must be targeted to tenants with incomes at or below 60% of median income, and that the remaining 10% of HOME assisted units must be targeted at those with incomes under 80% of median income. Furthermore, at least 20% of HOME assisted units must be occupied by households with incomes at or below 50% of median income.

3.3. HUD INCOME LIMITS

The following income limits are for the Boston area and are based on percentages of median income, with adjustments made for local housing market conditions:

NUMBER OF PERSONS/ HOUSEHOLD	INCOME LIMITS (based on Boston SMSA median income) <i>as of 4/27/09</i>			
	80% OF MEDIAN	60% OF MEDIAN	50% OF MEDIAN	30% OF MEDIAN
1	\$ 46,300	\$ 37,860	\$ 31,550	\$18,950
2	\$ 52,950	\$ 43,320	\$ 36,100	\$21,650
3	\$ 59,550	\$ 48,720	\$40,600	\$24,350
4	\$ 66,150	\$ 54,120	\$ 45,100	\$27,050
5	\$ 71,450	\$ 58,440	\$ 48,700	\$29,200
6	\$ 76,750	\$ 62,760	\$ 52,300	\$31,400
7	\$ 82,050	\$ 67,080	\$ 55,900	\$33,550
8	\$ 87,350	\$ 71,460	\$ 59,550	\$35,700

3.4. DEED RESTRICTIONS

Deed restrictions will be in effect during the affordability period in order to enforce the agreement which will be signed for each project between the developer/owner and the city. This agreement will describe the rent restrictions, the income eligibility requirements for occupancy, and the duration of the affordability period.

IV. COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

CHDOs may develop, own, and sponsor either rental housing or owner-occupied housing for the First Time Homebuyer market. These groups may apply for both the special set-aside funds and other HOME funds. The HOME program requires that at least 15% of the consortium's annual grant be set-aside for CHDO projects. Also HOME funds may be requested for use as front money loans for projects with site control to help cover pre-construction expenses. These loans are to be repaid at closing to Quincy's HOME account, but payment may be waived if the project is not implemented.

There are two (2) organizations with CHDO designation at this time: the Neighborhood Housing Services of the South Shore, Inc (NHS) and the Quincy Community Action Program (QCAP). Any other organization that would like to be designated as a CHDO should submit an application for CHDO certification to the Department of Planning and

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Community Development in Quincy. To be eligible for CHDO designation, the entity must be a non-profit organization that conforms to HUD's requirements. These include:

- Incorporated or chartered under Massachusetts law;
- Tax-exempt under Section 501 (c) of the Internal Revenue Code;
- A statement in the Articles of Incorporation or in the by-laws of intention to provide affordable low and moderate income housing;
- A governing board composed of at least one-third low income residents, residents of low income neighborhoods, or elected representatives of low income neighborhood groups;
- No more than one-third of the board may be public officials or government appointees;
- A formal process for advise on the design, location, development and management of affordable housing by low income residents;
- Standards of financial accountability that conform to the Office of Management and Budget's Circular A-110, Attachment F, Standards for Financial Management Systems;
- One -year's prior experience serving the community in which HOME funds are to be spent.

V. FEDERAL HOME STATUTES AND REGULATIONS

The following provisions may be applicable to a HOME funded activity and, if so, will be monitored by the City:

- The Uniform Relocation Act - to assist displaced residents or tenants, if any;
- Fair Housing and Equal Opportunity - The Affirmative Marketing Plan must be followed. Minority and women's businesses must be given the opportunity to bid on jobs. The city's MWBE Outreach Plan will be implemented.
- Section 3 of the Housing and Urban Development Act of 1968 - Priority is given to low income residents in hiring and Section 3 business in contracts for work.
- The Federal Lead Paint Rule and the State's Lead-Based Paint Poison Prevention Act and related federal and state laws as applicable.
- The Davis-Bacon Act - Prevailing wages must be paid for construction or rehabilitation of 12 or more units in one building (or 8 units if CDBG funds will be used).
- The Flood Disaster Protection Act - No activity may take place in a special flood hazard area without flood insurance.

ATTACHMENT 2
CITY OF QUINCY/ QUINCY CONSORTIUM
SAMPLE OUTCOME INDICATORS
PERFORMANCE MEASUREMENT SYSTEM FOR HOME PROGRAM

PLEASE REFER TO THE HUD WEB SITE FOR MORE DETAILS:
<http://www.hud.gov/offices/cpd/about/performance/index.cfm>

CHDO/RENTAL PRODUCTION

1. # of new affordable rental units created or constructed (new) per project or activity and:
 - a. number affordable
 - b. number of Section 504 accessible units.
 - c. Of affordable housing units:
 - i. Number subsidized by program (federal, state, or local)
 - ii. Number of years of affordability guaranteed
 - iii. Number of housing units (supported through development and operations or rental assistance) for persons with HIV/AIDS, and:
 1. of those, number of units for the chronically homeless, and of those
 - a. number made Section 504-accessible

HOMEOWNERSHIP

2. Direct Financial Assistance to homebuyers (Choose all that apply):
 - a. First Time Homebuyers: Y/N
 - b. Subsidized tenants: Y/N
 - c. Minority household: Y/N
 - d. Downpayment Assistance: Y/N
 - e. Closing Costs: Y/N
 - f. Mortgage buy-down/reduction Y/N
 - g. Interest Reduction: Y/N
 - h. Second Mortgage: Y/N

3. Number of Homeownership Units Constructed, Acquired, and/or Acquired with Rehabilitation (per project or activity)
 - a. Total number of units
 - b. Of those:
 - i. number affordable
 - ii. number of years affordability is guaranteed
 - iii. # meeting International Building Code (IBC) Energy standards
 1. Of those, number meeting Energy Star Standards
 - a. number of Section 504 accessible units.
 - c. Of affordable:
 - i. Number subsidized by program (federal, state, or local)
 - ii. Number specifically for persons with HIV/AIDS,
 1. number of units for the chronically homeless, and
 - a. of those, number made Section 504-accessible

**ATTACHMENT 3
QUINCY CONSORTIUM
FY 10-11 PROPOSAL FORM**

NAME/ORGANIZATION: _____

QUESTION	RESPONSE
NAME OF ACTIVITY PROPOSED FOR FUNDING	
NEED STATEMENT (Description of Need or problem to be addressed)	
GOAL/ACTIVITY (Proposed solution to need/ problem and program e.g. nature, frequency, etc.)	
INPUT (Resources to be dedicated to or utilized; please attach proposed budget)	
OUTPUT 1 (unduplicated count – persons)	
OUTPUT 2 (service units, e.g. person-hrs or days)	
OUTCOME STATEMENT (relate to one of the Purposes/Objectives below) (Check one):	WILL: have, promote, be provided, OR result in: <i>increased OR enhanced</i> [] Accessibility/Availability [] Affordability [] Sustainability
PURPOSE/OBJECTIVE (<i>Check one</i>):	<i>For the purpose of:</i> [] Creating a Sustainable Living Environment [] Providing Decent Affordable Housing [] Creating Economic Opportunities
OUTCOME INDICATOR(S) - quantify; see RFP for samples	
METHODOLOGY FOR MEASURING OUTCOME (for at least 1 indicator)	

**ATTACHMENT 3
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FY 10-11 PROPOSAL FORM**

NAME/ORGANIZATION: My Organization (for illustration only)

QUESTION	RESPONSE
NAME OF ACTIVITY PROPOSED FOR FUNDING	Single and Multi-Family Housing Rehabilitation
NEED STATEMENT (Description of Need or problem to be addressed)	Quincy has an aging housing stock and many low/mod homeowners who require rehab assistance and services.
GOAL/ACTIVITY (Proposed solution to need/ problem and program or project e.g. nature, frequency, etc.)	Provide low income individuals services that will enable them to improve their housing from substandard conditions to conditions that meet minimum code requirements.
INPUT (Resources to be dedicated to or utilized; please attach proposed budget)	Funds for delivering unit of service and capital repairs, includes program income. (see attached budget).
OUTPUT 1 (unduplicated count – persons)	25 Families receive assistance
OUTPUT 2 (service units)	10 Multi family unit loans (includes program income) 15 Single family unit loans (includes program income)
OUTCOME STATEMENT (relate to one of the Purposes/Objectives below) (Check one) and provide a statement in the space provided	WILL: have, promote, be provided, OR result in increased OR enhanced <input type="checkbox"/> Accessibility/Availability <input checked="" type="checkbox"/> Affordability <input type="checkbox"/> Sustainability
PURPOSE/OBJECTIVE (Check one):	<i>For the purpose of:</i> <input type="checkbox"/> Creating a Sustainable Living Environment <input checked="" type="checkbox"/> Providing Decent Affordable Housing <input type="checkbox"/> Creating Economic Opportunities
OUTCOME INDICATOR(S) - quantify; see RFP for samples	25 loan/grants
METHODOLOGY FOR MEASURING OUTCOME (for at least 1 indicator)	<i>To maintain viable affordable housing units loans and grants are administered to repair housing code violations, with the goal being to provide decent affordable housing.</i>

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