



City of Cleveland
Justin M. Bibb, Mayor



Department of Community Development

TO: Affordable Housing Developers

**FROM: Alyssa Hernandez, Director
Department of Community Development**

DATE: May 1, 2023

**SUBJECT: 2023 Housing Trust Fund
Request for Proposals (RFP)
Affordable Housing Development Projects**

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The City of Cleveland will make funds available to invest in affordable housing development projects on a competitive basis through the Department of Community Development’s (CD) 2023 Housing Trust Fund program (HTF).

This Request for Proposals (RFP) is only for housing development projects that will include affordable housing units that will serve low and moderate-income households, as defined in this document. Market-rate projects that contain affordable units are eligible and encouraged. A limited amount of the City’s HUD HOME funds (approximately \$3.8 million) will be allocated through this RFP, which describes project eligibility, application requirements and the format for submitting proposals. Other funds may also be available for projects that include housing and would benefit from HUD’s CDBG regulatory requirements.

The Due Date for the first round of 2023 Housing Trust Fund proposals is 5:00pm on July 1, 2023. Applications will be reviewed and an award decision will be made within the two calendar months after the end of the month in which they are submitted. Applications for 1-4 unit properties will be accepted on a rolling basis.

Please note: By submitting a proposal to the Housing Trust Fund Program, you are formally stating your intent to utilize Federal funding for your project. As such, all applicable Federal regulations will apply to your project, including but not limited to the Uniform Relocation Act and Part 58 Environmental Review requirements.

List of Attachments

Attachment A – Submission Requirements Checklist
Attachment B – 2022 HOME Income Limits
Attachment C – HUD Site and Neighborhood Standards
Attachment D – Environmental Reports
Attachment E – Market Study Requirements
Attachment F – HTF Threshold Eligibility Requirements
Attachment G – Planning HTF Review Criteria
Attachment H – Example of Regional Materials Procurement Chart
Attachment I – Cleveland Neighborhood Development Index Map
Attachment J – Property Standards

Submission and Selection Process Overview:

All requests for assistance from the Housing Trust Fund must follow the [Housing Trust Fund Neighborly Application](#). **All applicable requested information must be provided.** Please see **Attachment A** for a checklist of the required submission documentation. Applications will not be accepted unless all requested information is provided.

To access the Housing Trust Fund application, please click the following link, log in, and select “Housing Trust Fund”.

<https://portal.neighborlysoftware.com/clevelandoh/participant#>

To be considered in the first round of 2023 funding, proposals must be received by the Department of Community Development by **5:00 p.m. on July 1, 2023.**

A review committee, consisting of the Director of Community Development, Commissioner of Neighborhood Development and other appropriate City staff members, will make funding recommendations. Applications will be reviewed and an award decision made within the two calendar months after the end of the month in which they are submitted. Committee recommendations will be subject to approval by City Administration and City Council. Your first point of contact on project questions and the proposal process should be one of the following staff members:

Anthony Bango: (216) 664-2424, abango@clevelandohio.gov

Clarification on Underwriting Policies and Loan Terms for 2022 Housing Trust Fund

Terms of HOME loan shall be no less favorable to City than those of other subordinate financing.

Cash Flow sharing repayment requirements. Based on underwriting and project financing requirements, HOME loan repayments may be structured as “soft debt” with cash flow contingent repayment. Cash flow may be applied first to payment of principal balance of a deferred developer fee note, with limitations.

To the extent that the developer fee paid during development exceeds the lesser of 15% of Total Development Cost including developer fee (TDC) or \$1 million, any Cash flow available to pay outstanding deferred developer fee note will be shared equally with payments to City HOME loan.

Cash flow sharing with other soft debt may be pro rata based on original loan principal.

Exceptions to developer fee limits and cash flow sharing requirements are available with a fully amortizing schedule for City HOME loan repayment, subject to cash flow and guaranteed by entity or entities receiving the developer fee or their affiliates.

Underwriting Guidelines. For additional guidelines refer to 1) HUD HOME regulations [24 CFR §92.250\(b\)](#) described in [Notice CPD-15-11](#), 2) the Ohio Housing Finance Agency (OHFA)'s [2021 Multifamily Underwriting Guidelines](#), and 3) the most current City of Cleveland underwriting guidelines. The HUD HOME regulations will have precedence.

Gap Financing. Housing Trust Fund is considered gap financing and as such will be limited in most cases to a maximum of 50% of the Total Development Costs. Exceptions may be available for single family gap financing and other small scale rehab projects.

Procurement. City will determine reasonableness of all development costs. To determine the reasonableness of each cost element, City may require applicant to compare the cost element with a third party, fair market price quotation for that cost element. If applicant does not use multiple third party price quotations to verify cost elements, then the City reviewer may conduct a cost analysis using appropriate cost estimating manuals or services.

Change Orders. City contract may require approval of change orders above a threshold amount. Construction contracts must specify that change orders will be for the cost of the work plus a fee not to exceed a guaranteed maximum price.

Compliance with Environmental Review (ER) and Uniform Relocation Act and Voluntary Acquisition (URA). Applicants must attend a class conducted by CD's

Compliance Section as a condition of this award. Contact Martin Bielat, Compliance Manager at (216) 664-4094 to schedule.

Title Insurance Loan Policy in favor of City in the amount of the City funds provided to the project will be required.

Cost Certification and Repayment Terms. After project completion as a condition of contract close out, borrower will be required to submit a cost certification prepared by an accountant for both actual project costs and actual sources of funds. A portion of the surplus due to lower costs or higher sources will be required as an initial repayment of City HOME loan balance. Specific terms will be modeled on the Ohio Housing Finance Agency's (OHFA) multifamily underwriting and implementation guidelines.

Housing Trust Fund (HTF)

General Guidelines

Eligible Participants

Developers may be for-profit or non-profit entities.

Eligible Housing Project Types

New Construction or Rehabilitation of existing structures for the following:

- 1) Multifamily Rental Housing
- 2) 1-4 unit homes (For Sale or Rental)
- 3) For sale 1-4 unit homes utilizing Homebuyer sweat equity
- 4) For sale or rental projects utilizing a community land trust to create permanent affordability.
- 5) Mixed-use that includes a rental or for sale residential use.
- 6) Mixed income residential housing
- 7) Permanent Supportive Housing
- 8) Scattered-site rental projects that will be considered as one HOME-assisted project
- 9) Conversion of a non-residential structure to housing
- 10) Acquisition of vacant land or demolition with HOME funds may only be undertaken for a specific affordable housing project on which construction will begin within 12 months. There must be an immediate, planned HOME-eligible use prior to acquisition or demolition.
- 11) CDBG Regulations may be appropriate for projects where City funding supports:
 - a. Small scale multifamily rental rehab
 - b. One and two family rehab for sale
 - c. Strategic Rehab opportunities with costs exceeding HTF caps for HOME
 - d. Project acquisition, predevelopment, soft costs

- 12) Please consult with the Department of Community Development for other project types not listed above for eligibility basis.

Eligible Households

Homeowner Projects must benefit Households earning no more than 80% of the area median income (AMI).

For rental projects, 80% of the HOME assisted units must be affordable to households with incomes at 60% or less than the area median income (AMI) and 20% of the HOME assisted units must be affordable to households with incomes at 50% AMI or less. Income limits are adjusted annually. Current Income Limits are in **Attachment B**. A limited number of Projects containing rental units may request 80% AMI unit income limits if needed for market feasibility. CDBG projects are typically limited to 80% AMI for 51% of the units, or 1 unit in a 2 family building. The Department of Community Development will consider such requests on a case by case basis.

Eligible Locations

All properties must be located within the incorporated areas of the City.

Eligible Uses of HTF Funds

Funds can be used as short-term or long-term secured financing for project development costs. All HOME costs, including soft costs, must be tied to specific housing addresses. Costs may include, but are not limited to:

- 1) costs of land assemblage;
- 2) demolition and site preparation;
- 3) site improvements;
- 4) construction costs;
- 5) costs of obtaining permits, zoning approvals, etc.;
- 6) consultant, architectural, legal, audit, mortgage and other fees;
- 7) carrying charges and costs of financing;
- 8) Homebuyer Assistance in the form of a Second Mortgage.

Eligible Project Related Soft Costs

[24 CFR § 92.206\(d\)](#) describes costs that can be directly tied to an address of the project or individual being assisted. These costs must be reasonable and necessary costs associated with the financing or development (or both) of new construction, rehabilitation, or acquisition of housing assisted with HOME funds. These include the following:

- Project-specific fees for a HOME-assisted project (such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney's fees, private appraisal fees, and fees for an independent cost estimate);

- Architectural, engineering, or related professional services required to prepare plans, drawings or specifications of a project;
- Preparation of work write-ups, work specifications, and cost estimates or review of these items if an owner has had them independently prepared;
- Construction inspection and oversight;
- Project document preparation;
- Costs to process and settle the mortgage financing for a project;
- Pre-purchase homebuyer counseling for a HOME-assisted homebuyer;
- Costs to inspect property for compliance with property standards or to conduct a visual assessment for deteriorated paint;
- Cost of inspection units for the presence of lead hazards or defective paint;
- Developer fees (limited).

NOTE: Indirect costs are not eligible soft costs. Applicants should request only the level of funding necessary to carry out their projects. HOME funds must be used in combination with other proposed funding sources to complete the proposed activities within the contract period.

Green Building Standards

All residential development projects receiving direct assistance from the City of Cleveland are required to meet the Cleveland Green Building Standard, which aims to conserve natural resources, provide healthy indoor air quality and reduce ongoing residential operating costs. **Because these standards are subject to periodic updating, it is important for each applicant to verify current requirements. Current requirements can be found at:** http://www.city.cleveland.oh.us/sites/default/files/forms_publications/GreenBuildingStandardsHandbook2018.pdf.

Minimum Funding Amount

The minimum HOME Housing Trust Fund amount for any project is \$1,000 per unit in accordance with HOME regulations.

Maximum Funding Amount

Funding will be limited to the lesser of City Policy Limits in this section or HOME Subsidy Limits published annually by HUD.

Funding for Multi-Family rental and Single-Family projects will be limited based on the corresponding charts below which prioritizes funding by Developer type and Market Type. For more information on [Qualifying Market Types](#), please see **Attachment I**.

Housing Trust Fund Max Funding Limits: Single Family For-Sale Projects			
Max. Per Unit Subsidies	Market Rate	Middle Market	Opportunity
Non-Minority/Women Developers, Non- CHDO	\$40,000	\$50,000	\$60,000
Minority/Women Developers, or CHDO*	\$50,000	\$60,000	\$70,000
Permanent Supportive Housing	\$80,000	\$80,000	\$80,000

Housing Trust Fund Max Funding Limits: Multi-Family Rental Projects			
Max. Per Project Subsidies	Market Rate	Middle Market	Opportunity
Non-Minority/Women Developers, Non- CHDO	\$600,000	\$750,000	\$900,000
Minority/Women Developers, or CHDO*	\$750,000	\$900,000	\$1,050,000
Permanent Supportive Housing	\$1,200,000	\$1,200,000	\$1,200,000

***Minority/Women Developer or CHDO must be majority owner.**

Loan Forgiveness for For-sale single-family projects will be limited to **\$40,000** per unit. Forgiveness will be in the form of debt that converts to developer write-down, and/or homebuyer second mortgage upon sale. Second mortgages may be forgiven after the homebuyer occupies the home for the full term of affordability. Terms and amounts will depend on local market conditions and homebuyer underwriting.

When allocating funds, HOME considers the total amount of assistance from both public and private sources needed to ensure project feasibility. Applicants are encouraged to request only the amount of HOME funds needed as gap financing to make the project feasible. Requesting funds for administration is not allowed; however, applicants may request funds

for reasonable developer fees and other professional fees and soft costs in an amount corresponding to the following housing activities.

The maximum amount of HOME assistance requested may not exceed the current Maximum Per-Unit Subsidy Limits. These limits are established by HUD for the HOME program.

City underwriting for projects that serve very low-income households or special needs populations may justify higher public subsidies. The Department of Community Development may make conditional awards early in the project development process to assist the developer in seeking firm commitments from other funding sources.

Determination of HOME Assistance

The level of HOME assistance will be based on the City's underwriting review of the project, verified financing gap or project need, assessment of reasonable return to owner, and assessment of project risk.

The City will review the total development to confirm that all costs are eligible and reasonable. City contract may limit use of City funds to certain line items in order to facilitate the administration of periodic disbursements.

Housing Trust Fund Method of Selection and Criteria

The City of Cleveland will review all Housing Trust Fund (HTF) applications and award all proposals up to a total of 120 points. Points will be awarded based on the following factors:

2023 Housing Trust Fund Scoring Criteria		
Non-Financial Factors		Max Points
1	Evidence of Community Support	10
2	Transit Oriented Development	20
3	Accessibility for Individuals with Disability / Aging in Place	5
4	Sustainability and Environmentally Sensitive Design	20
5	Dense Development or Preservation of Affordability	5
6	Preservation of Vacant Structures	10
7	Feasibility of Construction Start Date	10
8	Equal Opportunity and Equity in Development Team	20
Financial Factors		Max Points
9	Practicality of Financial Commitments	15
10	Efficient use of HOME Funding	5
Total		120

Non-Financial Factors (100 Pts Total)

- 1) **(10pts MAX) Evidence of community support for the project or plan to engage stakeholders that will provide information, seek comments and gauge community support for the project.**
 - a. Evidence of Community Meetings attended (1pt)
 - b. Letter of Support from CDC or Councilperson (1pts)
 - c. Description of Community Engagement Process with Schedule (3pts)
 - d. Submission of a neighborhood specific plan/strategy that clearly identifies the project as a goal (5pts).

All projects involving new construction, a change of use, a major rehabilitation of a legal nonconforming use, or projects that require a zoning variance must hold at least one community meeting. If this meeting has occurred prior to the submittal of the RFP, please include minutes of that meeting and describe how the public was notified of this meeting.

2) **(20pts MAX) The City of Cleveland seeks to support projects that encourage Transit-Oriented Development.**

- a. Transit Oriented Development Site Location (10 pts)
 - i. Projects located within ¼ mile of high-frequency transit stops (15 minute or less headway routes) will receive points in this category. ([GCRTA High Frequency Map](#))
- b. Appropriate Parking (5 pts)
 - i. 0 points if parking exceeds 1:1 ratio of spaces to units; if project is in an [Urban Form Overlay \(UFO\)](#) spaces cannot exceed 65% of total dwelling units for new construction and 25% of total dwelling units for rehabilitation.
 - 1. Exceptions may be made if the project involves a plan for district parking.
- c. Transportation Demand Management (10 points max from this category)
 - i. Projects that offer RTA Bus Passes to residents as a benefit of occupancy (**Up to 8 pts**)
 - 1. Projects can receive all **8 points** that offer RTA Bus Passes to 50% of residents as a benefit of occupancy
 - 2. Projects can receive **4 points** that offer RTA Bus Passes to 33% of residents as a benefit of occupancy
 - 3. Projects can receive **2 points** that offer RTA Bus Passes to 15% of residents as a benefit of occupancy

To receive points, applicants must submit an LOI committing the project to this criterion. This will be required in the final loan contract with the City of Cleveland.

- ii. Projects that offer bicycle parking for at least 20% of available units (**2 pts**)
 - 1. To receive points in this category, the above criteria must be demonstrated in the architectural or site plans.
- iii. For renter-occupied projects, projects lease and sell all parking spaces separately from rental and purchase fees. (**2 pts**)
 - 1. To receive points, applicants must submit an LOI committing the project to this criterion. This will be required in the final loan contract with the City of Cleveland.

- 3) **(5pts MAX) The City of Cleveland seeks to award projects that provide additional support to individuals living with disability or seniors aging in place.**
- a. Developments that provide additional features in support of handicapped and sensory impaired persons (3 pts)
 - i. Projects that offer 10% of units that accommodate for handicapped and sensory impaired (1pts)
 - ii. Provide an Accessible storage area adequate for wheelchairs, walkers and electric scooters for each handicapped and sensory impaired unit (1 pts)
 - iii. Provide universally accessible streets and paths throughout the project site from dwelling units to transit or frequently used areas (2pts)
 1. For more detail, please see the [2020 Enterprise Green Communities Criteria Manual, Item 7.12 Option 2](#)
- 4) **(20pts MAX) Extent to which sustainability, environmentally sensitive design, energy efficiency or “green” principles are reflected in the proposal beyond what is required to meet the City’s Green Building Criteria.**
- a. Develop project on an existing Brownfield site (5 pts)
 - i. For a list of eligible Brownfield site locations see the [Ohio Brownfield Inventory Database](#).
 - b. Projects that offer 5% of available parking spaces with electric charging stations (5 pts)
 - c. Project includes materials manufactured from regional businesses from within 500 miles from project site. Project that demonstrate that 25% or more of their project’s materials come from regional businesses will receive five points (5 pts).
 - i. Applicant must submit a spreadsheet produced by their General Contractor that details a list of resources that are planned for this project and where they will be procured from. This sheet must specify the supplier name, address, and distance from the project site.
 1. For an example, please see **Attachment H**.
 - d. Project includes features that promote and support Occupant Health (5 pts)
 - i. Projects that restrict smoking on the premises (1 pts)
 1. Developer must submit a sample lease that demonstrates a clause prohibiting tenants from smoking on the project site.
 - ii. Design features two stairwells that are accessible to all residents at all times. (2pts, for buildings with 2-4 floors)
 - iii. Building features wayfinding signage and point-of-decision prompts to encourage stair usage. (2 pts)
 1. Applicants seeking points in this category must submit a letter of intent to meet this requirement that details an example of their intentions to implement it.

- iv. Project features common space that will incorporate public art that celebrates and promotes cultural, healthy well-being, and mental health. (3 pts)
 - 1. Applicants seeking points in this category must submit a letter of intent to meet this requirement that details an example of their intentions to implement it.
 - e. Support Implementation of the Cleveland Tree/Zoning Code Section 341.051 (2pts)
 - i. Developer must demonstrate and catalog existing trees and demonstrate a plan to preserve or replace them with a like caliber of tree. Points will be rewarded for projects that incur a net increase of existing trees in a given site.
 - f. The City of Cleveland is willing to consider other sustainable features or practices in the design package of each proposal that are not mentioned in the above criteria. Developers may submit a letter describing those features the benefit they will have on the impact of the project or the tenants who will occupy the property. The City of Cleveland will review these proposals and award points on a basis of cost and effect of each proposed feature.
- 5) **(5pts MAX) Relative to other projects being considered, the project provides a large number of units or preserves the affordability of units that would otherwise be lost.**
- a. Preserves Affordability (5pts)
 - b. Tiered:
 - i. 50+ units (5pts)
 - ii. 40-49 units (4pts)
 - iii. 30-39 units (3pts)
 - iv. 20-29 units (2pts)
 - v. 1-19 units (1pts)
- 6) **(10 pts MAX) The project preserves or repurposes vacant structures.**
- a. Project includes a the rehabilitation of a vacant building
 - i. Rehabilitation (3pts)
 - ii. Adaptive Reuse (5pts)
 - b. Preserves Historic Structures (5pts)
 - i. Structure in Local or Federal Historic District OR Designated Local Landmark
- 7) **(10pts MAX) Construction start date.**
- 1.) 6 Months from Award Announcement (10pts)
 - 2.) 12 Months from Award Announcement (5pts)

3.) 24 Months From Award Announcement (2pts)

8) (20pts MAX) Projects that Exceed Equal Opportunity Employment Requirements or encourage Equity in their project team's composition.

- a) Projects that exceed Chapter 187 of the Codified Ordinances of Cleveland requirement at 50% or more of the project's construction subcontracts going to subcontractors who are Minority Owned, Female Owned, or Cleveland Small Businesses (10 pts)
 - a. Projects seeking points in this category must submit a letter of commitment demonstrating the intent to meet or exceed the above standard. Applications that are awarded funding and committed to the exceeding Cleveland's Equal Opportunity Employment Requirements will be required to demonstrate an ability to meet these goals prior to closing on a contract for the Housing Trust Fund.
- b) Projects with a Development Team that includes a partner who qualifies as a Minority Owned Business Enterprise or Female Owned Business Enterprise with an equity stake in the project. (10 pts)
- c) Projects that include a General or Prime Contractor who qualifies as a Minority Owned Business Enterprise or Female Owned Business Enterprise. (6 Pts)
- d) Projects that employ consultants to perform any of the following services which are Minority Owned Business Enterprises or Female Owned Business Enterprises:
 - a. Architecture (2 pt)
 - b. Engineering (2 pt)
 - c. Landscape Design (2 pt)
 - d. Legal Services (2 pt)
 - e. Accounting (2 pt)
 - f. Property Management (2 pt)

Projects seeking points in this category submit evidence of the above criteria by demonstrating that there is a signed agreement for the above MBE or FBE firm to participate in the project and that the firm is a certified MBE or FBE owned organization.

Project Financial Factors (20 pts Total)

- 9) **(15pts MAX) Examination of soft financial commitments to determine the practicality of the proposal.**
- a. Minus 1 point for each unsecured source
 - b. Minus 2 points if the funding source is highly competitive
- 10) **(5pts MAX) Efficient use of HOME Funding. This is calculated by dividing the total ask of the Housing Trust Fund by the total number of proposed units.**
- a. \$15,000 per unit or less (5pts)
 - b. \$17,500 per unit or less (4pts)
 - c. \$20,000 per unit or less (3pts)
 - d. \$22,500 per unit or less (2pts)
 - e. \$25,000 per unit or less (1pt)

Please note, the applicant is responsible for the recording and closing costs incurred by the applicant as well as costs related to complying with federal and local regulations.

ATTACHMENT A

Submit the following documentation with your proposal, and indicate which items are included. If an item is not included, please describe why in the comments section. Further clarification for each requirement is available in the application workbook. **The Department of Community Development may request further documentation in addition to that listed below.**

ALL FILES SUBMITTED WITH YOUR APPLICATION MUST BE NUMBERED AND LABELED IN ACCORDANCE WITH THE BELOW CHECKLIST.

#	REQUIREMENT	PROJECT TYPE	Included? Yes/No/N/A	Comments
1	HTF Application Workbook	All Projects		
	a. Project Narrative	All Projects		
	b. Details on Development Team	All Projects		
	c. List of Current and Completed Projects	All Projects		
	d. Source and Uses of Funds	All Projects		
	e. Construction Period Sources and Uses	All Projects		
	f. Pro forma including Operating Expenses	Rental		
	g. Utility Provider Information	All Projects		
	h. URA Forms 1-3	All Projects		
2	Market Study	All Projects		
3	Entity Information	All Projects		
4	Financial Statements (Audited and/or Tax Returns)	All Projects		
5	Evidence of Site Control	All Projects		
6	Cost Estimates or Bids, signed by Contractor, on Contractor Letterhead	All Projects		
7	Detailed Scope of Work and Specifications	All Projects		
8	Green Building Plan, or, at minimum, proposal with scope from green building consultant which includes submittal to the Enterprise Portal	All Projects		
9	Architectural Drawings, Site Plans, Elevations, Floor Plans, and Sections (as needed)	All Projects		
10	Site Photos (all 4 elevations) & Site Location Map	All Projects		
11	Financing Commitment Letters or Applications for Funding (if not yet committed)	All Projects		
12	Affirmative Marketing Plan	Rental		
13	Community Outreach Plan	Rental		
14	Letter of CDC Support	Homebuyer		
15	Continuum of Care Endorsement (Permanent Supportive Housing projects only)	PSH		
16	After Built/Rehab Uniform Residential Appraisal Report (subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed)	All Projects		
17	Phase I ESA in accordance with ASTM E1527-13	All Projects		
18	Paint Testing and Lead Risk Assessment (see Attachment D) and Contractor RRP Certification (for pre-1978 rehabs only)	All Projects		
19	HUD Site and Neighborhood Standards Determination (see Attachment C)	Rental New Construction		
20	Capital Needs Assessment (26+ units), Property Inspection List	Rental Rehab		
21	Selection Criteria Support Documentation (See Page 9)	All Projects		

ATTACHMENT B

LOW AND MODERATE INCOME LIMITS

(Effective 06/15/2022, updated annually)

Rental Projects – Maximum Household Income Levels

Household Size	80% of Units at or below 60% of AMI	20% of Units at or below 50% of AMI
1	35,880	29,900
2	41,040	34,200
3	46,140	38,450
4	51,240	42,700
5	55,380	46,150
6	59,460	49,550
7	63,540	52,950
8	67,680	56,400

For Sale Projects – Maximum Household Income Levels

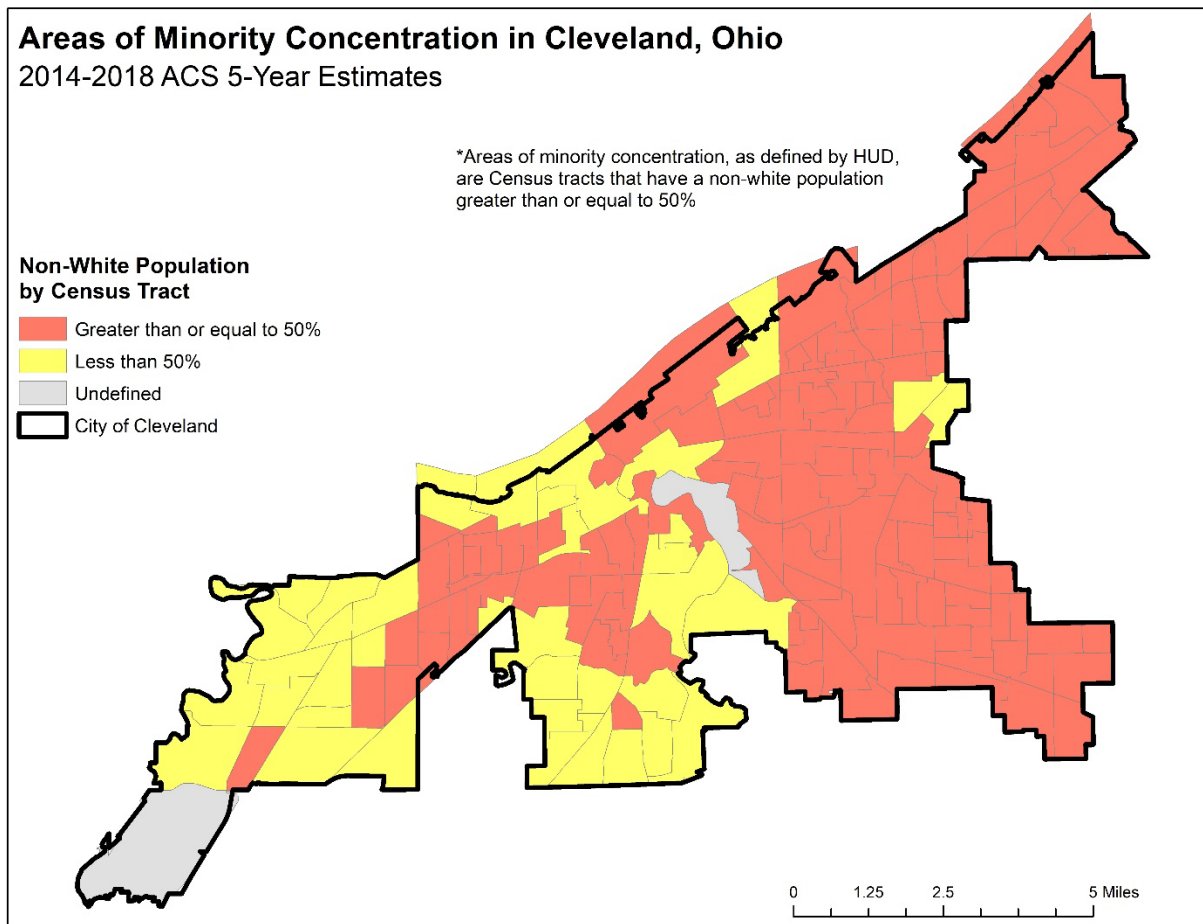
Household Size	Homebuyer Income at or below 80% of AMI
1	47,850
2	54,650
3	61,500
4	68,300
5	73,800
6	79,250
7	84,700
8	90,200

ATTACHMENT C

HUD SITE AND NEIGHBORHOOD STANDARDS

Per [24 CFR § 92.202\(b\)](#), “In carrying out the site and neighborhood requirements with respect to new construction of rental housing, a participating jurisdiction is responsible for making the determination that proposed sites for new construction meet the requirements in [24 CFR 983.57\(e\)\(2\) and \(3\)](#),” which state:

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.



(3) A project may be located in an area of minority concentration only if:

(i) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or

(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi)) of this section for further guidance on this criterion).

(iii) As used in paragraph (e)(3)(i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

(iv) Units may be considered “comparable opportunities,” as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

(v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

(A) A significant number of assisted housing units are available outside areas of minority concentration.

(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.

(D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.

(E) Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.

(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.

(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

(vi) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

All applicants for New Construction Rental projects (including lease-purchase) should use the map above to determine whether the proposed project is located in an area of minority concentration. If so, a written explanation shall be provided detailing which above exception in 24 CFR 983.57(e)(3) the project meets.

ATTACHMENT D

ENVIRONMENTAL REPORTS

Phase I Environmental Site Assessment

Phase I Environmental Site Assessment (ESA) must be performed in accordance with ASTM E1527-13.

Lead Risk Assessments

Initial Lead Risk Assessment and Paint Testing Report must be performed for all buildings built before 1978 where rehabilitation will disturb painted surfaces that total more than:

1. 20 square feet on exterior surfaces;
2. 2 square feet in any one interior room or space; or
3. 10 percent of the total surface area on an interior or exterior type of component with a small surface area

Other exemptions may exist for the Lead Hazard studies and treatments. Check with Community Development if your building is exclusively for elderly tenants, is single room occupancy or efficiencies, or has been certified lead free or lead safe.

ATTACHMENT E

MARKET STUDY REQUIREMENTS

The City must evaluate market demand to determine the probable success of individual HOME-funded projects. All City-funded HOME development activities, including new construction, acquisition, rehabilitation or a combination of these activities must be accompanied by a market demand analysis. The market demand analysis submitted with the application must include data and information that substantiates the project will be occupied by and/or purchased by the proposed service population.

Independent or third party market studies are not required by the HOME regulations, and, in a few circumstances, may not be practical or cost-effective:

- Market studies may not be cost effective for smaller developments. For example, for existing projects where tenants are already HOME-eligible and rents are already within program limits, simplified or in-house market assessments may be more appropriate.
- Assessments for projects serving special needs can often be completed using primary data from service providers whose existing client base will form the primary pool of potential tenants.

The City will accept three types of market demand formats (see below), based on the type of project and total number of units in the project as outlined below. The study must not be more than 12 months old at time of application submission.

1. market studies completed for other funding;
2. market demand analyses for single-site projects consisting of eleven (11) or more total units;
3. market demand analyses for scattered site projects or projects consisting of ten (10) or fewer units.

The City may require additional information to supplement the market demand analysis prior to considering or approving a HOME application for development activities. Market studies must be provided along with the proposal.

For single-site rental and homebuyer projects that include 11 (eleven) or more total (including HOME-assisted) units:

- A description of the proposed site(s) and site neighborhood, including the positive and negative attributes of the site and neighborhood and their impact on project marketability. The site location should be described using the nearest roadways.
- A description of the proposed project's market area that includes clearly defined geographic boundaries and the methodology and rationale for selecting the boundaries. The market area should be the smallest geographic area from where the subject development will draw most of its residents.

- A profile of the most likely prospective residents, including the minimum income needed to afford the proposed units, the maximum income permitted by the HOME regulations, and other demographic characteristics.
- Information regarding other housing opportunities available to the target population in the market area.
- For rental projects at least three comparable projects near the proposed project must be evaluated and information regarding current rents, occupancy levels and amenities provided.
- For homebuyer projects where other comparable projects are under development the projects must be evaluated and information regarding current sales prices and sales volume provided. Also include information on the number of rental units with rents comparable to the expected monthly mortgage payment of purchasers.
- For homebuyer projects where no comparable projects are under development, provide current sales prices and sales volume, and trends in sales prices and sales volume. Also include information on the number of rental units with rents comparable to the expected monthly mortgage payment of purchasers.
- The anticipated number of months it will take the proposed development to reach stabilized occupancy (generally defined as 90% occupancy or greater). If available provide supporting evidence from recently developed or rehabilitated projects in the market area.
- The number of comparable units under construction, rehabilitation, or concurrently planned that are targeting the same population. Include the number of building permits issued and building permit applications for comparable units in the past twelve months.
- The status of applications for the project, including the date applications were first accepted or will be first accepted for the proposed project. If a waiting list is currently maintained, indicate when the list was started, for what purpose (the proposed project or other housing opportunities), and the number of names or applications that have been collected. Indicate if applicants have been pre-screened for eligibility and the number and percentage of applicants estimated to be eligible.

For scattered-site rental and homebuyer projects or single-site projects that include 10 (ten) or fewer total (including HOME-assisted) units:

- A description of the proposed area in which units are located or will be acquired, including the positive and negative attributes of the area(s) and their impact on project marketability.
- A description of the proposed market area that includes the relationship of the market area to the proposed area in which units are located or will be acquired. The market area should be the smallest geographic area from where the subject development will draw most of its residents.
- The status of applications for the units, including the date applications were first accepted or will be first accepted for the proposed units. If a waiting list is currently

maintained, indicate when the list was started, for what purpose (the proposed units or other housing opportunities), and the number of names or applications that have been collected. Indicate if applicants have been pre-screened for eligibility and the number and percentage of applicants estimated to be eligible. Except:

- If the units will exclusively serve a special population, a letter from a service provider certifying that sufficient clientele are available to adequately fill the proposed units may be provided.
- If future occupants have already been identified, a letter certifying that a sufficient number of households have been pre-screened and qualified for occupancy of the units may be provided.
- A profile of the most likely prospective residents, including the minimum income needed to afford the proposed units, the maximum income permitted by the HOME regulations, and other demographic characteristics.
- Information regarding other housing opportunities available to the target population in the market area, including:
 - For homebuyer projects – current sales prices and sales volume, and trends in sales prices and sales volume; and the number of rental units with rents comparable to the expected monthly mortgage payment of purchasers.
 - For rental projects – the number of comparable rental units, current monthly rents, trends in monthly rents, and occupancy rates.

ATTACHMENT F

HTF THRESHOLD ELIGIBILITY REQUIREMENTS

Projects that do not meet these threshold requirements will be subject to immediate denial, and encouraged to re-submit a complete application.

A. HOME-Eligible

- a. Proposal must include a percentage of affordable, HOME-eligible units equal or greater to the HOME funds requested as a percentage of total development costs.

B. Market Demand

- a. Proposal must include evidence of market demand in the form of a market study.

C. Developer Capacity

- a. Proposal must include a list of at least three comparable projects completed by the Developer within the past five years.
- b. If the Developer entity is new, proposal must include a list of projects completed by principals or entities controlled by principals of new entity, or by entity employing principals of Developer entity.
- c. List of comparable projects must include project summary, budget, dates of commencement and completion, and role of principal.
- d. Proposal must include at least two references with contact information, one of which must be financial.

D. Financial Capacity

- a. Proposal must include audited financial statements for Developer entity.
- b. If the Developer entity is new, proposal must include audited financial statements of controlling entity.
- c. If audited financial statements are not available:
 - i. Proposal must include financial statements and tax returns of Developer entity and any controlling principals for the past two years.
 - ii. Proposal must also include account statements verifying liquid assets.
 - iii. Applicants should contact the City for additional requirements.

E. Financial Commitments

- a. Proposal must include written financial commitments or conditional commitments.
- b. If financial commitments are not available, proposal must include evidence of applications for other funding.
- c. If applications for other funding have not yet been submitted, proposal must include evidence of project eligibility and funding availability from each proposed source.

F. Cost Reasonableness

- a. Proposal must include written cost estimate from General Contractor or Architect.
- b. Requested HOME funding may not exceed 50% of total development costs.



Housing Trust Fund RFP

In order to recommend projects that most closely align with the City's goal to create Healthy, Sustainable, Equitable, Safe, and Pedestrian-friendly neighborhoods, City staff will evaluate how projects adhere to the recommendations below as they relate to specific policies within the Connecting Cleveland 2020 Plan:

- **Healthy:** Promote development that contributes to the health of the community, for example by: supporting a mix of transportation modes; encouraging community interaction via a mix of retail and other active uses; supporting the Cleveland Tree Plan
- **Sustainable Development Pattern:** Create high-density, mixed-use districts that promote travel by transit, walking, and bicycling.
- **Equitable:** Provide new and renovated housing that meets the needs and preferences of Clevelanders of all incomes, ages, and lifestyles.
- **Safe:** Use safety-by-design standards to require adequate lighting, areas open to surveillance, windows and porches along public streets, and safe pedestrian circulation systems.
- **Pedestrian-friendly:** Encourage pedestrian-friendly neighborhoods, featuring conveniently located sidewalks and paths, benches, and **street side development patterns.**

The following are examples of desirable project/proposal attributes:

1. Locate projects near transit.

- a) Build projects within a 5 min. walk of RTA service with 30 min. frequency -OR- within 10 min. walk of RTA service with 10 min. frequency.
 - To provide affordable transportation options for all residents.
 - To support RTA's long-term viability.

2. Preserve historic structures when feasible.

- a) Identify adaptive reuse opportunities, if possible, to help retain neighborhood character.

3. Parking

- a) Limit the number of parking spaces to the minimum needed to serve the facility.
- b) Provide District Parking solutions where possible.
- c) Screen parking from the street by providing liner buildings, active use spaces, and street screen walls.

4. Support implementation of the Cleveland Tree Plan/Zoning Code Section 341.051.

- a) Protect existing street and site trees.
- b) Provide street trees where none exist.

5. Provide Site Layout and Building Form that support walkability and health.

- a) For townhouses, meet Townhouse Code Requirements.
- b) For multi-family and mixed-use buildings, meet the Urban Form Overlay.
- c) Provide continuous building frontages on streets where feasible.
- d) Provide windows on First Floor street frontages.
- e) Provide a pedestrian entrances facing streets.
- f) Limit block lengths to encourage travel by walking.

ATTACHMENT H

Example of Regional Materials Procurement Chart

Materials and Components	Quantity	Unit	Unit Cost (\$)	Total Cost (\$)	% of Total Cost	Vendor	Vendor Address	Material Point of Origin	Miles to Site
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									

ATTACHMENT I

Neighborhood Development Index Map

