

# The RFP Process – Part 3

## RFP Process Review and Showcase

Sponsored by the  
Florida Housing Finance Corporation's  
*Affordable Housing Catalyst Program*

Florida Housing Coalition

June 23, 2022



# Our Thanks to the Florida Housing Catalyst Program



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# Catalyst Training Schedule



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# Presenters

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# Special Guests

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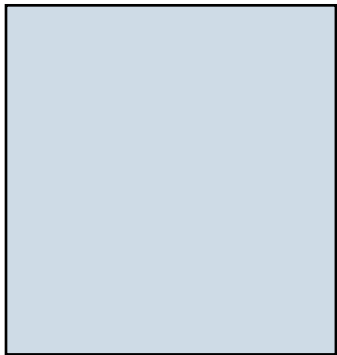
**Kayon Henderson**

Housing and Community  
Development Manager  
City of Tampa



**Audria Moore-Wells**

Special Projects Coordinator  
City of Fort Pierce



**John Wachtel**

Neighborhood Planning  
Coordinator  
City of Gainesville

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# Today's Agenda

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- Recap of the process
  - Preparing for the process
  - Components and issuance
- Selecting a proposal and right-sizing subsidy
- Final approval and ongoing compliance
- Showcase

# Poll: Who's attending today?

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- Local government
- Nonprofit developer
- For profit developer
- Other

# Poll: Did you attend Parts 1 and 2?

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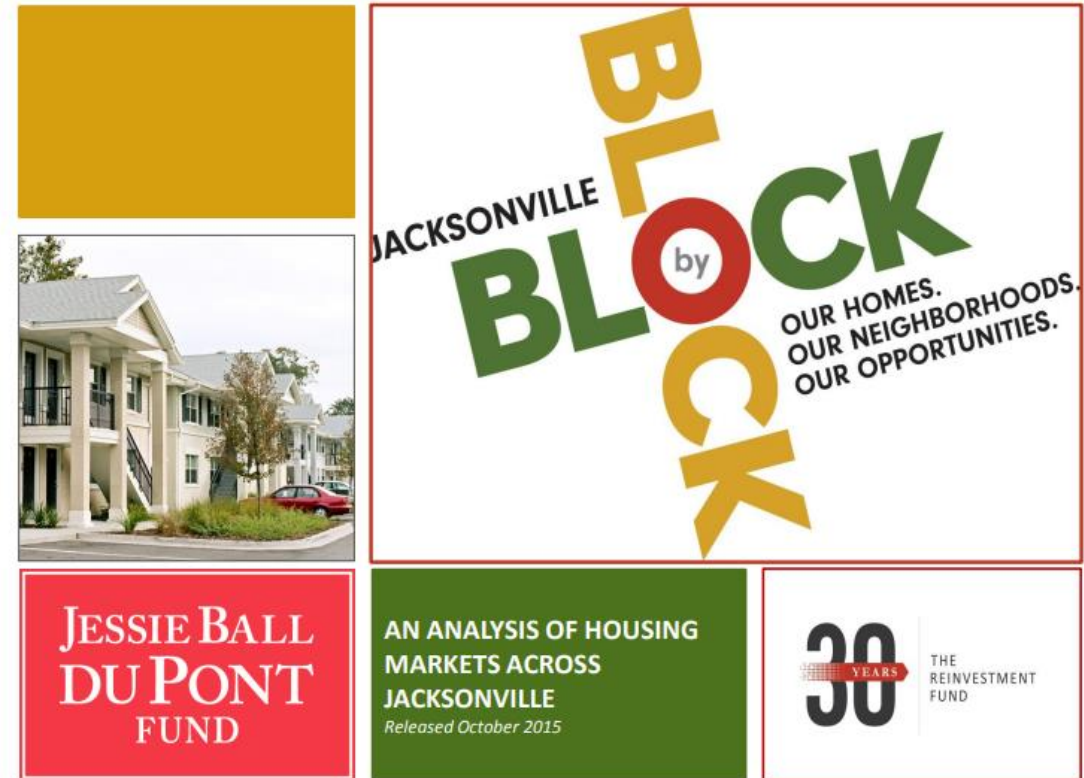
- Yes, I attended both Parts 1 and 2
- I only attended Part 1
- I only attended Part 2
- I did not attend Parts 1 or 2



# What needs does the data identify

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- Quantitative and qualitative data
- Accessible Data Sources
  - Shimberg Center
  - Consolidated Plan
  - Census/American Community Survey
  - Home Matters
- Real estate market analysis
  - Occupancy of similar developments
  - Current condition and trajectory of neighborhoods
  - How desired development compares to others



Source: <https://www.coj.net/city-council/docs/reports/safety-task-force/block-by-block-report-october-2015.aspx>

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# What plans has the development community already shared

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- Informal meetings with nonprofits and others outside of the RFP/RFQ submission period
  - What plans do they have and do they line up with
    - Housing needs
    - Anticipated RFP/RFQ priorities
  - What resources do they have
- Support in preparation for RFP
  - Training and technical assistance
  - Partnership facilitation

# How will the RFP lead to benefits for the community

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- What is the target market you want to or should aim to reach?
- How can the RFP promote stated goals in planning documents
- Will proposals promote economic development goals
- Are there agreements with service providers
- Is there general community support

# What type of applicant is desired

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- Minimum threshold requirements for local funding (i.e. nonprofit in existence for at least two years with affordable housing as part of its mission)
- Minimum threshold requirements for other proposed funding sources?

# The Nonprofit Set-aside

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- IRC Section 42(h)(5)
- At least 10% of a state's allocation must be set aside for nonprofits (qualified low income projects)
- A **qualified nonprofit organization** must own an interest and materially participate in the development and operation throughout the compliance period
- Definition of a qualified nonprofit organization (3 requirements):
  - Must be an organization as described in Section 501c3 or 501c4 and tax exempt under Section 501a, AND
  - Must not be affiliated with or controlled by a for-profit company, AND
  - One of the exempt purposes of the organization includes fostering low-income housing

# How will proposals be evaluated?

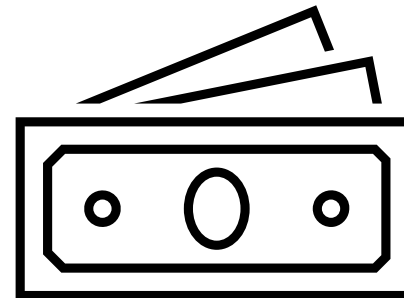
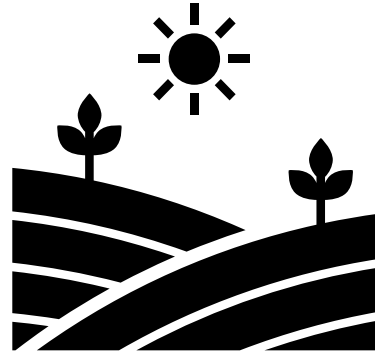
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- Three major areas:
  - Organization capacity
  - Project feasibility
  - Ability to proceed
- Know your developer community, nonprofit and for profit
- Support and Patience goes both ways!

# What are you planning to offer?

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- Land
- Money
- Incentives
- All of the above



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# What type of solicitation will work best

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- Request for Proposal
- Request for Qualifications
- Invitation to Negotiate
- Focus targets
  - Incentives
  - Local funding for single family or multifamily projects
  - Local Government Contribution for FHFC RFA
  - Area of Opportunity Support for FHFC RFA
- Homeownership vs. Multifamily project approaches

# Who needs to be involved

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- Housing Staff
- Social Services Staff
- Planning Staff
- Building Department
- Economic Development
- Legal
- Procurement Department



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# Lining up with FHFC's RFA process

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- Track RFA funding timeline and prepare competitive cycle to coincide with due dates
- Understand each RFA and requirement for Local Government Contribution or Area of Opportunity
- Understand other forms that will be needed:
  - Verification of Zoning and Land Use regulations
  - Verification of Infrastructure- sewer and water
  - Within 21 days of invitation to credit underwriting:
    - Verification of environmental safety Phase 1 ESA
    - Phase II ESA if required
    - Verification of infrastructure- electricity, roads

# Final Thoughts on Preparing for the Process

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- Start with an informal meeting
- Solicit input on needs and capacities
- Understand current market
- Understand funding and procurement rules
- Prepare final RFP based on any useful input

# Simplified RFP Process-(6 Basic Steps)

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1

Gathering RFP  
requirements

2

Crafting your  
RFP

3

Conducting the  
initial  
evaluation

4

Following up  
with vendors

5

Making your  
final selection

6

Creating and  
completing the  
contract

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# RFP Issuance

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RFP Vendor Invitation  
(Advertisement)



Bid Meeting Mandatory  
or Voluntary



RFP Deadlines



Vendors Questions

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# RFP Specifics for Vendor

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Timeline for the RFP



Submission due date and time



Instructions on delivery



Rules for communicating



Required documents and content in their submission



Pertinent information about who will reply to response



# Elements in RFP

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Establish criteria

Scoring rubric

Appoint scoring committee

Scoring instructions

Instructions of Evaluation

Final Selection

# Evaluation of Key Organizational Capacity Areas

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- Staff Capacity
  - Key staff has qualifications needed to carry out the project
  - Organizational chart indicates additional staff and report chain for key contacts
- Board Capacity
  - Expertise of Board fills or augments knowledge and skills of staff
  - Are there any conflicts of interest?
- Financial Capacity
  - Audited Financial Statements indicate stable finances with strong internal controls
  - Current finances and balance sheet in good shape
  - Ability to guarantee financing

# Evaluating the Site

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Readiness to Proceed



Site Control- evidenced by deed, contract, long term lease



Ground leases need to be for period of affordability



Utilities



Environmental



Zoning and Land Use



Neighborhood Considerations

# Scoring

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- Transparent proceeding
- Scoring team- experience, confidentiality, thorough review
- Division of labor within sections – qualifications, numbers, site characteristics
- Scores- are there outliers?
- How to reconcile outlying results?
- Eliminate vendors scoring lower than average

# The Interview Process

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Interviewers



Public process



Develop list of follow-up questions from interviews and receive responses

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# Making the Final Selections

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- Complete final review
  - Written Proposal
  - Interview and follow-up questions
  - Scores from Review Committee
- Provide preliminary awards on conditions of:
  - BOCC/Council Approval (if required)
  - Firm commitment of other funding
  - Provision of any necessary information not provided in original application

# Right-Sizing the Subsidy

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- Why is this important?
  - Fiscal responsibility
  - Ability to produce more units with limited sources
- Thoroughly review sources and uses, and operating budget
- Understand timing and terms of all sources
- Consider utilizing a third-party reviewer (similar to role of credit underwriters for FHFC)



# Right-Sizing Subsidy Example Scenario

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- New construction, mid-rise, Elderly
- Located in Pinellas County
- Zoning and land use allow 84 units
- Located in qualified census tract (QCT)
- Compare subsidy needs for competitive housing credits to Bonds/SAIL



# Budget Uses Comparison

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Budget Category	9% Housing Credits	MMRB and 4% Housing Credits
Total Construction Costs	\$14,845,000	\$14,845,000
Total General Development Costs	\$2,033,119	\$2,033,119
Total Financial Costs	\$317,030	\$706,665
Developer Fee	\$2,808,400	\$2,808,400
Land Acquisition Costs	\$1,250,000	\$1,250,000
Reserves	\$203,187	\$203,187
<b>TOTAL DEVELOPMENT COSTS</b>	<b>\$21,456,736</b>	<b>\$21,846,371</b>



# Permanent Sources Comparison

Item	9% Housing Credits	MMRB and 4% Housing Credits
Senior Mortgage	\$3,240,000	\$3,540,000
Tax Credit Equity	\$17,744,225	\$8,992,380
SAIL	N/A	\$5,880,000
<b>FUNDING GAP</b>	<b>\$472,511</b>	<b>\$3,433,991</b>



# Recommendations for Right-Sizing the Subsidy

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- Thoroughly review sources and uses, and operating budget
- Understand timing and terms of all sources
- Consider utilizing a third-party reviewer (similar to role of credit underwriters for FHFC)

# Final Approval and Closing

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- Draw up closing documents with Legal Department
  - Should incorporate requirements of RFP
  - Should incorporate special elements of development such as services/amenities
  - Should have clear conditions and procedures for modifications
  - Should include all reporting forms
- If seeking FHFC funding
  - Receive credit underwriting report
  - Participate in closing calls

# Monitoring and Compliance

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- Understand payment schedule
- Receive and review construction draw documents, reason
  - Approving your own construction payments
  - Monitoring construction progress
- Engage compliance monitor
  - If also receiving FHFC funding, engage same compliance monitor

# Kayon Henderson

## City of Tampa

Mayor's Infill Housing Program

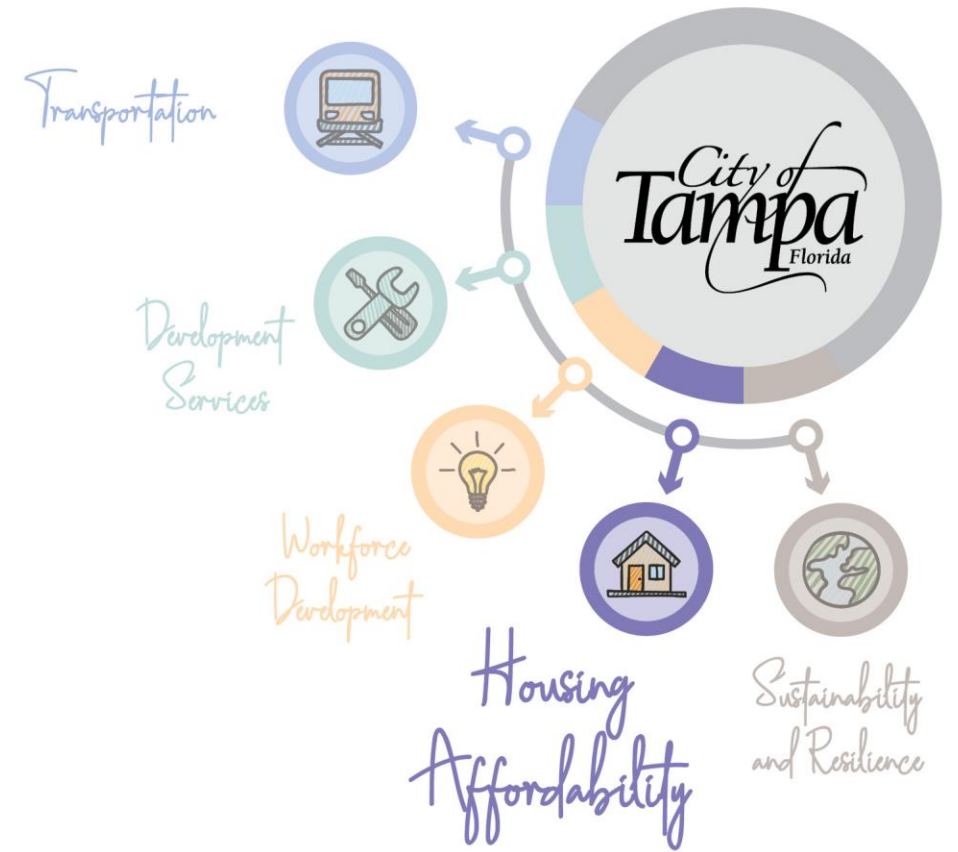
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Mayor Jane Castor

# Transforming Tampa's Tomorrow



Investing in Tampa's Tomorrow





**Kayon Henderson**

City of Tampa  
Administrator of Development and Economic Opportunity  
[Kayon.Henderson@tampagov.net](mailto:Kayon.Henderson@tampagov.net)

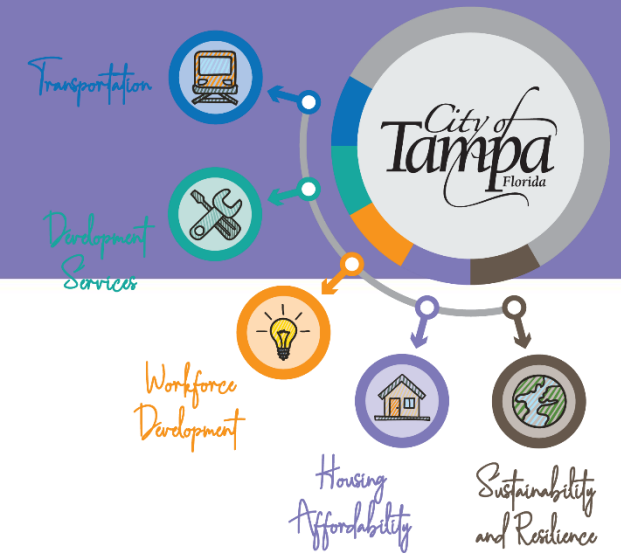
# Mayor's Infill Housing Program



- Converting vacant unused City parcels into affordable neighborhood homes.
- City provides the parcel for free to qualified builders.
- Homes are built and must be sold to income-qualifying buyers.
- Lots are deed-restricted for qualifying buyers for 30+ years.
- Continuous pipeline of affordable homes, built by local diverse builders, that will stay affordable for decades.
- Converts a gap on a street and neighborhood into an active family owning a home in the community.

# Program Objective

- Redevelopment of infill lots be driven by market forces to ensure the highest and best use of the City properties.
- Redevelopment of infill lots is seen as a catalyst, creating more opportunities that foster place-making and additional community investment.
- Providing a path to homeownership for our City's residents.
- One of the City's highest priorities is to grow our affordable housing inventory.
- Mayor Castor's vision is to create and preserve 10,000 affordable housing units by 2027.





# What was Infill Phase I?



- In 2018 – 2020, City initiated a program to achieve sustainable, affordable housing inventory.
- RFP process, City awarded a 3-organization partnership, conveyed 75 residential, single family lots.
- \$1.1 million-dollar Revolving Loan Fund at 0% interest to build new single-family residential homes on infill lots across East Tampa.

# Outcomes of Infill Phase I

- Infill Phase I achieved its goals of creating a market for private sector development of affordable housing in an area that was desperate for new housing options.
- Phase I resulted in a business model that can incentivize private developers.
- The City learned valuable lessons for improving and moving forward.





## Infill Phase I – Reflections

- 75 families became new homeowners
- Previously vacant lots are now contributing to the fabric of the community and viability of a neighborhood.
- Value of the lots pre-development was \$854,448. As of 7/2020 the new total value was \$16,300,884\* \*according to Hillsborough Property Appraiser Office

# Infill Housing Revolving Loan Fund (SHIP)

Each developer is eligible for up to \$75,000 in SHIP funding at 0% interest

These funds can be used for Soft and Hard costs incurred by the developer

Funds will be paid back to the City of Tampa at the time of sale to an income eligible buyer

Use of these funds is not mandatory



# What was the City's role?

- Other than participation in the assemblage of additional lots in the project area and negotiation with the Selected Developer of the final Development Agreement, the City shall have no role, financial or otherwise, except for the \$1.1 million Revolving Loan Fund in the implementation of the project.
- The City is actively working to acquire additional single-family lots in the project area that if acquired, may be incorporated into this Project after the selection of the initial 14 lots as part of the negotiated final development agreement.

# Infill Phase II: Benefits for the Developers

- Expedited permitting letters will be provided via email
- The project is eligible for water and wastewater fee waivers (waived until CO)
- Access to City owned lots at no cost to the developer
- Expedited permitting, water, and wastewater fee waivers
- Developers will be provided with \$75,000 in SHIP funding at 0% interest for construction and soft costs
- Developers will have access to qualified buyers by partnering with local housing counseling agencies (Solita's House, Housing Education Alliance, and REACH)

# Infill Phase II: Benefits for the City

- Increasing tax revenue
- Activated dormant city owned lots
- Contributed to the Mayors T3 initiative for affordable housing
- Established public/private partnerships with local minority developers and investors

# Roles in Partnership

- City will award a maximum of 14 residential, single family lots through an RFP process and provide a \$1.1 million-dollar Revolving Loan Fund at 0% interest to build new single-family residential homes on infill lots within the City of Tampa.
- Successful Developers will respond with a plan that will maximize the opportunity to provide affordable housing units in the city, beyond just building a house on a City provided property to include design, construction, marketing, etc.
- Together in partnering knowledge, skill and financial investment, we can make the dream of homeownership attainable for countless residents in our city and contribute to the longevity of affordable housing stock for future generations.

# Infill Phase II: Weighted Metrics

Each Application was scored on the following metrics:

- Financial Capacity – (Funding commitment/Construction Hard + Soft cost)
- Construction Timeline - (3 pts awarded for 120 day or less, 2 pts for 121-180 days & 1 pts for 181 days plus)
- Past performance - Number of lots not completed by community partner
- History of providing affordable housing to under 50% AMI clientele or evidence of a partner who has a history of assisting buyers who fit this criteria

# Infill Phase II: Digital Selection

[Randompicker.com](https://RandomPicker.com):

- RandomPicker.com is an online tool which helps choose random winners.

## Anti-cheating measures

- The usage of weights is always indicated in the public record.
- People can see the weight of each participant in the anonymized list.
- Weight value is displayed for all winners
- Weights have an influence on the project rating score

Q & A

*Mayor Jane Castor*

**Transforming Tampa's  
Tomorrow**



Thank you.





# Audria Moore- Wells City of Fort Pierce

Oaks at Moore Creek Phase 2



# **John Wachtel**

## **City of Gainesville**

*Affordable Rental Housing Program*

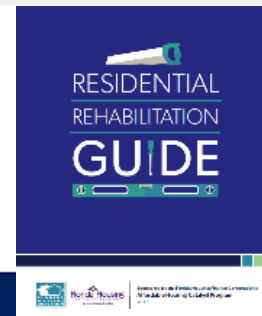
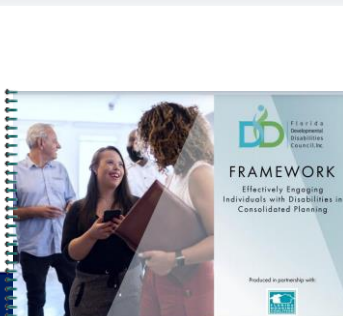
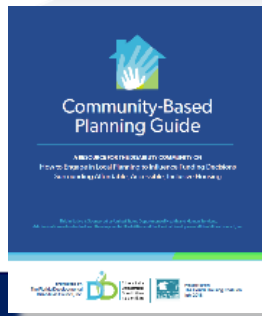
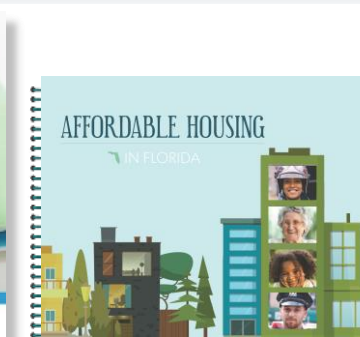
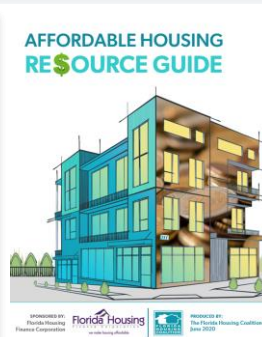
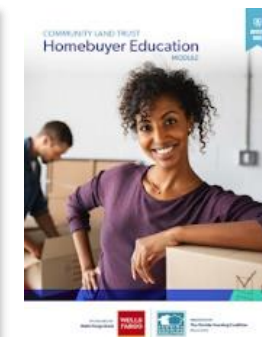
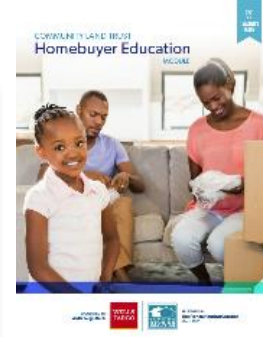
ANY  
QUESTIONS  
?

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# FLORIDA HOUSING COALITION PUBLICATIONS

Access these valuable resources and more  
under the Publications tab at [Flhousing.org](http://Flhousing.org)



# Other Upcoming Trainings

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- June 28: Long-term Affordability and Understanding Deed Restrictions
- To Register, visit <https://flhousing.org/events/>

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# Conference Registration Now Open

<https://conference.flhousing.org/>

## *ANNUAL STATEWIDE HOME MATTERS CONFERENCE*

AUGUST 29-31

IN-PERSON AT THE ROSEN CENTRE, ORLANDO FL

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<https://fhc.wildapricot.org/event-4693298>

**SAVE THE DATE**

AUG 29-31 ORLANDO, FL  
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HOME  
MATTERS

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# More questions? Need help with a project? Just ask!

- Technical Assistance Hotline  
800-677-4548  
[www.flhousing.org](http://www.flhousing.org)
- Tamara West  
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