

CITY OF NEW ORLEANS
Mitchell J. Landrieu, Mayor

Office of Community Development
Ellen M. Lee, Director

Notice of Funding Availability

**New Orleans Affordable Housing
Development Loan Fund**

General Information Package

Please visit our website at <http://www.nola.gov/community-development/>

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CITY OF NEW ORLEANS
OFFICE OF COMMUNITY DEVELOPMENT
1340 Poydras Street, 10th Floor
New Orleans, Louisiana 70112

February 5, 2016

New Orleans Affordable Housing Development Loan Fund

Agency: City of New Orleans *Office of Community Development (OCD)*

Action: *Notice of Funding Availability (NOFA)*

Summary: The City of New Orleans through the Office of Community Development is seeking applications from qualified financial entities to co-develop and administer the New Orleans Affordable Housing Development Loan Fund (Loan Fund). The Loan Fund will be established as a revolving loan fund that will provide financing in the form of short term, below market rate bridge loans to facilitate the development of affordable housing in New Orleans. Entities with a history of designing, administering, and financing affordable housing developments and experience working with housing development organizations using HOME Investment Partnership Program (HOME) funds are encouraged to apply.

The Office of Community Development will allocate \$1,000,000 in HOME funds as the initial capital to establish the Loan Fund. Additional funding will be made available for program delivery costs.

Release Date: Application packets are available in MS Word format (with one budget-related document in MS Excel), beginning **Friday, February 5, 2016** from the Office of Community Development.

Format: **All applications must be completed using the forms supplied with this Notice of Funding Availability (NOFA).**

Deadline: An original completed application plus two (2) copies must be submitted not later than **3:00 PM central time on Friday, February 26, 2016** to: City of New Orleans - Office of Community Development, 1340 Poydras Street, 10th Floor, New Orleans, Louisiana 70112.

An electronic copy in *PDF format* is also required to be emailed not later than **3:00 PM central time on Friday, February 26, 2016** to: dmpearson@nola.com and jnthomas@nola.gov. Please use “**The New Orleans Affordable Housing Development Loan Fund**” and *Your Agency’s Name*” as the subject line in the email submission.

Applications will not be accepted in any other format. Applications submitted after this date and time will not be considered. **Proposals must be complete at the time of submission.** No addenda will be accepted after the deadline date for submission of proposals.

Applicants who physically deliver the proposal must have their proposal and copies logged in and complete a sign-in sheet. Under no circumstance should an applicant leave a proposal at the Office of Community Development without completing the required log-in procedure. Applicants who mail proposals should do so by certified mail, return receipt requested, or through overnight mail services, allowing enough time for the proposal to be *received* by the deadline date and time.

APPLICABLE LAWS AND REGULATIONS

All applicants will be charged with having full knowledge and understanding of the relevant laws and regulations for the federal program associated with the funding provided herein.

HUD’s website contains all laws and regulations:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

SCOPE of SERVICES

Co-Develop New Orleans Affordable Housing Development Loan Fund

The Office of Community Development in partnership with the awarded entity will co-develop the Loan Fund to identify program elements including but not limited to underwriting criteria, loan terms and conditions, and compliance and monitoring criteria. The awarded entity will provide short-term acquisition, pre-development and construction bridge loans to approved developers of projects containing HOME-assisted units in the City of New Orleans.

Eligible borrowers are those who have responded to a Notice of Funding Availability from the City of New Orleans Office of Community Development (OCD) and selected by OCD for an award of funding to develop a project containing HOME-assisted units.

Administer New Orleans Affordable Housing Development Loan Fund

The awarded entity will administer the Loan Fund on behalf of OCD. Activities to be provided include but are not limited to:

A. Origination:

OCD will refer eligible borrowers to the Loan Fund program. The Loan Fund administrator will work with the prospective borrower to complete the loan application and due diligence items.

B. Underwriting: The Loan Fund administrator will review the loan application; borrower financial statements; project pro forma financial statements; and organizational capacity and will prepare a loan analysis of the project, borrower, sponsor and developer (as appropriate).

C. Approval: Based on underwriting analysis, the Loan Fund administrator will communicate its loan approval or denial recommendation for each loan applicant to OCD. OCD will inform the administrator which proposed loans it has approved and for each OCD-approved loan, the administrator will issue a commitment letter to the borrower containing a description of the borrower, project, and loan terms.

D. Closing: The Loan Fund administrator will prepare all necessary loan documents, attaching all applicable city, state and/or federal requirements as determined and provided by OCD, and will coordinate the loan closing. The administrator will cause all applicable mortgages/liens and regulatory agreements associated with the loan to be duly recorded or filed, as appropriate.

E. Servicing and Monitoring: The Loan Fund administrator will set up a tracking system for loans made through the program. The administrator will process, track, and fund loan disbursements; collect and process loan repayments; manage loan data and borrower compliance with the loan documents; monitor and analyze borrower loan performance; collect quarterly progress reports from borrowers, and notify OCD of any potential issues of non-compliance or other concerns. Long-term project compliance monitoring will be handled by OCD.

APPLICANT SELECTION PROCESS

Successful applicants will be able to demonstrate the following qualities:

ORGANIZATIONAL CAPACITY

- Applicants must have a successful history of involvement in affordable housing development.
- Applicants must have extensive experience in financing affordable housing developments in the City of New Orleans post Hurricane Katrina (2005).
- Applicants must have evidence of long-term stability of its organization.
- Applicants must have a strong financial capacity to implement the Loan Fund Program including the ability to leverage public resources for greater impact.
- Applicants must demonstrate commitment to achieve City of New Orleans DBE participation goals for any primary or subcontracted work.

RELEVANT EXPERIENCE

- Applicants must have specific expertise on staff to implement the requirements of the Loan Fund.
- Applicants must have extensive knowledge of the HOME Investment Partnership Program requirements.
- Applicants must have experience in evaluating complex affordable housing developments including those with multiple financing mechanisms.
- Applicants must have experience working successfully with public sector agencies at the local, state, and/or federal level in designing and implementing affordable housing development programs.

SOUND METHODOLOGY

- Applicants must be able to identify the process and timeline that it will use to develop and implement the Loan Fund.
- Applicants must present a reasonable fee structure for project delivery aspects of the program.
- Applicants must be able to problem solve challenges at the program and individual transaction levels.