

Affordable Housing/Permanent Supportive Housing
Request for Proposals (RFP)

Threshold Criteria for Acquisition/Rehabilitation or Restructure of Existing Projects

Prior to a reservation of funds, all proposed acquisition projects will require on-site physical inspections by PDC Construction Coordinators. Project sponsors will be expected to cooperate with and assist PDC in getting access to the site of the proposed project. In addition, all proposed projects under this category must meet one or more of the following criteria:

- Include scope of rehabilitation (that addresses physical deficiencies) equal to at least 15% of the total development budget.
- The developer must clearly demonstrate these repairs are needed to bring the project into a condition comparable with neighborhood standards or are needed to address building code deficiencies.
- Reduce current rents, or preserve affordability in a neighborhood where decreasing affordability is evidenced through loss of units or accelerating rents. Projects must provide affordability restrictions on previously unrestricted units below current neighborhood levels as established by comparable projects in the open market. Acquisition projects proposing to only meet this reduced rent criteria must provide permanent supportive housing and the inclusion of some rents affordable to households earning less than or equal to 0-30% MFI units.
- Address chronic property management problems or meet significant neighborhood revitalization goals. Projects meeting these criteria must provide compelling physical evidence by presenting crime statistics, testimonials, and demonstrate the geographic importance of the site or structure, etc.
- Retain project based Section 8 assistance payment contracts.
- Federal Lead Regulations: All projects proposing rehabilitation of structures built before 1978 will be subject to federal Lead-Based Paint regulations per 24 CFR Part 35. See attached Lead Based Paint summary sheet.
- Additionally, developers must structure their pro forma to include annual replacement reserve contributions adequate to cover the expenses of depreciable items with less than a full life expectancy. Project sponsors must provide a financing plan that demonstrates the financial capacity to meet replacement requirements of the project generally through annual reserve contributions or planned refinances. After inclusion of any necessary capitalized reserves, the project will be evaluated on an equal basis to new construction projects by comparing PDC per unit and per person subsidy costs.