

REQUEST FOR APPLICATIONS

Neighborhood Investment Fund

Predevelopment and Project Grant Program

Issue Date: February 25, 2008
Closing Date: July 31, 2008



NEIGHBORHOOD INVESTMENT FUND
GOVERNMENT OF THE DISTRICT OF COLUMBIA

OFFICE OF THE DEPUTY MAYOR
PLANNING AND ECONOMIC DEVELOPMENT

REQUEST FOR APPLICATIONS

Neighborhood Investment Fund Predevelopment and Project Grant Program

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Neighborhood Investment Fund Predevelopment and Project Grant Program (NIF-PDG)

Program Overview

Background: The District of Columbia's Office of the Deputy Mayor for Planning and Economic Development (ODMPED) is charged with implementing the Neighborhood Investment Act of 2004, as amended (NIA). The NIA created a non-lapsing, revolving fund outside of the General Fund, called the Neighborhood Investment Fund (NIF). The NIF is funded through an annual appropriation of 15% of personal property tax, not to exceed \$10 million. The purpose of the NIF is to finance economic development and neighborhood revitalization in 12 targeted areas of the District: Anacostia, Bellevue, Brookland/Edgewood, Bloomingdale/Eckington, Brightwood/Upper Georgia Avenue, Columbia Heights, Congress Heights, Deanwood Heights, H Street, Logan Circle, Shaw, and Washington Highlands.

Program Purpose: To provide grants to support predevelopment and project financing activity for the construction and rehabilitation of affordable housing, mixed use and community-based facility projects in one or more of the 12 NIF target neighborhoods.

Available Funds: \$2,000,000 in available grant funds. The availability of funds is dependent upon the amount of outstanding grants at the time of grant award.

Eligible Projects

- Affordable housing
- Community facilities and;
- Mixed use projects (commercial/office/community facility/housing(affordable or affordable and market rate)

Application Process: Applications may be submitted at any time and will be evaluated on a rolling basis until the NIF-PDG grant funds are expended or until July 31, 2008 – which ever comes first.

The Request for Applications (RFA) will be released on February 25, 2008.

The fund manager will hold an information session in connection with the PDG the third week of March, 2008. Notice of the date and location of the information session will be posted on the ODMPED website: www.dc.biz.gov and the LISC website: www.lisc.org/washingtondc. All questions and answers from the information session will be documented and posted on the ODMPED website prior to the application deadline. . All clarifying questions or comments submitted to the fund manager following the information session will be posted on the ODMPED website. The RFA can be downloaded from the ODMPED website: www.dcbiz.gov or from DC LISC website: www.lisc.org/washingtondc. Copies of the application will also be available for pickup or by mail if requested at the Washington DC LISC office located at 1825 K Street, NW Ste. 1100, Washington, DC 20006.

Application Submission: Applications (3 copies) should be submitted to:

Neighborhood Investment Fund
Office of Deputy Mayor for Planning and Economic Development
1350 Pennsylvania Ave NW
Suite 317
Washington DC 20004
Phone: (202)727-6365

Program Review Manager: The Local Initiatives Support Corporation (LISC) has been selected as the Program Review Manager for the NIF PDG fund. Upon receiving the applications from the ODMPED LISC will:

- Review, analyze and evaluate each application.
- Provide a written analysis and funding recommendation to the ODMPED.
- Monitor the approved grants.

The primary contact for the Local Initiatives Support Corporation is:

Martin Mellett
Senior Program Officer - LISC
1825 K St NW Suite 1100
202 739-9269
Email: mmellett@lisc.org

General Program Requirements

Eligible Projects:

Affordable Housing: Rental and for-sale projects (minimum of 10 units per project). This includes:

- Rental units for the general population
- Rental units for those with special needs
- Cooperatives
- Condominiums
- Single family houses

Community-based Facility Projects: Defined as projects that will provide a public service or benefit to a diverse constituency with a strong commitment to one or more of the 12 NIF target neighborhoods.

Mixed Use Projects: Defined as projects that combine two or more of the following types of development: residential (minimum of 3 units), commercial, office or community facility.

Ineligible Projects

Projects which include check-cashing establishments, liquor stores, adult entertainment and massage parlors. ODMPED reserves the right to review and approve or disapprove of proposed projects.

Site Control

To be eligible for consideration and review, an applicant must exhibit site control of the project through one of the following forms:

- Deed of trust
- Contract of sale
- Option to purchase

Eligible Use of Funds

Funds can be used to pay for third party professional services for determining project feasibility or pursuing a property acquisition. Funds can cover expenses invoiced or paid retroactive to January 1, 2008. Invoices or expenses paid prior to date are ineligible. The use of funds includes, but is not limited to:

- development analysis
- due diligence services
- accounting fees
- environmental assessment
- finance consultants
- market studies
- soil testing
- tax credit consultants
- legal fees
- surveys

Ineligible Use of Funds

Funds can not be used to pay for the following items:

- Federal and District taxes
- any costs to satisfy liens and related penalties
- government impositions
- management fees
- property acquisition or lease
- organizational overhead
- food
- equipment
- organizational capacity building
- transportation

ODMPED reserves the right to review and approve or disapprove of fund uses.

Application Process and Deadline

Applications will be received on a rolling basis for the NIF-PDG Fund until the grant funds are expended or until July 31, 2008 - whichever occurs first.

Eligible Applicants

- Non-profit developers that are a 501(c) (3) non-profit corporation.
- Joint ventures, partnerships, and limited liability arrangements with for-profit developers are permitted only if the non-profit developer has at least 51% management control of the project *.

*The non-profit developer must materially participate in the development project by being involved in the operations of the development and the development process on a basis that is regular, continuous and substantial.

Eligible Locations – NIF Target Neighborhoods:

All projects must be physically located within the boundaries of one of the 12 NIF target areas. See the target map and target area boundaries in Appendix: B and C

CBE Requirements

The District is committed to ensuring significant participation and inclusion of Certified Business Enterprises (“CBEs”) in contracting opportunities derived from development in the City. Grantees shall be required to award at least 35 percent (35%) of the total project budget (“CBE Minimum Expenditure”) to CBE contractors and vendors. Prior to the execution of the grant agreement with the District, the Grantee will be required to sign a Certified Business Enterprise Utilization and Participation Agreement (“CBE Agreement”) with the DC Department of Small and Local Business Development (“DSLBD”) that outlines the specific contracting requirements and the specific efforts the Grantee must make to fulfill these requirements.

Affordability Requirements

Number of Units: All projects with a residential component must provide a minimum of 30% affordable units. Affordable units must be affordable to households earning 60% or less of the Area Medium Income (AMI). (See Table 1) All market units must have price points consistent with the area’s residential market price.

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Maximum Income 30% AMI	\$ 19,845	\$22,680	\$25,515	\$ 28,350	\$ 31,185	\$34,020	\$36,855	\$ 39,690
Maximum Income 50% AMI	\$ 33,075	\$37,800	\$42,525	\$ 47,250	\$ 51,975	\$56,700	\$61,425	\$ 66,150
Maximum Income 80% AMI	\$ 52,920	\$60,480	\$68,040	\$ 75,600	\$ 83,160	\$90,720	\$98,280	\$ 105,840

Term of Affordability: All affordable homeownership units shall remain affordable for a minimum of 15 years. All affordable rental units shall remain affordable for a minimum of 30 years.

Review Process

Upon receipt and intake of an application to the NIF-PDG fund, ODMPED will forward the application to LISC. It is within the discretion of ODMPED to forward or not to forward the application for further review by LISC based upon the applicant’s good standing with the District of Columbia Government and the proposed projects consistent with the objectives of ODMPED.

LISC Evaluation

When application is received by LISC, the staff will undertake a review, analysis and evaluation process that will include:

- Initial review for basic eligibility

All basic eligibility criteria must be met at the time of application submission to be considered for further review:	
Site Control	Yes/No
Applicant Eligibility	Yes/No
Geographic Location of Project (NIF Target Area)	Yes/No
Eligible Project	Yes/No
Applicant – Good Standing	Yes/No

- Site visit(s) with the applicant
- Evaluation of application based on criteria listed below
- Submission of evaluation and recommendation to ODMPED. LISC will not provide a copy of evaluation/recommendation to applicant.

Evaluation Criteria

Once an application has been screened for basic eligibility, projects will be evaluated on the following criteria:

- Capacity of the Applicant
- Capacity of Development Team
- Financial Feasibility of the Project
- Predevelopment Plan and Budget Analysis

Upon approval of an application by ODMPED, ODMPED will issue a grant agreement to the applicant explaining the terms and conditions of the grant. The grant agreement must be signed and returned within 10 days of the date of the grant agreement or the offer may be withdrawn. Upon full execution of the grant agreement and any associated documents, grant disbursement will begin.

Monthly Progress Reports

Approved applicants are responsible to complete and submit Monthly Progress Reports to LISC with a copy to ODMPED by the 30th of each month during the term of the grant as outlined in the grant agreement. Timely reporting is a condition of the grant.

Neighborhood Investment Fund Predevelopment Grant Fund Application

COVER PAGE

- Date
- Name of Applicant Organization
- Contact Person
- Address
- Telephone/Fax
- Email Address/Webpage
- Project Summary
- Amount of Grant Request
- Signature of Chief Executive Officer/President/Director

ORGANIZATION PROFILE

- Description of Organization
- Mission and History
- Programs and Projects
- Experience Related to Specific Project (e.g. If the project is an affordable housing project, summary description of past/present experience in the development of affordable housing.)

PROJECT INFORMATION

Street Address

Description of Property/Site – at a minimum the description should include:

- Neighborhood
- Physical description (e.g. age, number of units, square ft. need for repairs, renovation, type of construction, etc.)
- If property is occupied, profile of tenants (residential, commercial or community facility)
- If vacant land, lot size, previous uses, etc.
- Zoning (need for zoning variance)
- Past uses of property and adjacent land uses
- Challenges to development (physical or otherwise)
- Any other relevant information

Status of Site Control

Description of the present ownership status and/or current status of efforts to acquire the property.

Project Description and Projected Results: This should include a description of the following:

- Projected use of the property
- Outcomes/benefits of the project(e.g. acquisition, renovation and sale of 30 for-sale homes to low and moderate income households)
- Proposed steps to undertake and complete the project
- Benefit and impact on the neighborhood
- Whether applicant has had communication with or input from neighborhood residents; if so – what has been the results
- Photos – if available
- List and description of partners and development team

PROJECT FINANCING

- Line Item Pre-Development Budget
- Amount Requested from NIF- PDG Fund
- Detailed line item budget for NIF-PDG funds
- If predevelopment budget exceeds NIF-PDG request, what is the source and status of obtaining these remaining funds.
- If available, for the total project development budget, proposed sources and uses for acquisition, construction and permanent financing – indicate status of financing sources.

REQUIRED SUPPORTING DOCUMENTATION

- Current list of Board of Directors or Principals of Applicant's Business
- Organizational Chart
- Current and Immediate Past Year Operating Budget (with revenue sources)
- Three years of audited financials (quarterly financials for unaudited years)
- Articles of Incorporation/ By-Laws
- Copy of 501 (c) (3) letter
- Evidence of Site Control (deed, contract of sale, option to purchase); In case of tenant purchase deal – copy of 3rd party offer or offer of sale)
- Certification from applicant that project will meet the minimum affordability requirements as listed in the program description. (See Appendix A)
- Letters of Interest and/or Commitment from other Financing Sources – if applicable
- Copies of 3rd party contracts – if available
- Partnership Agreement or Operating Agreement – where applicable.
- Certified, written evidence from the District of Columbia's Office of Tax and Revenue (OTR) that all due and applicable Federal and local taxes are current.
- Clean Hands Self Certification from the DC Department of Consumer and Regulatory Affairs

- **Applicable DC License Registration from the DC Department of Consumer and Regulatory Affairs**
- **First Source Employment (Due upon grant award)**
- **Tax Certification Affidavit**
- **EEOC Policy Statement (Due upon grant award)**
- **CBE Agreement (Due upon grant award)**