

Community Land Trust Loan Fund

REQUEST FOR PROPOSALS



STATE OF NEW YORK MORTGAGE AGENCY

ANDREW M. CUOMO, GOVERNOR
RUTHANNE VISNAUSKAS, COMMISSIONER/CEO

Funding Availability

The State of New York Mortgage Agency Community Restoration Fund (“SONYMA CRF”) invites Community Development Financial Institutions (“CDFIs”) to apply for funding to create and administer the Community Land Trust Loan Fund (“CLT Loan Fund”).

The CLT Loan Fund will support Community Land Trusts (“CLTs”) in New York state by issuing loans to create and preserve permanently affordable homes for low- to moderate-income home buyers and renters. Financing provided by the CLT Loan Fund may go towards the following activities for projects that are/ or will be owned by a CLT: (1) pre-development planning and analysis, (2) real estate acquisition (3) real-estate improvements, and (4) down payment assistance to homeowners. Other activities may be considered by the awarded CDFI, on the condition that they seek written pre-approval from SONYMA CRF.

This Request for Proposals (RFP) describes the available funds, the method used to accept and evaluate applications for funding and includes the required application form.

Applications must be submitted via email to NOFA_Applications@nyshcr.org no later than 3:00 PM (EST) on **Tuesday July 31, 2018**. Applications received after the specified date and time will be deemed ineligible and will not be considered for funding.

Background

The New York State 2017 budget authorized SONYMA CRF to spend \$1 million from the Mortgage Insurance Fund (“MIF”) to facilitate the development of CLTs. In partnership with qualified CDFI’s, the SONYMA CRF seeks to create revolving loan funds to provide financing to CLTs in order to expand both the volume and quality of affordable housing that these entities are providing in a city or region.

Eligible Applicants

To be considered eligible under this RFP, Applicants must be a certified CDFI in good standing in accordance with all New York State regulations and laws.

CDFIs are private financial institutions that are fully dedicated to delivering responsible, affordable lending to help low-income, low-wealth, and other disadvantaged people and communities join the economic mainstream.

Eligible Applicants must have staff with sufficient expertise to analyze CLT loan applications, evaluate the creditworthiness of CLTs, and regularly monitor loans. The Awardees

will review loan applications to determine, among other things, the feasibility of the proposed use of the requested financing, the likelihood of repayment, and the potential that the loan will generate permanent affordable housing within the CLT's geographic service area.

Eligible Applicants must have a physical office and permanent staff in the city or region in which the proposed application intends to serve, and demonstrate a readiness to create and administer the CLT Loan Fund, evidenced by a track record of managing revolving loans funds specifically to develop or improve affordable housing.

Applicants who demonstrate an ability to leverage these public funds with private investment to expand the impact of the CLT Loan Fund will be considered highly competitive.

The \$1 Million made available through this RFP may be awarded to one or more Applicants.

Eligible Activities

Funds may be used to lend to CLTs to acquire and retain land and develop affordable housing. A CLT is a nonprofit organization that is governed by a board of CLT residents and public representatives and retains ownership of land and sells or rents the housing on that land to lower- to moderate - income households. The CDFIs awarded under this RFP will be able to lend funds to qualified CLTs for the purposes of undertaking several Eligible Activities which may include, but are not limited to:

- (1) Acquiring and stewarding ownership of residential units that are affordable to low- to moderate- income members and which will be wholly-owned by the CLT.
- (2) Engage in pre-development activities including appraisals, legal analysis and other activities that will directly enable the CLT to acquire and/or improve residential units that may be acquired by the CLT and its members.
- (3) Improve the condition of existing residential units owned by the CLT through rehabilitation and/or refinancing.
- (4) Down payment assistance to purchasers of residential units that are part of the CLT.

Ineligible Activities

SONYMA CRF will not be held liable for any cost incurred by Applicants for work performed in the preparation, production, or submission of a proposal. All proposal materials and information submitted as part of the application becomes the sole property of SONYMA CRF. No materials, curricula, media or other content will be returned to Applicants.

Evaluation and Selection Criteria

Proposals will be examined for completeness and eligibility. Incomplete proposals and those that do not meet eligibility requirements will be rejected as ineligible. Only complete proposals and those that meet eligibility requirements will be reviewed and rated. The maximum rating is 100 points.

Max. Points:	10	20	30	Definition
Points Range:	1-2	1-4	1-6	Little or minimal information
	3-4	5-8	7-12	Addresses the basic premise of the criteria
	5-6	9-12	13-18	Meets the criteria
	7-8	13-16	19-24	Exceeds the criteria
	9-10	17-20	25-30	Significantly exceeds the criteria

1. **Organizational Background and Experience (maximum 10 points):** Measures the overall functionality of the organization and its relevance to the work that would be performed under the Grant, if awarded. Organizations with previous experience administering revolving loan funds will receive high scores.
2. **Ability to Staff and Administer Grant (maximum 20 points):** Measures the ability of the organization to dedicate staff and resources towards the administration of the Grant, if awarded. Proposals that demonstrate an ability to hire staff or allocate current staff time towards administering the Grant, if awarded, will receive high scores.
3. **Demonstrated Need for Funding (maximum 30 points):** Measures the severity of need for the proposed project based on the proposal's analysis of existing residential conditions in the targeted area, and the demonstration of need for financial assistance and public funding. Organizations that demonstrate a need for funding to CLTs in their targeted areas will receive high scores.
4. **Organizational Capacity & Readiness to Proceed (maximum 20 points):** Measures the extent to which the Applicant has organized the proposal and assembled sufficient resources to complete the project and achieve the goals and objectives of the program

in a manner that is timely, effective and on-budget. Proposals that document adequate organizational structures and procedures to implement the proposed project without delay will receive high scores.

5. Financial Soundness (maximum 20 points): Measures the proposal's overall financial soundness with an emphasis on the organization's ability to administer the loan fund. Proposals with reasonable administrative budgets and organizations that demonstrate financial stability will receive high scores.

All completed and timely received applications will be reviewed and scored. A minimum of three evaluators will score applications. Tied scores will be broken with an additional evaluator, reviewing all Applications.

The SONYMA CRF reserves the right to:

- Award all, a portion of, or none of the program funds based upon funding availability, competitiveness of applications received, feasibility of achieving project goals and objectives and completing proposed activities;
- Change or disallow aspects of the applications and make such changes conditions of its commitment to provide funding;
- Recommend funding in an amount less than requested;
- Not issue an award or grant agreement to any Applicant if it has been determined that the Applicant is not in compliance with existing state contracts and has not taken satisfactory steps to remedy such non-compliance;
- Waive any requirement contained in this RFP;
- Revise this RFP from time to time;
- Extend the submission due date.

Award Recommendations and SONYMA Board Approval

Awards will be recommended based on available funding, proposal quality and feasibility as determined by the review and rating of an application. Recommendations will be advanced to the SONYMA Board for consideration and the awards must be approved by the SONYMA Board prior to the execution of a grant agreement.

Application Status and Notification

Upon action by SONYMA CRF, Applicants will receive notification of the status of the proposal as follows:

- Ineligible Project: Applications for projects that are ineligible for funding under this program and funding source;
- Non-Award Notification: Application presents an incomplete, non-competitive, or not viable project and will not receive an award;
- Award Notification: Application presents a complete, eligible, competitive and feasible project.

Protests of Award decisions may be made via email to **NOFA_Applications@nyshcr.org** **within ten business days of receipt of notification of ineligibility or non-award**. An explanation of the Award decision will take place by phone or via email, upon request by the Applicant.

Program Grant Agreements

Applicants selected for funding may be asked to revise parts of their proposal prior to issuance of a program grant agreement. After any required revisions are submitted and approved, an agreement will be issued. Recipients will enter a 24-month grant agreement in which all funds must be expended and all proposed accomplishments met. Funds remaining at the end of the 24-month term are subject to de-obligation and reallocation. Loan payments from CLT borrowers must be repurposed for the same Eligible Activities but are not subject to the 24-month time limitation. Grant agreements will be extended based on repayment schedules with CLT borrowers.

Questions & Application Assistance

Questions regarding this RFP or the Application may be submitted via email to:

Rachel Wieder
Director, Special Initiatives
Homeownership and Community Development
New York State Homes & Community Renewal
NOFA_Applications@nyshcr.org



COMMUNITY LAND TRUST LOAN FUND TERM SHEET

DESCRIPTION: The Community Land Trust Loan Fund (“CLT Loan Fund”) makes funds available to Community Land Trusts (“CLTs”) to acquire and develop real estate. Residential units developed through the CLT Loan Fund will be permanently affordable to low- and moderate-income renters and home owners.

PROJECT SPONSOR: One or more Community Development Financial Institutions (“CDFIs”) will manage the CLT Loan Fund.

ACCEPTABLE BORROWERS: CLTs are nonprofit organizations developed by communities or public entities to create and preserve long-term, affordable housing for low- to moderate-income residents. CLTs purchase homes in their communities and create a long-term ground lease under which low- to moderate-income families can reside at affordable monthly ground rents. The ground lease includes provisions that require the continued use of the property for low- to moderate-income households in the future.

ELIGIBLE USES: One or all the following uses may be eligible for financing:

- Acquiring and stewarding ownership of land and/or residential units that are affordable to low- to moderate-income residents and which will be wholly-owned by the CLT.
- Engage in pre-development activities including appraisals, legal analysis and other activities that will directly enable the CLT to acquire and/or improve residential units.
- Improve the condition of existing residential units owned by the CLT through rehabilitation and/or refinancing.
- Down payment assistance to purchasers of homes that are part of the CLT.

GEOGRAPHY: Financing will promote a statewide geographic distribution.

MINIMUM AFFORDABILITY: Affordability to be guaranteed for the original term of the loan. The income of residents assisted by the CLT Loan Fund must not exceed 120% of the area median income, as defined by the U.S. Department of Housing and Urban Development (HUD).

PER UNIT MAXIMUM AWARD: Financing shall not exceed \$40,000 per unit. Project Sponsors are encouraged to leverage these public funds with private investment to expand per unit loan amounts.

MAXIMUM PROJECT AWARD: Financing is limited to no more than ten (10) units per CLT or \$400,000. Maximum project award may be waived at the discretion of the Project Sponsors, and approved by the SONYMA CRF.

TERM & INTERST RATE: Project Sponsors may determine the term of the loan, based on the needs of the project. At the discretion of the Project Sponsors, and approved by the SONYMA CRF, funds may be structured as forgivable grants.

ADMINISTRATIVE FEES: Project Sponsors may request administrative fees of up to 10% of the awarded financing amount.