

2024 Emerging and Diverse Developers Solicitation Notice

A. General considerations

The Ramsey County Housing and Redevelopment Authority (“County”) is accepting applications for the 2024 Ramsey County Emerging and Diverse Developers Solicitation (“Solicitation”) for eligible developments located within the boundaries of Ramsey County. The Emerging and Diverse Developers program is a housing development funding opportunity specifically for emerging and diverse developers with an associated technical assistance component for interested Applicants. More information can be found at www.ramseycounty.us/EDD.

The program is available to an individual or entity that, in the past 10 years, has owned and/or developed (as a sole proprietor or under other business entities) no more than 25 housing units, or 15,000 sq. ft of commercial space in the State of Minnesota. This includes mixed use housing and commercial spaces. An owner-occupied home that the applicant resided in does not count towards the 25 qualifying units. An attestation form must be signed which should list any projects that an applicant of the program has owned or been affiliated with. Approved awards will use Housing and Redevelopment Authority (HRA) levy and/or State Affordable Housing Agency (SAHA) funding. Applicants are to request funding for a specific housing development at a specific address or parcel. Eligible projects can be located within the city of Saint Paul or in suburban Ramsey County.

This Solicitation Notice, located in the digital library on ZoomGrants, is intended to provide general instructions and information regarding the County’s application and selection process.

Emerging developers ("Applicants") are encouraged to apply for free technical assistance services at www.ramseycounty.us/EDD. Applicants who display project readiness will be prioritized for offered services. The technical assistance provider will serve as many Applicants as possible during this Solicitation, but may be limited by time, staffing or scheduling.

This Solicitation Notice outlines steps and considerations for applying to this Solicitation. The application link will be posted online at www.ramseycounty.us/EDD. Applications that DO NOT include all the following specific materials by the applicable deadline will be considered ineligible for further processing.

B. Requirements

Eligible Housing Types and Projects (Pass/Fail)

1. Permanent general occupancy rental housing for low to moderate-income renters with a minimum of two units;

OR;

2. The new construction of owner-occupied housing for low-to-moderate income homeownership. (The acquisition and resale of an existing owner-occupied home is not an eligible use.);

AND/OR;

3. Pre-development activities for the development of permanent housing for low-to-moderate income residents that result in “soft costs” for professional services;

Eligible soft costs

- Architectural fees.
- Engineering fees.
- Consulting fees.
- Environmental assessments.
- Legal consulting.
- Market analysis.
- Administrative costs for loan commitments.
- Zoning approvals and land-use application fees.
- Permitting fees.

Required materials (Pass/Fail)

The application will not move onto scoring without the following required materials submitted in ZoomGrants:

1. Multifamily workbook including all required information (Excel format).
2. Project description.
3. Responses to the “Ramsey County Equitable Development and Livability” questions (Attachment A).
4. Acknowledgement letter (Attachment B).
5. Lobby Certification Form (Attachment C).
- 6.

C. Additional Materials (optional)

Although not required, the following additional materials can be submitted with the application. The County highly encourages submission of these items as they may affect final scoring and evaluation:

1. Project schedule;
 - a) Project Close
 - b) Project Start Date
 - c) Zoning Completion
 - d) Project Commencement
 - e) Project Completion

- f) Tenant Lease Up

2. Organizational Capacity Worksheet;
3. Market feasibility analysis/plan; if applicable;
4. Applicant's financial statements;
5. Detailed project budget; (may be included in multifamily workbook);
6. Explanation of funding sources and uses; (may be included in multifamily workbook);
 - a) Committed Funding
 - b) Projected Funding
 - c) Planned Funding
7. Commitment letters from other lenders and funders;
8. Architectural drawings, if applicable;
9. Sworn construction cost statement, if applicable;
10. Bids and specifications, if applicable;
11. Site improvement plans, if applicable;
12. Project scope of work; if applicable;
13. Photos of project site;
14. Evidence of site control, unless for acquisition under special circumstances;
15. Operating expense projections; (may be included in multifamily workbook);
16. 15-year proforma projections including debt coverage ratio; (may be included in multifamily workbook);
17. Detailed housing unit breakdown; (may be included in multifamily workbook);
18. Occupancy/fill projections; (may be included in multifamily workbook);
19. Tenant data; if applicable;
20. Zoning and land use documentation;
21. Resolution or letter of support from local municipality;

Note:

- a. Some of these documents may be consolidated in the required multifamily workbook for applicable projects.
- b. Additional documentation may be required by County CED staff in the application and review process.
- c. **Resulting Documents to be Executed:** Any resulting contracts, agreements, or closing documents necessary for funding the proposed project will include all applicable requirements under local, state, or federal law or regulation.

D. Available Resources

The County offers different sources of funding through the Solicitation. Funding sources are comprised of the following local programs:

HRA Levy

HRA levy funds are available to be used countywide, including within the city of Saint Paul, but excluding the city of North Saint Paul. Eligible uses include the construction, acquisition, development,

conversion and/or rehabilitation of permanent rental housing units, permanent supportive housing, and the new construction of owner-occupied units for low-to-moderate income homeownership. Funds will be structured as a zero percent interest-deferred loan with at least 20 years of affordability.

SAHA Funding

SAHA funds are available county-wide, including in the city of Saint Paul. Eligible uses include the construction, acquisition, development, conversion and/or rehabilitation of permanent rental housing units, permanent supportive housing, and the new construction of owner-occupied units for low-to-moderate homeownership. All units must have income and rental restrictions. State requirements may require the inclusion of accessible units. Funds will be structured as a zero percent interest-deferred loan with at least 20 years of affordability.

Resulting Awards

Awards for housing developments will be between \$100,000 and \$500,000. At the sole discretion of the County, funds will be structured as a zero percent interest-deferred loan. Generally, funds must be used within 18 months of award.

Funded units must remain at affordability limits stated in the proposal for at least 20 years. A declaration will be attached to the property to ensure affordability. The Ramsey County Prevailing Wage Ordinance may apply to awards over \$25,000 with construction labor hours. Post-award, Ramsey County will monitor construction, design and the affordability of the units.

Pre-Development Soft Costs

Applicants may apply for pre-development soft costs as listed in eligible “Housing Types and Projects.” If an applicant is only awarded for pre-development activities, then the award will be structured as a forgivable loan with forgiveness occurring at the closing for the proposed affordable housing development with evidence of a construction start. If the affordable housing development project does not move forward as proposed, but the pre-development funds were spent, the loan will be attached to property’s deed as a lien and is due upon sale of the property. To receive pre-development funding an Applicant must demonstrate ownership of the site so that the loan and note can be connected to the property’s deed.

E. Scoring and Evaluation

Application will be evaluated for:

- Alignment with County’s strategic and selection priorities (40 points)
- Project feasibility and financial capacity (25 points)
- Affordability (25 points)
- Organizational Capacity (10 points)

Total: 100 points

250 Courthouse
15 West Kellogg Blvd.
Saint Paul, MN 55102
651-266-8010
www.ramseycounty.us

Strategic and selection priorities (scored as set forth below)

The County seeks to address racial equity and ethnic-based disparities where all residents can experience fair outcomes including the highest level of health, wellbeing, and opportunities for advancement and growth. Please review the [Ramsey County Economic Competitiveness and Inclusion Plan](#), the [Equitable Development Framework](#), and the [Deeply Affordable Housing Initiative's Engagement Report](#).

When determining funding awards, the County prioritizes proposals that best meet the County's planning goals and priorities, in addition to financial capacity and readiness. This could include geographic distribution of projects and the coordination of multiple funding sources as described in the Economic Competitiveness and Inclusion Plan.

Project feasibility and financial capacity (scored as set forth below)

Projects should demonstrate and satisfy the following feasibility requirements in their application:

1. Whether the proposed housing is needed in the intended market based upon population, job growth and very low housing vacancy rates. This includes the need for supportive housing units.
2. Whether the costs of developing the housing, including the total development cost, cost per unit and subsidy per unit, are reasonable and/or justifiable.
3. Whether the applicant has demonstrated cost effectiveness for all stages and aspects of the development without compromising overall development quality.
 - The County is committed to constructing or rehabilitating multifamily housing to a standard that when properly maintained, remains decent, safe and affordable for a long-term duration. All projects must conform with state and local zoning and building safety standards and ordinances.
4. Economic viability. Positive net contribution after all costs and benefits have been accounted for.
5. For permanent supportive housing, whether the service model, staffing and secured funding are adequate to address the needs of the population to be served.
6. For projects that are to be developed in tandem with another project (e.g., with shared underground parking), the application must demonstrate that each individual project can be financed and built independently. The multi-family workbook must reflect all costs associated with each project.
7. Other factors that will be considered:
 - Demonstrated site control:
 - Applicants should demonstrate acceptable evidence of title/site control, which could include:
 - A pending or complete purchase agreement.
 - Purchase option or letter of intent from a governmental body for a sole developer.

- If there is no transfer of ownership, then the warranty deed or contract for deed is acceptable.
- If an Applicant is applying solely for pre-development activities, then the applicant must demonstrate **site ownership**.
 - Eligibility, including project feasibility and other requirements.
 - Financial capacity.
 - Letter of Support from the local municipality.
 - Letter signed by appropriate and authorized staff with authority (not elected official) expressing support for the project; **OR**
 - Letter demonstrating recent zoning/conditional use permit approval.

Affordability (scored as set forth below)

- The County requires rent and income limits consistent with applicable program requirement. Rent and income limits stated in the Applicant's will be underwritten by County staff and any resulting awards must reflect the income and rental limits stated in the application. Projects must create income-restricted units, which could include units at or below 30%, 50%, 60%, and 80% Area Median Income (AMI). Market rate units can be included in the project's unit mix as long as the affordability of the project's units does not exceed an average of 80% AMI. Projects will receive points if the rental limits of their unit mixes meet the following criteria:
- Projects that have an average AMI across their unit mix at or below 50% AMI with or without further subsidy (such as Housing Choice Vouchers) will receive the highest number of points possible in this section of the scoring and evaluation.
- Projects that have an average AMI across their unit mix at or below 60% AMI with income averaging will also receive points in this section of the scoring and evaluation.
- Projects that have at least one unit with a rental limit at or below 30% AMI will also receive points in this section of the scoring and evaluation.
- For example, if an Applicant proposes a four-unit rental housing project and the Applicant sets rental limits for the four units at 30% AMI, 50% AMI, 50% AMI, and 80% AMI that would result in an average AMI of 52.5%. The Applicant would score points for having an average AMI at or below 60% and points for including a unit at 30% AMI

Organizational capacity (scored as set forth below)

In addition to demonstrating financial readiness, projects should demonstrate and satisfy the following capacity criteria in their application:

1. Complete Team.
 - Application should demonstrate the ability to complete proposed scope of work which could include general contractor, architect, legal team, property manager, structural engineer, etc. The completeness of a team may look different among projects.
2. Whether the Applicant has strong current and expected ongoing capacity to complete the proposed housing, as well as other proposals being developed by the Applicant's organization.
3. Whether the Applicant's team has the capacity or a plan to maintain the rental housing long-term.

F. Application Review

Applications will be reviewed by a review panel consisting of county staff from various departments. Projects will be reviewed with the following criteria and scoring:

1. Minimum selection criteria: Pass/fail criteria met (as described above). Projects that do not meet the pass/fail requirements will not be scored.
2. Applications will be reviewed for the minimum selection criteria before moving on to final scoring. Selected projects will be scored based on the following criteria:
 - a. Alignment with the County's Strategic and Selection Priorities (up to 40 points).
 - b. Project Feasibility and Financial Capacity (up to 25 points).
 - c. Affordability (up to 25 points).
 - d. Organizational Capacity (up to 10 points).

County reserved rights and data practices reminders

1. The County expressly reserves the right to amend or withdraw this solicitation at any time and to reject any or all responses, and to waive any informalities or irregularities in the responses as may be deemed in the best interest of the County.
2. The County reserves the right to request any additional information at any stage of the solicitation process. Compliance shall be at the Applicant's expense.
3. Upon submission, a solicitation response becomes the property of the County and will not be returned. The County retains the right to use any concept or idea presented in any solicitation response, whether or not that solicitation response is accepted. All information included in the submitted solicitation response will be classified in accordance with Minnesota State law governing data practices.
4. Solicitation responses or additional solicitation materials received after the deadline will not be accepted by the County and will not be evaluated.

ThisGather Your Materials and Apply by the Deadline in ZoomGrants

solicitation will be hosted on ZoomGrants from September 5 through October 31, 2024. The solicitation will close at 4 p.m. on October 31, 2024. Applicants are responsible to know all requirements that are needed to submit a complete application based on the specific housing development proposal and application type. CED staff reserve the right to seek follow-up information if needed after an application is received.

Signatures

All application materials must be signed wherever required and applicable.