

2023 Emerging and Diverse Developers Solicitation Notice

I. General considerations

The Ramsey County Housing and Redevelopment Authority (“County”) is accepting applications for the 2023 Ramsey County Emerging and Diverse Developers Solicitation (“Solicitation”) for eligible developments located within the boundaries of Ramsey County.

The program is available to an individual or entity that has owned and/or developed no more than five housing properties, including mixed-use (housing with commercial space), in the state of Minnesota in the last 10 years as a sole proprietor or under other business entities. An owner-occupied home that the applicant resided in does not count towards the five qualifying projects. An attestation form must be signed which should list any projects that an applicant of the program has owned or been affiliated with. Approved awards will use Housing and Redevelopment Authority (HRA) levy funding. Applicants request funding for a specific housing development at a specific address. Eligible projects can be located within the city of Saint Paul or in suburban Ramsey County, except the city of North Saint Paul.

The Solicitation Notice, located in the digital library on ZoomGrants is intended to provide general instructions and information regarding the County’s application and selection process. Emerging developers ("Applicants") are encouraged to submit an intake form for technical assistance services at www.ramseycounty.us/EDD. Please note that space is limited for free technical assistance services.

This document outlines steps and considerations for applying to the Solicitation. The application will be available online and a link will be provided by county Community & Economic Development (CED) staff prior to the open application period. Applications that DO NOT include all the following specific materials by the applicable deadline will be considered ineligible for further processing.

II. Requirements

A. Eligible Housing Types and Projects (Pass/Fail)

1. Permanent general occupancy rental housing for low to moderate-income renters with a minimum of two units;

OR,

2. the new construction of owner-occupied housing for low-to-moderate income homeownership. (The acquisition and resale of an existing owner-occupied home is not an eligible use.);

AND/OR;

3. Pre-development activities for the development of permanent housing for low-to-moderate income residents that result in “soft costs” for professional services;

Eligible soft costs

- Architectural fees.
- Engineering fees.
- Consulting fees.
- Environmental assessments.
- Legal consulting.
- Market analysis.
- Administrative costs for loan commitments.
- Zoning approvals and land-use application fees.
- Permitting fees.

B. Required materials (Pass/Fail)

The application will not move onto scoring without the following required materials submitted in ZoomGrants:

1. Multifamily workbook including all required information (Excel format).
2. Responses to the “Ramsey County Equitable Development and Livability” questions (Attachment A).
3. Acknowledgement letter (Attachment B).
4. Lobby Certification Form (Attachment C).
5. If applying for pre-development funding, then demonstration of **site ownership** is required. Site ownership is defined by fee-simple deed or purchase agreement through legal control over the affected parcel and connecting properties.

C. Additional Materials (optional)

Although not required for submittal, the following additional materials can be submitted with the application and required materials. The county highly encourages submission of these items as they may affect final scoring and evaluation:

1. Project description.
2. Development and financing team.
3. Project schedule.
4. Financial analysis/underwriting report.
5. Applicant’s financial statements.
6. Detailed project budget; (may be included in multifamily workbook).
7. Sources and uses of funds statement; (may be included in multifamily workbook).
8. Commitment letters from other lenders and funders.
9. Architectural drawings, if applicable.
10. Contracted construction cost statement, if applicable.
11. Bids and specifications, if applicable.

12. Pre-development soft cost estimates, if applicable.
13. Site improvement plans, if applicable.
14. Scope of work.
15. Photos of project site.
16. Evidence of site control.
 - Letter of Intent (to purchase) from the existing owner.
 - Purchase Agreement (can be pending/tentative).
 - Deed or proof of ownership for pre-development soft cost requests.
 - Tentative Developer Status awarded by a municipality within the County.
17. The qualification forms and complete financial information.
18. Operating expense projections; (may be included in multifamily workbook).
19. 15-year proforma projections; (may be included in multifamily workbook).
20. Market feasibility analysis/plan; if applicable.
21. Detailed housing unit breakdown; (may be included in multifamily workbook).
22. Occupancy/fill projections; (may be included in multifamily workbook).
23. Tenant data (of existing tenants); if applicable.
24. Zoning and land use documentation from local municipality, if applicable.
25. Resolution or letter of support from local municipality.
26. Support services: Include a statement on whether support and human services are planned for or are provided to the residents of the housing development project; indicate the services provided and the related service organizations. Indicate names, addresses and contact information of the service providers, if applicable.
27. Environmental assessment documentation, if applicable.

Note:

1. Some of these documents may be consolidated in the required multifamily workbook for applicable housing development projects.
2. Additional documentation may be required by county CED staff in the application and review process.
3. **Resulting Documents to be Executed:** Any resulting contracts, grants or closing documents necessary for funding the proposed project must adhere to all applicable local, state and federal laws and regulations.

III. Available Resources

HRA Levy

Funds are available to be used countywide, including within the city of Saint Paul, but excluding the city of North Saint Paul. Eligible uses include the construction, acquisition, development, conversion and/or rehabilitation of permanent rental housing units, permanent supportive housing, and the new construction of owner-occupied units for low-to-moderate income homeownership.

Pre-development funding

Applicants may also apply for pre-development soft costs as listed in eligible “Housing Types and Projects.” Awards for housing developments will be between \$100,000 and \$500,000. At the sole discretion of the County, funds will be structured as a zero percent interest-deferred loan. Generally, funds must be used within 18 months of award.

If an applicant is only awarded for pre-development activities, then the award will be structured as a forgivable loan with forgiveness occurring at closing for the proposed affordable housing development with evidence of site plan development. If the affordable housing development project does not move forward as proposed, but the pre-development funds were spent, then the loan will be attached to property’s deed as a lien and is due upon sale of the property. To receive pre-development funding an Applicant must demonstrate ownership of the site so that the loan and note can be connected to the property’s deed.

Funded units must remain at affordability limits stated in the proposal for at least 20 years. A declaration will be attached to the property to ensure affordability. The Ramsey County Prevailing Wage Ordinance may apply to awards over \$25,000 with construction labor hours. Post-award, Ramsey County will monitor construction, design and the affordability of the units.

E. Scoring and evaluation

Application will be evaluated for:

1. Project feasibility and financial capacity.
2. Organizational capacity.
3. Strategic and selection priorities.
4. Affordability.

Project feasibility and financial capacity (scored as set forth below)

Projects should demonstrate and satisfy the following feasibility requirements in their application:

1. Whether the proposed housing is needed in the intended market based upon population, job growth and very low housing vacancy rates. This includes the need for supportive housing units.
2. Whether the costs of developing the housing, including the total development cost, cost per unit and subsidy per unit, are reasonable and/or justifiable.
3. Whether the applicant has demonstrated cost effectiveness for all stages and aspects of the development without compromising overall development quality.
 - o The County is committed to constructing or rehabilitating multifamily housing to a standard that when properly maintained, remains decent, safe and affordable for a long-

term duration. All projects must conform with state and local zoning and building safety standards and ordinances.

4. Economic viability. Positive net contribution after all costs and benefits have been accounted for.
5. For permanent supportive housing, whether the service model, staffing and secured funding are adequate to address the needs of the population to be served.
6. For projects that are to be developed in tandem with another project (e.g., with shared underground parking), the application must demonstrate that each individual project can be financed and built independently. The multi-family workbook must reflect all costs associated with each project.
7. Other factors that will be considered:
 - Demonstrated site control:
 - Applicants should demonstrate acceptable evidence of title/site control, which could include:
 - A pending or complete purchase agreement.
 - Purchase option or letter of intent from a governmental body for a sole developer.
 - If there is no transfer of ownership, then the warranty deed or contract for deed is acceptable.
 - If an Applicant is applying solely for pre-development activities, then the applicant must demonstrate **site ownership**.
 - Eligibility, including project feasibility and other requirements.
 - Financial capacity.
 - Letter of Support from the local municipality.
 - Letter signed by appropriate and authorized staff with authority (not elected official) expressing support for the project; **OR**
 - Letter demonstrating recent zoning/conditional use permit approval.

Organizational capacity (scored as set forth below)

In addition to demonstrating financial readiness, projects should demonstrate and satisfy the following capacity criteria in their application:

1. Complete Team.

- Application should demonstrate the ability to complete proposed scope of work which could include general contractor, architect, legal team, property manager, structural engineer, etc. The completeness of a team may look different among projects.
2. Whether the Applicant has strong current and expected ongoing capacity to complete the proposed housing, as well as other proposals being developed by the Applicant's organization.
 3. Whether the Applicant's team has the capacity or a plan to maintain the rental housing long-term.

Strategic and selection priorities (scored as set forth below)

The County seeks to address racial equity and ethnic-based disparities where all residents can experience fair outcomes including the highest level of health, wellbeing, and opportunities for advancement and growth. Please review the [Ramsey County Economic Competitiveness and Inclusion Plan](#), [the Equitable Development Framework](#), and the [Deeply Affordable Housing Initiative's Engagement Report](#).

When determining funding awards, the County prioritizes proposals that best meet the County's planning goals and priorities, in addition to financial capacity and readiness. This could include geographic distribution of projects and the coordination of multiple funding sources as described in the Economic Competitiveness and Inclusion Plan.

Affordability (scored as set forth below)

The County requires rent and income limits consistent with applicable program requirements and to be those specified in the Applicant's proposal that is underwritten by County CED staff for the project. Projects must create income-restricted units, which could include units at or below 30%, 50%, 60%, and 80% Area Median Income (AMI). Market rate units can be included in the project's unit mix as long as the affordability of the project's units does not exceed an average of 80% AMI. Projects will receive points if the rental limits of their unit mixes meet the following criteria:

- Projects that have an average AMI across their unit mix at or below 50% AMI with or without further subsidy (such as Housing Choice Vouchers) will receive the highest number of points possible in this section of the scoring and evaluation.
- Projects that have an average AMI across their unit mix at or below 60% AMI with income averaging will also receive points in this section of the scoring and evaluation.
- Projects that have at least one unit with a rental limit at or below 30% AMI will also receive points in this section of the scoring and evaluation.

For example, if an Applicant proposes a four-unit rental housing project and the Applicant sets rental limits for the four units at 30% AMI, 50% AMI, 50% AMI, and 80% AMI that would result in an average AMI of 52.5%. The Applicant would score points for having an average AMI at or below 60% and points for including a unit at 30% AMI.

F. Application Review

Applications will be reviewed by a review panel consisting of county staff from various departments. Projects will be reviewed with the following criteria and scoring:

1. Minimum selection criteria: Pass/fail criteria met (as described above). Projects that do not meet the pass/fail requirements will not be scored.
2. Applications will be reviewed for the minimum selection criteria before moving on to final scoring. Selected projects will be scored based on the following criteria:
 - a. Alignment with the County’s Strategic and Selection Priorities (up to 40 points).
 - b. Project Feasibility and Financial Capacity (up to 25 points).
 - c. Affordability (up to 25 points).
 - d. Organizational Capacity (up to 10 points).

County reserved rights and data practices reminders

1. The County expressly reserves the right to amend or withdraw this solicitation at any time and to reject any or all responses, and to waive any informalities or irregularities in the responses as may be deemed in the best interest of the County.
2. The County reserves the right to request any additional information at any stage of the solicitation process. Compliance shall be at the contractor's expense.
3. Upon submission, a solicitation response becomes the property of the County and will not be returned. The County retains the right to use any concept or idea presented in any solicitation response, whether or not that solicitation response is accepted. All information included in the submitted solicitation response will be classified in accordance with Minnesota State law governing data practices.
4. Solicitation responses or additional solicitation materials received after the deadline will not be accepted by the County and will not be evaluated.

Gather Your Materials and Apply by the Deadline in ZoomGrants

The solicitation will be hosted on ZoomGrants from September 5 through October 31, 2023. The solicitation will close at 4 p.m. on October 31, 2023. Applicants are responsible to know all requirements that are needed to submit a complete application based on the specific housing development proposal and application type. CED staff reserve the right to seek follow-up information if needed after an application is received.

Signatures

All application materials must be signed wherever required and applicable.