

Housing Trust Fund Corporation

REQUEST FOR PROPOSALS

RESILIENT RETROFITS



**Homes and
Community Renewal**

HOUSING TRUST FUND CORPORATION

KATHY HOCHUL, GOVERNOR

RUTHANNE VISNAUSKAS, COMMISSIONER/CEO

TABLE OF CONTENTS

Contents

Introduction.....	1
Purpose.....	1
Program Overview	1
Background	1
Eligible Applicants.....	2
Eligible Activities.....	2
Ineligible Activities.....	3
Eligible Costs.....	3
Proposal Costs and Materials	3
Evaluation and Selection Criteria	3
Application and Award Timeline	4
Award Recommendations and HTFC Board Approval.....	5
Application Status and Notification	5
Program Grant Agreements	5
Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action	5
Questions	6
Appendix A: Resilient Retrofits Draft Term Sheet	6

Introduction

[New York State Homes and Community Renewal](#) (“HCR”) consists of all the major housing and community renewal agencies of the State of New York (“State”), including the [Housing Trust Fund Corporation](#) (“HTFC”). HCR includes other agencies (“Affiliates”) not involved in this Request for Proposals (“RFP”) process.

HTFC was established as a subsidiary public benefit corporation of the New York State Housing Finance Agency. HTFC’s mission is to further community development through the construction, development, revitalization and preservation of housing for low-income residents, the development and preservation of businesses, the creation of job opportunities, and the development of public infrastructures and facilities.

Purpose

HTFC invites eligible applicants to apply to administer the Climate Change Mitigation and Adaptation Retrofit Program (“Resilient Retrofits”). This RFP describes the purpose for which the available funds are to be used and the methodology for disbursing those funds.

Through this RFP, HTFC plans to make up to **\$10,000,000** available to **one (1) eligible applicant** for the administration of Resilient Retrofits. Eligible applicants are invited to submit applications for funding to cover loan proceeds to eligible homeowners and for the anticipated costs associated with administering Resilient Retrofits. Applications must be submitted via email to NOFA_Applications@nyshcr.org no later than **3:00 PM (EST)** on **Friday, November 19th, 2021**. The initial contract shall be for **two (2) years**, with the potential for an extension depending on the availability of funds and at the discretion of HTFC staff.

Program Overview

Through Resilient Retrofits, HTFC will make available construction loan proceeds to up to 250 low- and middle-income single-family homeowners whose homes are located in flood-prone areas, enabling them to render their homes more resilient to flood damage and, if desired, to decrease their greenhouse gas emission consumption by improving the energy efficiency of the home and/or electrification of the home’s heating and cooling systems.

Home retrofit scopes may include closing off living-space below the base-flood elevation (BFE), adding better insulation to the envelope, installing high-efficient fixtures and appliances, and replacing aged, fossil fuel combustion heating and cooling systems with electric cold climate heat pumps and raising all mechanicals above the BFE. Onsite generation paired with these measures, such as solar panels or battery back with battery back-up may also be included.

Background

In 2017, New York State launched a landmark \$20 billion plan to combat homelessness and create affordable housing for all New Yorkers. As part of the plan, funds were allocated for the preservation of homeownership. For homeowners in flood-prone communities, a vital aspect of homeownership preservation is rendering homes more resilient to the impacts of extreme weather events, sea level rise, and flooding. All funds for Resilient Retrofits are made available through this landmark Housing Plan.

In 2019, New York State passed the nation-leading Climate Leadership and Community Protection Act (CLCPA), setting the goal to achieve zero greenhouse gas emissions by mid-century. However, despite these ambitious goals, many New Yorkers are already feeling the impacts of climate change, most notably through increased flooding and

extreme weather events. Construction scopes for Resilient Retrofits will be consistent with the goals set forth in the CLCPA.

Eligible Applicants

Eligible applicants for Resilient Retrofits should be not-for-profit organizations who:

- (1) Have fundamental experience in underwriting, originating and servicing construction loans.
- (2) Have, or can hire, construction management services to oversee retrofit scopes.
- (3) Have, or can hire, engineer and design services for the creation of elevation certificates (ECs) and to recommend flood-resilient designs and scopes.
- (4) Have, or can hire, expertise in floodplain management. Expertise in floodplain management consists of, but is not limited to, experience with the National Flood Insurance Program (NFIP) and concepts of floodplain management, maps and studies, ordinance administration, and the relationship between floodplain management and flood insurance. In addition, qualifications such as Certified Floodplain Manager (CFM) or staff that have completed floodplain development management courses with the Emergency Management Institute.
- (5) Have, or can hire, experience in energy efficiency retrofitting of single-family homes and the electrification replacement of aged heating and cooling system with all-electric technologies. Applicants should also have experience in home energy auditing.
- (6) Have a plan to identify a sufficient number of single-family homeowners who would benefit from flood mitigation, energy efficiency, and/or energy electrification retrofits to their homes (“Program Participants”). It is anticipated that the Awardee will be able to generate at least **two hundred fifty (250) Program Participants** throughout the term of the contract, however, Applicants do not need to identify potential Program Participants prior to applying to this RFP.
- (7) Have a plan to subcontract with other housing counseling and/or community-based organizations who have a presence in flood-prone communities. These organizations should have expressed an interest in conducting outreach to potential Program Participants and providing case management and/or housing counseling to Program Participants.

Eligible Activities

The Applicant selected by HTFC to administer Resilient Retrofit (the “Awardee”) will be expected to work with HTFC program staff to create a work plan, which may include, but will not necessarily be limited to:

- Completing the program Term Sheet and other program policies and procedures.
- Hiring partner organizations and professional services, including engineers to conduct on-site assessments of the flood risk of the homes and produce Elevation Certificate (EC), along with a written report giving recommendations for home improvements, as well as energy auditors to conduct on-site energy assessments of the homes, both before and after retrofits.
- Building or leveraging existing relationships with local, county, regional, and state officials, as well as civic and homeowner associations, to identify potential Program Participants in flood prone communities.
- Conducting meetings with Program Participants to gather applications and supporting documentation such as proof of ownership, local in the flood zone, and income documentation.
- Assisting Program Participants in hiring building contractors to perform the home improvement work.
- Assisting Program Participants in accessing homeownership counseling, on an as-needed basis. Helping Program Participants understand their financing options.

- Underwriting, originating and servicing construction loans to eligible Program Participants.
- Managing and providing oversight for the construction scopes and change orders.
- Providing program statuses updates and feedback to HTFC staff to guide the program development and assess its success/usefulness, including regular financial reporting in respect to portfolio performance.

Ineligible Activities

Funds cannot be used to cover the cost to prepare a grant application.

Eligible Costs

Applicants are required to provide a program budget in their application. Proposed budgets should consider:

- Up to **nine million dollars (\$9,000,000) – or ninety percent (90%)**, for loan proceeds. HTFC staff may determine that the repayment of loans should be recycled to assist more eligible Program Participants or repaid to the HTFC.
- Up to **one million dollars (\$1,000,000)- or ten percent (10%)**, for program administration, including:
 - Time and materials for program management.
 - Case management and housing counseling costs.
 - Professional service costs such as engineer, design, auditing, and construction management services.
 - Marketing and outreach expenses.
 - Loan servicing fees.
 - Loan origination fees.

Applicants should explain in their proposal whether they are unable to cover all program administration costs within the 10% administration budget or if some of those costs must be paid for by the borrower in the loan (closing costs and/or interest rate). Applicants' budgets should consider the affordability of these costs on low- and middle-income borrowers.

Funds may be disbursed to the Awardee on a prospective basis. Disbursement schedules will be determined by HTFC staff prior to the execution of a program Grant Agreement. Administrative and other program funds may be paid as the Awardee achieve milestones in the program administration.

Proposal Costs and Materials

HTFC will not be held liable for any cost incurred by the applicant for work performed in the preparation, production, or submission of a proposal in response to this RFP. All proposal materials and information submitted as part of the application shall become the property of HTFC. No materials, curricula, media or other content will be returned to the applicant.

Evaluation and Selection Criteria

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

Applications should include a PDF attachment that responds to the following questions. This PDF should not exceed eight (8) pages in length.

1. Organizational Background and Experience (maximum 30 points): Measures the overall functionality of the organization and its relevance to the work that would be performed under the grant, if awarded. Organizations who have, or can procure, expertise in construction management, particularly as it relates to flood mitigation and energy efficiency retrofits as well as the installation of electric heat pumps will receive high scores. Relevant experience in flood-plain management and energy efficiency/electrification of single-family homes will be valued highly.
2. Ability to Staff and Administer Grant (maximum 30 points): Measures the ability for 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, as well as sub-contracting with a qualified engineer firm will receive high scores.
3. Organizational Capacity & Readiness to Proceed (maximum 20 points): Measures the extent to which the applicant has organized the proposal and assembled enough 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.
4. Ability to Generate Demand (maximum 20 points) Organizations who demonstrate an ability to identify Program Participants will receive high scores. Those who can demonstrate an interest from local organizations and/or local government who are willing to provide outreach and case management support will be essential. Organizations who include marketing and outreach proposals in their application will receive high scores.

All completed applications will be reviewed and scored. HTFC 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.
- To change or disallow aspects of the applications and may make such changes conditions of its commitment to provide funding.
- To recommend funding in an amount less than requested.
- To 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.

Application and Award Timeline

HTFC reserves the right to modify this schedule, at its discretion. Notification of changes in connection with this RFP will be posted and made available to all interested parties via <https://hcr.ny.gov/funding-opportunities>

Issuance of RFP	Wednesday October 20 th , 2021
Deadline for Submission of Proposals	Friday, November 19 th , 2021 at 3:00 PM (EST)
Revised Proposal Period and Interview(s) (if needed)	Monday, November 29 th , 2021 – Friday December 3 rd , 2021
Anticipated Preliminary Award Selection (award(s) will be contingent on HTFC Board approval, which will occur after this date)	Friday, December 10 th , 2021

Award Recommendations and HTFC Board Approval

Awards are recommended based on available funding, proposal quality and project feasibility as determined by the review and rating of an application. The evaluation and selection criteria are detailed in the RFP. Recommendations are advanced to the HTFC Board for consideration and the Resilient Retrofits award must be approved by the HTFC Board prior to the execution of a grant agreement.

Application Status and Notification

Applicants will receive one of the notifications below in response to their application:

- Incomplete: Application presents potentially eligible project but provides insufficient information. Applicant will be provided an opportunity to submit additional documentation.
- Non-Award Notification: Application presents an incomplete, non-competitive, not viable project and will not receive an award under this RFP.
- Preliminary Award Notification: Application presents a complete, eligible, competitive and feasible project. The project has been recommended to and approved by HTFC Board of Directors for funding.

Program Grant Agreements

The Awardee may be asked to revise parts of their proposal prior to entering into a program grant agreement. After any required revisions are submitted and approved, a final program grant agreement will be executed. The program grant agreement will require that Awardees expend all funds and meet all program goals within a two-year (2) term with the possibility for an extension, at the discretion of HTFC staff.

An applicant should not apply if the project will not begin within a reasonable time after receiving an executed grant agreement or will not be able to complete the project within the term. Funds remaining at the end of the term are subject to de-obligation and reallocation.

Equal Employment Opportunity/Minority and Women Owned Business and Affirmative Action

Under Article 15A of the New York State Executive Law, all award recipients and their contractors are required to comply with the equal employment opportunity provisions of Section 312 of that Article. Also, all contractors and awardees are required to make affirmative efforts to ensure that New York State Certified Minority and Women-Owned Business Enterprises are afforded opportunities for meaningful participation in projects funded by HTFC pursuant to Section 313 of the Article.

All MWBE firms used to satisfy this requirement must be certified as such with the State’s Empire State Development (“ESD”). All SDVOB firms used to satisfy this requirement must be certified as such with the State’s Office of General Services.

For purposes of this solicitation, HTFC hereby establishes a goal of 30% of the administrative contract expenditures for MWBE participation, 15% for minority-owned business enterprises (“MBEs”) and 15% for women-owned business enterprises (“WBEs”).

Affirmative Action Policy Statement: It is the policy of the HTFC to provide equal opportunity to all people without regard to race, color, sex, religion, age, national origin, disability, or sexual orientation.

Questions

Any questions regarding this RFP or the application process should be directed to: NOFA_Applications@nysocr.org

Appendix A: Resilient Retrofits Draft Term Sheet

The program Term Sheet will be finalized in conjunction with the Awardee to this RFP.

Program Size	\$10,000,000 in revolving loan funds to address up to 250 homes.
Program Goal	Residential retrofits to achieve climate change mitigation and adaptation of vulnerable single-family homes, which are owned by low- and moderate-income homeowners in New York state.
Program Administration	One non-profit Subrecipient will be competitively selected and awarded \$10,000,000 in order to administer the Program. Administration includes, but is not limited to, homeowner outreach, loan underwriting, loan origination, loan servicing, construction management, and program management. The awarded Subrecipient may sub-contract or partner with other entities to successfully administer the Program.
Maximum Administration Costs	Not to exceed 10% of the grant. Within reason, some additional fees may be charged to the borrower, if those costs are covered within the proposed interest rate and approved by the HTFC staff.
Payment Structure	<i>TBD by Awardee & HTFC staff.</i> Funds may be provided as an installment or amortizing loan, due in full upon sale of the Subject Property or refinance of primary mortgage. The Subrecipient’s loan servicer shall collect monthly payments deposited into an account solely for the deposit and withdrawal of the proceeds for Resilient Retrofits. Recycled funds will be used for future rounds of the Resilient retrofits program, or otherwise directed by the HTFC staff.
Loan Securitization	UCC-1 security interests on fixtures of the property will be filed in county land records. Liens shall be recorded in the name of the HTFC.

Loan Amount	Loans must be affordable to the borrower and therefore will be sized so that the borrower's debt to income ratio does not exceed a reasonable amount that will be established by HTFC. However, if the desired construction scope exceeds an affordable loan amount, the Subrecipient, in conjunction with HTFC staff, may choose to include subsidy in order to achieve the full desired construction scope.
Average Targeted Loan Amount	\$35,000 per home.
Term	The loan term may be as short as 5 years or up to 30 years, depending on the borrower's preference and the need for affordable repayment terms.
Interest Rate	<i>TBD by Awardee & HTFC staff.</i> Interest rates should cover on-going loan servicing and management fees, which are not covered within the program administration budget.
Loan Origination Fee	<i>TBD by Awardee & HTFC staff.</i>
Loan Servicing Fee	<i>TBD by Awardee & HTFC staff.</i>
Minimum Required Construction Reserves	10% of the loan.
Closing Cost Estimates	<i>TBD by Awardee & HTFC staff.</i>
Credit Criteria	<ul style="list-style-type: none"> • No minimum credit scores. • Applicant must be current on their mortgage payments and tax obligations. • Applicant's total debt obligations on the Subject Property must not exceed its value. • No Bankruptcy within last 2-years
Construction and Management	<ul style="list-style-type: none"> • Professional service contractors, such as but not limited to, building contractors, engineers, plumbers, must be licensed with New York State. • Program Lender may recommend professional service providers at the request of the Borrower. • Program Lender and Program Servicer will provide construction oversight and escrow payments to professional service contractors. • Sweat equity is not eligible.
Eligible Use of Loan Proceeds	<ul style="list-style-type: none"> • Eligible Hard Costs: <ul style="list-style-type: none"> ○ Eligible Flood Mitigation Improvements: Elevation of electrical systems and components, securing of fuel tanks, use of flood

	<p>resistant building materials, installation of flood vents, and installation of backflow valves, as well as other flood mitigation improvements may be eligible.</p> <ul style="list-style-type: none"> ○ Eligible Energy Efficiency Improvements: Installing insulation in the walls, ceiling, and floors, reducing air infiltration and pressure imbalances, sealing and repairing ducts, and other energy efficiency improvements may be eligible. ○ Eligible Purchase and Installation of Appliances: Replacement of appliances with energy efficient appliances and/or high-performance windows or other fixtures may be eligible. ○ Eligible Purchase and Installation of All-Electric HVAC: Fossil-fuel combustion heating and cooling systems, which are at the end of their useful life, may be eligible for replacement with air- or ground-source heat pump systems. ○ Eligible Non-Luxury Improvements: Improvements when necessary to render a home compliant with local and state building codes may be eligible. <ul style="list-style-type: none"> ● Ineligible Hard Costs: <ul style="list-style-type: none"> ○ Demolition and removal of home ineligible. ○ Reimbursement of costs for construction work previously incurred are ineligible. ○ Only improvements to the main structure of the Subject Property may be eligible (i.e. securing the shoreline, bluff, or bulkheads are ineligible). <p>Eligible Soft Costs. Soft costs may include, but are not limited to, contractor fees, building permit filing fees, elevation certificates and other architecture and engineering services, home energy audits, loan closing fees, legal fees...etc.</p>
<p>Eligible Applicants & Eligible Properties</p>	<ul style="list-style-type: none"> ● Income Requirement: Applicant must be at or below 120% of the area median income (AMI). AMI, as determined by the US Department of Housing and Urban Development (HUD) and are kept up to date on HUD's website. In determining income, the Program uses federal income tax returns (e.g., IRS Forms, 1040, 1040A or 1040EZ). Where tax returns are not available other forms of income documentation such as pay stubs, social security statements, etc. may be evaluated. ● Ownership Requirement: Ownership is defined as holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, a quit claim deed to the Property or having an approved lease hold interest and improvement to be assisted. The deed must be recorded with the county, city, or appropriate local municipality. <i>Trusts, LLCs, and Life Estate policies TBD.</i>

- **Occupancy Requirement:** Subject Property must be occupied by the Applicant. In order to qualify at least one person on the deed must have occupied the home for the past two years from the date of application and currently occupy the home. Ownership is defined as holding a fee simple title as evidenced by a warranty deed, bargain for sale deed, a quit claim deed to the Property or having an approved lease hold interest and improvement to be assisted. The deed must be recorded with the county, city, or appropriate local municipality.
- **Primary Residence Requirement:** Subject Property must be the Applicant's primary residence. Second homes are ineligible for assistance. Second homes are defined by the IRS publication 936.
- **Eligible Property Type:** Subject Property must be a single-family home, defined as a one to four-unit properties. Semi-detached homes may be eligible, if the structure supports the proposed improvements. Condos and coops are ineligible if part of a building with more than four units. Manufactured and modular homes on fee-simple land (owed by the homeowner) are eligible if the structure supports the proposed improvements.
- **Flood Risk Requirement:** Subject Property must be in a 100- and 500-year floodplains, as determined by the National Flood Insurance Program (FIRM) on a map. Subject Property must be suitable for habitation, despite flood risk. Ineligible geographies include the NYS Department of Environmental Conservation (DEC) Coastal Erosion Hazard Area (CEHA) (maps are kept up to date on DEC's website) nor in a Federally designated Floodway. A Floodway is the channel of a river and the adjacent land areas that must be reserved to carry the base flood without increasing flood levels by more than a designated height, usually 1 foot. More information on Floodways may be found on the Federal Emergency Management Agency (FEMA)'s website.
- **Flood Insurance Requirement:** Subject Property must be insured against flood damage. If an Applicant receives assistance from the Program then the Applicant is required to maintain flood insurance in perpetuity and, in the event of a transfer of property, the Applicant is required, on or before the date of transfer, to notify the transferee in writing in the documents evidencing the transfer of ownership of the Property, of the requirements to obtain and maintain flood insurance in perpetuity.
- **Flood Damage Requirement:** None.

Environmental Requirements

- Each home renovation project must comply with the following laws and regulations:
 - The State Environmental Quality Review Act (SEQR) at 6 NYCRR 617;
 - Section 14.09 of the Parks, Recreation, and Historic Preservation Law (Historic & Cultural Resources);
 - Floodplain Management Criteria for State Projects at 6 NYCRR 502;
 - NYS Agricultural and Markets Law Section 305(4) (Agricultural Districts);
 - Coastal Zones at 19 NYCRR Part 600;
 - Local Zoning Code/Special Use Permits;
 - Lead Based Paint – EPA Renovation, Repair and Paint Rule or HUD Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing;
 - Asbestos Containing Materials at 12 NYCRR Part 56.
- Coordinate with HTFC's Environmental Unit, as needed.