

HOUSING DEVELOPMENT FUND (HDF)
Statewide Emergency Repair Program
Notice of Funding Availability (NOFA)

Program Administered by

DELAWARE STATE HOUSING AUTHORITY

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Dover, DE 19901



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HOUSING DEVELOPMENT FUND (HDF) *Statewide Emergency Repair Program* Notice of Funding Availability (NOFA)

Introduction

A. Background

The purpose of the Housing Development Fund (HDF) is to provide affordable, decent, safe and sanitary housing to responsible very low-, low- and moderate-income households.

DSHA is charged with efficiently providing, and helping others to provide, quality affordable housing and appropriate supportive services to low- and moderate-income Delawareans. The *Delaware Housing Needs Assessment 2015-2020* identified an estimated 16,200 owner-occupied homes in substandard conditions. Rural communities, mobile home communities, and high poverty urban neighborhoods within Wilmington have the greatest number of substandard housing units. DSHA has supported emergency repair grants to nonprofit and community development grantees for over 20 years through the Housing Development Fund and the Federal Community Development Block Grant program.

DSHA recently met with entities and agencies that provide emergency repair services and/or funding to assess the effectiveness of the State's owner-occupied repair and emergency repair programs. Our goals were to assess what DSHA can do to best respond to the increasing needs; identify potential improvements to resource allocation and utilization; and improve program coordination. DSHA concluded and recognized the need for a more efficient statewide emergency repair program as a way to meet these goals.

B. DSHA'S Role

DSHA will enter into an agreement with organizations selected to administer the Statewide Emergency Repair Program. DSHA will provide funding and assure that the responsible organizations are managing the program efficiently and effectively, through a risk-based monitoring system which will include, but not be limited to, draws, quarterly reporting, and physical inspections.

Funding Availability and Timeline

A. Available Funding

DSHA has **\$500,000** available for the purpose of funding emergency repair programs and activities statewide.

B. Targeted Timeline

- | | |
|----------------------|--------------------------------------|
| • September 20, 2016 | NOFA released to public |
| • October 31, 2016 | Proposals due to DSHA by 4:00 p.m. * |
| • December 2016 | DSHA award(s) announcement |
| • January 1, 2017 | DSHA contract effective date |

* Applications received after deadline will **not** be eligible for funding.

Eligibility and General Requirements

A. Eligible Applicants

DSHA may select more than one applicant to meet the needs of the State.

- 501(C)(3) nonprofit organizations/developers
- Local jurisdictions responsible for CDBG Programs

B. Award Conditions and Restrictions

- Maximum HDF grant award is \$500,000.
- Contract Period: the term of the agreement shall be for one (1) year, effective January 1, 2017. DSHA, at its option, may renew the agreement for two (2) additional one-year terms.
- A minimum of 80% of the HDF grant must be used for emergency repair construction type activities for the Statewide Emergency Repair Program.
- A maximum of 20% of the HDF grant may be used for program support activities.
- The grant will be awarded to the most responsible Applicant(s) that offers the most advantageous plan taking into consideration responsiveness to the evaluation criteria established within this NOFA, as well as cost for the proposed services and time frame needed to complete the program goals.
- Applications will be reviewed against the evaluation criteria and members of an Application Review Committee will make a recommendation for an award. The Director of DSHA will subsequently make the final approval of the awarded application(s).

C. Financial and Programmatic Capacity

Applicant must be able to demonstrate:

- Organizational and financial capacity to meet operating expenses and to provide financial assistance to the program for unforeseen occurrences;
- Expertise within the organization's staff to assist in the successful planning, marketing, and managing of an Emergency Repair Program;
- Adequate software and equipment, management procedures and policies for tracking and oversight of the Emergency Repair Program;
- Previous experience in the successful development and administration of affordable housing programs/projects for families of low or very low income or similar programs;
- Support (funding, local government, etc.) of the organization for the development and administration of the program/project;
- Involvement in the community where the program is located. Partnerships and collaboration are encouraged;
- Clear relationship between program description and documented State and local housing needs;
- Clear program/project description, operational plans and timelines;
- Appropriate business licensure by Delaware Division of Revenue and all local jurisdiction requirements; and
- Adequate Liability Insurance of the Applicant and 3rd Party Subcontractors, as well as bonding and licensing of all employees.

Program Guidelines

A. Eligible Activities/Uses

Funding is available for repairs to low-income, owner-occupied housing units that address an emergency condition threatening the health or safety of an owner-occupied household's occupants. An emergency is defined as an unexpected occurrence or combination of events calling for immediate action.

Repairs that generally qualify as an emergency repair include, but are not limited to:

- Repair/replacement of non-functioning heating system during winter months;
- Non-functioning plumbing repairs (i.e. repair/replacement of hot water heater, faulty toilet, etc.);
- Electrical repairs where a hazard exists; unsafe electrical wiring, non-working heater due to electric issues in winter; loss of electricity due to faulty service on home side of meter; electrical shock hazards, electrical fire-safety hazards;
- Structural repairs that are a major defect or are life-threatening and considered unsafe;
- Repair/replacement of roof (must be actively leaking or have immediate structural issues); Roofs must have a three-year warranty;
- Urgent accessibility modifications (i.e. wheelchair ramps, doorway widening, grab bars, etc.);
- Additional accessibility modifications such as stair lifts, chair lifts and tub-cut-outs will be considered on a case-by-case basis; and
- Working smoke and/or carbon monoxide detectors must be observed prior to work completion.

B. Ineligible Activities/Uses

Non-emergency type repairs are considered an ineligible activity (e.g. mold, (referrals to Division of Public Health), doors, windows, flooring, kitchen and bathroom cabinetry, appliances, bathroom and kitchen fixtures (unless there is an immediate threat to health and safety), etc.) Septic and well issues should be referred to DNREC for available programs. Ineligible activities will not be reimbursable.

Non-emergency repairs should be coordinated or referred to other agencies that provide larger, more extensive rehabilitation programs (e.g. CDBG, Weatherization, De-Lead).

C. Service Delivery

The Applicant is responsible for ensuring that the flow of repairs and work guarantees a timely and accurate job completion for homeowners and entails the following:

- Marketing Plan for marketing the program to ensure sufficient applications are received;
- Application, waiting list and qualification and documentation process for homeowners;
- Required response times:
 - Homeowners must be assessed for the emergency repair and qualified by the Applicant within five (5) days;
 - All emergency work completed within thirty (30) days;

- Conduct property inspections to create detailed work write-ups describing the proposed repair work, including cost estimates;
- Development and pre-qualification of a third party contractor pool, award and construction oversight process;
- Construction monitoring, including progress meetings, when applicable, between the homeowner and contractor(s), review of draw requests and other documents and final inspections and homeowner approval;
- Submission of “before” and “after” photos for homeowner client files on all Emergency repairs, even 3rd party subcontractor work and have an internal quality control process;
- Maintenance of emergency repair database and other software to administer the program, maintain client files, and other documentation needed for submission to and monitoring by DSHA; and
- Any and all other duties required to successfully administer the Statewide Emergency Repair Program including, but not limited to: staff reports, progress reports, budgets, draw reimbursement requests, and any other responsibilities outlined in DSHA’s grant agreement.

D. Third-Party Subcontractors Selection and Management

The Applicant must have a procedure for third party subcontractor selection and contract awarding. Policies and procedures should include request for proposals, award, permitting, inspections process, and construction oversight and monitoring.

- Third party contracts for emergency repair services include, but are not limited to construction activities: roof replacements; heating system replacement; repair of non-functioning plumbing; electrical shock hazards; electric fire-safety hazards; disabled access projects such as ramps; doorway extensions; and grab bars.
- All third party subcontractors must be properly bonded, insured and licensed in the State of Delaware and/or the proper municipality.
- Applicants with qualified licensed electricians on staff may perform electrical emergency repairs and will be eligible for reimbursement of time and materials through proper documentation.
- Identity of interest, for-profit general contractors must be on DSHA’s approved contractors list.
- Volunteer organizations, volunteers, or in-kind help of any type may not be utilized with the Statewide Emergency Repair program, for liability purposes.

E. Eligible Homeowners

1. Homeowner Household Income Restrictions

- 50% of the grant may be utilized for household at or below 50% Area Median Income (AMI);
- Remaining 50% of the grant may be utilized for households at or below 80% AMI; and
- Household must provide proof of income. Income must be included for all household members over the age of 18 and households must provide documentation of income (e.g. wage stubs; documentation from Social Security or VA, pensions, TANF, child support, etc.).

2. Other Homeowner Requirements

- All homeowners, including mobile home homeowners, must provide proof of homeownership (deed, title, and other approved documentation);
- All homeowners, including mobile home homeowners, must have lived and owned the home for at least one (1) year (i.e. proof of taxes, utility payments);
- Proof of paid taxes; and
- Urgent accessibility emergency repair activities will require a letter from a physician, hospital, rehabilitation center, or other medical organizations as approved by DSHA.

3. Homeowner HDF Grant Restrictions

- HDF funding is limited to \$7,500 per unit for emergency repairs on owner-occupied homes. The limit for roof replacement is \$12,000;
- The minimum emergency repair assistance is \$500 per unit; and
- A five-year lien must be placed against all properties/homeowners receiving more than \$7,500 in emergency repair grants.

Program Related Definitions

Construction Activities: materials and labor, work completed and invoiced by a third-party contractor.

Emergency Repair: repairs to low-income, owner-occupied housing units that address an emergency condition threatening the health or safety of an owner-occupied household's occupants.

Owner-Occupied Homes: including manufactured homes, on leased or rented land are eligible. When evaluating emergency repairs of a manufactured home, Awardees must contact DSHA when emergency repairs are economically infeasible.

Program Support: direct and indirect administrative expenses and program expenses (i.e. salaries and benefits, supervision, truck expenses, mileage, insurance, rent utilities, tools, equipment, etc.)

Reporting and Recordkeeping

A. Data Collection

Each Awardee will be expected to collect and report information about the uses of funds, including, but not limited to:

- Homeowner name;
- Eligible Use and/or Activity;
- Location of homeowner;
- Funds budgeted and expended;
- Funding sources and total amount of any leveraged funds;
- Overall numbers of properties and housing units;
- Beginning and ending dates of activities;
- Evidence of income verification;
- Number of low- and moderate-income persons or households served;
- Amount for Emergency repair made at each property;

- Identifying the type of Emergency Repair; and
- Data needed to support performance measures.

B. Quarterly Reporting

Each Awardee must submit a quarterly performance report, as DSHA prescribes, no later than fifteen (15) days following the end of each quarter, beginning thirty (30) days after completion of the first full calendar quarter after award and continue until the completion of the project, as determined by DSHA.

C. Monthly Drawdown of Funds

Each Awardee will be permitted to draw funds on a monthly basis provided documentation on obligations and expenditures has been provided and determined to be acceptable by DSHA. Awardee agrees to follow DSHA's draw process as necessary.

D. Recordkeeping

The address and costs associated with each property must be documented in the Applicants program records and any additional information DSHA may request.

E. Quality Assurance

The Awardee will be responsible for making necessary adjustments to the Statewide Emergency Repair program as needed in order to achieve best practices performance in response to the monitoring reports resulting from DSHA monitoring reviews or reasonable observations during DSHA's oversight. Within thirty (30) days of any DSHA review or applicable contact, DSHA will send a written request and/or report to the Awardee with its review findings or request. Upon receipt of the report, findings, or request, the Awardee will respond to the recommendations and/or with the corrective actions taken to maintain compliance with DSHA's grant agreement or HDF program requirements.

Submission of Application

A. Application Deadline

Proposals are due to DSHA on **October 31, 2016** by no later than **4:00 p.m.** Proposals submitted after this deadline or incomplete proposals will **not** be considered for funding.

B. Submission Checklist, Application Instructions and Scoring

1. Application, Part I (Fillable Word Document)
This part of the application collects general information about the primary applicant, the program name and location, proposed activities and the funding request amount;
2. Application, Part II (Excel Format)
This part of the application collects information about the program's proposed sources and uses; and
3. Application, Part III (Narrative, exhibits and/or support documentation)
This part of the application consists of narratives, exhibits, and documentation provided by the applicant. DSHA will use this information to determine if the proposal meets the overall priorities of the Program and for the purposes of scoring/ranking the proposal.

Applicants should base their narratives on the following scoring categories. **Applicants are responsible for determining and providing sufficient support documentation.**

Project Description and Capacity (Maximum score: 30 points)

- **Capacity and Experience (10 points):** Provide a summary that describes and demonstrates organizational and financial capacity. The summary should include, but is not limited to, the organization's capacity to provide financial assistance to the emergency repair program for unforeseen occurrences; the staff experiences to assist the successful planning, marketing and managing of the program; the support of the organization, both financially and through other services, for the development and administration of the program; describe the operational policies and plans in place; describe previous experience in the successful development and administration of emergency repair housing programs; describe previous projects or programs funded by DSHA and/or other funding services; and describe any involvement from the community where the program is located.
- **Description (20 points):** Provide a summary of the proposed program. The summary should include, but not be limited to: a detailed description of the program, and how the program will work or works; targeted income levels; documented need; how the program meets the objectives of the DSHA's Statewide Emergency Repair program; the proposed number of units produced, the anticipated schedule; the average cost of repairs and types of repairs anticipated; expected impact and outcomes; and any other relevant information.

Leveraging (Maximum score: 40 points)

- **Proposed/committed leverage (25 points):** Provide a summary of how the program will be funded. Include information regarding committed funds (copies of commitment letters) and/or proposed (applied for or planning to apply for) funds.
- **Cost of Services (15 points):** Provide a summary of the cost of services (i.e. number of repairs proposed, types of repairs, approximate cost of each, indirect and direct costs, etc.). Describe what policies, procedures and measures have been established to control overall costs and extend the program sources to fund as many emergency repairs as possible.

Readiness to proceed (Maximum score: 15 points)

- **Readiness to Proceed (10 points):** Describe the readiness to proceed and provide supportive documentation of qualified homeowners, including but not limited to, a wait list of qualified, owner-occupied homeowners with homes in need of emergency repair or accessibility improvements; describe the process for qualifying the homeowners quickly and determining scope of work; as well as the Applicant's ability to move forward quickly based on current processes in place and/or experience.
- **3rd Party Subcontractor Process (5 points):** Provide a summary of the processes for selection and contract awarding. Policies and procedures should include requests for proposal, selection/award, permitting, inspections process, and construction oversight and monitoring.

Systems and Coordination (Maximum score: 10 points)

- Provide a summary describing the software, databases, and tracking system and processes that are used for emergency repairs (examples may be included). Provide any documented coordination efforts and/or collaboration of services, programs and/or funding that is part of the emergency repair program that assists in avoiding duplication or assists in reducing the number of emergency repairs needed by the program.

Innovative Approaches to Providing Services (Maximum score: 5 points)

- Describe your agency’s innovative approaches to resolving emergency repair issues quickly, efficiently and with cost saving and keeping the household urgent circumstances in mind? Describe any new approaches that could be used if funding was available?

C. Submission Format

Applicants must submit **one (1) bound and indexed, paper copy and one (1) electronic copy (CD or thumb drive)**.

The paper copy must be bound in a three-ring binder in an indexed format, with a table of contents and organized in the following manner:

- Table of Contents;
- Application, Part I (Signed copy);
- Application, Part II; and
- Application, Part III (Narratives and support documentation)

The electronic copy may be in the form of a CD or thumb drive and should follow the same organizational format as the paper copy, as described above.

D. Submission Locations

Proposal may be submitted in person at DSHA’s Dover or Wilmington office.

Dover Location

18 The Green
Dover, DE 19901

Wilmington Location

Carvel State Office Bldg.
820 N. French St., 10th Floor
Wilmington, DE 19801

E. DSHA Contact Information

For program questions and assistance with the application process please contact:

Penny Pierson, HDF Program Manager
Phone: 302-739-4263
Email: Penny@destatehousing.com

OR Cynthia Deakyne, Housing Development Administrator
Phone: 302-739-4263
Email: Cindy@destatehousing.com