



# Affordable Communities of Texas

## Request for Proposals for NSP Funding

### Introduction

The Texas State Affordable Housing Corporation (the “Corporation”) is announcing the availability of approximately \$4 million in funding under the Affordable Communities of Texas (the “ACT”) program. The Corporation is receiving these funds as a sub-recipient to the Texas Department of Housing and Community Affairs (the “TDHCA”) under the U.S. Department of Housing and Urban Development’s (the “HUD”) Neighborhood Stabilization Program (the “NSP-1”).

The ACT program supports the Corporation’s mission to promote equal access to safe, decent, and affordable housing with an emphasis on serving rural and underserved markets. The ACT’s purpose is to create partnerships between the Corporation and local governments and locally based nonprofit corporations to acquire foreclosed housing assets, government properties and other for-sale properties to create affordable housing for low income households earning 80% or less than the area median income.

The Corporation will manage this Request for Proposals (the “RFP”) under its policies governing the ACT program, its sub-grantee agreement with TDHCA and in accordance with HUD’s NSP guidelines. This RFP includes additional limitations placed on the ACT program by the use of NSP funds, the complete RFP application, and guidelines for submission of the application.

### Eligible Activities

Funding awarded under this RFP may be used to:

1. Acquire foreclosed housing units and residential properties that are:
  - a. Vacant and have been foreclosed on by a financial institution or through tax foreclosure within the state of Texas;
  - b. Located within a defined community or neighborhood that does not encompass an entire city or political subdivision, unless otherwise approved by the Corporation;
  - c. Located within a census tract with a median income not greater than 120% of the area median income (“AMI”) for the community where the property is located;
  - d. Located within one of the 101 counties that have been identified by TDHCA as either a Direct Allocation or Select Allocation County (see Appendix A to this RFP); and
2. To clear blighted structures, maintain properties, and cover related soft costs for acquisition and disposition of acquired properties.

All properties acquired using the Corporation’s NSP funds must be redeveloped for the benefit of qualified low-income households earning 80% or less than the area median income. Acquired properties may be:

1. Rehabilitated to provide affordable rental or homeownership opportunities; or
2. Demolished and redeveloped to provide affordable rental or homeownership opportunities.

The Corporation’s NSP funds may **not** be used for rehabilitation or construction activities. Applicants must identify other sources of funding to complete these activities. The Corporation may provide technical

assistance in seeking additional funding or provide financing through its other programs, pursuant to the requirements and application procedures of those programs.

### **Eligible Applicants**

The Corporation will accept applications from qualified nonprofit and local government entities (“Local Partners”) that have a history of providing housing services within the communities where properties are acquired. Applicants may complete the Corporation’s Local Partner Application process in conjunction with submitting a response to this RFP. Local Partners must meet the following minimum qualifications:

1. Nonprofit entities must be active nonprofit 501(c)(3) or (c)(4) corporations as recognized by the U.S. Internal Revenue Service, and registered as a domestic nonprofit corporation within the State of Texas;
2. Local Government entities must be political subdivisions or entities established by a political subdivision of the State of Texas.
3. Provide financial audits or statements for a two year period that reflect the entity’s ability to manage funds appropriately, as determined solely by the Corporation;
4. Have at least two years of experience in the planning, marketing, development or management of housing programs for moderate and low-income households; and
5. Provide evidence of support from local government officials for their activities within the target community.

### **Application Process**

The Corporation shall accept RFP submissions on an ongoing basis until all funds have been committed. In the event the Corporation commits all funding available under this RFP prior to an applicant’s submission having completed the review process, the applicant will be notified in writing that funding is no longer available. The Corporation shall also post to its website a notice that all funds are committed as notice to other interested applicants. Applicants must download and complete the RFP submission package pursuant to the guidelines included in this RFP. At a minimum, RFP submission must be completed in the following manner:

- All RFP submissions must be signed and dated as required in the submission package;
- One (1) complete original signed copy of the printed submission package and attachments must be submitted along with one (1) complete copy in **electronic format**, as described below;
- Submission packages will not be logged into the Corporation’s application tracking system until the original paper copy has been received;
- The electronic copy of the application must be readable using Adobe PDF Reader software. Each tab or attachment must be properly bookmarked. Scanned documents must be legible and printable on standard 11” by 8.5” paper; and
- Applications must be typewritten on the printed submission package provided by the Corporation as handwritten applications will not be accepted.

Applicants are encouraged to communicate with staff as they assemble this application. Please contact the ACT program coordinator by phone at: 512-477-3555, or by email at: [ACTinfo@tsahc.org](mailto:ACTinfo@tsahc.org)

Affordable Communities of Texas – Partnership Application

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**Office Use Only**

Application #: _____	Application Date: _____	Application Time: _____
Application was submitted in response to:	<input type="checkbox"/> RFP for NSP Funds	<input type="checkbox"/> NSP-2
		<input type="checkbox"/> Unsolicited

**Applicant Information**

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Applicants must complete each of the following questions as directed and submit all requested documentation, if any, behind this tab of the application.

Name: _____		
Address: _____		
City: _____	State: _____	Zip: _____
Phone: _____	Fax: _____	
Contact Name: _____	Email: _____	
Phone: _____	Fax: _____	
Contact #2 Name: _____	Email: _____	
Phone: _____	Fax: _____	

**Targeted Community**

Funding under the Corporation’s NSP-1 program must be targeted to a specific neighborhood or defined community area. Requests to funds acquisitions across entire cities or counties are not eligible under this RFP. Applicants must list the city, county and census tracts were funding will be utilized. The Corporation is limiting targeted areas to four contiguous census tracts. Demographic information is also required for this section of the submission package.

City: _____	County: _____
Census Tract 1: _____	Census Tract 2: _____
Census Tract 3: _____	Census Tract 4: _____
Zip Code for Target Area: _____, _____, _____	

**Demographic Information**

Area Median Income:		Total Population:	
Rate of Unemployment:		Foreclosure Rate:	
Percent of High Cost Mortgages:		Housing Supply in Months	

Note: information for this section of the submission package can be found at the U.S. Census Bureau’s website: <http://www.census.gov/> or on the Policy Map website: <http://www.policymap.com/>

## Applicant Eligibility

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Applicants to this RFP must submit a complete Local Partner application if they have not already been approved as a Local Partner under the Corporation’s ACT Program. The Local Partner application materials can be found on the Corporation’s website at: [http://www.tsahc.org/multi/multi\\_act.php](http://www.tsahc.org/multi/multi_act.php)

## Plan for Redevelopment

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Applicants must submit a narrative in response to each of the following questions as directed and submit any requested documentation behind this tab of the application.

- ❑ **Priorities and Goals:** Applicants must submit a brief narrative (250 words or less) that describes how the ACT Land Bank program will support the stabilization of the targeted community. Include information on how foreclosed properties may be diminishing the value of other residential properties in the community; how the program will mitigate the displacement of low or moderate income households; and how the program will assist in local housing market recovery.
  
- ❑ **Description of Activities.** Applicants must submit a brief narrative (500 words or less) that describes how properties acquired will be redeveloped by the applicant, what benefits the program will have for their community and housing affordability goals that the applicant has for this project. Includes details on the projects location, targeted income groups, development size, and any participatory process that will allow for neighborhood or community input in the redevelopment plan.
  
- ❑ **Financing Overview.** Applicants must provide a narrative (250 words or less) outlining the anticipated financial structure of their proposed redevelopment plan. The narrative should include details regarding the timing of interim and permanent financing for rehab or construction activities, level of commitment from subordinate lenders, if any, and any other pertinent details relating to the financing of the proposed development. Include copies of commitment letters, letters of intent or other proof of financial support for the proposed project, if any.

## Funding Request

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Applicants must submit a request for funding that is reasonable given the anticipated number of properties to be acquired. The Corporation reserves the right to award less funding and reduce the total number of properties to be purchased based on the capacity of the Applicant and to ensure a fair distribution of funds across the state of Texas.

Number of properties to be purchased:

Number of Demolished Properties:

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Average Cost Per Property:

Average Cost Per Demolition:

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Total funding request:

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## Property Identification

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Local Partner's are generally responsible for identifying properties in their target communities that are eligible for purchase using NSP-1 funds. Local Partner's will have access to foreclosed property listings from the National Community Stabilization Trust, but should be actively seeking properties from local resources. The Corporation is also seeking listings from other public and private entities and can assist Local Partners with property identification. All properties must meet both the Corporation's ACT policy requirements and any limitations on eligible property types set by TDHCA's Texas NSP guidelines or policies.

### Eligible Properties

There are several limitations on NSP-1 funds that will limit the number, area and type of housing units that Local Partner's may purchase. At a minimum these limitations include:

1. Properties must have been foreclosed on by a financial institution or through tax foreclosure within the state of Texas;
2. Properties must be located within a census tract with a median income not greater than 120% of the area median income ("AMI") for the community where the property is located;
3. Properties must be Located within a defined community or neighborhood that does not encompass an entire city or political subdivision, unless otherwise approved by the Corporation;
4. Properties must be located within one of the 101 counties that have been identified by TDHCA as either a Direct Allocation or Select Allocation County (see Appendix A to this RFP);
5. Properties must be priced so that the eventual homebuyer or renter meets the Corporation's 80% of area median income limit;
6. Properties may **not** be located within an environmental hazard area or flood plain; and
7. The acquisition price must be 10% below the appraised value of the property, or in accordance with the latest guidance on pricing from TDHCA. The appraisal must be conducted in accordance with U.S.P.A.P. guidelines and HUD's guidelines for appraisals under the NSP program.

### Property Submissions

Local Partner's should compile their list of properties using the Corporation's ACT Property Worksheet, available for download from the ACT program website ([http://www.tsahc.org/multi/multi\\_act.php](http://www.tsahc.org/multi/multi_act.php)). Local Partner's will have 90 days to identify and secure purchase options on enough properties to utilize their requested funding. Local Partner's are encouraged to identify extra properties in the event that properties are sold prior to securing options, are determined to be ineligible, or are disqualified for any other reason. Applicant's should attach their ACT Property Worksheet behind this page of the application, and include a copy with their electronic submission.

### Certifications

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- Applicant and Applicant’s principal(s) shall be held to all representations made in this application.
- Applicant and Applicant’s principal(s) certify to the best of their knowledge that all previously owned and/or developed affordable housing properties are compliant with all applicable bond, tax credit, HOME, or other federal, state, or local affordable housing program(s) from which the properties received funding.
- Applicant and Applicant’s principal(s) certify that they have read and understand the Corporation’s policies for the Affordable Communities of Texas program and shall adhere to all thresholds, standards and requirements of this RFP and the Corporation’s Policies.
- Applicant and Applicant’s principal(s) understands that this application does not represent a commitment on behalf of the Corporation to participate, fund or loan financial resources to the Applicant or Applicant’s principal(s). Rather, this application is an indication that the Corporation will review and consider the proposed activities in accordance with the Corporation’s Policy and the requirements of this RFP for financing subject to the Applicant’s (1) readiness to proceed, (2) compliance with the Corporation’s policies, (3) cooperation in providing any and all requested information to the Corporation, and (4) approval of a program agreement by the Corporation’s Board of Directors.
- Applicant and Applicant’s principal(s) certify that they understand that any preliminary official action of the Corporation, commitment, or award by the Corporation may be terminated by the Corporation or the Applicant by written notice at any time.
- Applicant and Applicant’s principal(s) certify that they have adopted an Affirmative Marketing Plan to ensure that all housing developed as a result of NSP funding will meet all Fair Housing Act requirements and be made available to any and all qualified households seeking housing from the Applicant.
- Applicant and Applicant’s principal(s) certify that they will be responsible for retaining all records associated with the redevelopment of properties acquired on their behalf by the Corporation in relation to, or as a result of this application or in relation to the Affordable Communities of Texas program, and that all such records shall be available to the Corporation, its Auditors and any Federal or State entity requesting to review all retained documents.
- Applicant and Applicant’s principal(s) certify that the signature below was provided by a person authorized by the Applicant and Applicant’s principal(s) to sign and submit this application.

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By: (print name of authorized representative)

Signature:

Date: