

## DCA NATIONAL HOUSING TRUST FUND PROGRAM Request for Proposals (RFP)

- A. Name of grant program:** DCA National Housing Trust Fund (NHTF) Program
- B. Purpose of the grant/loan:** The purpose of this program is to complement existing federal, state and local efforts to increase the supply of decent, safe and affordable rental housing for extremely low-income families
- C. Available State funding:** \$5,039,298
- D. Maximum amount of award:**
- 1) Maximum Award per application is \$700,000
  - 2) Maximum per unit subsidy is capped as shown in the chart below
  - 3) No project can contain more than 4 NHTF units
  - 4) Only one project will be awarded per entity
  - 5) Limit of only one project per municipality

Unit Size	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4 Bedroom +
Maximum Per-Unit Subsidy	\$175,000	\$250,000	\$300,000	350,000	\$400,000

- E. Eligible entities:** For-profit and non-profit developers that demonstrate strong financial, organizational, and development capacity
- F. Target populations:** In order to achieve the State’s goals in preventing and reducing homelessness and in providing affordable housing for people who are most vulnerable, including those with disabilities or other special needs, DCA will award only those projects that will provide housing to extremely low-income individuals and families with special needs
- G. Project based rent subsidy:** Each project will be awarded Project Based Vouchers
- H. Eligible activities:** Funds can be used for project related capital costs including construction, professional fees, financing fees, acquisition (must be part of a development project) and contingencies
- I. Ineligible Cost and Activities:**
- 1) Project reserve accounts
  - 2) Development, operations or modernization of public housing
  - 3) Project or tenant based rental assistance
  - 4) Payment of delinquent taxes, fees, fines or charges
  - 5) Condominiums, Group Homes or Single Room Occupancy (SRO)
  - 6) Mixed use or mixed income projects
  - 7) Acquisition of vacant land without development

- 8) Currently occupied rental units
- 9) Homeownership projects
- 10) Projects that are currently or anticipate receiving other DCA or NJHMFA funding

**J. Geographic diversity:** The Department has the discretion to distribute awards, regardless of score, to assure equal distribution of funds thorough out the State

**K. Threshold requirements:**

- 1) Project must not require any municipal, county, regional or state approval beyond a construction permit
- 2) All financial sources must have written commitments
- 3) Project must provide housing to extremely low-income individuals, those earning 30% or less of the Area Median Income as defined by the U.S. Department of Housing & Urban Development (HUD), and families with special needs
- 4) Project must be able to be completed within two (2) years
- 5) No project can contain more than 4 NHTF units
- 6) Projects must not be located in a floodplain or environmentally sensitive area
- 7) Articles of Incorporation
- 8) Certificate of Good Standing
- 9) Proof of site control (Deed, Contract of Sale, Option Agreement, etc.)
- 10) Original Sealed Resolution of support from the Board
- 11) The project units must be considered permanent housing, and no aspect of the lease can be contingent upon receiving social services
- 12) Developer fee must not exceed 5% of the project total development cost
- 13) Debt Coverage Ratio must be at least 1.2
- 14) Project is financially feasible

**L. Length of use, restriction period:** Funds will be provided in the form of a zero (0%) percent non-amortizing loan. Projects will be deed restricted as affordable housing for a minimum of thirty (30) years

**M. Qualifications of applicants in order to be considered for funding under NHTF program:** Successful applicants will have the experience and the capacity to successfully undertake the proposed activities as outlined below:

- 1) Developing affordable housing
- 2) Managing affordable housing projects
- 3) Working with the target population
- 4) Meeting the requirements of financial institutions
- 5) Be in good standing with the State of New Jersey, NJ Department of Community Affairs (DCA), and the US Department of Housing and Urban Development (HUD)

**N. Application process:**

**Program Narrative**

Applicant will be required to submit a detailed narrative of the project.

**Proposed Project Budget**

Applicant will be required to submit a detailed budget, including a list of all project funding sources.

**Required Attachments and Documentation:**

Applicant will be required to submit supporting documentation for all information submitted in the application.

**O. Address to which proposals must be submitted:** The application must be submitted via the New Jersey Department of Community Affairs' electronic application system known as SAGE. The electronic SAGE application as well as 2 hard copies of all required attachments and submittals must be received by DCA by on or before the deadline.

**P. The deadline by which applications must be submitted: 5/15/2018 at 5:00pm**

**Q. Date by which applicants shall be notified:** Within 90 days of submittal

**R. Grant requirements:**

- 1) Execution of Grant/Loan Agreement
- 2) Original, executed mortgage note for the NHTF funds
- 3) Copy of the executed mortgage for the NHTF funds, along with proof of recording from the county clerk's office
- 4) Copy the executed deed restriction for the NHTF funds, along with proof of recording from the county clerk's office
- 5) Original title insurance policy insuring the Department of Community Affairs for the amount of the mortgage
- 6) Proof of all required insurances as outlined in the grant agreement and the mortgage and mortgage note
- 7) Project must meet all applicable HUD requirements for occupancy, environmental review, labor standards (Davis/Bacon), women/minority business enterprises, fair housing and non-discrimination, financial management and procurement, relocation, Section 3 and Section 504 when applicable.
- 8) Other, as may be specified by the Department

**S. Reporting requirements:** All reporting as required by the New Jersey Department of Community Affairs and/or the United States Department of Housing and Urban Development

**T. Performance outcomes:** Grantee must successfully complete the project, on time, within budget while meeting program requirements.

**U. Rating criteria:** All applications will be reviewed using the scoring sheet (**Maximum 100 points**) as outlined below.

**SCORING SHEET FOR THE NATIONAL HOUSING TRUST FUND PROGRAM**

Applicant: \_\_\_\_\_ Application#: 2017-00000-0000 Location: \_\_\_\_\_

1. Priority based upon geographic diversity:	TOP RATING	SELF SCORE
Municipal Labor Force Unemployment rate is below 10%	5	
Municipal Poverty Level (choose only one category):		
• 0% - 6% of the families in the municipality are below the poverty level	12	
• 7% - 12% of the families in the municipality are below the poverty level	8	
• 13% - 18% of the families in the municipality are below the poverty level	5	
• 19% - 25% of the families in the municipality are below the poverty level	3	
Municipality is NOT on State Urban Aid list	6	
Public transportation, shopping, medical facilities, and other amenities are easily accessible within 1 mile	8	
<b>TOTAL</b>	<b>(Maximum 31 points)</b>	

<b>2. Applicant's ability to obligate NHTF funds and undertake eligible activities in a timely fashion:</b>		
Applicant has experience in developing affordable housing (choose only one category):		
• Applicant has 5 years or more of experience	5	
• Applicant has less than 5 years of experience	3	
Applicant has demonstrated financial ability to develop the project	3	
Applicant has experience with DCA and has demonstrated the following:		
• Achieved prior grant/loan objectives within the established time frame.	2	
• Expended previous grant awards in a timely fashion to achieve project goals	2	
• Submitted accurate and timely prior performance and financial reports	2	
The applicant has no loan findings or other issues with DCA	2	
The project meets program requirements, budget is feasible and timeline is achievable	10	
<b>TOTAL</b>	<b>(Maximum 26 points)</b>	

<b>3. The merits of the application in meeting the State's priority housing needs (please describe):</b>		
Applicant's experience working with the population to be served by the project (choose only one category):		
• Applicant has ten years or more of experience	9	
• Applicant has five years or more of experience	6	
• Applicant has less than five years of experience	3	
Applicant is a non-profit	3	
Application includes service plan detailing how appropriate supportive services will be provided on a voluntary basis to targeted special needs population (by applicant or by partner in formal MOU)	10	
<b>TOTAL</b>	<b>(Maximum 22 points)</b>	

<b>4. The extent to which application makes use of non-federal funding sources :</b>		
Percentage of Matching Funds (choose only one category):		
• 5% - 10% of Total Development Cost from non-NHTF source	2	
• 11% - 20% of Total Development Cost from non-NHTF source	4	
• More than 20% of Total Development Cost from non-NHTF source	6	
<b>TOTAL</b>	<b>(Maximum 6 points)</b>	

<b>5. Other Criteria:</b>		
Project provides extended affordability controls beyond the initial 30 years	3	
Project will contain no more than 4 units in total	8	
Project will be acquisition and moderate rehabilitation	4	
<b>TOTAL</b>	<b>(Maximum 15 points)</b>	
<b>GRAND TOTAL</b>	<b>(Maximum 100 points)</b>	

All information for Section 1 (Geographic Diversity) must be derived from [http://njgin.state.nj.us/OIT\\_BusinessMap2/](http://njgin.state.nj.us/OIT_BusinessMap2/) using General and Census Data Results for 2010