

**The New Equitable Affordable Housing
Program (EAHP) Funds and The
Coronavirus State and Local Fiscal
Recovery Funds (SLFRF)
Under The American Rescue Plan Act
(ARPA) and
Affordable Housing Trust Funds**



Notice of Funding Availability (NOFA)

*(Multifamily Preservation and Development and
Single-family New Construction Activities Only)*

Release of Application Packet: December 18, 2023

Applications Due: 2:00 p.m. on January 26, 2024



NOTICE OF FUNDING AVAILABILITY FOR THE NEW EQUITABLE AFFORDABLE HOUSING PROGRAM (EAHP)

The City of Richmond in collaboration with its Affordable Housing Trust Fund (“AHTF”) is issuing this Notice of Funding Availability (NOFA) which includes: the allocation of 1st Round funding under the new *Equitable Affordable Housing Program* (“EAHP”), funding from the American Rescue Plan Act (ARPA), and remaining funds from the Affordable Housing Trust Fund.

On April 10, 2023, Mayor Levar Stoney and the Richmond City Council declared an affordable housing crisis in the City. On May 8, 2023, the City Council approved a 5-year Capital Improvement Program (CIP) budget that includes funding of \$50,000,000 (\$10,000,000 annually over the next five years) for the production and/or preservation of a minimum of 5,000 units of affordable housing for the benefit of low- and moderate-income persons. Under the FY24 1st Round of the new *EAHP* funding, up to \$7,000,000 will be available for the development and preservation of multifamily housing units. The Affordable Housing Trust Fund will administer the new program in FY24.

On March 11, 2021, the American Rescue Plan Act was signed into law and established the Coronavirus State Fiscal Recovery Fund and Coronavirus Local Fiscal Recovery Fund, which together make up the Coronavirus State and Local Fiscal Recovery Funds (“SLFRF”) program. This program is intended to provide support to State, territorial, local, and Tribal governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. The City of Richmond’s ARPA Spending Plan was approved by the City Council on October 25, 2021. The funds are to be used in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency and cannot be grossly disproportionate to the harm experienced. This funding is intended for projects that will align with “Building Stronger Communities Through Investments in Housing and Neighborhoods”. The \$2,495,175 in ARPA funds available under this NOFA may be used for the development of affordable single-family units for homeownership.

In addition to the EAHP and ARPA funding, AHTF is providing \$300,000 in funding for the development of affordable single-family housing units.

Priority will be given to those projects that help to advance the City's housing strategic goals as listed below:

- **2,000 new low- and moderate-income (LMI) homeowners (50%-80% AMI), by January 1, 2033, with 200 new LMI homebuyers by January 1, 2025.**
- **10,000 new affordable rental units by January 1, 2033, with 2,000 new rental units built by January 1, 2025.**
- **350 new Permanent Supportive Housing (PSH) units by January 1, 2026, with 200 new PSH units developed by January 1, 2025.**
- **The transformation of the six properties owned by the Richmond Redevelopment Housing Authority ("RRHA") referred to as the "Big Six" into "Communities of Choice" development sites and the de-concentration of poverty in Council Districts 3, 6, and 7 by January 1, 2037.**

Application packages will be available beginning December 18, 2023, on the City of Richmond's website: <https://www.rva.gov/>. To request an application by email or for a paper copy, please contact Ms. Dominique McKenzie via email at Dominique.McKenzie@rva.gov or by telephone at (804) 646-0714. Applicants must submit their applications electronically to Ms. Sherrill Hampton via email at Sherrill.Hampton@rva.gov. **Please submit all applications and attachments in a single compressed file according to the instructions provided at the workshops.**

All proposals and applications must be received no later than 2:00 p.m. on Friday, January 26, 2024. Faxed applications and late submissions will **not** be accepted.

The City will host two (2) **mandatory virtual workshops** for existing grantees, local developers, and other interested entities on Thursday, December 14, 2023, from 9:30 a.m. to 12:30 p.m., and on January 4, 2024, from 9:30 am to 12:30 pm. All entities that will apply must attend one of the virtual workshops. Please contact Dominique McKenzie at Dominique.McKenzie@rva.gov or via telephone at (804) 646-0714 to register for either workshop. The workshop link and materials will be sent to persons registered on the evening before the workshop.

All programmatic design questions must be in writing and emailed to Sherrill Hampton, Director of the Housing and Community Development Department (HCD) at Sherrill.Hampton@rva.gov. Note that questions regarding programmatic design must be submitted by January 13, 2024. Any questions regarding the application submission process will continue to be accepted after this date.

The City of Richmond does not discriminate on the basis of disability status in the admission or access to its programs. Virginia Relay Center - TDD users dial 711.

Disclaimer/Disclosure: The City of Richmond reserves the right to award funding other than what has been requested by an applicant, at its discretion, based on funding availability and/or for projects that meet an immediate need, priority, or goal of the City, and is an

eligible activity as permitted by the City's general provisions for EAHP, ARPA and/or AHTF funding.

GENERAL GUIDELINES FOR ENTITIES APPLYING IN THE CITY OF RICHMOND'S 1ST ROUND EQUATABLE AFFORDABLE HOUSING PROGRAM AND ARPA AND AHTF FUNDING CYCLE

*(Multifamily Preservation and Development and
Single-family New Construction Activities Only)*

Purpose and General Information:

The City of Richmond is utilizing a competitive application process to allow organizations and developers to apply for funding that meets the City's affordable housing needs based on the recently declared affordable housing crises. Funding is made available through the City's new Equitable Affordable Housing Program, 2nd Tranche ARPA, and the Affordable Housing Trust Fund (AHTF).

As it relates to the 2nd Tranche ARPA funding, eligible uses must be in response to the disease itself or the harmful consequences of the economic disruptions resulting from or exacerbated by the COVID-19 public health emergency and cannot be grossly disproportionate to the harm experienced. The ARPA funds, along with the AHTF funding are to be allocated to projects that can be completed by **October 31, 2026**, and are solely for single-family homeownership new construction projects. Projects under this activity category must be ready to start within seven (7) months of the funding award. The available funding under the new Equitable Affordable Housing Program (EAHP) will be used for multifamily preservation and development activities only. Note that projects previously funded with ARPA funds are not eligible to apply for funding under this funding round. In addition, these projects must be ready to start within nine (9) months of the funding award and should be completed by **October 31, 2026**.

All funding under this NOFA will be available on a competitive basis to the following types of organizations: non-profits, Community Housing Development Organizations (CHDOs), for-profit developers, economic development, housing or human service agencies, and/or organizations with federal tax-exempt status undertaking multifamily development or preservation projects as well as the construction of new single-family homes. The use of the ARPA funds is to support activities that are intended for projects that will align with "Building Stronger Communities Through Investments in Housing and Neighborhoods". The Equitable Affordable Housing Program, ARPA and AHTF grant applications must be for projects that will increase the supply of affordable and high-quality housing units in neighborhoods with high levels of economic opportunity and mobility for low-income residents and to help residents increase their economic opportunity and reduce concentrated areas of low economic opportunity, as well as preserve existing affordable multifamily housing units.

This funding round is to award up to \$7,000,000 in EAHP, \$2,495,175 in ARPA, and \$300,000 in AHTF funding through a competitive application process.

Application Guidelines

I. Planning and Submission

- A. Distribution** - Application packages will be available on the City of Richmond's website: <https://www.rva.gov/>. To request an application by email or for a paper copy, please contact Ms. Dominique McKenzie via email at Dominique.McKenzie@rva.gov or via phone at (804) 646-0714.
- B. Staff Consultation** - Staff members are available to discuss proposed projects, the application process, and other issues over the phone or in person. Appointments are required or via a TEAMS meeting. Please call Dominique McKenzie at (804) 646-0714 to schedule an appointment for a telephone or TEAMS meeting.

Language Assistance Information - Office of Multicultural Affairs (804) 646-0145.

- C. Deadline for Submission – Applications must be submitted no later than 2:00 p.m. on Friday, January 26, 2024.** Applicants must submit their application electronically to Ms. Sherrill Hampton, by email at Sherrill.Hampton@rva.gov. Submit applications and attachments in a single compressed file per the instructions provided at the Application Workshops. Faxed and late applications will **not** be accepted.

- II. NOFA Application Instructions – There are two applications, one for multifamily activities and another application for single-family homeownership new construction projects. Please check the appropriate funding type and complete the appropriate application. An application packet for each project that an applicant proposes to receive funding for must be submitted. Applications are to be submitted electronically in a compressed file to Ms. Sherrill Hampton at Sherrill.Hampton@rva.gov. Please read all of the information carefully before submitting.

- a. **Application Checklist**- The Application Checklist should be used to ensure that a completed application is being submitted.
- b. **Attachments** - All attachments must be provided, and the attachments should be labeled appropriately. All necessary information should be placed on the application forms. Other documents cannot replace the application. All attachments should be submitted with the application in a compressed electronic file sent to Sherrill.Hampton@rva.gov.

III. Summary of Evaluation Criteria (See Attachment A)

- a. A joint review process will be conducted by HCD staff and the Affordable Housing Trust Fund (AHTF) Board's applicable committee. The AHTF Board reserves the right to undertake its review as a "committee of the whole".

- b. The evaluation for single-family homeownership new construction consists of a seven-part, 125-point evaluation criteria. Applications are evaluated based on the following criteria: Project Feasibility (55 points), Income Targeting (15 points), Leveraging (15 points), Affordability Period (15 points), Housing Counseling Plan (10 points), Green and Other Sustainability Features (10 points), and Economic Empowerment (5 points).

- c. The evaluation for multifamily activities consists of six-part, 115-point evaluation criteria with a potential 15-point bonus. Applications are evaluated based on the following criteria: Project Feasibility (55 points), Income Targeting/Special Populations Served (20 points), Affordability and Leveraging (20 points), Green and Other Sustainability Features (10 points), and Economic Empowerment (10 points). The bonus criteria involve the provision of Permanent Supportive Housing with the associated supportive services (15 points).

Attachment A

THE CITY OF RICHMOND EQUITABLE AFFORDABLE HOUSING PROGRAM (Multifamily Preservation and Development)

APPLICATION EVALUATION/RATING AND RANKING CRITERIA

A total of **115** points are available with a bonus of **15** additional points. An application must score a minimum of **75** points to be recommended for funding.

I. Project Feasibility (Total of 55 Points)

a. Soundness of approach and cost-effectiveness (Maximum of 20 Points)

- Does the project meet the timeline to close within nine (9) months of the EAHP award?
- Is the project schedule realistic? Are there items that cannot be completed before closing in nine (9) months?
- What is the appraised value of the land/improvements? Is the purchase price comparable to land sales in the area?
- Did the Applicant provide the Market Study's summary? If so, did the Market Study Area have a need for projects like the proposed one?
- Does the Applicant have all other funding needed to complete the project (debt, equity, operating subsidy, and any other subordinate financing)?
- Is the project sponsor contributing equity (deferred developer fees not considered equity)? If so, what is the percentage (3-5%)?
- Does the Debt Service Coverage Ratio range between 1.10 - 1.45?
- What is the Total Development Cost (TDC) per unit cost?
- What is the cost per unit of the EAHP funds?
- What is the developer fee? Is it within the allowable % of the project?
- Is the hard construction cost within range for local projects?
- Are there market rate or workforce units that can cross-subsidize the affordable units?
- Is the net operating income sufficient? Is there a minimum of five (5) months of operating reserve? Is an operating subsidy provided to the project?
- Are the replacement reserves at a minimum of \$300 per unit annum?
- Is there a debt service reserve with a minimum of five (5) months of debt service?

b. Site Control and Zoning Compliance (Maximum of 15 Points)

- Ownership – **10 points**
- Under contract or executed option to purchase – **5 points**
- Zoning Compliance/By-Right (no need for special approvals) – **5 points**

c. Experience/Capacity (**Maximum of 20 Points**)

- Did the Applicant provide demonstrated experience of financial and organizational capacity to undertake the proposed activities?
 - Applicant exhibits significant affordable housing experience (developing/owning/operating affordable housing) minimum of 10 years of experience as a lead developer.
 - Project Team demonstrates experience working together on completed comparable projects (Project team includes General Contractor, Architect/Engineer, Management Company, Legal Counsel, Supportive Services Provider, etc.)
 - Management Company's experience operating affordable housing projects (minimum of 10 years of experience operating affordable housing, mixed-income housing, etc., and has experience with meeting LIHTC compliance)
 - Three comparable projects completed (or at 75% completion) providing a project description which includes unit mix, construction activity, start/completion date, financing, and any challenges, resolution to challenges, resident services, and team members.
 - Does the Applicant have sufficient liquidity (cash) and Net Worth to advance the project?

II. Income Targeting/Special Populations Served (Total of 20 Points)

- a. What are the targeted income levels for the proposed project? (**Maximum of 15 Points**)

0-50% of AMI - **15 points**

51-60% of AMI - **10 points**

61-80% of AMI – **5 points**

- b. Will the project serve a special needs population (seniors, veterans, the homeless, including homeless youth, and persons with mobility challenges, etc.)? (No matter if it is one or more populations, the **maximum points to be awarded is 5 points.**)

Bonus Points (Total of 15 points)

- Projects with a 151 total number of units or more and provide at least 8% of the units as Permanent Supportive Housing (PSH) units. (**Maximum of 15 points**)
- Projects with a total number of units in the range of 40-150 units and provide at least five percent (5%) of the units as PSH units. (**Maximum of 10 points**)

- Projects seeking these bonus points must also provide a Supportive Services Program Plan and collaborate with an experienced PSH provider. **Note that this application does not include funding for supportive services.**

III. Affordability and Leveraging (Total of 20 Points)

- a. What is the project's affordability period? **(Maximum of 10 Points)**

30 years	10 points
20-29 years	5 points
10-19 years	3 points

- b. What is the leverage ratio for the project? **(Maximum of 10 Points)**

1:5 or greater	10 points
1:3	5 points
1:1	3 points

IV. Green and Other Sustainability Features (Total of 10 Points)

- a. Does the proposed project utilize Energy Star Appliances, solar panels, or other sustainable features?

V. Economic Empowerment (Total of 10 Points)

- a. Does the project provide a detailed Economic Empowerment Plan that describes the resident services to be provided?
- b. Does the Economic Empowerment Plan detail the project's commitment to hire residents and/or assist local businesses? Are there specific hiring and/or contracting goals?

Attachment A

THE CITY OF RICHMOND EQUITABLE AFFORDABLE HOUSING PROGRAM (Single-Family Homeownership – New Construction)

APPLICATION EVALUATION/RATING AND RANKING CRITERIA

A total of **125** points are available. An application must score a minimum of **75** points to be in the competitive range.

I. Project Feasibility (Total of 55 Points)

a. Soundness of Approach and Cost-Effectiveness (Maximum of 20 Points)

- Does the project meet the timeline to close, as well as obligate its funding within seven (7) months of the EAHP award?
- Is the project schedule realistic? Are there items that cannot be completed before closing in seven (7) months of the EAHP?
- What is the appraised value of the land/improvements? Is the purchase price comparable to land sales in the area?
- Did the Applicant provide the Market Study's summary? If so, did the Market Study Area have a need for projects like the proposed one?
- Does the Applicant have all other funding needed to complete the project (debt, homeownership downpayment assistance, and any other subordinate financing?)
- What is the Total Development Cost (TDC) per unit cost?
- What is the cost per unit of the EAHP funds?
- Is the EAHP funding more than 33% of the TDC?
- What is the project's AMI mix?
- Is there adequate support for the prospective homebuyers through counseling, financial assistance, and post-sales support?
- Are the "Cost of Sales" costs reasonable? Is the Real Estate Broker/Agent Commission > or equal to 6%? Are the developer fee and inspection costs, etc., reasonable?

b. Experience/Capacity (Maximum of 20 Points)

- Did the Applicant provide demonstrated experience of financial and organizational capacity to undertake the proposed activities?
 - Does the Applicant exhibit significant affordable housing experience as it relates to single-family development for homeownership (minimum of 10 years of experience as a lead developer)?

- Does the Project Team demonstrate experience working together on completed comparable projects? (Project team includes General Contractor, etc.)
- Does the lead development staff have demonstrated experience in delivering projects on time and within budget?
- Does the application detail three comparable projects completed (or at 75% completion) by providing a project description for each that includes team members, AMI and unit mix, construction activity, start/completion date, financing, and any challenges, resolution to challenges, and length of time to sell homes and sales price of homes.
- Did the Applicant provide a timeline for the next three (3) projects?

c. Site Control and Zoning Compliance (**Maximum of 15 Points**)

- Ownership and full entitlement (no need for special zoning approvals) – **15 points**
- Under contract or executed option to purchase and is the property zoned for the proposed project – **10 points**

II. Income Targeting (Total of 15 Points)

a. What are the targeted income levels for the proposed project?

- 50-69% of AMI: _____ and the associated number of new homes: _____
- 70-80% of AMI: _____ and the associated number of new homes: _____
- Other AMIs: _____ and the associated number of new homes: _____

III. Leveraging (Total of 15 Points)

a. What is the leverage ratio for the project?

1:5 or greater	Maximum Points
1:3	15 Points
1:1	10 Points

IV. Affordability Period (Total of 15 Points)

a. What is the proposed project's affordability period?

20 Years	Maximum Points
15 Years	10 Points

V. Housing Counseling Plan (Total of 10 Points)

a. Does the Applicant provide a detailed plan?

- Housing Counseling Plan with all components and provided by a HUD-certified counselor - **Maximum Points**
- Housing Counseling Plan with all components and provided by a non-HUD certified counselor - **5 points**
- Housing Counseling Plan with all components and provided by an experienced but non-certified counselor (7 years or more of experience) – **2 points**

VI. Green and Other Sustainability Features (Total of 10 Points)

- a. Does the proposed project utilize Energy Star Appliances, solar panels, or other sustainable features?

.VII. Economic Empowerment (Total of 5 Points)

- a. Does the Economic Empowerment Plan detail the project's commitment to hire residents and/or assist local businesses? Are there specific hiring and contracting goals?

Attachment B

Consolidated Plan – Boundaries for the Priority Areas

1. Area Name: Hull Street-Swansboro Corridor
This mainly residential corridor extends along Hull Street from Cowardin Avenue/Richmond Highway to Broad Rock Road and includes the adjoining and nearby residential blocks.
2. Area Name: Hull Street - Lower Corridor
This mixed-use corridor stretches along Hull Street from the train tracks just south of Southside Plaza to the corporate limit/Chippenham Parkway intersection and includes the adjoining and nearby residential blocks.
3. Area Name: Richmond Highway-North
This mainly retail/commercial corridor extends along Richmond Highway from its intersection with Hull Street south to its intersection with Hopkins Road/Harwood Street and includes the adjoining and nearby residential blocks.
4. Area Name: Richmond Highway-South
This mainly retail/commercial corridor extends along Richmond Highway from its intersection with Hopkins Road/Harwood Street south to its intersection with Bellemeade Road and includes the adjoining and nearby residential blocks to the east of the corridor and the Hillside Court public housing complex on the far eastern edge of the corridor.
5. Area Name: Highland Park
The boundaries for this area are 2nd Ave on the north, E Brooklyn Park Boulevard on the west, Detroit Ave on the south, and the CSX railroad on the east. This target area is in part of North Highland Park neighborhood.

City Council District Boundaries can be found at:

<https://www.rva.gov/sites/default/files/2019-04/RichmondVoterDistrictMaps.pdf>

Attachment C

2023-2024 INCOME LIMITS

2023 Income Limit Area	Median Family Income	2023 HUD Income Limit Category	Persons in Family							
			1	2	3	4	5	6	7	8
City of Richmond	\$109,400	Extremely Low (30%) Income Limits (\$)	22,400	25,600	28,800	32,000	35,140	40,280	45,420	50,560
		Very Low (50%) Income Limits (\$)	37,350	42,650	48,000	53,300	57,600	61,850	66,100	70,400
		Low (80%) Income Limits (\$)	59,750	68,250	76,800	85,300	92,150	98,950	105,800	112,600

FY 2024 FAIR MARKET RENT RATES

Year	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four Bedroom
FY 2024 Fair Market Rate (Current Year)	\$1,328	\$1,365	\$1,532	\$1,959	\$2,393
FY 2023 Fair Market Rate (Prior Year)	\$1,157	\$1,183	\$1,336	\$1,727	\$2,100