

AFFORDABLE HOUSING TRUST FUND



KANSAS CITY
MISSOURI

APPLICATION GUIDANCE FOR REQUEST FOR PROPOSAL

Overview

The Affordable Housing Trust Fund is a city-wide fund to promote, preserve and create long term affordable housing for extremely low, very low and moderate income households, to preserve the affordability of neighborhoods by preventing large scale displacement of residents, providing homeownership opportunities, preservation of affordable housing through the rehabilitation of small and large rental housing developments, removing blight and substandard properties through the renovation of vacant properties and structures, tenant/landlord initiatives that help keep housing affordable, rental assistance and/or capacity grants for the purpose of creating and preserving housing. The Affordable Housing Trust Fund is a key tool in the implementation of the Affordable Housing Plan and collaboration with the HUD Consolidated Plan for the City of Kansas City. This fund has been created to provide an economically thriving, inclusive community with quality housing opportunities for all its residents and provide neighborhood stabilization and wealth building for its residents. This affordable housing fund is rooted in the core values of equitable community investment, long-term economic sustainability, housing as a human right, and holistic neighborhood reinvestment.

PURPOSE AND AFFORDABILITY STANDARD

The Affordable Housing Trust Fund will prioritize projects:

- a) that maximize the total number of affordable units with longer periods of affordability given higher priorities.
- b) projects serving extremely low-income households (30% of area median family income (AMFI) and projects serving very low-income households (50% of AMFI), including permanent supportive housing;
- c) projects serving higher bedroom sizes;
- d) projects including community land trust, cooperatives, public housing collaborations, and other options that allow for long term affordability.

The Affordable Housing Trust Fund will also provide grants or loans for homebuyer assistance programs that serve homebuyers with incomes at or below 60 percent of AMFI to assist in wealth building in neighborhoods. Programs can be created to help serve residents or areas which provide for preservation of structures and homeownership opportunities to support small scale development projects.

AFFORDABILITY REQUIREMENT. At a minimum, all projects receiving Housing Trust Fund dollars must restrict at least 20 percent of units' rents to be affordable to households with incomes at or below 60% AMFI. Housing Trust Fund dollars may only be used to directly support, preserve, or create units that are affordable for residents with incomes at or below 60% AMFI.

SOURCES OF FUNDING

The Affordable Housing Trust Fund will be funded in the amount of **\$9,000,000** to provide quality housing opportunities for those residents and communities having a need.

Administration of Funds

Funding will be administered through the Housing and Community Development Department of the City of Kansas City, Missouri through a biannual Request for Proposal process.

QUESTIONS

All questions regarding the RFP must be submitted in writing and submitted to the following:

Housing & Community Development Department
Attn: Nichol Washington
24th Floor
414 E. 12th Street Kansas City,
MO 64106_
Nichol.Washington@kcmo.org

CONTRACTING REQUIREMENTS

Selected applicants will be expected to adhere to certain contracting requirements applicable to City funded projects. These requirements include (but are not limited to) the following.

- a) **Minority and Women Business Enterprises:** The City is committed to ensuring that minority and women business enterprises participate to the maximum extent possible in the performance of City contracts. If applicant is requesting funding for a construction related project exceeding \$300,000 and professional services exceeding \$160,000, the applicant must submit an approved contractor utilization plan.
- b) **Employee Eligibility Verification:** If selected and the proposal results in a contract award exceeding five thousand dollars (\$5,000), the applicant will be required to execute and submit an affidavit, in a form prescribed by the City, affirming the applicant does not knowingly employ any person in connection with the project who does not have the legal right or authorization under federal law to work in the United States as defined in 8 U.S.C. 1324a(h)(3). Applicant shall attach to the affidavit documentation sufficient to establish its enrollment and participation in an electronic verification of work program operated by the United States Department of Homeland Security (E-Verify) or an equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, under the Immigration Reform and Control Act of 1986.
- c) Other Requirements may include Insurance Requirement, Certificate of Good Standing, Tax Clearance, and E-Verification

SOURCES AND ALLOCATION OF FUNDING

Available Funding for this Round

The total amount available for distribution is **\$1,237,840** of Housing Trust funding through the use of general funding. The total amount available for distribution is **\$7,762,160** of General Obligation Bond Law, a special election was also duly held in the City on Tuesday, November 8, 2022 (the "2022 Election"), on the question of whether to issue general obligation bonds of the City in an amount not to exceed \$50,000,000.00 for the purpose of affordable housing through the rehabilitation, renovation, and construction of houses and buildings, including blight removal, to provide affordable housing for very low-to moderate-income households.

The following sets forth the funding allocation that shall be followed:

- a) A minimum of 20% of awards shall be made for Affordable Rental Preservation, at or below 60% of AMFI. **(minimum of \$1,800,000)**
- b) A minimum of 20% of awards shall be made for Affordable Rental Creation, at or below 60% of AMFI. **(minimum of \$1,800,000)**
- c) A minimum of 10% of awards shall be made to create/support dedicated Transitional Housing and Permanent Supportive Housing units for vulnerable populations. **(Minimum \$900,000)**
- d) A minimum of 10% awards shall be made for homeownership support programs and/or retention programs for residents at levels at 60% of AMFI. Programs that provide a path for resident tenants to transition to ownership shall be eligible. **(Minimum \$900,000)**

CRITERIA FOR AWARD AND USE OF FUNDS

The Affordable Housing Trust Fund will maintain criteria for the award and use of funds in each of the four programs:

1. Affordable Rental Housing Preservation
2. Affordable Housing Creation,
3. Transitional Housing and Permanent Supportive Housing,
4. Homebuyer Assistance and Retention.

The Maximum Awards will be the following:

- a) The maximum award given to each for-profit developer is 20% of the development cost if a loan or 10% of development costs if it is a grant.
- b) The maximum award given to each a non-profit developer is 30% of the development cost if a loan or 15% for a grant. The non-profit developers must be the lead developer or have a substantial involvement in the development.

OBJECTIVES

The following objectives will be considered in evaluating applications in the Affordable Rental Housing Preservation, Affordable Housing Creation, and/or Transitional Housing and Permanent Supportive Housing categories:

- a) Applicant's experience and financial capacity to complete the project
- b) Demonstration of project readiness, including site control and development plans
- c) Number of affordable housing units and affordability period
- d) Size of units and rent structure
- e) Feasibility of Budget and Costs of Project; Leveraged Financing
- f) Feasibility of Timely implementation of the project
- g) Projects anticipated or desired impact on the surrounding neighborhood; Plans for community engagement are required
- h) Inclusion of small/emerging developers or contractors (minority and women owned businesses)
- i) Inclusion of a non-profit organization with substantial involvement
- j) Financial sustainability of the project and the developer's ability to maintain the units at a high standard over the long term; experience exhibited to do so.
- k) Partnerships, collaborations and/or coordination with ongoing efforts by established organizations serving the neighborhood
- l) Measurable Reporting of Affordable Units and/or Services
- m) Supportive Housing Programs for vulnerable residents.
- n) Provide down payment assistance, education, and counseling for homebuyers at 60% or less of AMFI to develop wealth building in neighborhoods and communities.
- o) Projects that produce or preserve small multifamily units (up to 20 units).
- p) Add language regarding management must be in compliance according to Cit policy and procedures.

The following objectives will be considered when evaluating applications in the Homebuyer Assistance/Homeownership Program category:

- a) Project's alignment with targeted areas in the Housing 5-year plan or Consolidated Plan
- b) The agency's experience engaging with prospective homebuyers and/or homeowners
- c) Demonstration of sufficient administrative capacity to administer the project, including project staff
- d) Plan to create and provide homebuyer education to project participants or partnership with an organization to provide homebuyer education
- e) Anticipated or desired impact on the surrounding neighborhood
- f) Serves a population or geographic region directly impacted by housing policies and initiatives
- g) Partnerships, collaboration, and/or coordination with ongoing efforts by established organizations serving the neighborhood

REPORTING REQUIREMENTS FOR ARP FUNDING

Monthly reporting of payments request and/or reimbursements is required for all ARP funded projects. Proposers will be required to track the following data in addition to data specified in the development agreement:

- a) Household Demographics: Household composition, income, age, gender, race, disability, and military service.

- b) Housing Unit Affordability: Number of affordable units created with Affordable Housing Trust Fund support and rental rates.

Review and Application Process

Applicants for the programs outlined in this document may make a formal request for consideration by submitting complete materials to the following.

TIMELINE:

July 24, 2023	Application opens
July 27, 2023 (in-person)	Workshop
August 1, 2023 (in-person)	Workshop
August 30, 2023, Due date	Application Due at 4:00pm CST

SUBMISSION OF PROPOSALS:

Proposals must be submitted online only at

<https://www.cognitofrms.com/KansasCity2/AffordableHousingTrustFundRoundIII>

August 30, 2023 at 4:00pm (Central Time).

The Director of Housing Development will receive applications by the due date of August 30, 2023, at 4:00pm CST. All applications received after that date and time will not be accepted.

INFORMATION SESSIONS

All applicants are required to attend an Affordable Housing Trust Fund Information Session prior to submitting their application. Information sessions clarify the policy goals and application requirements of the Affordable Housing Trust Fund and offer an opportunity to ask questions. Applicants are encouraged to ask questions about the required materials in order to submit the best and most complete application.

Only complete applications will be reviewed for this application process.

INITIAL REVIEW

The Housing and Community Development Department will review applications to ensure they are complete and consistent with the Affordable Housing Trust Fund's purpose and Request for Proposal prior to presenting applications to the Housing Trust Fund Advisory Board.

The Housing and Community Development Department staff will provide any necessary analysis, information, and support to aid the Advisory Board in their evaluation including performance matrix on other projects, if applicable.

The Housing Trust Fund Advisory Board will then review and evaluate applications based on criteria enumerated in each specific program and make recommendations for funding. In addition to reviewing the application, the Housing Trust Fund Advisory Board will have the discretion of inviting applicants for additional oral presentations.

The Housing Trust Fund Advisory Board will then make project recommendations to the City Council for its final review and approval.

Application

The application to the Affordable Housing Trust Fund can be located using the following link:
<https://www.cognitofirms.com/KansasCity2/AffordableHousingTrustFundRoundIII>