

2022

Notice of Funding Availability (NOFA)



INTRODUCTION

NOTICE OF FUNDING AVAILABILITY (NOFA)

The Department of Community & Economic Development (DCED) NOFA loan program provides residential developers with various financing options for transformative housing projects that will make positive, visible impacts on our communities. Through NOFA, DCED intends to support projects that achieve *Plan Cincinnati's*¹ goals to provide a full spectrum of healthy housing options and to improve housing quality and affordability.

HOW DOES NOFA WORK?

NOFA is a public gap financing tool that leverages private financing to develop quality housing throughout the city. Through NOFA, DCED provides subordinated, fixed-interest, long-term loans for up to forty percent (40%) of total project cost, up to \$1 million. Program participants must secure the other sixty percent (60%) of project financing prior to the submission of a NOFA loan application. Non-Low-Income Housing Tax Credit applicants must also provide an equity commitment of at least five percent (5%) of total project cost to be eligible for NOFA. A sample project financing structure is listed below:

Source	Percent	Amount	Security
Bank/Private Loan	70%	\$ 700,000.00	1st Mortgage
NOFA Loan *	20%	\$ 200,000.00	2nd Mortgage
Developer Equity **	10%	\$ 100,000.00	n/a
Totals	100%	\$ 1,000,000.00	

* NOFA loan cannot exceed 40% of Total Project Cost or \$1 million, whichever is less

** Developer Equity cannot be less than 5% of Total Project Cost (not applicable to LIHTC projects)

NOFA loans are awarded through a competitive application process, through which DCED staff will evaluate and recommend projects based on how well they meet the City's housing policy objectives. Scoring criteria are updated annually and can be viewed in the NOFA application. Project scores are meant to serve as a guide for NOFA staff and should not be considered the only determining factor for funding recommendations. Other funding considerations include but are not limited to:

¹ *Plan Cincinnati* is available at <https://www.cincinnati-oh.gov/planning/plan-cincinnati/>

- **Applicant's property ownership history**, including any Building, Fire, Health, or property related code violations. The City reserves the right to deny any applicant with past or present violations.
- **Applicant's NOFA project history**, including past NOFA project performance and capacity of applicants given existing pipeline of awarded NOFA projects.

Staff recommendations will be presented to the Director of DCED, the City Manager, and Mayor for final determination of awards meeting the City's housing policy objectives.

WHO IS ELIGIBLE TO APPLY FOR NOFA LOANS?

For-profit & non-profit corporations, Community Development Corporations, Community Housing Development Organizations, partnerships, and proprietorships are all welcome to apply for NOFA loans. Multi-family and homeownership projects will be considered for NOFA loan awards. To be considered for review, applicants must meet the following threshold requirements:

- Minimum of 4 Units - Projects must create a minimum of 4 residential dwelling units.
- Primary Funding Commitments - Applicant must demonstrate to DCED that a minimum of sixty percent (60%) of project financing has been secured from non-City resources.
- Traditional Debt - Applicants must secure a bank loan and demonstrate to DCED that they have maximized all private debt financing options for funding sources.
- Minimum of 5% Owner Equity (not applicable to Low Income Housing Tax Credit projects) - Applicant must demonstrate to DCED that a minimum of five percent (5%) of project financing has been committed from developer equity.
- Site Control - Applicant must have site control for the property associated with the project. Site control can be evidenced by a deed, purchase contract, holding contract, or other legally binding measure.

WHAT ARE ELIGIBLE USES OF NOFA LOANS?

NOFA loan funds can be used for site preparation, hard costs associated with rehab and new construction of residential space, and infrastructure



improvements associated with the project. NOFA loan funds CANNOT be used for acquisition, pre-development, or soft costs associated with a project.

All loans awarded will be paid out on a pro-rata basis during construction except authorized otherwise to meet the needs of certain tax credit programs.

Borrower's reimbursement requests will be limited to once in any thirty (30) day period, and the City will withhold a retainage to be released upon receipt of a completion and/or Certificate of Occupancy, submission of all sworn affidavits and/or unconditional lien waivers, and satisfactory compliance with all other applicable City, State, and Federal requirements.

HOW DO I APPLY FOR A NOFA LOAN?

All parties interested in applying for a NOFA loan must submit an Intent to Apply form by the deadline and can visit ChooseCincy.com or contact the Department of Community & Economic Development at (513) 352-6146 to learn more.

NOFA 2022 LOAN PROGRAM

FUNDING AVAILABILITY

DCED intends to make \$4.2 million available to loan applicants for residential development. This funding is an aggregate amount allocated to the NOFA from the three funding sources listed below. This funding amount is an approximation; true funding amount is pending receipt of funds from the Department of Housing and Urban Development. Funds are intended to be awarded through one application round in the Summer of 2022 (NOFA 2022). **It is in DCED's discretion to award all funds or a portion of funds in a single round.**

- I. Community Development Block Grant (CDBG) loans will be considered for renovation projects with a housing component that benefit low-to-moderate income households or reduce slum and blight in eligible neighborhoods.
- II. HOME Investment Partnership Program (HOME) loans will be considered exclusively for projects that create affordable housing for low-to-moderate income households. For rental housing projects, HOME-assisted units will be restricted to households earning sixty percent (60%) or less of the HUD-Adjusted Median Household Income for the area. If the number of HOME-assisted units is five (5) or more, all units will be restricted to households earning 50% or less of the HUD-Adjusted Median Household Income for the area. For Homeownership housing projects, HOME-assisted units will be restricted to households earning 80% or less of the HUD-Adjusted Median Household Income for the area.
- III. City Capital (Capital) loans will be considered for projects that meet DCED's strategic objectives and City housing policy goals, including affordable, mixed-income developments, and infrastructure improvements that may not qualify under the Federal HOME or CDBG programs. Projects that are awarded City Capital funds may be subject to prevailing wage and City Council approval.

DCED reserves the right to accept or reject any or all proposals submitted, in whole or in part. DCED also reserves the right to reject proposals from applicants who are not in good standing with financial obligations to the City, existing project compliance, or poor property management including public nuisance cases. Further, this request for proposals does not commit the City to award a contract or pay any costs associated with the preparation of proposals.

SCHEDULE

DCED intends to follow the NOFA the schedule outlined below but reserves the right to revise program dates, as necessary. **Due dates and times as published and as amended will be strictly enforced. Late submissions will not be accepted.**

Friday, April 8th	Application Release
3 pm, Friday, May 13th	Intent to Apply DEADLINE
3 pm, Friday, June 10th	Application Submission DEADLINE
Friday, August 5th	Awards Announced

*Application submission date subject to change per 2022 Low Income Housing Tax Credit (LIHTC) Awards Announcement; Identified pre-applicants will notified accordingly.

ELIGIBLE PROJECTS

Applicants should be reminded that NOFA loan funds can be used for site preparation and hard costs associated with rehab and new construction of residential space. NOFA loan funds **CANNOT** be used for acquisition, pre-development, or soft costs associated with a project, or public improvement projects including the erection, construction, alteration, repair or improvement of any public structure, building, road, or public improvement of any kind. Projects listed below will receive consideration for NOFA loan funds.

- I. **HOMEOWNERSHIP:** Projects that create and/or improve homeownership opportunities throughout the City are eligible to apply for NOFA funds. Funding priority will be granted towards projects that create clustered or contiguous housing units that are for sale and marketed towards lower to moderate income households earning 120% or less of the Area Median Family Income except for projects funded with federal HOME or CDBG, which will be limited to households at 80% or below of the Area Median Family Income
- II. **RENTAL:** DCED will consider rental projects that include the creation or rehabilitation of affordable rental, mixed-income, and mixed-use projects, as well as permanent supportive housing projects. Funding priority will be granted to mixed income and affordable rental projects. Ineligible projects include student housing, group homes, and dormitory-style facilities.

PRIORITY CONSIDERATION

Priority consideration for funding will be given to projects that are the recipient of an Ohio Housing Finance Agency Low Income Housing Tax Credit award. In addition, most of the NOFA funding is sourced from Federal block grants that are restricted to projects meeting affordability thresholds. Accordingly, affordable housing development projects meeting these requirements will also be prioritized.

EVALUATION CRITERIA

NOFA loans are awarded through a competitive application process, through which DCED staff will evaluate and recommend projects based on how well they meet the City's housing policy objectives. DCED staff will underwrite project's Development Team, Property Manager, Sources and Uses, and Proforma to confirm financial and regulatory compliance with available funding sources.

Projects applying for NOFA loans will be self-scored by the applicant and receive a final staff-score. Project scores are meant to serve as a guide for NOFA staff and should not be considered the only determining factor for funding recommendations. Project scores are based on the criteria outlined below:

I. Project Financing (40 points)

- Is the project financially feasible?
- Has the project secured all other sources of necessary financing?
- How well does the project leverage NOFA loans and what is the per unit ratio for the proposed NOFA loan amount?
- How much equity is the developer/owner contributing to the project?

II. Project Characteristics (30 points)

- Does the project eliminate blight, address code violations, or rehabilitate existing vacant, foreclosed property?
- Does the project have a visible impact on the neighborhood by creating tightly clustered and/or contiguous units?
- Is the project located within walking distance of an activity center?
- Is the project contiguous?
- Is the project transit-oriented?
 - i. Projects located within a quarter (.25) mile of a 24-Hour Metro Bus Route - as listed in *Exhibit A* - are deemed transit-oriented.

- Is the project mixed-use? Does it include both residential and commercial components?
- Does the project creatively convert non-residential, vacant structures into housing units?
- Is the developer minority or woman owned?

III. Project Type Specific Scoring (30 points)

For this section of the scorecard, projects will be evaluated by characteristics relevant to their Project Type (Homeownership or Rental)

- Homeownership
 - i. Does the project create homeownership opportunities for households earning at or below 80% or 120% of Area Median Income?
 - ii. To what degree does the project include onsite amenities, such as parking, storage space, laundry and/or play space?
 - iii. Does the project create family units, defined as 50% of units being 2 bedrooms OR 25% of units being 3 bedrooms?
 - iv. Does the project incorporate Universal Design, Visitability, and/or Age-in-Place standards?
 - v. Does the project achieve any Living Building Challenge or LEED certifications?
- Rental
 - i. Does the project create rental units for households earning less than 80% of Area Median Income?
 - ii. To what degree does the project include onsite amenities, such as parking, storage space, laundry, appliances, outdoor space, workout facilities, etc.?
 - iii. Does the project create family units, defined as 25% of units will be 2 bedrooms OR 10% of units will be 3 bedrooms?
 - iv. Does the project incorporate Cincinnati Visitability and Universal Design Standards?
 - i. This requires certification by the City's Department of Building & Inspections on the Certificate of Occupancy.
 - v. Does the project achieve any environmental sustainability certifications?
 - i. LEED
 - ii. Enterprise Green Communities
 - iii. National Green Building Standard

APPLICATION & SUBMISSION

There is one funding round with two submission deadlines: (1) Intent to Apply Deadline; and (2) Full Application Submission Deadline. Applications submission deadlines may be subject to change, as necessary. Identified pre-applicants will be notified accordingly.

	Intent to Apply	Application Submission
NOFA2022	3pm Friday, May 13th	3pm Monday, June 10th

- The *Intent to Apply Form* can be found at www.choosecincy.com. Upon receipt of a completed Intent to Apply form, an application will be emailed to you. Please note the application requires, at a minimum, Microsoft Excel 2003. If this is an issue for the applicant, please contact DCED staff. Applicants who have not submitted an Intent to Apply form are not eligible to apply.
- Application packets should include one (1) printed and signed *Summary & Certification* page from the NOFA2022 Application, an electronic version of the NOFA2022 Application (either on CD or USB drive), and all necessary attachments.
- All application submissions must be delivered to the Department of Community & Economic Development (805 Central Avenue, Suite 700, Centennial II, Cincinnati, Ohio 45202) "Attention: NOFA" by 3pm on their assigned deadline. **LATE SUBMISSIONS WILL NOT BE ACCEPTED.**

STAFF CONTACTS

Anthony V. Cadle, Development Manager
513.352.6118, anthony.cadle@cincinnati-oh.gov

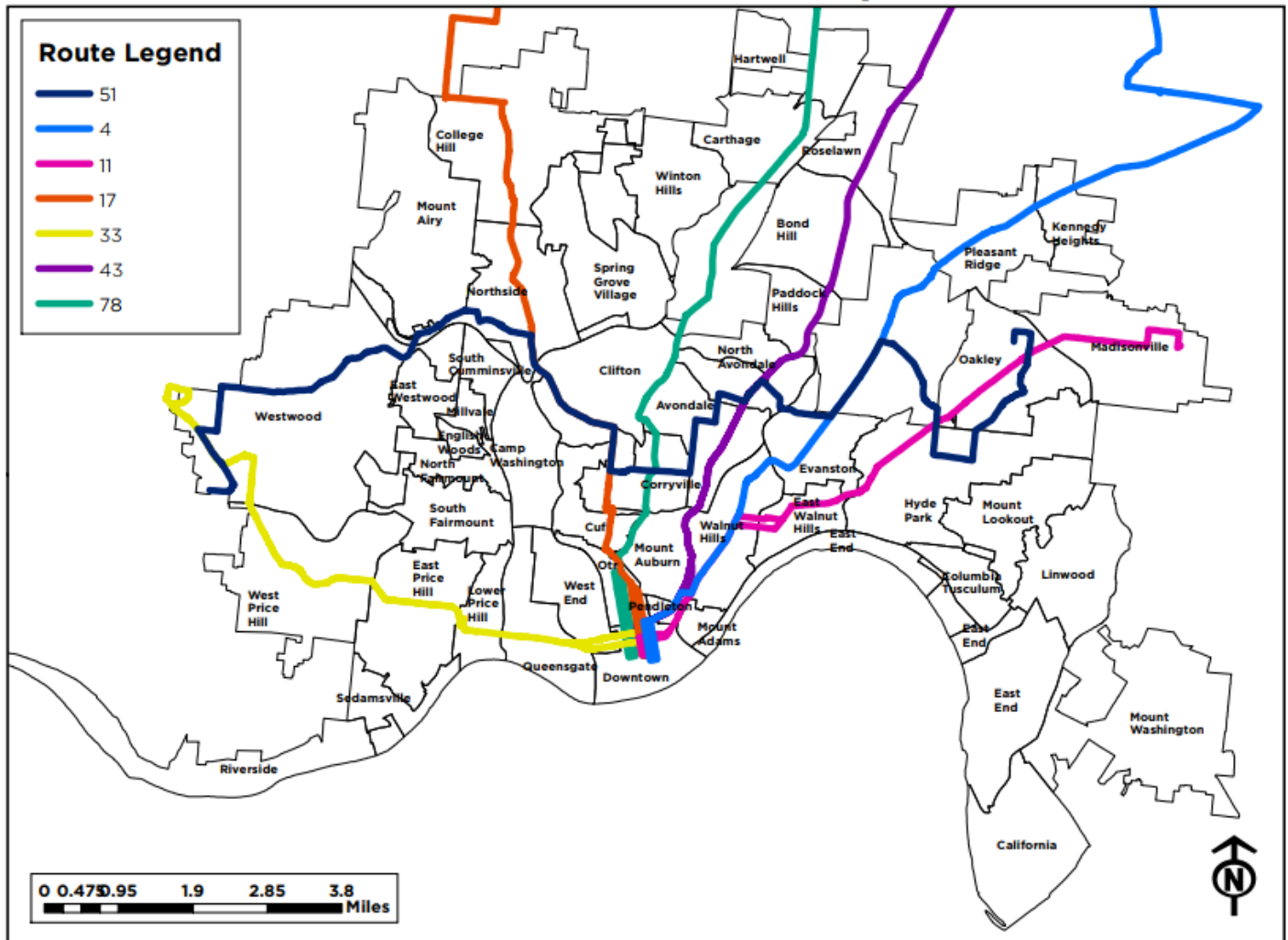
Roy J. Hackworth, Housing Division Manager
513.352.6119, roy.hackworth@cincinnati-oh.gov

EXHIBITS

- [Exhibit A: Cincinnati Metro 24-Hour Bus Routes](#)
- [Exhibit B: Procurement Handbook for Developers and Subrecipients](#)

EXHIBIT A:

CINCINNATI METRO 24-HOUR BUS ROUTES



- [Route 4 Blue Ash- Kenwood- Ridge Road](#)
- [Route 11 Madison Road/Erie Ave](#)
- [Route 17 Seven Hills/Mt. Healthy/Mt. Adams/Northgate](#)
- [Route 33 Western Hills - Glenway](#)
- [Route 43 Reading Road](#)
- [Route 51 Glenway Crossing - Hyde Park Crosstown](#)
- [Route 78 Springdale - Vine/Lincoln Heights](#)

EXHIBIT B:

Procurement Handbook for Developers & Subrecipients

If awarded a NOFA loan, projects may be subject to the following City of Cincinnati procurement requirements:

- Meet & Confer
- Selection of Subcontractors
- Debarred Contractor Search
- S/M/WBE Goals
- Section 3
- Prevailing Wage
- Wage Enforcement
- Living Wage
- Equal Employment Opportunity (EEO)
- Preconstruction Meeting

For more information on any of these requirements, applicants should consult the City's Procurement Handbook for Developers & Subrecipients.²

² Actual URL for Procurement Handbook is <https://choosecincy.com/wp-content/uploads/2019/02/Exhibit-B-Procurement-Handbook.pdf>