

CITY OF NEW ORLEANS

LaToya Cantrell, Mayor

Office of Housing Policy and Community Development

Notice of Funding Availability for the Affordable Rental Housing Gap Financing NOFA 2023

General Information Package

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

TABLE OF CONTENTS

Notice of Funding Availability (NOFA) Instructions	3
Legal and regulatory.....	5
Eligible Activities	5
Program Objectives and Requirements	5
Key Federal Regulations and Requirements.....	7
Applicant Selection Process	10
Scoring.....	10
Award Process	12

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

September 8th, 2023

NOTICE OF FUNDING AVAILABILITY (NOFA)

Agency: *Housing Policy and Office of Community Development (OCD)*
Tyra Johnson Brown

Action: *Notice of Funding Availability (NOFA)*

Summary:

The City hereby releases this NOFA for the awarding of \$32,000,000 in American Rescue Plan Act and General Obligation Bond Proceeds for gap funding for the development of previously awarded affordable rental housing projects in the city of New Orleans. The maximum award for any project under this NOFA is \$150,000 per unit inclusive of any previous awards. Eligible projects may involve the acquisition, rehabilitation and/or new construction of rental housing units to low-income households. Priority will be given to projects that have no additional gap and are ready to proceed once environmental clearance is issued. If a project has not begun construction 6 months after receiving an award letter, funds will be rescinded.

The City will provide financial assistance to eligible projects in the form of a non-interest Cash Flow payment loan. Up to 50% of the projects surplus cash will be paid annually for the lesser of 15 years or until the loan has been repaid. The amount of surplus cash available for repayment will be based on OCD's underwriting, the project's annual audit and other cash flow loans. OCD will consider a subordinate position to other surplus cash loans and modified loan repayment terms.

Release Date: Application packets are available in Microsoft Word and Excel format, beginning **Friday, September 8, 2023** from the Office of Community Development website. Contact this office at (504) 658-4200 to have the NOFA e-mailed to your organization. You may download the application from our website at <https://www.nola.gov/community-development/>

Application Workshop Meeting:

A virtual meeting will be held on **Wednesday, September 20, 2023 from 9:30 AM to 10:30 AM** to answer general questions related to this NOFA and accompanying application. You may submit questions in advance of the meeting to David Meunier, Affordable Housing Project Manager at

demeunier@nola.gov. Please complete a meeting pre-registration form prior to the date of the workshop. A link to the Prerelease form and a link to the Microsoft Teams Meeting follows.

Meeting Pre-Registration Form:

https://teams.microsoft.com/registration/hfTLCLccAkqaIQ3ZtFuf9w,EMhhtn0zj0iYuFMLcLWO9A,qMsXV9rByEO79hFk4MJlhA,0mcxBt839kqGBZ_zQ8NSJg,XeO39Guy5Uq7p38dYEV6YA,Sn4j_Bd5Ok-NGe3U3Dt8lg?mode=read&tenantId=08cbf485-1cb7-4a02-9a21-0dd9b45b9ff7&webinarRing=gcc

Microsoft Teams Meeting:

Join on your computer, mobile app or room device

[Click here to join the meeting](#)

Meeting ID: 248 025 304 289

Passcode: w8SXrh

[Download Teams](#) | [Join on the web](#)

Or call in (audio only)

[+1 504-356-4110,248685892#](tel:+15043564110248685892) United States, New Orleans

Phone Conference ID: 248 685 892#

[Find a local number](#) | [Reset PIN](#)

[Learn More](#) | [Meeting options](#)

Due Date: An original completed application and an electronic copy of all documents with the application in the original Excel format must be submitted to the Office of Community Development (OCD) located at 1340 Poydras Street, 10th Floor in New Orleans, Louisiana 70112 and emailed to NOFA@nola.gov by Friday October 13th, 2023 no later than 3:00 PM CDT.

Format: All applications must be completed electronically using the forms supplied with this Notice of Funding Availability (NOFA). When replying to questions on the applications, please use a 12-point font size to facilitate reading by scorers. The Office of Community Development will not make copies of any applications.

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 logged in and complete a sign-in sheet. Under no circumstance should an applicant leave a proposal at OCD 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.

Failure to follow application instructions may result in disqualification of project application.

INSTRUCTIONS

Proposals will be accepted from non-profit and for-profit developers for projects that have received a previous OCD award but have not been able to move forward due to a funding gap.

Ineligible applicants (eligibility requirements applicable to this RFP)

- Proposals from organizations that are delinquent on any Federal debt, any State of Louisiana debt, or any City of New Orleans debt will not be considered for funding.
- Proposals from previously funded organizations that have not met audit requirements will not be considered for funding. All audits must be clear of ineligible/disallowed costs related to any and all funding provided by the City of New Orleans.
- No contractor principal, member, or officer has, within the preceding five years, been convicted of, or pled guilty to, a felony under state or federal statutes for embezzlement, theft of public funds, bribery, or falsification or destruction of public records.
- Proposals from organizations or managing members that are not in compliance with OCD funding commitments or that have unresolved compliance issues.
- Proposals for projects that have not previously received an award from OCD.

LEGAL AND REGULATORY AUTHORITY

The **HOME Investment Partnerships Program (HOME)** is authorized by Title II of the Cranston-Gonzales National Affordable Housing Act of 1990. Awarded funds available under previous NOFAs are subject to the requirements of this act and its amendments (if any) located at 24 CFR Part 92.

The **Community Development Block Grant (CDBG)** is authorized by Title I of the Housing and Community Development Act of 1974. Awarded Funds available under previous NOFAs are subject to the requirements of the amended CDBG regulations located at 24 CFR Part 570.

The **American Rescue Plan Act** funding is authorized by Title III of the American Rescue Plan Act of 2021. Funds available under this NOFA are subject to the requirements of this act and its amendments (if any).

ELIGIBLE ACTIVITES

Eligible affordable development proposals include the acquisition and rehabilitation of existing dwelling units, and the acquisition of building sites and/or the construction of improvements including water lines, sewer lines, sewage disposal systems, gas lines, roads, curbs, gutters, sidewalks, and other land improvements necessary to prepare the site for the

construction of affordable units. Developers are encouraged to seek other funding such as non-competitive Multi-family Revenue Bonds (MRBs), Low Income Housing Tax Credits and Historic Tax Credits, New Orleans Redevelopment Authority property and Housing Authority of New Orleans property and/or project-based vouchers.

PROGRAM OBJECTIVES AND REQUIREMENTS

The strategic aim of this NOFA is to award funding that supports the development of affordable housing throughout the city of New Orleans that targets the city's most vulnerable populations.

Developer's Fee:

Any proposed developer's fee must be specified in the project budget. The amount of any developer's fee must be consistent with the complexity of the proposal but may not exceed 15% of the project's total development costs. The developer's fee will be calculated to be inclusive of construction management fees, broker/disposition fees and any other fee related service provided by the developer.

Construction Standard:

All rehabilitation must at a minimum meet the federal government's Housing Quality Standards and the International Residential Code adopted by the City of New Orleans. Design standards and exterior finishes must comply with the State Historic Preservation Office and the Historic District Landmarks Commission guidelines. Construction must complement existing neighborhood architecture.

Use of Funds:

Organizations should include in their proposals a description and breakdown of project costs. All such costs should be limited to the amounts that are necessary and reasonable to accomplish the program activities and must meet applicable federal eligibility restrictions. Any awarded project will be subject to OCD's feasibility and cost reasonableness analyses. Eligible costs include, but are not limited to, the following:

1. Acquisition: cost of the land and/or building plus any additional indirect costs of acquiring the land and/or building.
2. Construction: cost of labor and materials, design costs and other professional services, permitting, and other fees required and directly related to construction.
3. An awarded applicant will be expected to maintain fiscal, physical, and managerial soundness of the development for the longer of the period of affordability or terms of any applicable ground lease. Applicants must ensure compliance with all federal cross cutting, OCD regulatory and administrative requirements.

Matching funds:

The City of New Orleans has matching requirements for HOME funds which these applications will adhere to. The allowed forms of matching contributions can be found at 24 CFR 92.220. Matching contributions under the HOME Program cannot come from other federal programs.

Some of the eligible forms of matching contributions are cash contributions, below market interest rates, infrastructure improvements, donated labor, and donated real property.

Matching fund requirements, which exist for the HOME program, are similar but not identical to leveraging. While any amount of non-federal funds committed to a project is considered leveraged funds, not all leveraged funds are considered "matching" funds under the HOME program. Consequently, funds or other contributions that help meet HOME Program match requirements are very valuable. Applicants are asked to identify the source and amount of non-federal funds that are to be committed to projects and to make every attempt to provide matching funds to meet this HOME program requirement. Projects or programs that can provide HOME matching funds or other leveraged, non-federal funds will receive more favorable ratings for funding consideration. Conversely, proposals that demonstrate no effort to provide HOME match will be rated lower and will not be funded.

The City of New Orleans can use General Obligation Bond funds to meet HOME match requirements. In the instance that a project is awarded General Obligation Bond funds being used as HOME match, the statutory and regulatory requirements of the HOME program must be implemented.

Affordability Period

All affordable housing units must meet the federal affordability restrictions established by the applicable program. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. Restrictions will be secured by a Mortgage, Promissory Note and/or Declaration of Restrictions in such form as required by the OCD.

Assisted rental properties must be physically maintained in accordance with City Code and Federal Housing Quality Standards. OCD will reserve the right to inspect all rental properties during the affordability period.

Timeliness

Organizations that are awarded Federal funds must meet the milestones established in the development schedule. **Projects that do not reach milestones established in their development agreement may be subject to rescission of funding. Awarded Developers will have six months to begin construction once they receive an award letter.**

KEY FEDERAL REGULATIONS AND REQUIREMENTS

Environmental Assessment and Impact

The allocation of funds is contingent upon the successful completion of an Environmental Review. After an RFP response has been submitted, **funds (federal or non-federal) may NOT be expended for project related costs until the Environmental Review process has been completed.**

Lead-Based Paint Requirements

Where applicable, construction must be compliant with the requirements of 24 CFR Part 35, and all other Federal requirements.

Flood Insurance Requirements

HUD guidelines require that activities carried out in special flood hazard areas (SFHA) purchase and maintain flood insurance protection as a condition of approval of any HUD financial assistance.

Historic Preservation Requirements

An awarded applicant will be required to follow the State Historic Preservation Office standards and conform to the local requirements of the Historic District Landmark Commission (HDLC).

Fair Housing Impact

In accordance with fair housing laws, housing programs funded or assisted with federal funds must be administered in a manner that will affirmatively further fair housing. The City of New Orleans, as a recipient of federal funds, must certify that it will affirmatively further fair housing. In order for the City to certify that it will affirmatively further fair housing, it must analyze and eliminate housing discrimination, promote fair housing choice, provide opportunities for racially and ethnically inclusive patterns of housing occupancy, promote housing that is accessible to and usable by persons with disabilities, and foster compliance with the nondiscrimination provisions of the Fair Housing Act, U.S. HUD, Office of Fair Housing and Equal Opportunity, Fair Housing Planning Guide, at 1-1.

Applicants must include a fair housing impact statement addressing not only how they will refrain from housing discrimination, but also how they will ensure that their housing and community development programs are accessible to persons with disabilities and do not contribute to or intensify segregated housing patterns.

Housing Rights for Victims of Domestic Violence, Sexual Assault and Stalking

OCD requires that all projects comply with the laws and regulations related to housing rights for victims of domestic violence, dating violence, and sexual assault and stalking (Refer to the Violence against Women Reauthorization Act of 2013 for further information.) An applicant for or tenant of housing assistance under an OCD administered program may not be denied admission to, denied assistance under, terminated from participation in, or evicted from the housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy. An incident of domestic violence, dating violence, sexual assault, or stalking shall not be considered a lease violation by the victim, nor shall it be considered good cause for an eviction. If a tenant who is a victim requests an early lease termination, lease bifurcation from the abuser, or transfer to another unit because she/he is in danger, the property shall make every effort to comply with the request and shall not penalize the tenant.

Section 3 Requirements

The purpose of Section 3 is to ensure that employment, job training, contracting and other economic opportunities generated by HUD financial assistance shall (to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations) be directed to low and very low-income persons residing within the metropolitan area in which the assistance is expended.

For competitively awarded assistance involving housing rehabilitation, construction, or other public construction, where the amount awarded to the applicant exceeds \$200,000, contractors and subcontractors agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3 of the Housing and Urban Development Act of 1968. You may contact our Labor Compliance Bureau at (504) 658-4234 or klporee@nola.gov to learn more about the Section 3 program.

Davis Bacon Requirements

Agencies awarded construction or rehabilitation projects must ensure that they meet requirements specified under the Davis-Bacon Act. The Act requires that all laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with assistance received under HUD programs shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C.276a--276a-5). This section shall apply to the new construction or rehabilitation of residential property **only if such property contains 8 or more CDBG assisted units, or 12 or more HOME assisted units.** You may contact our Labor Compliance Bureau at (504)658-4234 or klporee@nola.gov to learn about Davis Bacon Requirements.

Disadvantaged Business Enterprises (DBE)

The City of New Orleans has established an overall goal of 35% utilization of socially and economically disadvantaged businesses for all public spending or private projects that utilize public funding and/or incentives (City Ordinance 70.432.1). The Office of Supplier Diversity oversees certification, compliance, training and outreach events for local, small and disadvantaged businesses in the city of New Orleans.

Unless a waiver of DBE requirements was granted prior to the release of a solicitation, you must include with your bid, RFP or RFQ response ***DBE Participation Form 1*** that includes the following information:

1. Name and contact information of the DBE firm(s) you will work with if awarded a contract;
2. The scope of work for the commercially useful function the DBE firm(s) will perform on the contract;
3. The percentage of work of the total project to be performed by the DBE firm(s) on the project (e.g., 35%); and
4. A letter from the DBE firm(s) and on their letterhead acknowledging their participation with your firm on the project.

For additional information e-mail: supplierdiversity@nola.gov or visit The Office of Supplier Diversity <https://nola.gov/next/supplier-diversity/about/>

Leveraging

The use of federal and city funds to stimulate the investment of non-governmental funding sources in the financing of a project or program is called "leveraging". The applicant should strive to secure non-governmental funds to minimize the need for limited federal and city

funds in each project. The more leverage that can be attained, the more low-income persons can be assisted.

Audit Requirements

OCD requires that organizations submit the organization's most recent and current audited financial statements with their RFP response(s). Annual audits will be required from the awarded development.

APPLICANT SELECTION PROCESS

Applications will be reviewed to ensure that they meet the following minimum threshold requirements:

- a) The activities for which assistance is requested must be eligible under the HOME and ARPA programs and correspond to the Eligible Activities section of this RFP.
- b) Organizations that receive assistance through the RFP must be in compliance with applicable civil laws and executive orders regarding fair housing and equal opportunity.
- c) The proposed development is financially feasible.

SCORING: Support documentation for each requested point item must be included in the application submission.

I. PROJECT READINESS & DEVELOPMENT SCHEDULE (5 POINTS EACH) MAXIMUM 50 POINTS		
Readiness to Proceed	Readiness to Proceed - All evidence must be submitted in the file in order to obtain points.	
	10 points	Executed Financial Commitments
	10 points	Executed Site Control Document
	5 points	Developer Service and Partnership Agreements
	5 points	Completed Pro Forma
	20 points	Ability to Achieve a Financial Closing within 90 days of Receiving Environmental Clearance
II. LEVERAGING MAXIMUM 15 POINTS		
Percentage of total funds requested and previously awarded relative to total project costs.	15 points	25% or less
	10 points	>25% - 50%
	0 points	Greater than 50%
III. MATCH MAXIMUM 15 POINTS		
Contributions from eligible sources that qualify as match under the HOME Program. Points are awarded for the percentage of match relative to total funds requested and previously awarded.	15 points	75% or Greater
	10 points	Less than 75% but Greater/Equal to 50%
	5 points	Less than 50% but Greater/Equal to 25%
	2 Points	Less than 25% but Greater/Equal to 12.5%
IV. PROJECT RESOURCES MAXIMUM 20 POINTS		

Project received an award of 9% LIHTC from the Louisiana Housing Corporation.	20 points
Project received an award of 4% LIHTC/MRBs, land, vouchers, incentives and/or funding from New Orleans Redevelopment Authority, Finance Authority of New Orleans, and/or Housing Authority of New Orleans.	10 points

Please note that the City of New Orleans reserves the right to fund lower rated proposals over higher scoring proposals in order to address gaps in services, based on total funding availability, and to provide an equitable distribution of funds to help an underserved population, geographical area, etc. **Any awarded project must align with the City's priorities.**

GRANT AWARD PROCESS

The City of New Orleans will notify in writing applicants selected for funding within 90 days of the RFP deadline. All awards are subject to further contract negotiation and availability of funds.

As necessary, the Office of Community Development will subsequently request that selected applicants submit additional project information. Any request for additional documentation is to confirm or clarify information provided in the application or to revise information provided in the application based on the level of funding.

Projects will be awarded until such time that the available funds are exhausted. Awards may contain conditions and/or include amendments to the proposals contained in the application. All awards will contain performance goals, including the development and implementation of timelines and number of units developed and/or persons served. The award that proceeds to the contract will be for a defined term with conditions for renewal and extension. Awarded Developers have six months to begin construction once they receive an award letter.

THE CITY OF NEW ORLEANS RESERVES THE RIGHT TO CANCEL, IN WHOLE OR IN PART, THIS RFP AT ANY TIME AND WITHOUT NOTIFICATION.