



National Housing Trust Fund Program



May 2019 NHTF NOFA

I. OVERVIEW

The Arkansas Development Finance Authority (“ADFA”) hereby notifies interested Applicants of the availability of funds allocated from the National Housing Trust Fund Program (“NHTF”). The availability and use of these funds is subject to Federal NHTF regulations (*See* 24 CFR Part 93) and any amendments..

Additional NHTF information may also be found at the following link:

<https://adfa.arkansas.gov/files/>

In releasing this Notice of Funding Availability (“NOFA”), ADFA’s goal is to facilitate the production of affordable rental housing in Arkansas, specifically for households who meet the HUD Income Guidelines for Extremely Low-Income (“ELI”). To meet this goal, ADFA will provide grants to Recipients.

Funds will be awarded to successful Applicants who will act as Recipient for ADFA NHTF funded projects. Applicants will carry out services listed in Exhibit A (*See* “Scope of Services and Requirements”).

Applicant questions must be directed in to Lori.Brockway@adfa.arkansas.gov.

II. AMOUNT OF FUNDS AVAILABLE FOR AWARD

Approximately Six Million Five Hundred Thousand Dollars (\$6,500,000) will be available under this NOFA. ADFA reserves the right to fund, in whole, or in part, any, all, or none of the applications submitted in response to this NOFA.

III. MAXIMUM AMOUNTS OF NHTF FUNDS PER DEVELOPMENT

No single Recipient may receive more than One Million Dollars (\$1,000,000); however, ADFA has the right to waive this per-Recipient allocation cap. ADFA’s award of funds will be subject to subsidy layering guidelines and underwriting criteria to ensure the project’s success.

IV. NATIONAL HOUSING TRUST FUNDS REQUIREMENTS

ADFA's NHTF Plan seeks to ensure that, where economically feasible, applicants will have an opportunity to compete for funding to address unmet rental housing needs. ADFA has established certain basic housing requirements to be used in the allocation of NHTF funds.

1. **Geographic Diversity**: ADFA anticipates allocating available NHTF funds to expand the ELI and ELI Veteran rental housing supply located throughout Arkansas in areas near VA Medical Facilities/Hospitals, VA Support Services, and urban areas where employers are more concentrated and more likely to offer jobs to Veterans first.
2. **Applicant Capacity**: Consideration will be given to the ability of the Applicant to undertake and complete the construction of the proposed type of housing in a timely manner. The applicant must have the financial capacity to complete the proposed development and must provide a list of experienced development team members such as a general contractor, architect, property manager and legal counsel.
3. **Rental Assistance**: Due to the targeted population of ELI households, the ability to secure rental assistance so that rents are affordable to ELI families will be a major factor in the success of any proposed development.
4. **Duration of Affordability Period**: All NHTF rental units must have affordability requirements for a minimum of thirty (30) years. The Development Team must demonstrate strength to enforce the affordability period.
5. **Housing Needs of the State**: ADFA has identified a housing need for ELI households and ELI Veterans. Per the Veterans Data Central website, (www.veteransdata.info) in 2015, there were 229,261 Veterans in Arkansas, representing 10.3% of the Arkansas population. Of those, 7.3% are unemployed, 8.8% live in poverty, 19.8% have a service-connected disability rating, and 456 are homeless.
6. **Leveraging**: The applicant should provide additional sources of funds such as other soft funds for construction, permanent financing and/or operating expenses.

V. ELIGIBLE APPLICANTS AND RECIPIENTS

A. Definitions

“Development Team” is defined as the Applicant, consultant, contractor, architect, accountant, property manager, and attorney.

“Veteran” is defined under 38 CFR 3.1 as “a person who served in the active military, naval, or air service and who was discharged or released under conditions other than dishonorable.”

“Extremely Low-Income Family” is defined under 24 CFR 91.5 as a “family whose income is between 0 and 30 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 30 percent of the median for the area on the basis of HUD’s findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.”

B. Summary

Eligible Applicants consist of the Development Team who will construct new rental housing (single family homes, duplexes, or multi-family units) for Eligible Beneficiaries described in Section VI of this document.

ADFA will distribute NHTF funds by directly selecting applications submitted from eligible Applicants and will not use sub-grantees.

Successful Applicants will act as Recipients of ADFA NHTF funds. Recipients are defined in the 24 CFR 93.2 as follows:

An organization, agency, or other entity (including a public housing agency, or a for-profit entity or a nonprofit entity) that receives HTF assistance from a grantee as an owner or developer to carry out an HTF-assisted project.

Applicants approved for funding under this NOFA will administer the activity which is outlined in Exhibit “A” of this NOFA.

C. Requirements

An Applicant must:

1. Assure to the grantee that it will comply with the requirements of the NHTF program during the entire period that begins upon selection of the Recipient to receive NHTF funds, and ending upon the conclusion of all NHTF-funded activities,
2. Demonstrate the ability and financial capacity to undertake and manage the eligible activity,
3. Demonstrate its familiarity with the requirements of other Federal, State,

or local housing programs that may be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs, and

4. Demonstrate its experience and capacity to conduct an eligible NHTF activity as evidence by its ability to design, construct, own, manage, operate and market affordable multi-family rental housing.

ADFA will measure these requirements per methods listed in the Scoring Matrix and per documents submitted with the application at: <https://adfa.arkansas.gov/files/>

VI. ELIGIBLE BENEFICIARIES

Eligible beneficiaries for this NOFA are ELI individuals/families, at least four (4) units must be ELI Veterans and their families—with preference in the scoring matrix being given to ELI Veterans who

1. Are homeless (or at risk of becoming homeless),
2. Have special needs,
3. Are leaving correctional facilities, and/or
4. Have mental health issues.

VII. ELIGIBLE ACTIVITIES

MINIMUM NUMBER OF PROPOSED UNITS: A single proposed multi-family development may not contain less than four (4) units designated and reserved for ELI Veterans’ households and the remaining units reserved for ELI households.

The eligible activity for this NOFA is the new construction of rental housing projects, single family homes, and multifamily residential rental units for eligible Applicants. This NOFA does not cover rehabilitation of existing projects.

The maximum cost-per-unit is limited to:

Maximum Cost Per-Unit and Minimum Area Requirements

Property Type	Bedrooms	Baths	Min. Bedroom Net Area	Max. Cost Per- Unit
Rental Unit	3-4	2	120 sq. ft.	\$151,000
Rental Unit	1-2	1-2	120 sq. ft.	\$120,000
Single Family	3-4	2	120 sq. ft.	\$162,000
Single Family	2	1-2	120 sq. ft.	\$140,000

Unit areas do not include outside storage, covered porches, patios, balconies, etc.

VIII. APPLICATION, CHECKLIST, AND ATTACHMENTS

The application, checklist, and attachments may be found at

<https://adfa.arkansas.gov/files/>

Under the section “National Housing Trust FUND ‘NHTF,’” expand the section “National Housing Trust Fund 2016-2017 Application Documents.”

IX. WHEN & WHERE APPLICATIONS ARE TO BE SUBMITTED

This NOFA is open indefinitely or until all funds are awarded. Written proposals responding to the questions and requests for information in the manner specified in this NOFA should be submitted to the following: nofa@adfa.arkansas.gov

To be considered, one (1) copy of the proposal should be delivered to ADFA via email only. ADFA reserves the right to reject any or all proposals.

It is the responsibility of the applicant to inquire about and clarify any aspect of this NOFA. Questions should be directed to Lori Brockway at Lori.Brockway@adfa.arkansas.gov or 501-682-3339. Substantive questions and answers will be documented in letter form and will be sent by email to all the proposers who provide us with an email address. **IN ORDER TO BE ON THE DISTRIBUTION LIST FOR INTERNET TRANSMISSION OF ALL RESPONSES TO INQUIRIES, YOU MUST IMMEDIATELY ADVISE LORI BROCKWAY AT THE EMAIL ADDRESS STATED ABOVE, OF THE EMAIL ADDRESS TO WHICH YOU WANT ALL SUCH TRANSMISSIONS SENT.**

Any information or materials submitted as a response to this NOFA shall become the property of ADFA and will not be returned.

X. RESPONSE TO NOFA

Applicants wishing to respond to this NOFA may contact Lori Brockway, ADFA Federal Housing Programs Manager.

UPON THE FINAL SUBMISSION DATE OF THE APPLICATION, NO CONTACT WITH ADFA BOARD MEMBERS OR ADFA STAFF MEMBERS CONCERNING THE NOFA IS ALLOWED. ANY SUCH CONTACT WILL BE GROUNDS FOR IMMEDIATE REJECTION OF AN APPLICANT’S PROPOSAL, EXCEPT THAT ADFA STAFF MAY CONTACT THE APPLICANT WITH QUESTIONS REGARDING THE SUBMITTED PROPOSAL.

XI. CRITERIA BY WHICH APPLICATIONS WILL BE EVALUATED

ADFA Staff will use the ADFA National Housing Trust Fund Scoring Matrix (<https://adfa.arkansas.gov/files/>) to rank all proposals and to develop recommendations to be presented to the ADFA Staff Housing Review Committee, the Board Housing Review Committee, and the ADFA Board of Directors. ADFA reserves the right to evaluate the ranking of proposals based on factors beyond the listed criteria.

A. Selection Process

After evaluation of the proposals, the ADFA Housing staff will make its recommendation(s) to the ADFA Staff Housing Review Committee, the Board Housing Review Committee, and the ADFA Board of Directors. The final selection will be made by a vote of the ADFA Board members at a regularly scheduled meeting.

ADFA may, at any time prior to the selection of an Applicant, reject any and all proposals and **cancel** this NOFA, without liability therefore, upon finding that there is good cause for rejecting all proposals and that it would be in its interest to cancel the solicitation. Further, regardless of the number and quality of proposals submitted, ADFA shall under no circumstances be responsible for any Applicant costs and expenses incurred in submitting a response to this NOFA. Each Applicant who submits a response does so at the Applicant's cost, risk, and expense. ADFA accepts no responsibility for the return of successful or unsuccessful proposals. This NOFA in no way obligates ADFA to select an Applicant.

Any organization selected will be required to complete a conflict of interest disclosure form in compliance with Governor's Executive Order 98-04.

Exhibit A
Scope of Services and Requirements

ADFA is seeking qualified Applicants to serve as Development Teams of affordable housing rental units/projects. Qualified applicants shall have experience providing the required services specifically for affordable rental housing units/projects. These services include, but are not limited to, the following (all of the following services **must** be addressed in your response to be considered):

- A. Prepare and submit to ADFA a complete application. For sections not applicable to your housing proposal, please mark as “not applicable” or “NA”.
- B. Provide a written statement of all other sources of funds from each business firm that describes in detail the financial commitment to the proposed development.
- C. Provide evidence of site control regarding land for new construction. What is site control? Site control means you have obtained an enforceable right to use a parcel of land. This right must be formally (or legally) given in writing. Verbal permission is not enough. A deed, lease or easements are the most common forms of written authorization to use land.
- D. Provide a Certified Land Appraisal.
- E. Provide a letter of support from the chief elected official or a majority of the members of the elected governing body of the jurisdiction where the affordable housing is to be located.
- F. Submit proof of all Development Team members’ relevant experience and qualifications, along with contractors’, and subcontractors’ qualifications and appropriate, active licenses in good standing.
- G. Establish and include a timeline for completion of all activities to be accomplished.
- H. All waivers must be requested in the NOFA application.
- I. Submit proof that all Development Team members having attended Fair Housing training provided by the Arkansas Fair Housing Commission.
- J. Satisfactorily execute an ADFA agreement (which will serve as the commitment of NHTF funds), an ADFA agreement for any other ADFA funds included in the budget, closing documents, and a mortgage, forgivable note and deed restriction in favor of ADFA.
- K. Commence work only after receipt of a written Notice to Proceed issued by ADFA.
- L. Ensure project rents, if applicable, are affordable to persons at ELI limits of thirty percent (30%) of HUD area median income, adjusted for family size, per HUD Fair Market Rent requirements.
- M. Provide periodic reports, as required by ADFA.
- N. Participate in periodic compliance monitoring processes, performed by ADFA staff, to
- O. Maintain a cooperative working relationship with ADFA staff and inspectors.
- P. Submit a completed ADFA Form Attachment “A” – Criminal Background & Disclosure Form for each Development Team member found at <https://adfa.arkansas.gov/files/>

Exhibit B
Post-Award Obligations

1. Environmental Assessment Factors, Phase I – If required by ADFA
2. Market Study: Submit a market study of the selected geographic market area, evidencing the need for the affordable housing units proposed. The market study must be performed by an ADFA-approved market study provider, and the market study must conform to all ADFA-adopted market study guidelines.