

Developers Interested in Funding Opportunities for Affordable Housing Development

The Housing Authority has been active in creating affordable housing since its inception in 1975. In addition to assisting thousands of households with rental assistance, dwelling rehabilitation, and first time homebuyer loans on an annual basis, the Housing Authority has partnered with many for-profit and non-profit entities to develop approximately 1,200 new affordable housing units.

Most of these projects were successfully developed utilizing various methodologies and policies. Over time, those policies and methodologies have been updated and formalized into an objective process for proposed projects and developers to be evaluated so that they may better support and help achieve the guiding principles of the Housing Authority with respect to affordable housing. In April 2011 the Housing Authority adopted a set of detailed project and developer selection criteria. These criteria provide added transparency, fairness and certainty into the predevelopment process as all parties will be advised in advance as to what is expected of them.

The guidelines describe that future affordable housing projects/developers will be selected via one of three methods: Request For Qualifications/Proposals (RFQ/RFP), Sole Source, or Over-the-Counter.

RFQ/RFP – All Housing Authority, City, or former Redevelopment Agency owned property to be developed as affordable housing are subject to a competitive RFQ or RFP process (an exception to this policy for Sole Sourcing is discussed later). An RFQ/RFP allows an agency to clearly articulate its goals and expectations regarding the creation of affordable housing. By including guidance on project design expectations, populations to be served, and parameters on financial assistance to be provided, developer evaluations and weightings could more easily be achieved and compared.

RFQ/RFPs will primarily be issued via digital means. They will be advertised on the City's website and cable channel, posted on social media sites utilized by development communities, emailed to all recent market rate and affordable housing developers with projects in Glendale, and emailed to membership roles within the Southern California Association of NonProfit Housing, National Association of Housing and Redevelopment Officials, and any other related communities.

Sole Source – Sole Sourcing is a noncompetitive procurement process utilized when it is determined that a provider possesses a unique product having singular characteristics or performance capability. If the Housing Authority has identified a specific project with certain parameters it wishes to achieve, in which only a few or one developer could provide, then a Sole Source process to identify a developer will be utilized. An example of this would be Habitat for Humanity projects. In this example, the Housing Authority has in the past sole sourced projects to San Gabriel Valley Habitat for Humanity when it had determined that it wished to develop a low density, low income, homeownership project involving participant sweat equity and community participation. Small sites with a potential to develop ten or less units in this manner are ideal for Habitat for Humanity, but are typically not of interest or not feasible to most

affordable housing developers. When selecting a Sole Source development, the Housing Authority will seek “findings of fact” to support its action. Appropriate findings and special circumstances include projects that are designed as:

- special needs or focused population;
- small development;
- historically significant;
- unique/community partnerships; and
- limited leveraged funding sources such as federal New Market Tax Credits or the method of financing for Habitat projects.

Over-the-Counter – Unsolicited developer proposals have been encouraged by the Housing Authority. This process allows developers the ability to propose affordable housing projects with concepts and property identified by them and under timelines unique to their proposal. Once proposals have been reviewed and determined to be complete by Community Development staff, they will be presented to the Housing Authority for consideration and direction at an early, conceptual development stage. This will allow both the developer and staff to receive timely direction as how to best proceed with such proposals.

Developer Vetting/Screening

All developers will be required to provide documents and information specified in a Due Diligence Check List when submitting for projects or proposals (a Due Diligence Check List is available upon request to Housing Development staff). The Checklist will allow staff to review development team structures and experience, project descriptions, project financing, and financial information of the developer in a uniform and thorough manner. Examples of itemized requests include:

- 3 years business audited financial statements;
- 3 years business income tax returns;
- Letters of Good Standings and Bankruptcy;
- Information related to development team capacity and experience;
- Letters of recommendation;
- Lawsuit disclosures; and
- Initial, Standardized Proforma.

In addition, as part of project financing review, staff requires that a two-stage (initial and in-depth) standardized proforma be utilized that requests all of the financial information typically necessary so that timely and effective analysis could be conducted on proposals by staff and consultants. In this way, specialized reporting could be performed such as: construction type; parking type; unit counts; bedroom counts; project amenities; square footage calculations; construction costs; anticipated rents or sales prices; operating expenses; projected cash flow; provision of social services, etc.