REQUEST FOR PROPOSALS:

PROJECT INVESTMENT FUNDING FOR AFFORDABLE HOUSING DEVELOPMENT

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I. SUMMARY:

Houston LISC is issuing a Request for Proposals (RFP) that seeks to provide funding to non-profit community based organizations to further advance the development of affordable housing in Houston and Harris County. LISC will provide Project Investments (PI) for predevelopment activities associated with affordable housing development projects. PIs are 0% loans intended to enable community developers to 1) evaluate the feasibility of a real estate development project at an early stage, or 2) bridge short-term project financing needs. PIs are repaid when a project closes on the earlier of 1) additional pre-development financing, construction financing, or permanent financing. LISC can forgive PIs if a project becomes demonstrably infeasible.

The total funding available is $130,000. Houston LISC will make three to four awards sized at $25,000 - $50,000 each.

Proposal Deadline: The deadline to submit proposals is 5:00 PM April 29, 2020. Electronic submissions only. Questions should be directed to Peter Brewton at pbrewton@lisc.org or (412) 616-8828 no later than 5:00 PM April 13, 2020.

II. BACKGROUND:

Houston LISC is the local office of Local Initiatives Support Corporation (LISC), a national non-profit community development intermediary. With residents and partners, LISC forges resilient and inclusive communities of opportunity across America—great places to live, work, visit, do business and raise families. To find out more about our work visit: www.lisc.org and www.lisc.org/houston
III. ELIGIBLE APPLICANTS:

- Must be a 501(c)(3) non-profit corporation. Applicants participating in a joint venture partnership with another developer are eligible.
- Preference will be given to organizations currently participating in Houston LISC’s Harvey Real Estate Capacity Building Initiative.

IV. PROJECT ELIGIBILITY CRITERIA:

- The proposed development must be located in the City of Houston or Harris County
- Rental and owner-occupied housing projects are eligible. For rental projects, at least 51% of the units must be affordable to households at 80% or below Area Median Income. For owner-occupied projects, at least 51% of the units must be affordable to households at 120% or below Area Median Income.
- Preference will be given to projects located in Houston LISC GO Neighborhoods. A map of Houston LISC Go Neighborhoods can be found here: [http://go-neighborhoods.org/go-neighborhoods/](http://go-neighborhoods.org/go-neighborhoods/)

V. ELIGIBLE USES:

- **Pre-Development Expenses**: Professional expenses, such as third party consultants for pre-development work, including but not limited to, schematic design, survey, market study, appraisal, capital needs assessment, environmental, legal, etc. Administrative costs and development consultant fees are not eligible. Earnest money for property acquisition is not eligible.

- **Short-Term Project Bridge Financing**: Pre-development expenses that are required to keep an existing project viable or moving forward more quickly. Including but not limited to: additional earnest money required to extend a purchase option, and unexpected pre-development activities on a project’s critical path (i.e. Phase II ESA or additional geotechnical investigation).
VI. PROPOSAL SUBMISSION (Please submit proposal exactly as outlined below. Brevity is encouraged):

Organization Information

1. Cover letter: Provide cover letter signed by the applicant. Include primary contact, address, phone, and email address.
2. Brief history of the sponsor/applicant.
3. Summary of organization and key staff’s experience with similar projects. If organizational or staff experience is limited, summarize the organization’s plan to build capacity required to execute the project.
4. Most recent audited financial statements.
5. Most recent quarterly internal financial statements.
6. Organizational budget for the current fiscal year.

Project Information

1. Description of the real estate development project, including a brief narrative, address/location, number and unit matrix detailing unit size and affordability.
2. Description of how proposed project or program addresses defined local needs. If part of a comprehensive neighborhood or community plan, please explain how project/program fits within plan. Include a summary of community and other stakeholder engagement related to the proposed project.
3. If applying for early stage project feasibility funding, provide a sources and uses budget for the pre-development activities required to evaluate the project’s feasibility. Specify which line items will be funded with the LISC PI.
4. If applying for short-term bridge financing, provide a pre-development sources and uses budget v. revised budget v. costs incurred to date. Specify which line items will be funded with the LISC PI.
5. Statement of need: why is LISC PI funding necessary for the proposed project?
6. Project development timeline.
7. Plan of finance for the project, including public and private funding sources. Preliminary development sources and uses budget, to the extent available.

8. Preliminary operating pro forma, to the extent available.

9. Status of site control (owned, under agreement, in negotiations, etc.)

10. List of project team members, including architect, general contractor, consultants, to the extent available. If participating in a joint venture, provide copy of MOU or JV agreement or summarize division of roles and responsibilities.

VII. SELECTION CRITERIA:

LISC will evaluate all proposals based upon the Selection Criteria. All proposals will be reviewed for completeness and eligibility. Incomplete applications or not meeting threshold eligibility may result in rejection. It is understood that projects seeking early-stage financing are in the conceptual planning stage.

1. Threshold: Project or activity must be in Houston or Harris County and meet affordability requirements. Sponsor must be a 501(c)3 organization in good standing.

2. Organization capacity: Demonstrated capacity, skills and knowledge to successfully implement the proposed activities; ability to commit staff to complete the activities proposed. For organizations with limited experience, a capacity building plan will be taken into account.

3. Addressing local needs: Project meets a demonstrated community need and ties into community and regional plans.

4. Leverage: Ability to leverage other public and/or private funding.

5. Past performance: Track record of completing activities and projects funded by Houston LISC.

VIII. DEADLINE FOR SUBMISSION:

Proposals must be received no later than 5:00 PM April 29, 2020. Please submit an electronic version to pbrewton@lisc.org. Hard copies will not be accepted. Reach out to Peter Brewton if you prefer to drop files into a secure online dropbox.
Questions can be directed no later than **5:00 PM April 13, 2020** to Peter Brewton by email at: pbrewton@lisc.org. Questions along with LISC response will be distributed to all RFP applicants.

Houston LISC reserves the right to revise deadlines, modify RFP guidelines, and follow up with applicants with any questions. Applicants will receive written notice of any change in deadline or program guidelines.