



STATE OF MARYLAND
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(DHCD)

REQUEST FOR PROPOSALS



MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
7800 HARKINS RD • LANHAM, MD 20706 • DHCD.MARYLAND.GOV
301-429-7400 • 1-800-756-0119 • TTY/RELAY 711 or 1-800-735-2258



**Information/Application Package
Emerging Developers Loan Fund**

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Request for Proposals Emerging Developers Pre-development Loan

The Department of Housing and Community Development (DHCD) seeks proposals from qualified applicants to receive an award of its Emerging Developers Loan Fund (the "Program"). The purpose of this allocation is to support the emergence of new developers of single-family, multifamily, and supportive housing strongly mission-aligned with communities of special strategic focus for the Department. Funds will be awarded on a competitive basis to nonprofit or for-profit developers of eligible housing projects. Awards will be based on criteria to be developed by the Department.

To learn more in general about this opportunity, including the scoring criteria and other information regarding the application process, please contact Brien O'Toole at the contact information provided below. The Application is also available on the DHCD website: <https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>

All applications for the Emerging Developers Loan Fund are due no later than **2:00 p.m. on Wednesday August 17, 2022.**

Brien.OTOole@Maryland.Gov; Maryland Department of Housing and Community Development, Multifamily Housing Programs, 7800 Harkins Road, Lanham, Maryland 20706; 443.370.8701.



Program Description

Emerging Developers Loan Fund: Pre-development Loans

Program Overview

DHCD requests owners/developers to apply for pre-development loans under the Emerging Developer's Loan Fund Program. DHCD will select the most qualified of those proposals based on the scoring criteria outlined below. Rental, Homeownership, and Supportive Housing projects are eligible. Selected developers will also participate in peer learning/networking events organized by the Department.

Proposals from interested parties are due into DHCD by **Wednesday, August 17th, at 2:00 p.m.**

Eligibility Requirements and Programmatic Priorities

Projects:

1. DHCD will accept proposals for newly constructed, renovated housing, including adaptively reused previously non-housing structures. The housing may be occupied by homeowners, renters, or targeted populations in supported projects, including the homeless.
2. Homeownership projects will restrict at least 20% of their units to households earning at or below 140% of the Area Median Income (AMI).
3. Rental projects will restrict at least 20% of their units to 80% of AMI for a period of not less than 30 years.
4. Heads of Households must be at least 18 years old or legally emancipated.
5. Projects will contribute to a current revitalization plan composed with resident and stakeholder involvement.
6. All units will be marketed in a manner compliant with an Affirmative Fair Housing Marketing Plan approved by the Department.

Applicant Developers:

1. Selected emerging developers will have meaningful, relevant professional/employment experience or education in real estate development, property management, construction, engineering, or real estate law; or, may have owned and operated a business located in the project's neighborhood.
2. Selected developers will have been in business for 5 or fewer years from the date of application or if longer, will not have developed more than 2 real estate projects in the last five years.
3. Selected developers will meet credit and background check requirements.



Maximum Awards and Eligible Uses

\$500,000 to one project. A draft term sheet is attached. Loans will fund standard project pre-development costs. No more than 15% of an award may be used for staff or overhead costs to be drawn as progress payments over the term of the loan.

Due Date/Submission Requirements

Proposals must be received by DHCD no later than **2:00PM on August 17, 2022**. Proposals will be date stamped to verify receipt by the submission deadline..

Proposals must be submitted in two modes. A physical copy should be sent or dropped to the DHCD Mailroom at:

Maryland Department of Housing and Community Development
Brien R. O'Toole, Chief of Housing Production
7800 Harkins Road
Lanham, Maryland 20706

An electronic version will be submitted using the form at this link:

To be considered, applications will follow the format described below.

The application and related materials, including the scoring criteria and other information regarding the application process, can be found on the available on the DHCD website:

<https://dhcd.maryland.gov/HousingDevelopment/Pages/MFLibrary.aspx>

Review Process

DHCD will employ the following process to determine which proposal will be selected.

- DHCD staff will review each proposal to ensure that it is complete. Materially incomplete submissions will be returned and will not be processed further by DHCD. Complete proposals will be advanced for scoring.
- All complete proposals will be scored by a scoring committee convened by DHCD. DHCD may invite other State and local government agencies to participate in the review process.
- All proposals will be ranked according to their score. The highest scored proposals will be recommended and submitted to the Acting for approval. Upon approval of the Multifamily Director, the recommendation will be submitted to the Secretary for final approval and allocation.



Housing Registry

Applicants will be required to provide all information required by DHCD and SocialServe to list their properties on DHCD's Housing Registry Website: www.MDHousingsearch.org

Fair Housing and Equal Opportunity

The Applicant shall comply with applicable Federal and State laws, executive orders, and regulations pertaining to fair housing and equal housing opportunity, including without limitation, Title VI of the Civil Rights Act of 1964, as amended (42 USC § 2000d et seq., 24 CFR Part 1), The Fair Housing Act, as amended (42 USC § 3601 et seq., 24 CFR Part 100-115), Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259), Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq., 24 CFR Part 146). Applicants are cautioned to be aware of the potential applicability of provisions of the Americans with Disabilities Act, federal Fair Housing legislation, and Section 504 of the Rehabilitation Act of 1973 to any housing proposed for funding. Procedures for the selection of residents, conditions of residency, and rules regarding termination may fall within the scope of this legislation. Providers must make reasonable accommodations of rules, policies, and procedures and may be required to allow reasonable structural modifications of buildings to be made, if necessary, to allow an individual with disabilities equal access to housing.

DHCD Non-Discrimination Notice

DHCD does not discriminate based on race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, familial status in the admission or access to or treatment or employment in its program's activities. DHCD will provide appropriate communication auxiliary aids and services upon sufficient notice. DHCD will also provide this document in alternative formats upon sufficient notice. DHCD has designated the following person responsible for coordinating compliance with applicable Federal and State nondiscrimination requirements and addressing grievances:

Gordon Outlaw, Fair Practices, gordon.outlaw@maryland.gov.

Right to Cancel

DHCD reserves the right to reject or cease processing any requests under this Request for Proposals

Additional Terms and Conditions

- DHCD expressly reserves the right to modify or withdraw this Request, including review and scoring procedures at any time, whether before or after any responses have been submitted or received.



- DHCD reserves the right to adjust the timetable for this Request as deemed necessary.
- DHCD reserves the right to reject any or all respondents and not award a contract pursuant to this Request or to terminate the Request process at any time if deemed to be in its best interest.
- If the respondent selected does not enter the required contract described in this Request, DHCD reserves the right to reject the respondent and offer the award to another respondent.
- In no event will any obligations of any kind be enforceable against DHCD unless and until a written contract is entered.
- DHCD reserves the right to waive informalities and minor irregularities in proposals received.
- DHCD reserves the right to reject and not consider any or all respondents who do not meet this Request's requirements, including but not limited to incomplete responses and/or responses offering alternate or non-requested services.
- Each respondent agrees to bear all costs and expenses of its response. There will be no reimbursement for any costs and expenses relating to preparing responses submitted or for any costs or expenses incurred during any negotiations.



APPLICATION

Emerging Developers Loan Fund

Please provide the following project information in the order presented:

I. Project Identification

- A. Name and address;
- B. Location by census tract; and,
- C. Target population description.

II. Project Narrative

- A. Please describe the project's concept and status, including:
 - (1) Total Number of Buildings/Construction Type;
 - (2) Use Type: Rental, Homeownership, Supportive Housing
 - (3) Unit Mix: Number & Type, Rents/Utilities, and Occupancy Profile including income bands, if any;
 - (4) Past and future neighborhood/stakeholder engagement process and roles;
 - (5) Place of the project in the overall neighborhood revitalization plan;
 - (6) Environmental and Greenhouse Gas Reduction Benefits;
 - (7) Site Amenities and Programming including any community, medical, activity, commercial, or office spaces and activities;
 - (8) Area Amenities/Assets including community gardens/food, health, educational, cultural; faith-based, employment; shopping; and safety;
 - (9) Current infrastructure status regarding the site and the neighborhood.

III. Development Team Description

- A. Developer Profile
- B. General Contractor (if known)
- C. Architect (if known)
- D. Property Management (if applicable & known)
- E. Development Team Attachments:
 - (1) M/WBE Certification;
 - (2) Organizational Chart indicating degree of control, roles, and responsibilities;
 - (3) Principal Biographies;
 - (4) Three (3) years of financials compiled by a CPA;
 - (5) Three (3) Letters of Support from lenders, investors, project site neighborhood stakeholders, or industry vendors/professionals;

IV. Strategic Plan Alignment

- A. Evidence of alignment of the project with the neighborhood plan.
- B. Project aligns with State and Local Jurisdictional priorities.
- C. Project contributes significantly to plan goals.



V. Project Readiness

- A. Include a project timeline indicating major milestones, including when project units will be ready for occupancy.

VI. Financial Feasibility

Please present the project's sources and uses. If you are proposing a rental or supportive housing project, please also include income and expense and a pro forma projection out at least 20 years. CDA's Form 202 can be used. Be sure to include enough information with sufficient clarity that a modestly literate reader of real estate financial projections can understand what is being proposed.

Appendices

- A. Emerging Developers Loan Fund Description/Term Sheet



SCORING CRITERIA

Emerging Developers Loan Fund

The scoring committee will be using the following criteria to score each eligible proposal. A maximum of 100 points may be awarded as follows:

I. Development Team (35 points)

Threshold:

- The applicant developer has relevant professional/employment experience or education in real estate development, property management, construction, engineering, or real estate law; or, The applicant developer will have owned and operated a business located in the project's neighborhood.
- The applicant developer will not have been in business more than five years, or will not have completed more than two projects since being in business.
- The applicant developer will have acceptable credit history and will meet background check requirements..

Scoring:

- Development team scores will be based upon the extent of successful, relevant professional/employment experience or education in real estate development, property management, construction, engineering, or real estate/construction law.
- Scores will also be based on the degree to which the applicant developer has demonstrated experience in the proposed project's community or similar communities.
- Scores will also reflect the overall strength of the development team as composed to this point.
- If the development entity is a joint venture, scoring will reflect's the applicant-developer roles, responsibilities, and scope of authority.

II. Project Readiness (25 Points)

Threshold: A proposed project schedule indicating major miles and completion is included.

Scoring: Proportional to completed milestones and readiness to proceed.

III. Alignment with Community Revitalization Plan and Overall Project Quality (25 points)

Threshold: Applicant includes the current community revitalization plan for the neighborhood in which the project is to be located.



Scoring: Proportional to the degree to which:

1. The project advances the goals and objectives of the community revitalization plan.
2. The project meets related public purposes including the:
 - a. reduction of Greenhouse Gas Emissions;
 - b. elimination of exposure to potential toxins like lead;
 - c. reduction disparities in household wealth across targeted demographic groups;
 - d. expansion of quality housing opportunities for persons with disabilities; and,
 - e. creation of employment and business opportunities for Maryland workers and businesses..

IV. Project Feasibility (15 points)

Threshold: Sources must equal Uses. For non-homeownership projects, the Debt Service Coverage Ratio at year 20 for any 1st lien, must-pay debt must be at least 1.10 for rental projects and 1.00 for supportive housing projects. The Department will require realistic assumptions regarding cost or sources.

Scoring: Proportional to the degree in which the project is ready to proceed, including:

1. The development team is assembled and committed to the project;
2. Site control has been established or is probable;
3. The project's sources and uses appear realistic;
4. Needed land use approval and building permits appear likely to be granted;
5. Appropriate site due diligence has been undertaken and its results are favorable;

