



# **SAINT PAUL MINNESOTA**

## **30% AMI Deeply Affordable Housing Program**

**Fall 2022**

## **Request for Proposal (RFP)**

City of Saint Paul  
Planning and Economic Development  
City Hall Annex, 25 West 4th Street, Suite 1100  
Saint Paul, MN 55102

**Contact Person:**

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Release Date: 10/27/2022

Last Updated: November 29, 2022

Proposal Responses Due: 4:30 p.m. CST November 30, 2022

# Part 1: Overview

## 1.1 General Information

- **Announcement Title:** 30% AMI Deeply Affordable Housing Program Fall 2022 RFP
- **Program Website:** [www.stpaul.gov/30AMI](http://www.stpaul.gov/30AMI)
- **Application Deadline:** November 30, 2022

All applications must be received no later than **4:30 p.m. Central Time on November 30, 2022**. Late applications will not be accepted. It is the applicant's sole responsibility to allow sufficient time to address all potential delays. The City will not be responsible for delays caused by mail, delivery, computer, or technology problems.

## 1.2 Program Description

The City of Saint Paul created the 30% AMI Deeply Affordable Housing Program utilizing American Rescue Plan Act State and Local Fiscal Recovery Funds (ARPA). This program is designed to expand the supply of housing in Saint Paul for extremely low-income residents making less than 30% of the Area Median Income (AMI). Program funding will be deployed to finance the creation of new 30% AMI units in multi-family rental projects, through new construction or adaptive reuse.

This project is being supported, in whole or in part, by federal award number SLFRP1612 awarded to City of Saint Paul by the U.S. Department of the Treasury.

## 1.3 Funding and Project Dates

### Funding

Funding	Estimate
Estimated Total Funds to be Awarded	\$18,000,000 to \$20,000,000
Award Ceiling (Maximum)	N/A
Award Minimum	N/A

Funding will be allocated through a competitive review process, which is described in more detail in Section 3.1. Applicants may apply for funding in any amount (no minimum or maximum award limit). However, the award must be used to produce 30% AMI units and is subject to the City's underwriting process and funding availability.

After the review of the RFP responses, City staff will bring a recommendation to the Housing and Redevelopment Authority (HRA) Board to select which projects will move forward to the underwriting process. The initial recommendation will NOT include final award amounts and does not guarantee a funding award. Final selections and amount of award are subject to City financial underwriting procedures and guidelines and to City of Saint Paul Council or HRA Board approval.

### Program Dates

This RFP is intended to fund development projects closing on or before December 2024. Contracts for selected projects are estimated to start in 2023/2024 and will run through 2053 or later (contract length will depend on the loan term and affordability term). Funding will require a recorded Affordability Housing Declaration with a length of at least 30 years. If selected, the applicant may only incur eligible expenditures after the subrecipient agreement is fully executed and the subaward has reached its effective date.

## 1.4 Questions and Answers

Should applicants have questions about the application process, please contact **Erika Byrd** at **Erika.Byrd@ci.stpaul.mn.us** or **651-266-6555**.

To ensure the proper and fair evaluation of all applications, answers by City personnel will be limited to the technical information about forms and eligibility requirements and will not include advice on the scope of an individual applicant project or the content of their proposal. Frequently asked questions will be posted to [www.stpaul.gov/30AM](http://www.stpaul.gov/30AM)

**Please note, once an RFP is posted, contacting other City leadership, personnel or council members outside of this merit-based review process to discuss your application can be grounds for removal of the application from consideration for funding.**

## Part 2: Program Details

### 2.1 Goal

The goal of this RFP is to offer the City's ARPA funding to developers to facilitate the creation of multifamily rental housing that includes units affordable to households at or below the 30% Area Median Income level. This RFP has an added focus on increasing the supply of permanent supportive housing and prioritizing equitable development.

A project may include units that are not at the 30% AMI level (other affordability level or market rate). However, available ARPA funding may be limited by the percentage of 30% AMI units in the project or by evidence that the ARPA award is being used to support the cost of 30% AMI unit production within the project.

### 2.2 Eligible Projects and Activities

#### Eligible Project Criteria

Projects must meet all the following criteria to be eligible to receive funding:

- Anticipated financial closing date no later than the end of 2024.
- Multi-family rental project located in Saint Paul, with a minimum of 4 units.
- Rental housing and/or permanent supportive housing project.
- Project creates new 30% AMI units (through new construction or adaptive reuse).
- At least 10% of the units in the project are rent and income restricted to households earning at or below 30% of the Area Median Income.
- Affordability term of at least 30 years on the 30% AMI units.

#### Affordability Limits

Current 30% AMI Rent and Income Limits for Saint Paul are available for reference here:

[Rent and Income Limits \(stpaul.gov\)](https://stpaul.gov)

### 2.3 Eligible Applicant Organizations

Applicant Organizations must be registered to do business with the State of Minnesota and have a federal tax identification number. Applicants may be any type of business including Non-Profit Organization, Corporation, Sole Proprietorship, Limited Liability Company (LLC), Limited Liability Partnership (LLP), other partnership, or Joint Venture.

Although not required at time of application, a Unique Entity Identifier (UEI) number will be required if the applicant is selected. The City is not permitted to contract with any

subrecipient through this program that does not hold a UEI. If applicants do not know, or have not yet secured a UEI, you may visit the federal site and follow instructions provided: <https://sam.gov/content/home>.

## 2.4 Eligible and Ineligible Expenses

### Eligible Expenses

- Capital costs to produce new rental housing units at the 30% AMI level which costs are incurred before December 31, 2024 and paid before December 31, 2026.

### Ineligible Expenses

- Rental assistance
- Expenses that are not directly related to the funded project
- Taxes, except sales tax on goods and services
- Lobbying
- Costs associated with actions to oppose or support City or Housing and Redevelopment Authority of the City of Saint Paul, Minnesota (“HRA”) projects or developments (e.g., issue-focused campaigns or actions)
- Engaging in fundraising activities, either directly or by supporting another individual’s or entity’s fundraising efforts
- Participating in legal action (including appeals) against the City or HRA, whether as a named party in the legal action or to assist or participate in another party’s or parties’ pursuit of legal action against the City or HRA
- Making payments of interest charges, fines, penalties, late fees, damages and other settlements
- Making contributions or donations (e.g., charitable or political)
- Purchasing food, beverages and entertainment or tips provided in connection with any goods or services
- Purchasing promotional items, including gifts and souvenirs
- Compensating board members for their time or participation
- Paying for undefined line items, such as “miscellaneous” and “special projects” unless prior written approval is obtained by the City’s Grants Management staff
- Staff time associated with ineligible activities is also not eligible for reimbursement
- Administrative and indirect costs that exceed 10% or an organization federally negotiated indirect rate

## 2.5 Subrecipient Management Responsibilities

Applicants that are awarded ARPA State and Local Fiscal Recovery Funds through this RFP will be considered subrecipients. Should an applicant receive an award, a contract will be issued for signature by the applicant's Authorized Organization Representative. All applicants are expected to understand the terms and conditions for accepting a subaward with the City of Saint Paul.

**No work on subrecipient activities can begin until a fully executed subrecipient agreement is in place between the City and the subrecipient applicant that has been selected.** Once the subrecipient agreement is signed, the subrecipient is expected to comply with all conditions of the subrecipient agreement.

### Subrecipient Payments

All proceeds of the award shall be used to pay eligible acquisition costs and development costs incurred. The subrecipient will request a disbursement of funds in accordance with the process and schedule established in the loan agreement.

### Subrecipient Award Monitoring

It is the policy of the City of Saint Paul to monitor progress on all subawards by requiring subrecipients to submit progress reports until all funds of the subaward have been expended and all of the terms in the subrecipient agreement have been met. Payments to subrecipients for costs incurred will not be made until verification of timely and accurate progress reports are submitted and approved.

Subrecipients will be required to submit a progress report at least quarterly that will include at minimum: status of development project and progress toward completion, spending update, scheduling and timeline updates, and changes to project team or scope of work.

### Audit Requirements

**All organizations expending more than \$750,000 in federal funds must also comply with the Single Audit Requirements defined in Uniform Guidance as required by subpart F.** All subaward recipients that meet this threshold will be required to submit to the City for review a copy of their audit each year of the contract performance period.

## Part 3. Review and Selection Process

### 3.1 Review & Decision Process

Funding will be allocated through a competitive review process and include a review by a committee using the Scoring Criteria provided in Appendix A. The committee will be comprised of City personnel with residential finance and real estate development experience. The committee will evaluate eligible and complete applications received by the deadline.

After review, staff will bring a recommendation to the HRA Board to select which projects will move forward to the underwriting process. The initial recommendation will NOT include final award amounts and does not guarantee a funding award. Final selections and amount of award is subject to City financial underwriting procedures and guidelines and subject to City of Saint Paul Council or HRA Board approval. The initial recommendation will reflect staff's best estimate of eligible funds requested, taking into consideration the total amount of ARPA program funds available. Final awards will only be brought before the City Council or HRA Board for final approval when the project is fully funded, underwritten, and ready to close.

The City reserves the right to request additional information from applicants being evaluated to help clarify or validate information submitted in an application.

### 3.2 Financial and Management Review

It is the City's policy that the subaward review process include an evaluation of the financial and business management of the subrecipient applicant organization. This includes a review of financial audits, if applicable, and the organization's prior history of management on contracts with the City. This review will determine a risk assessment decision that will be used to guide monitoring and reporting requirements on a subrecipient agreement. A high-risk rating will not necessarily result in the declining of a subaward. However, the City reserves the right to decline awarding funds to organizations who:

- have not maintained filings and licensing required to comply with local, state, and national business laws, ordinances, and regulations
- are on the federal or state list of suspended/disbarred vendors
- have significant financial management concerns or lack of internal controls
- have a prior history of non-performance on other contracts held with the City

### 3.3 Selection Criteria

A standardized scoring system will be used to determine the extent to which the applicant meets the selection criteria. The review committee will be reviewing each applicant on a 100-point scale. A summary of the criteria and weight on which applications will be judged is provided below. **Full scoring criteria information is provided in Appendix A.**

<b>Scoring Criteria (Summary)</b>	<b>Maximum Points</b>
Percentage of 30% AMI units	20
Supportive services	15
Financial feasibility	15
Period of affordability	10
Project serves people with higher barriers to housing stability	10
Intermediary costs	5
Per-unit ARPA subsidy	5
Project addresses an identified housing need	5
Project Team designed to be reflective and responsive	5
Project includes meaningful community engagement	5
Project promotes community connections	5
<b>Total Points Possible</b>	<b>100</b>

### 3.3 Additional Review Considerations

As stated in Section 3.1, final selections and amount of award is subject to City financial underwriting procedures and guidelines and to City of Saint Paul Council or HRA Board approval. Final award amounts will only be brought before the City Council or HRA Board for approval when the project is fully underwritten and funded and ready to close. Projects will undergo full underwriting and shall satisfy analysis that includes, but is not limited to:

- Gap analysis
- Assessment of sources and uses
- Identification of public purpose
- Assessment of proposal’s consistency with city goals, comprehensive plan, zoning code, any existing redevelopment plans, and land disposition policy
- Project feasibility assessment
- Evaluation of developer’s financial capacity and experience
- Project cost reasonableness
- Subsidy request shown to be reasonable and necessary
- Evidence that awarded funding will be used to produce 30% AMI units and that ARPA spending timelines can be met



## Part 4: Application Instructions

### 4.1 Submission Instructions

Application must be submitted through email to [erika.byrd@ci.stpaul.mn.us](mailto:erika.byrd@ci.stpaul.mn.us). Please note that email attachments over 20 MB cannot be received. Applicants may choose to submit their application materials by providing an emailed link to files hosted on a cloud storage service (i.e., Dropbox, Google Drive, OneDrive, etc.). Please contact Erika Byrd with any questions or concerns about the submission process or to confirm receipt.

The application has multiple sections and forms. Each section and form must be fully addressed and submitted for the application to be considered complete. An **Applicant Checklist** has been provided as supplemental materials to help applicants ensure all materials are included in their submission.

**Incomplete applications may be rejected and not evaluated.** Applications should include all required application materials, including required attachments. The City reserves the right to reject any application that does not meet these requirements.

The submission of false, inaccurate or misleading information may be grounds for disqualification from an award, as well as subject the applicant to further legal action if deemed necessary. All costs incurred in responding to this RFP will be borne by the applicant. Prior to the City entering into any agreements resulting from this solicitation with selected applicants, the City reserves the right to cancel the Request for Proposals in its entirety. The City is not obligated to enter into any agreements pursuant to this Request for Proposals.

### 4.2 Application Public Information

All applications materials submitted in response to this RFP are private or nonpublic until the applications are opened. Once the applications are opened, the name and address of each applicant and the amount of funding requested is public. All other data in an application is private or nonpublic data until completion of the evaluation process, which is when the City has completed negotiating the subrecipient agreement with the selected applicant(s).

After the City has completed the evaluation process, all remaining data in the applications is public with the exception of trade secret data.

If an applicant submits any information in an application that it believes to be trade secret information, the applicant must clearly mark all trade secret materials in its application at the time it is submitted and include legal proof of the trade secret designation for each item. The City will not consider the budgets that applicants submit to be proprietary or trade secret materials.

## Part 5. Required Application Materials

See the **Applicant Checklist** ([download link](#)) which has been provided as supplemental materials to help applicants ensure all materials are included in their submission.

### 5.1 Narrative Response

Applicants should provide written responses to each of the required questions. The answers should be as brief as possible, and the total narrative should be no longer than three pages. Applicants should use single space, 11-point font, except for images, tables, and charts.

1. Describe how the project team is designed to be reflective of and responsive to those most impacted by the project and least represented in public process.
2. Describe any community engagement process to date. Include dates of events, organizations involved, techniques used to include community in the process, and how the process is tailored to the specific demographics of the surrounding community and/or the specific demographics of the community that the project is intending to serve.
3. How does your project address a housing need that was identified by or with persons that have historically been the most impacted by inequities? Explain how the need was determined and how the project will address it.
4. Does your project promote community connections and relationships through design, programming, and/or services that consider the unique characteristics of the current or future residents and neighbors? If yes, please describe how.

## 5.2 Required Attachments

All applicants are required to submit the following forms and attachments:

- A. Organization Information Sheet** ([download link](#)): This Organization Information Sheet is provided as supplemental materials and must be completed by all applicants. The information requested from applicants is needed to validate eligibility. Accuracy is critical as the information in this form will be used for contracting with the City should your application be selected for funding. Instructions are included on the form.
- B. Project Information Form** ([download link](#)): The Project Information Form is provided in the supplemental materials. This form addresses key project information and must be completed by all applicants.
- C. Financial Questionnaire Form** ([download link](#)): Every applicant must complete a financial questionnaire, using the form provided in the supplemental materials. This form will help the City to complete a management and financial risk assessment for an applicant. Please note, a high-risk rating will not necessarily result in the declining of a subaward, and instead will inform monitoring activities within a subsequent subrecipient agreement if your organization's application is approved for subaward.
- D. Tax Identification Letter**: Provide proof of your organization's federal tax status by providing a copy of your Employee ID Number (EIN) letter. For non-profit entities this is generally called the 501(c)(3) Letter. For organizations without a tax identification number, provide a copy of your fiscal agent's letter of commitment to serve as a fiscal sponsor for this application.
- E. Financial Statements**: Provide a copy of audited financial statements from the most recently completed fiscal year. If your organization does not have audited financials, provide a copy of the most recently submitted Form 990 tax form.
- F. Conflict of Interest Form**: ([download link](#)) All applicants must submit a copy of a signed Conflict of Interest Form at the time of application. The form is provided in the supplemental materials. This form must be signed by the highest-ranking officer in the organization, generally the Chief Executive Officer or the Executive Director.
- G. Acknowledgement of Compliance Documents Letter**: City or HRA funding may result in compliance requirements. Please review the potential compliance documents and submit the form letter acknowledging receipt ([download link](#)).

- H. Multifamily Workbook:** Applicants must submit a project budget in the format of the Minnesota Housing Multifamily Workbook ([download link](#)). This template form includes information on sources and uses, operating expenses, and housing unit breakdown.
- I. Project Schedule:** Provide a project schedule for the proposed development, including the timing of any phases and key milestones and activities.
- J. Terms and Conditions of Sources of Funds:** Provide description of any known terms and conditions for your identified sources of funds.
- K. Financial Analysis/Underwriting Narrative:** Describe with supportive documentation and assumptions, your analysis substantiating the feasibility and long-term financial viability of the project.
- L. Development and Financing Team:** Name and provide resumes/pertinent background experience of the development team involved in the proposal. The development team may include developer, architect, general contractor, service providers, community partners, financing and legal consultants, etc.
- M. Support Services Narrative (if applicable):** Include a statement on whether support and/or human services are planned for or are provided to the residents of the project; indicate service organizations and describe any services provided and who has access to these services; describe how services will be funded. Applicants are encouraged to submit Minnesota Housing's Supportive Housing Narrative template form to provide this information ([download link](#)).

### 5.3 Additional Attachments (Optional)

Although not required, the following additional materials may be submitted. The City highly encourages submission of these items as they could affect final scoring:

- A. Photographs of the site and building**
- B. Scope of Work**
- C. Site Plan**
- D. Architectural Drawings**
- E. Sworn Construction Cost Statement (if applicable)**
- F. Bids and Specifications (if applicable)**
- G. Commitment letters from lenders and/or investors**
- H. Evidence of site control**

# Appendix A

## Eligibility and Scoring Criteria

Scoring Criteria	Points	Evaluation Considerations
<b>Affordability</b>		
<b>Percentage 30% AMI Units</b>	<b>20</b>	Percentage of units in project at or below 30% AMI. <ul style="list-style-type: none"> <li>• 10%- 19.9% (5 points)</li> <li>• 20.0% - 49.9% of units (10 points)</li> <li>• 50.0% or above (20 points)</li> </ul>
<b>Term of affordability</b>	<b>10</b>	Applicants must commit to long-term affordability for a minimum of 30 years. Points are awarded to projects that extend the duration of affordability on the 30% AMI beyond 30 years. <ul style="list-style-type: none"> <li>• 30-39 years (0 points)</li> <li>• 40- 49 years (5 points)</li> <li>• 50+ years (10 points)</li> </ul>
<b>Finance</b>		
<b>Financial Feasibility</b>	<b>15</b>	Higher scoring projects will demonstrate a high degree of financially feasible. Considerations include: <ul style="list-style-type: none"> <li>• Documentation of appropriate funding sources including commitment levels, conditions, and timelines.</li> <li>• The project timeline and budget reflect the likelihood of meeting ARPA timing and spending requirements.</li> </ul>
<b>Per Unit ARPA subsidy</b>	<b>5</b>	Higher scoring projects will have lower per-unit ARPA subsidy in comparison to other projects in the application pool.
<b>Intermediary Costs (Soft Costs)</b>	<b>5</b>	Points will be awarded to projects on a sliding scale of intermediary costs (as shown in Minnesota Housing's Multifamily Workbook), based on percentage of total project costs. <ul style="list-style-type: none"> <li>• 25.1 to 30% intermediary costs (0 pts)</li> <li>• 20.1 to 25% intermediary costs (1 pt)</li> <li>• 15.1 to 20% intermediary costs (3 pts)</li> <li>• 0.0 to 15% intermediary costs (5 pts)</li> </ul>

<b>Housing Support and Access</b>			
	<b>Supportive services provided</b>	15	<p>Project provides resident support services or establishes a strong, integrated referral system. Higher scoring projects will demonstrate the project provides the appropriate and necessary level of services for the proposed project and target population. Considerations include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Service plans are person-centered and individualized.</li> <li>• Front desk staff work in collaboration with a supportive housing services team.</li> <li>• All supportive housing tenants have access to services.</li> </ul>
	<b>Project serves people with higher barriers to housing stability</b>	10	<p>Points will be awarded to projects that serve people with higher barriers to housing stability. Points will be awarded on a sliding scale with higher scoring projects demonstrating a greater extent of service to households facing housing instability. Considerations include but are not limited to:</p> <ul style="list-style-type: none"> <li>• Project creates housing opportunities for people experiencing homelessness.</li> <li>• Project creates housing opportunities for persons with mental or physical disabilities.</li> <li>• Project includes tenant selection plan demonstrating low-barrier tenant screening criteria.</li> <li>• Property management uses a Housing First approach.</li> </ul>
<b>Furthering Equitable Outcomes in Housing</b>			
	<b>Project Team</b>	5	<p>The project team, including partners, is designed to be reflective of and responsive to the community the project is intending to serve. The project team has experience working effectively with those historically impacted by racial or other inequities, or who are traditionally under-represented in the community or region.</p>

	<b>Project addresses identified housing need</b>	5	The project addresses a housing need that was identified by or with those most impacted by inequities. The project is responsive to the findings and recommendations in the engagement report produced by the City of Saint Paul and Ramsey County: <a href="#">Deeply Affordable and Permanent Supportive Housing Engagement Summary Report</a>
	<b>Project includes meaningful community engagement</b>	5	Project demonstrates meaningful engagement, including stakeholders that represent the demographics of the local community, centering those underrepresented and most impacted by inequities. The project provides opportunities for engagement to influence the project and inform project decisions.
	<b>Project creates community connections</b>	5	Project promotes community connections and relationships through design, programming, and/or services that consider the unique characteristics of the current or future residents and neighbors, centering on those most impacted by inequities.
	<b>Total Possible Points</b>	<b>100</b>	

## Summary of Changes

**November 29, 2022:** Updated embedded links to MN Housing Workbook and Supportive Services Narrative template (previous file links were no longer active)