

# Audit and Accountability Committee



## Post Solicitation Briefing for Affordable Homeownership Housing Development Funding

Date: December 6, 2021

Presented by: Veronica R. Soto, Director, NHSD

# Solicitation Overview

HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) funds are set aside for affordable single-family homeownership housing activities. The activity is designed to provide gap funding subsidies for both new construction and rehabilitation/preservation of affordable housing units for low-income households at or below 80% AMI.

## Solicitation Type

- RFP

## Estimated Value

- \$2.47M HOME
- \$449k CDBG

## Affordability Period:

- 10 years

# Recommended Award

| RFP for Homeownership Housing Development Gap Funding (21-096, 6100014384)<br><br>Score Summary<br>*FINAL EVALUATION<br>November 17, 2021 | Maximum Points | Vendor A     | Vendor B     |
|---|----------------|--------------|--------------|
| A - Experience and Capacity   | 15             | 13.70        | 11.70        |
| B - Project Readiness   | 20             | 19.80        | 14.80        |
| C - Project Site Characteristics and Amenities  | 25             | 8.50         | 8.80         |
| D - HUD Regulatory Conditions   | 5              | 4.80         | 3.50         |
| E - Efficient Use of Funds  | 5              | 2.50         | 4.80         |
| F - Underwriting  | 30             | 26.10        | 27.70        |
| <b>TOTAL SCORE</b>  | <b>100</b>     | <b>75.40</b> | <b>71.30</b> |
| <b>RANK BASED ON TOTAL SCORE</b>  |                | <b>1</b>     | <b>2</b>     |

SBEDA Program – Waiver Approved  
 Local Preference Program – Not Applicable  
 Veteran Owned Small Business Preference – Not Applicable

# Recommended Award

| Affordable Homeownership Housing Development |       |               | 80% AMI Units | Affordability Period | Funding Request    | Funding Recommendation |                    |
|--|-------|---------------|---------------|----------------------|--------------------|------------------------|--------------------|
| Proposal                                     | Score | Staff Ranking |               |                      |                    | HOME                   | CDBG               |
| Vendor A                                     | 75.40 | 1             | 54            | 10 years             | \$2,918,594        | -                      | \$2,469,594        |
| Vendor B                                     | 71.30 | 2             | 9             | 10 years             | \$410,000          | \$449,717*             | -                  |
| <b>Totals</b>                                |       |               |               |                      | <b>\$3,328,594</b> | <b>\$449,717</b>       | <b>\$2,469,594</b> |

\*Includes funding for City development fees

Proposals ranked on Experience/Capacity, Project readiness, Site characteristics and amenities, HUD regulatory conditions, Efficient use of funds and Underwriting

# Due Diligence

## Finance and Audit Departments – Due Diligence Results

Number of vendors notified: 2,876

Number of vendors at pre-submittal conference: 2

Number of responses received: 2

Results of Minimum Requirements Review No Material Findings

Results of Due Diligence Review No Material Findings

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## Post Solicitation Briefing for Affordable Rental Housing Development Funding

Date: December 6, 2021

Presented by: Veronica R. Soto, Director, NHSD

# Solicitation Overview

HOME and CDBG funds are set aside for gap financing of proposed affordable multi-family rental residential developments. These funds may be used for land acquisition, new construction, or rehabilitation of existing rental housing properties to create or preserve affordable rental housing units for low-income households at or below 60% AMI with a focus on proposals with units at or below 30% AMI.

## Solicitation Type

- RFP

## Estimated Value

- \$5.9M HOME
- \$213k CDBG

## Affordability Period:

- 5 – 20 years

# Recommended Award

| RFP for Affordable Rental Housing<br>Development Gap Funding<br>(21-097, 6100014385)<br><br>Score Summary<br>*FINAL EVALUATION<br>November 17, 2021 | Maximum Points | Vendor A     | Vendor B     | Vendor C     | Vendor D     | Vendor E     | Vendor F     | Vendor G     |
|---|----------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| A - Experience and Capacity   | 15             | 15.00        | 14.30        | 12.20        | 8.20         | 14.30        | 9.50         | 9.20         |
| B - Project Readiness   | 20             | 16.60        | 19.60        | 20.00        | 19.30        | 16.80        | 10.80        | 15.10        |
| C - Project Site Characteristics<br>and Amenities   | 25             | 19.70        | 15.30        | 14.40        | 16.20        | 10.70        | 13.50        | 12.70        |
| D - HUD Regulatory Conditions   | 5              | 3.50         | 0.10         | 3.30         | 0.80         | 0.10         | 4.50         | 0.00         |
| E - Efficient Use of Funds  | 5              | 4.50         | 4.50         | 3.60         | 2.90         | 4.50         | 1.60         | 3.60         |
| F - Underwriting  | 30             | 25.90        | 26.80        | 26.60        | 27.90        | 26.80        | 23.80        | 21.50        |
| <b>TOTAL SCORE</b>  | <b>100</b>     | <b>85.20</b> | <b>80.60</b> | <b>80.10</b> | <b>75.30</b> | <b>73.20</b> | <b>63.70</b> | <b>62.10</b> |
| <b>RANK BASED ON TOTAL SCORE</b>  |                | <b>1</b>     | <b>2</b>     | <b>3</b>     | <b>4</b>     | <b>5</b>     | <b>6</b>     | <b>7</b>     |

SBEDA Program – Waiver Approved

Local Preference Program – Not Applicable

Veteran Owned Small Business Preference – Not Applicable

# Recommended Award

| Affordable Rental Housing Development |       |               | Tax Credit Project | Funding Request     | Funding Recommendation |                  |
|---------------------------------------|-------|---------------|--------------------|---------------------|------------------------|------------------|
| Proposal                              | Score | Staff Ranking |                    |                     | HOME                   | CDBG             |
| Vendor A                              | 85.20 | 1             | 4%                 | \$1,500,000         | \$1,250,000            | -                |
| Vendor B                              | 80.60 | 2             | 4%                 | \$1,500,000         | \$1,250,000            | -                |
| Vendor C                              | 80.10 | 3             | 9%                 | \$3,000,000         | \$2,049,766            | -                |
| Vendor D                              | 75.30 | 4             | -                  | \$213,525           | -                      | \$213,525        |
| Vendor E                              | 73.20 | 5             | 9%                 | \$1,350,000         | \$1,350,000            | -                |
| Vendor F                              | 63.70 | 6             | -                  | \$417,408           | -                      | -                |
| Vendor G                              | 62.10 | 7             | 4%                 | \$3,000,000         | -                      | -                |
| <b>Totals</b>                         |       |               |                    | <b>\$10,980,933</b> | <b>\$5,899,766</b>     | <b>\$213,525</b> |

Proposals ranked on Experience/Capacity, Project readiness, Site characteristics and amenities, HUD regulatory conditions, Efficient use of funds and Underwriting

# Recommended Award - Unit Mix

| Affordable Rental Housing Development |                        |                      | Unit Mix |            |           |            |           |            |
|---------------------------------------|------------------------|----------------------|----------|------------|-----------|------------|-----------|------------|
| Proposal                              | Funding Recommendation | Affordability Period | 80%      | 60% - 50%  | 50% - 30% | 30%        | Market    | Total      |
| Vendor A                              | \$1,250,000            | 20 years             | 0        | 229        | 0         | 41         | 0         | <b>270</b> |
| Vendor B                              | \$1,250,000            | 20 years             | 0        | 275        | 0         | 49         | 0         | <b>324</b> |
| Vendor C                              | \$2,049,766            | 20 years             | 0        | 40         | 32        | 8          | 12        | <b>92</b>  |
| Vendor D                              | \$213,525              | 5 years              | 8        | 16         | 0         | 8          | 0         | <b>32</b>  |
| Vendor E                              | \$1,350,000            | 20 years             | 0        | 30         | 24        | 6          | 0         | <b>60</b>  |
| <b>Total</b>                          | <b>\$6,113,291</b>     |                      | <b>8</b> | <b>590</b> | <b>56</b> | <b>112</b> | <b>12</b> | <b>778</b> |

# Due Diligence

## Finance and Audit Departments – Due Diligence Results

|  |       |
|--|-------|
| Number of vendors notified:                    | 2,876 |
| Number of vendors at pre-submittal conference: | 5     |
| Number of responses received:                  | 7     |

|  |                      |
|--|----------------------|
| Results of Minimum Requirements Review | No Material Findings |
|--|----------------------|

|                                 |                      |
|---------------------------------|----------------------|
| Results of Due Diligence Review | No Material Findings |
|---------------------------------|----------------------|

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