



REQUEST FOR PROPOSALS

Quincy HOME Consortium Program (HOME) FY 2013-2014

IMPORTANT DATES:

Public Hearings - Dates and Locations:

Participation in one of the two public hearings will be one of the criteria used in considering request for Federal funding.

Wednesday, **January 9, 2013** – 9:30 AM
First Floor Meeting Room, Thomas Crane Public Library,
40 Washington Street, Quincy

Thursday, **January 10, 2013** – 5:30 PM
First Floor Meeting Room, 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 2013-2014 (beginning July 1, 2013), the City of Quincy is expected to receive the following federal funds from the US Department of Housing and Urban Development (HUD):

Quincy HOME Consortium - \$ (estimate)

CONTACT INFORMATION:

Community Development Director: Sean Glennon, (617) 376-1167

Table of Contents

General Information.....	2
Project Proposal Checklist.....	9
ATTACHMENTS.....	10
1. Developer Application	10
2A. SAMPLE Performance & Outcome Measures.....	17
2B. Performance & Outcome Measures.....	18
3. Outcome Indicators.....	19

General Information

I. HOME 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.

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

The City of Quincy, through its PCD, supports the use of sustainable building practices as a means of safeguarding the environment and providing stewardship for future generations. According to the U.S. Department of Housing and Urban Development, “Green building practices offer an opportunity to create environmentally sound and resource-efficient buildings by using an integrated approach to design. Green buildings promote resources conservation, including energy efficiency, renewable energy, and water conservation features; consider environmental impacts and waste minimization and help create a healthy and comfortable environment.”

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. 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.

2.6. 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.

2.7. 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

HOME Request for Proposals FY 2013-2014

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.

2.8. HOME PRICE LIMITS

UNIT SIZE	HOME PRICE LIMITS <i>as 12/11/2012</i>
1 living unit	\$362,790
2 living unit	\$461,113
3 living unit	\$560,231
4 living units	\$646,421

2.9. 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.

2.9.1 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

2.9.2 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 **12/01/2012** and subject to change.

BEDROOM SIZE	SUBSIDY LIMIT PER UNIT
0 bedroom	\$144,785
1 bedroom	\$165,972
2 bedrooms	\$201,822
3 bedrooms	\$261,090
4 bedrooms	\$286,597

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 section 2 above. In addition, the following provisions apply to rental housing production programs:

3.1. 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.

3.2 RENT RESTRICTIONS

3.2.1. 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

3.2.2. HUD 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.

BEDROOM SIZE	HOME PROGRAM RENTS (as of 11/16/11)		
	FAIR MARKET	LOW HOME LIMIT	HIGH HOME LIMIT
EFFEICIENCY	\$1,099	\$856	\$1,093
1-BEDROOM	\$1,166	\$917	\$1,166
2-BEDROOM	\$1,369	\$1,101	\$1,369
3-BEDROOM	\$1,637	\$1,271	\$1,619
4-BEDROOM	\$1,799	\$1,418	\$1,786
5-BEDROOM	\$2,069	\$1,565	\$1,952
6-BEDROOM	\$2,339	\$1,711	\$2,118

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 <i>Effective date as of December 11, 2012</i>			
	80% OF MEDIAN	* 60% OF MEDIAN	50% OF MEDIAN	30% OF MEDIAN
1	\$ 47,150	*	\$ 33,050	\$19,850
2	\$ 53,900	*	\$ 37,800	\$22,650
3	\$ 60,650	*	\$ 42,500	\$25,500
4	\$ 67,350	*	\$ 47,200	\$28,300
5	\$ 72,750	*	\$ 51,000	\$30,600
6	\$ 78,150	*	\$ 54,800	\$32,850
7	\$ 83,550	*	\$ 58,550	\$35,100
8	\$ 88,950	*	\$ 62,350	\$37,400

* Once 60% limits are received from HUD they will be posted.

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

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.

HOME Request for Proposals FY 2013-2014

- Section 3 of the HUD 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.

Project Proposal Checklist

Project Name:
Organization/Agency Name:
Amount Requested: \$
<p>For All Projects (<i>All items are required to complete proposal</i>):</p> <p><input type="checkbox"/> Step One: Complete the Developer Application (ATTACHMENT 1) AND Attach Required Documents as mentioned in the Application:</p> <ul style="list-style-type: none"><input type="checkbox"/> Pro Forma and Operating Budgets<input type="checkbox"/> Property Appraisal<input type="checkbox"/> Letters of Financial Commitment including housing subsidies or explanation on company letterhead of financing plan<input type="checkbox"/> Letters of Community Support and/or petitions<input type="checkbox"/> Phase II Application Items:<ul style="list-style-type: none"><input type="checkbox"/> <i>For projects that include construction/rehab:</i> Existing & proposed site plan, floor plans, elevations, and any other drawings as necessary to illustrate the proposal<input type="checkbox"/> Zoning/Laws/Regulations Compliance<input type="checkbox"/> City Board & Commission Approval<input type="checkbox"/> Environmental Hazard Free or Remediation Plan <p><input type="checkbox"/> Step Two: Performance & Outcome Measures (ATTACHMENT 2B)</p> <p><input type="checkbox"/> Step Three: Outcome Indicators (ATTACHMENT 3)</p> <p><input type="checkbox"/> Step Four: If you are filing the State's One Stop Application, please attach a copy to submit with this proposal.</p>



I. Applicant/Developer Information	
Contact person and/or primary applicant:	
Organization, if applicable:	
Co-applicant, if applicable:	
Owner of project (if not developer/sponsor):	
Mailing address:	
Daytime phone #:	E-mail address:
Fax #:	
Developer (if different than applicant):	
Mailing address:	
Daytime phone #:	E-mail address:
Fax #:	

II. Project Information		
Project address:		
Assessor's parcel ID number: <i>(available from the Assessors Department's page of the City's website)</i>		
Project name:		
Brief project description:		
Estimated total development cost:	\$	
Total amount of City funding requested:	\$	
City funding source(s) (check <i>all</i> that apply and list the amount requested):		
<input type="checkbox"/> CDBG/Housing Development:	\$	Use:
<input type="checkbox"/> HOME/Housing Development:	\$	Use:
<input type="checkbox"/> Affordable Housing Trust Funds:	\$	Use:
<input type="checkbox"/> Other	\$	Use:

Developer Application for Funding

Type of CDBG/HOME-funded project (check <i>all</i> that apply):	
<input type="checkbox"/> Rehabilitation	<input type="checkbox"/> Acquisition <input type="checkbox"/> New construction (site improvements only)
Type of housing (check <i>all</i> that apply):	
<u>Homeownership:</u>	<u>Rental:</u>
<input type="checkbox"/> single family	<input type="checkbox"/> individual/family
<input type="checkbox"/> condominium(s)	<input type="checkbox"/> group residence, congregate
<input type="checkbox"/> cooperative (s)	<input type="checkbox"/> other
<input type="checkbox"/> other	<input type="checkbox"/>
Targeted population (check all that apply):	
<input type="checkbox"/> individual/family	
<input type="checkbox"/> Special needs. Identify special need(s): _____	
<input type="checkbox"/> elderly	
<input type="checkbox"/> homeless/at risk of homelessness	
<input type="checkbox"/> other – identify population:	

Unit composition	# units	# units <= 30% AMI	# units <= 50% AMI	# units <= 80% AMI	# units between 80-100% AMI	Market rents(s)	Market sale price(s)
SRO							
1 BR							
2 BR							
3 BR							
4 BR/+							

III. Site Information		
Lot size:	Zoning district:	Ward:
Do you have site control e.g. Purchase and Sales Agreement, option to purchase, deed? <input type="checkbox"/> Yes <input type="checkbox"/> No		

If applicable, please explain what zoning relief is required e.g. a zoning variance, special permit, comprehensive permit is required and why. Please attach a copy of the Site Approval (Eligibility) letter from the appropriate agency if the project requires a comprehensive permit.

Developer Application for Funding

Please describe any anticipated environmental issues/concerns with the site. If the site contains known environmental hazards, provide a remediation plan.

Will the project temporarily or permanently require the displacement of or relocation of existing tenants? If yes, please describe any outreach efforts and/or notifications to residents to date.

How old is the existing building, if applicable?

Are there (or will there be) children under the age of six living on the premises?

Yes

No

Is the property listed in the National Register of Historic Places, located in a local historic district, National Register Historic District or eligible for listing in the National Register?

Yes

No

If yes, identify district:

IV. Project Schedule

Inform Ward Councilor and immediate abutters of proposed plans:	
Pre-development (design, zoning, permitting):	
Acquisition:	
Rehabilitation/construction:	
Marketing/outreach:	
Identify expected date of project completion:	
Full occupancy:	
Other significant dates that need to be noted:	

V. Financing and Operating Budget

Developer Application for Funding

- 1. Development proforma and operating budget:** In order to evaluate this proposal, the City of Quincy requires applicants to submit a development budget that includes all anticipated sources and uses of financing for the project and an operating budget that detail operating income and expenses. Applicants may use their own format or ask Housing Development staff to provide sample formats. Applicants are encouraged to use the state *One Stop Application*, used by Massachusetts affordable housing lenders and agencies to provide project sponsors with a single application that can be submitted to any or all of the participating organizations. Please complete Sections 1-4 of the One Stop and submit it with this application. The *One Stop Application* is available at www.onestopapp.com. Please refer to the attached Developer's Checklist which lists all the information required for submission.

Please note that Community Preservation Funds may not be used for the direct acquisition of community housing or housing-related maintenance costs. All applicants seeking Community Preservation Funds for community housing must submit a capital needs assessment with their application, unless the project is new construction or substantial rehabilitation.

- 2. Property appraisal and data from Quincy Assessors Department:** Applicants must provide an "as is" appraisal of the project building(s) that provides satisfactory evidence that the purchase price of the project building(s) does not exceed fair market value. In addition, all applicants for housing funds must summarize data from the Quincy Assessors Department identifying the assessed value of the project building(s) and comparable properties in the neighborhood and/or City.

- 3. Letters of financial commitment, including commitments for housing subsidies (if applicable):** If applicant does not have financing, describe what sources of financing are planned and the timeframe that funds are expected to be available, conditions, deadlines, limitations, etc. related to the commitment of non-City sources of funding. If receiving housing subsidies, submit commitment letters for housing subsidies or an explanation when the applicant will seek housing subsidies and from what source(s).

VI. Project Description

Please respond to the following and include supporting material as necessary.

- 1. Goals:** What are the project goals?

Developer Application for Funding

2. **Community need:** Describe how the proposed project meets the housing needs identified in the *Quincy-Weymouth Consortium FY05-9 Consolidated Plan*.

3. **Community support:** Describe the nature and level of community support for this project. Please attach support letters and any petitions.

4. **Plans to cultivate community support:** Describe plans to cultivate/build neighborhood support. Provide a description of any meetings with Ward Councilors, the neighborhood, etc. that have been scheduled or have already occurred. If there has not been any neighborhood contact, then provide a brief description of how neighborhood residents will be involved in plans for the proposed project.

5. **Capacity:** Identify the members of the development team and describe their capacity to undertake the project. Identify the management entity if the project includes rental units. Describe how adherence to appropriate professional standards will be maintained.

6. **Project outcomes:** Describe how the success of the project will be measured. Identify specific, achievable goals.

7. **Additional community benefits:** Describe how this project can be used to achieve additional community benefits.

Developer Application for Funding

VII. Phase II Application (to be completed prior to scheduling a public hearing for the Planning Board)

1. For projects that include construction or rehabilitation, include the existing and proposed site plan, floor plans, elevations and any other drawings as necessary to illustrate the proposal.
2. Evidence that the project is in compliance with the zoning ordinance, Architectural Access Board Regulations, or any other applicable laws and/or regulations. If zoning relief is required, specify what relief is needed and when an application will be made to the City for zoning review.
3. Evidence that the appropriate City Boards and Commissions have approved the project. For example, proposed new uses on City Parks and Recreation land require approval from the Parks and Recreation Commission.
4. Evidence that the proposed site is free of hazardous materials or that there is a plan for remediation in place.

Applicant signature and date: _____
I verify that all information stated in this application is true and accurate.

DEVELOPER CHECKLIST

The following information must be submitted with a completed application, development and operating budgets and Section 1-4 of the “*One Stop Application*”. Applications for CDBG/HOME Program funds are submitted to the Quincy Department of Planning and Community Development located at 1305 Hancock Street, Quincy, Ma.
Attention: Community Development Director.

Required for all housing projects:

- Completed One-Stop application.
- Development pro forma and operating budgets or sections 1-4 of the State “*One Stop Application*.”
- Preliminary site plan locating existing buildings and parking.
- Letters of community support, if available.
- Site approval (eligibility) letter if project requires a comprehensive permit.
- Remediation plans if site contains known environmental hazards.
- Appraisal of the property (required for acquisition only). Applicants must provide an “as is” appraisal of the project building(s) that provides satisfactory evidence that the purchase price of the project building(s) does not exceed fair market value. In addition, all applicants for housing funds must summarize data from the Newton Assessing Department identifying the assessed value of the project building(s) and comparable properties in the neighborhood and/or City.
- Letters of financial commitment from other funding sources, if available.
- Commitment letter for housing subsidies or explanation when applicant will seek housing subsidies and from what source(s).
- Plan to cultivate community support.
- Proof of hazard insurance (required at closing).
- Evidence of site control.

Developer Application for Funding

FUNDING TERMS

Housing Development Funds:

- Deferred forgivable loans at 0% interest
- Deferred 1-3% interest loan,
- Direct loans at 3% compound interest amortized up to 30 years,
- Deed restriction in perpetuity or to the maximum extent permitted by law prior to closing on funds.

Quincy Housing Rehabilitation Funds:

- Direct loans at 1- 3% compound interest amortized up to 30 years and limited to funding construction.
- Grants limited to lead paint, asbestos, and other hazard remediation and removal of architectural barriers for the disabled.

Please note: For informational purposes only. Terms subject to change.