

CITY OF BEND, OREGON

***MIDDLE-INCOME HOUSING PILOT
PROGRAM***



**Application for Funding
for
Middle-Income Housing Pilot Program Grant Funds

2023**

Additional copies are available from:

**City of Bend
Housing Department
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1. Application Schedule and Deadlines

The following schedule applies to the funding application process for the City of Bend's 2023 Middle-Income Housing Pilot Program Grant Funds.

May 17, 2023	Council approves the process and authorizes the Pilot Program
May 18, 2023	Notice of Program, promotion and outreach for the program
June 20, 2023	Stakeholder and Applicant Workshop
July 10, 2023	Written funding suggestions accepted
July 19, 2023	Report to Council on middle-income housing barriers identified at the Workshop
July 28, 2023	Application released
September 4, 2023	Application deadline
September 13, 2023	Applicant presentations to the Affordable Housing Advisory Committee for deliberation and award recommendations
October 4, 2023	Council considers award recommendations

2. Selection Process

The following process will be used in the City's review and selection of funding applications for the City's Middle-Income Housing Pilot Program Funds.

1. City staff will review each application to determine:
 - **Whether the application is complete, based on the requirements of this Application for Funds and**
 - **Whether the project is eligible for Middle-Income Housing Pilot Program Funds under City of Bend Resolution 3325,**

In addition, Staff and Committee will review all applications for project feasibility, budget, impact of City Middle-Income Housing Pilot Program Funds on project budget, and total unit cost (to ensure affordability).

Detailed information regarding the above requirements is contained in this Application for Funds.

2. Applications will then be reviewed and evaluated by the City of Bend Affordable Housing Advisory Committee. The evaluation criteria that will be used by the Committee in reviewing applications are contained in Section 5.

The Advisory Committee will score project applications according to the following formula:

- Project proposals will receive up to 5 points for each of the general criteria outlined in Section 5.2. The maximum score any proposal may receive in this section is 20 points.

During the application review period, applicants will be invited to deliver a presentation on their project proposal to the Advisory Committee. Applicants will be allowed approximately 5 minutes to present their proposals, followed by a 5 minute question and answer session.

City staff will have an opportunity to make a formal recommendation to the Advisory Committee regarding project funding eligibility before the Advisory Committee finalizes its funding recommendations.

3. The Advisory Committee's funding recommendations will be forwarded to the City Council for final approval of the City's Middle Income Housing Pilot Program Funds 2023.
4. The City Council will finalize and approve the City's final funding decisions for the Middle-Income Housing Pilot Program Funds.
5. If action by an applicant receiving funding requires that the proposal be amended, any costs associated with the amendment, including legal notice and public hearing costs, will be the responsibility of the applicant.

3. MIDDLE-INCOME HOUSING PILOT Program Overview

This section provides general information regarding the Middle-Income Housing Pilot Program and the types of activities that are eligible for funding under City Resolution 3325. For more detailed information on the Middle-Income Housing Pilot Program and eligible activities, please contact the City's Affordable Housing Manager or Middle-Income Housing Coordinator.

3.1 Objectives

Funding from this source shall only be spent for middle-income housing projects evaluated pursuant to the priorities established through the City Resolution 3325 and this Application for Funds.

3.2 Eligible Activities

All funding from this source must be targeted for housing opportunities for households earning up to 120% of Area Median Income.

Basic Eligible Activities

Middle-Income Housing Pilot Program Funds can support eligible activities to include a variety of uses such as homeownership activities, rental housing activities and special needs housing.

- Acquisition of real property by purchase
- Construction, reconstruction, and rehabilitation of housing
- Direct homeownership assistance to middle-income households
- Construction and permanent financing of both rental and homeownership projects
- Infrastructure necessary to provisions of the above items.

3.3 Ineligible Activities

In general, activities that are not specifically identified as eligible are considered to be ineligible. The following activities are specifically identified as activities that are not eligible for the Middle-Income Housing Pilot Program Funds. Please contact the City's Affordable Housing Manager or Middle-Income Coordinator for more information on ineligible activities.

- Acquisition, construction, or reconstruction of buildings for the general conduct of government
- General government expenses
- Political activities
- Purchase of construction equipment, fire protection equipment, furnishings and personal properties
- Operating and maintenance expenses
- Income payments

3.4 Eligible Applicants

Applications will be accepted from property owners, private sector for-profit developers, certified Community Housing Development Organizations (CHDO's), government housing providers and qualified 501(c)(3) organizations. Any such organizations currently under investigation regarding previously awarded federal, state, or local government funding are ineligible for Middle-Income Housing Pilot Program Funds assistance.

3.5 Income Thresholds for 2023

Initial and new tenants of assisted units must have an annual household income which does not exceed 120% of the Area Median Income (AMI) for the City of Bend (adjusted for family size). No recertification of income eligibility will be necessary for original tenants, and any new tenants will need to be income qualified based on the year of move-in Income Thresholds. The Income Thresholds will be based on the Department of housing and Urban Development's (HUD) annual Community Development Block Grant (CDBG) Income Limits and consistent with HUD's methodology for calculating Area Median Income (AMI) limits.

Income Threshold	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
Above Area Median Income 120%(AMI)	\$79,950	\$91,400	\$102,800	\$114,250	\$123,400	\$132,500	\$141,650	\$150,800
Area Median Income (100% AMI)	\$66,640	\$76,160	\$85,680	\$95,200	\$102,816	\$110,432	\$118,048	\$125,664
Moderate Income (80% AMI)	\$53,350	\$60,950	\$68,550	\$76,150	\$82,250	\$88,350	\$94,450	\$100,550
Lower Income (60% AMI)	\$40,020	\$45,720	\$51,420	\$57,120	\$61,740	\$66,300	\$70,860	\$75,420

3.6 Maximum Monthly Rent Including Utilities By 2023 Area Median Income (AMI) with a Housing Cost Burden of 30%

Maximum monthly rent is calculated from thirty percent of monthly income for households based on HUD's published 2023 CDBG Income Limits above, which are consistent with HUD's methodology for calculating AMI limits. While there are no occupancy limits per bedroom, the household size of 1.5 persons per bedroom is utilized to calculate the AMI rent limit for the number of bedrooms per unit.

# of Bedrooms	Household Size	60%+ AMI	80%AMI	100% AMI	120% AMI
0 Bedroom/Studio	1	\$1,001	\$1,333	\$1,666	\$1,998
1 Bedroom	1.5	\$1,072	\$1,428	\$1,785	\$2,142
2 Bedroom	3	\$1,286	\$1,713	\$2,142	\$2,570
3 Bedroom	4.5	\$1,486	\$1,980	\$2,475	\$2,970
4 Bedroom	6	\$1,658	\$2,208	\$2,760	\$3,312

4. City of Bend MIDDLE-INCOME HOUSING PILOT PROGRAM Purpose and Objectives

The Middle-Income Housing Pilot Program Funds assistance must be consistent with the program purpose outlined in the City Resolution 3325..

4.1 City of Bend Middle-Income Housing Pilot Program Purpose

All activities funded through the City's Middle-Income Housing Pilot Program must be consistent with this purpose:

The purpose of the Middle-Income Housing Pilot Program is to provide a process to respond to the middle-income housing needs of the community quickly and efficiently and to provide funding for projects that create or preserve housing units which middle-income households can afford.

4.2 Program Area Objectives

Through the Middle-Income Housing Pilot Program outreach and stakeholder input process, the City has identified specific objectives.

These objectives are outlined below:

Create and Preserve Affordable Middle-Income Rental Housing - produce and preserve rental affordable middle-income housing through creation of new rental units, providing land for development of rental units, rental assistance, and obtaining rental units to keep them affordable.

Funding will be directed toward activities that produce and preserve rental middle-income housing. Consideration will be given to activities that accomplish at least one of the following:

- Aid in the production/rehabilitation/preservation of rental housing through such strategies as property acquisition for middle-income housing, the opportunity for public/private partnerships to provide mixed use/mixed income housing, or low-interest rehabilitation financing for low- and moderate-income residents.
- Limit or not undertake those activities that require permanent displacement or relocation of current occupants from their homes/rental units in order to create additional affordable housing, thus potentially compounding the affordable housing situation.

Produce and Preserve Middle-Income Ownership Housing - produce and preserve owner occupied middle-income affordable housing through creation of new homes, development of new homes, homeownership financial assistance, and obtaining homes to keep them affordable.

Funding will be directed toward activities that produce and preserve owner-occupied middle-income housing. Consideration will be given to activities that accomplish at least one of the following:

- Support homeownership through direct homebuyer assistance, such as down payment assistance, homebuyer counseling, low-interest second mortgages for low- and moderate-income homebuyers and partnerships with builders/developers seeking to provide affordable homeownership.
- Limit or not undertake those activities that require permanent displacement or relocation of current occupants from their homes/rental units in order to create additional affordable housing, thus potentially compounding the affordable housing situation.

Immediate Production – start or have started the process for permitting and project to be through permitting or within a year from funding.

Replicability – the main components of the project must be replicable if not by the same entity by others who wish to model a successful middle-income housing project.

5. Eligibility and Evaluation Criteria

Eligible projects must establish housing affordability for middle-income households by way of deed restriction or agreement with the City. For the purposes of this program, middle-income affordability is above 60% Area Median Income (AMI) and up to 120% AMI.

The evaluation criteria outlined in this section have been developed to be consistent with priorities of the City Resolution 3325. All proposals will be reviewed using these criteria.

5.1 General Criteria

Applications that meet eligibility requirements will then be reviewed by AHAC. The Affordable Housing Advisory Committee will rank eligible proposals and award funding for middle-income housing projects. The evaluation criteria will be as follows:

Potential Points	Criteria	Scoring
20		0 – Unsatisfactory 1 – Some Deficiencies Evident 3 – Satisfactory 5 – Exceptional
5	Project Evaluation • How will the applicant use the funding to house middle-income households? • Demonstrates addressing the community need for middle-income housing.	0 – Missing or unclear 1 – Limited or minimal explanation 3 – Adequate explanation 5 – Exceeds our expectations of housing middle-income households

5	Funding/Budget - The budget narrative details why the funding budget is appropriate and cost-effective. - Demonstrates financial support from other funding sources. - If the proposal does not receive the full amount requested, how will it scale its budget or impact?	0 – Missing or unclear explanation 1 – Questionable explanation. Funding source from the City is 76% or more of total budget project 3 – Reflects that budget is appropriate and cost-effective as well as demonstrates financial support from other funding sources. Funding source from the City between 26% to 75%. 5 – More than adequately explains. Funding source from the City is 25% of total project budget.
5	Middle-Income Compliance - How will the program sustain a long-term impact through a deed restriction, land trust, or other mechanism? - How will the program monitor the project for the time proposed to be a sustained middle-income housing benefit?	0 – Missing or unclear 1 – Limited or minimal explanation 3 – Adequate explanation 5 – Exceeds expectations of housing middle-income households
5	Project Feasibility - Is the project ready to be implemented timely once the funding from the pilot program is received? - Does the proposal organization(s) have capacity to complete the proposal?	0 – Missing or unclear 1 – Limited or minimal explanation 3 – Adequate explanation 5 – Exceeds expectations of housing middle-income households

6. Rules and Requirements for Recipients

Applicants awarded Middle-Income Housing Pilot Program Funds assistance by the City (also referred to as “recipients”) will be required to comply with all regulations and record-keeping requirements governing the use of Middle-Income Housing Pilot Program Funds assistance. Applicable regulations and requirements are summarized below.

City staff will be available to provide technical assistance in determining which regulations apply to each project and interpreting the relevant regulations. However, recipients will be responsible for satisfying these requirements, documenting how the requirements are being satisfied, and reporting to the City on how these requirements are being satisfied.

6.1 Written agreements

Each recipient will be required to enter into a written agreement with the City that requires compliance with (1) all Middle-Income Housing Pilot Program terms applicable to the project, (2) this Application for Funds, (3) the proposal, and (4) any modifications and conditions imposed by the City. This contract must be signed and executed prior to the disbursement of any funds. Every effort will be made by the City to have contracts developed and ready for execution prior to the date that funds are made available.

6.2 Record-Keeping and Reporting Requirements

Recipients will be required to maintain accurate records documenting that the targeted populations and/or areas are being served by the project, and to provide quarterly reports to the City demonstrating that this requirement is being satisfied.

The following summarizes the types of records that must be maintained to show that the targeted populations/areas are being served. A complete listing of record-keeping requirements is available from City staff and will be included in the agreement between the City and the applicant. The City will provide forms to recipients to assist them in satisfying this requirement.

Benefit to Households at 61% to 120% Area Median Income

For all projects, recipients will be required to maintain records and documentation including, but not limited to:

- Information on the total number of dwelling units in multifamily structures that are occupied by households at 61% to 120% Area Median Income.

6.3 Other Requirements

In addition to the record-keeping and reporting requirements outlined above, Middle-Income Housing Pilot Program Funds assisted projects may also be subject to other requirements. The following is a brief summary of additional requirements that may apply to each project. The descriptions are very brief and do not provide all of the information that recipients will need in order to satisfy the requirements. Recipients shall be solely responsible for complying with these and any other applicable requirements, and shall be responsible for obtaining all of the information necessary to satisfy these requirements.

Fair Housing and Equal Opportunity: Discrimination on the basis of race, color, national origin, religion, sex, familial status, source of income, age, sexual orientation, and gender identity is prohibited.

Employment and Contracting: Grantees may not discriminate in employment.

Debarred, suspended, and ineligible contractors and recipients: Middle-Income housing Pilot Program Funds assistance cannot be provided to debarred, suspended, or ineligible contractors, subcontractors or recipients.

Conflict of Interest: Middle-Income Housing Pilot Program Funds recipients must comply with procurement requirements found at 2 CFR 200.317-326 and with any other applicable conflict-of-interest provisions.

Acquisition and Relocation: Acquisition, rehabilitation, and/or demolition activities may be covered by the Uniform Relocation Act, Section 104 (d) of the Housing and Community Development Act, and Oregon's General Condemnation Procedure Act (Oregon Revised Statutes 35.500 – 35.530)

7. Required Application Contents

Applications for funding must contain the following information in the order presented below. Applications are expected to provide the requested information in a clear and concise manner. The City reserves the right to reject any applications that do not contain all of the information outlined below or are otherwise non-responsive to this Application for Funding.

If your organization is seeking funding for more than one project, a separate project application must be submitted for each project. If your organization is submitting more than one project application, please indicate your project funding priorities in each application.

1. Completed Table of Contents (*Form A*)

2. Completed Project Summary Form (*Form B*)

3. Project Description

Please provide a brief description of the following:

- Project background, project objectives, the populations or areas to be served, and how the Middle-Income Housing Pilot Program Funds assistance will be used.
- The ways in which your project will have a long-term impact on middle-income housing.

Please indicate the time period that the project will remain affordable to middle-income households and how your agency plans to ensure that the project remains affordable to middle-income households for the specified time period. Please show why these funds are needed for the project to succeed.

4. Property and Project Information

Please attach a map showing the project's location. If the project will serve a specific area, the boundaries of the area served should be shown. If the project involves a specific site or a physical structure, include details about the site or structure, such as the size of the site, the floor area, the number and size of the residential units, the project amenities, the condition of any existing structures, and any proposed alterations to the site or structures.

5. Work Program

Please provide a detailed work program and timeline, including the anticipated start date and completion date for the project, and a list of tasks with estimated start and completion dates for each task. If funded, staff will work with you to set benchmarks for your project. Failure to meet these benchmarks could mean a reduction in funding during current or future years.

6. Project Benefit

Please provide a brief description of the following:

- Estimates of the total number of persons to be served by the project and the number of middle-income households to be served by the project.

7. Organization Information

Please provide the following information about your organization:

- The organization's background, mission, and service history. (Please limit to 1 page)
- A brief description of the organization's financial stability as it pertains to the organization's capacity to successfully complete the project, including a brief financial history and primary funding sources.
- A list of key personnel that will be assigned to this project and their job titles and qualifications.

8. Financial Information

Please also provide the following financial information:

- A detailed line-item budget describing the total project cost and operating income and expenses, including consideration of inflationary factors, maintenance costs, potential relocation costs and increased insurance costs associated with the project.
- A completed Budget Form (Form C) showing secured and potential sources of funding, including other federal and state grants and loans, monetary donations, in-kind contributions, volunteer labor, and donation of materials and supplies (attach additional sheets if necessary). Volunteer labor should be included under 'Private Funds'. Attach letters of funding commitment from sources, if available.
- A description of the assumptions used to determine the total project cost and the operating budget, including the sources consulted and how costs were determined.
- A brief description of your organization's plan for funding the project after the first year, if applicable.
- A statement regarding your organization's ability to proceed with the project without your requested Middle-Income Housing Pilot Program Funds assistance, or with a Middle-Income Housing Pilot Program Funds award less than your requested amount.
- For construction projects, please provide a detailed pro forma (an electronic sample can be found at <https://www.hudexchange.info/resource/2468/home-multifamily-underwriting-template/>).

9. Project Feasibility and Readiness

Please provide the following information regarding project feasibility and readiness:

- A description of the organization's readiness to proceed with the project. For example, if the purchase of property is involved, is the property currently available for purchase? Is staff currently available to work on the project, or is the organization ready to proceed with hiring staff?
- A description of any land use processes (such as a zone change or a conditional use permit) the project will require and what steps, if any, have been taken to address these issues.

10. Affirmatively Furthering Fair Housing (AFFH)

Please provide the following information regarding affirmatively furthering fair housing:

- For housing developments, please provide an Affirmatively Furthering Fair Housing Statement and/or Marketing Policy for your agency. To create an Affirmatively Fair

Housing Marketing Plan forms for multifamily housing can be found at <https://www.hud.gov/sites/documents/935-2A.PDF> and single family housing forms can be found at <https://www.hud.gov/sites/documents/935-2B.PDF>.

11. Other information

Please attach any other statistical data, applicable experience of the applicant, or other material you believe will assist the City in its review of your proposal.

8. Other Information

Please review the following points for important information about the City's Middle-Income Housing Pilot Program Funds, including the rights and responsibilities of City of Bend and the recipients with regard to the application and selection process.

- The City reserves the following rights with regard to the application and review process:
 - Applications that do not contain all of the information required by this Application for Funding or are otherwise non-responsive to the Application for Funding may be rejected immediately.
 - The City reserves the right to fund projects at a level that is less than the amount requested.
 - The City reserves the right to waive irregularities or deficiencies in a proposal if the City determines that such a waiver is in the best interest of the City.
 - The City may request an interview with or supplemental written information from an applicant concerning any deficiencies or ambiguities in a proposal. If an applicant fails to provide supplemental information within the time stated in the request, the City may refuse to consider the applicant's proposal.
 - The City reserves the right to make such investigation if deems appropriate to determine whether an applicant is qualified to provide the services. If an applicant fails to cooperate with an investigation, or if an applicant provides false, misleading, or incomplete information, the City may refuse to consider the applicant's proposal.
 - In cases of doubt or differences of opinion concerning the interpretation of this Application for Funding, the City reserves the exclusive right to determine and interpret the intent, purpose and meaning of any provision in this Application for Funding, which determination and/or interpretation shall be binding to the applicant.
- Applicants are cautioned not to make any assumptions as to the implied meaning or intent of any part of the Application for Funding. Applicants should request clarification if needed. Every request for information or clarification must be submitted in writing to Racheal Baker or Kerry Bell at least 12 days prior to proposal submission deadline.
- The provisions of this Application for Funding cannot be modified by oral interpretations or statements. If inquiries or comments by applicants raise issues that require clarification by the City, or the City decides to revise any part of this Application for Funding, addenda will be provided to all persons who receive the RFP. Receipt of an addendum must be acknowledged by signing and returning it with the proposal.
- Applicants selected for funding will be required to obtain adequate insurance covering workers' compensation, bodily injury, property damage, or automobile liability, depending on the nature of the project. Selected applicants will also be responsible for obtaining any necessary licenses and for complying with all applicable federal, state and municipal laws, codes and regulations.
- Applications selected for funding will become part of the agreement between the City of Bend and the recipients. Each recipient will be required to carry out the specified activity in the manner described in the funding application, and to meet all of the obligations contained therein. Any modifications to the

project or the way in which the activity is carried out will require prior approval from the City and a modification to the agreement.

- Projects must be under way and funds expended toward the completion of the project within *one year* from the time the funds are made available. The City reserves the right to withdraw the award in the event that an applicant fails to meet this requirement.
- In the event of non-compliance with any applicable federal, state or local laws, codes, or regulations, the City's agreement with the recipient may be terminated or suspended in whole or in part.
- Any applicant (including any entity that has or had family or business ties or obtains an ownership interest in the project or property) who is in default on any funding agreement or reporting requirements for any loans or grants with the City of Bend, or is not in compliance with any zoning, planning or building division requirements, regardless of site will not be eligible for funding through this program.

9. Proposal Submission Instructions

- Email one (1) official proposal to:

Kerry Bell
Middle-Income Housing Coordinator
kbell@bendoregon.gov
(541) 323-5964

- Every request for information or clarification must be submitted by email to Racheal Baker or Kerry Bell at least 12 days prior to proposal submission deadline.
- Proposals must be received via email or at the City Administration Office at City Hall by **5:00pm** on Monday, August 23, 2023.

Questions?

If you have any questions about the Notice of Application or the application process, please contact Kerry Bell at 541-323-5964 and kbell@bendoregon.gov.

FORM A

City of Bend Middle-Income Housing Pilot Program Grant Funds Application for Funding



CITY OF BEND

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Please indicate the page number on which each of the following issues is addressed:

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2. Complete Project Summary Form (Form B)	Page_____
3. Project Description	Page_____
4. Property and Project Information	Page_____
5. Work Program	Page_____
6. Project Benefit	Page_____
7. Agency Information	Page_____
8. Financial Information	Page_____
9. Project Feasibility and Readiness	Page_____
10. AFFH Documents	Page_____
11. Other Information (please specify):	Page_____
_____	Page_____
_____	Page_____

Attachments

Map	Page_____	Affirmatively Furthering Fair Housing Statement and Marketing Policy (housing development proposals only)	Page_____
State of Oregon Business Registry printout	Page_____	Other (please specify):	
Detailed line item budget	Page_____	_____	Page_____
Letters of funding commitment	Page_____		
Completed Budget Form (Form C)	Page_____		
Pro forma (for construction projects only)	Page_____		

FORM B

**City of Bend
Middle-Income Housing Pilot Program Grant
Funds
Application for Funding**



PROJECT SUMMARY FORM

CITY OF BEND

Project Name: _____

Project Location: _____

Project Description: _____
(Please include the
number of affordable
units being created.) _____

Funds Requested: \$ _____

Leveraged Funds: \$ _____

Applicant: _____

Address: _____

City, State & Zip: _____

Contact Person: _____

Phone Number: _____

Email Address: _____

FORM C

**City of Bend
Middle-Income Housing Pilot Program Grant Funds
Application for Funds**



**BUDGET FORM – NOTE: CITY STAFF WILL ASK FOR AN
UPDATED BUDGET UPON SUCCESSFUL APPROVAL OF
FUNDS**

CITY OF BEND

PROJECT BUDGET:

Sources of Funds					
Project Activities	Middle-Income Housing Pilot Program Funds Requested	Leveraged Funds		Match	Project Total
		Other Public Funds*	Private Funds**		
TOTAL					

***OTHER PUBLIC FUNDS:**

Source	Amount of Funding			Use of Funds
	Secured	Committed	Applied For	
TOTAL				

****PRIVATE FUNDS:**

Source	Amount of Funding			Use of Funds
	Secured	Committed	Applied For	
TOTAL				