



Atlanta's Affordable Housing Preservation Challenge

## **Atlanta's Affordable Housing Preservation Challenge**

### **Request for Ideas (RFI)**

November 2016

Visit [www.ATLPreservation.org](http://www.ATLPreservation.org) for updates and additional information

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## Overview

Atlanta's Affordable Housing Preservation Challenge (ATL Challenge) is an idea competition to generate innovative, implementable proposals that will help preserve affordable housing in the Atlanta region and throughout Georgia's urban centers. Sponsored by the JP Morgan Chase Foundation and organized by the Georgia Department of Community Affairs, Georgia ACT, and Enterprise Community Partners (hereafter, collectively referred to as ATL Challenge Organizers), the competition is open to all stakeholders with an interest in affordable housing, and up to \$100,000 in resources will be made to support concept development and implementation. Three finalists will be selected in January 2017 to receive small grants to conduct additional planning and due diligence work, with one proposal selected to receive up to \$70,000 in implementation resources in May 2017.

## Eligibility

Proposals must be submitted by an entity capable of either (a) implementing, or (b) entering into a partnership to implement the proposed activity. Entrants must have a valid Tax Identification Number to receive award funds. Entrants must comply with all requirements as described in the [Submission Requirements](#) and [Terms and Conditions](#) sections

## Context

Housing affordability challenges are acutely felt amongst renters in the Atlanta region. According to data from the 2013 American Community Survey (ACS), there were 158,441 severely cost-burdened renter households spending at least 50 percent of their income on housing. These households – along with nearly 92,000 severely cost-burdened homeowners and more than 4,700 persons experiencing homelessness according to the latest HUD Point-in-Time count – are considered housing insecure, with associated impacts on health, education, and overall well-being. The problem is getting worse. From 2000 to 2013, the number of housing insecure, low-income households increased 22 percent in the City of Atlanta, and 88 percent in the Atlanta region.<sup>1</sup>

Addressing the need for affordable housing across the region will require a concerted, multifaceted strategy that increases the supply of homes available to households across the income spectrum and preserves affordability where it currently exists. Preservation of the existing affordable housing stock is a particularly urgent challenge. From 2010 – 2014, there was a 17 percent reduction in the number of units renting at less than \$500, and a 15.7 percent reduction in the number of units renting from \$500-750.<sup>2</sup> According to data from the National Housing Preservation Database, subsidy restrictions are set to expire for 48,319 units by 2030, 21,007 of which expire by 2020.<sup>3</sup>

To address this challenge, a number of regional stakeholders have been working to support concerted preservation efforts. In addition to facilitating preservation through the issuance of housing bonds and the allocation of Low Income Housing Tax Credits (Housing Credits), Georgia DCA recently announced the availability of additional resources that can support preservation. In March 2016, the agency released a notice of funding availability for gap financing funded

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<sup>1</sup> Enterprise tabulations of 2013 US Census Bureau American Community Survey data. For the purpose of this data analysis only, the Atlanta region is defined as Cherokee, Clayton, Cobb, DeKalb, Douglas, Fayette, Fulton, Gwinnett, Henry, and Rockdale Counties. This does not constitute an official definition of the region for the purpose of this scope-of-work.

<sup>2</sup> Immergluck, Dan, Ann Carpenter, and Abram Lueders. "Declines in Low-Cost Rented Housing Units in Eight Large Southeastern Cities." Community & Economic Development Discussion Paper. Atlanta, GA: Federal Reserve Bank of Atlanta, May 2016. <https://www.frbatlanta.org:443/commdev/publications/discussionpapers/2016/03-declines-in-low-cost-rented-housing-units-in-eight-large-southeastern-cities-2016-05-10>.

<sup>3</sup> The frame of reference for this data-point match the geographic scope of this initiative: Cobb, Clayton, DeKalb, Fulton and Gwinnett Counties.

through the HUD HOME Investment Partnership program.<sup>4</sup> Georgia DCA also identified two Community Development Financial Institution (CDFI) partners in May 2016 (one individual CDFI and one coalition of CDFIs) to set up a revolving loan fund, with \$8 million available to finance affordable housing activities in both urban and rural communities across the state. These efforts represent a strong step toward providing the resources necessary to fully utilize existing permanent financing resources. However, the scale of the challenge requires focused efforts to develop additional capacity and resources to preserve affordable rental homes.

## ATL Challenge Description

To respond to this challenge, the ATL Challenge seeks to strengthen the tools available for the acquisition and preservation of affordable rental homes across the Atlanta region and the state's other urban areas. For the purposes of the ATL Challenge, we are focusing on Clayton, Cobb, DeKalb, Fulton and Gwinnett counties, though proposals that are more broadly applicable are encouraged. The ATL Challenge Organizers solicit innovative ideas and intends to support the most impactful and implementation-ready innovations.

The ATL Challenge Organizers are seeking a diverse set of implementable proposals, including those related to:

- Identifying a pipeline of properties at risk of loss as a result of physical deterioration, financial distress, market repositioning, and/or subsidy expiration.
- Expanding the pool of developers capable of undertaking preservation initiatives
- Facilitating cross-jurisdictional and cross-sector engagement to enhance partnerships among interested stakeholders
- Creating additional sources of capital and/or supporting more efficient uses of existing sources
- Developing local and/or regional policies that support preservation
- Engaging tenants in preservation efforts

Entrants are encouraged to focus on these issues, but proposals that cover different preservation-related subjects will also be accepted if sufficient need is demonstrated.

## Evaluation and Awards

A selection panel made up of members from the ATL Challenge Organizers and other industry experts will judge the initial concept papers submitted during Phase I. From these concept papers, the panel will select up to three teams to be finalists in Phase 2 and award up to \$10,000 to each team in January to further develop these concepts and create a detailed implementation strategy. The panel will ultimately select one winning idea and award the team up to \$70,000 to implement the idea.

Concepts in Phase 1 will be evaluated using the following scoring criteria:

- Feasibility: 40 percent of overall score
  - While all innovative concepts will be considered, substantial consideration is given to whether the submitting organization (or partnership) has the capacity to successfully implement the proposal.
  - Considerations include: Soundness of model; capacity of proposer; reasonableness of financial structure (returns, terms and conditions, level of public subsidy); reasonableness of implementation timeline; impact of cost on feasibility of preservation deal; market competitiveness; and likelihood that necessary policy/programmatic changes and/or resource allocations will be realized.
- Scale of Impact: 20 percent of overall score:
  - The substantial need for preservation is reflective of a diverse set of challenges. These challenges include meeting preservation needs across a range of property and neighborhood types, as well as the

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<sup>4</sup> Through this NOFA, DCA reserved \$14.7 million in HOME funds to develop 378 units in Atlanta and 310 units outside of the Atlanta area, using the 4% Housing Credit. Though preservation was an eligible use of funds, all of these units will be newly constructed.

collection of tools necessary to undertake preservation efforts. Entrants will be assessed on the breadth and depth of their proposals' potential impact.

- Considerations include: targeted property and neighborhood types; length of affordability; and increases in system-wide knowledge and capacity to preserve affordable housing.
- Continued Impact: 20 percent of overall score
  - Proposals that demonstrate that their activity will continue to be viable and/or have a long-term impact outside of the initial performance period are encouraged.
  - Considerations include: potential increases in the amount of capital and tools available for preservation; preservation-supportive policy changes, increase in pool of developers and development partners; and replicability outside of Atlanta.
- Neighborhood Context: 10 percent of overall score
  - Different neighborhood types present different challenges in preserving affordability (for example, competition and acquisition costs in gentrifying neighborhoods). Entrants should address how their proposal addresses the challenges of the targeted neighborhood type (high-cost communities, communities experiencing or at risk of rapid cost escalation, and/or communities in need of reinvestment).
  - Considerations include: clear alignment of preservation strategy with neighborhood type; and increasing access to opportunity for low-income households.
- Tenant Engagement and Impact: 10 percent of overall score
  - The ultimate goal of preservation efforts is to provide greater affordability and opportunity to tenants. Entrants should demonstrate how their efforts will serve tenant needs and improve outcomes.
  - Considerations include: level of tenant involvement in proposal and development of a tenant engagement plan.

Full Phase 1 submission details are included in the submission form in Appendix A.

The full proposal developed during Phase 2 will be evaluated using similar criteria and scoring, but with greater specificity and detail. The ATL Challenge Organizers will provide the three finalist teams with specific Phase 2 evaluation criteria and weights upon selection to compete in this phase.

## Timeline

### Phase 1

November 3, 2016	Request for Ideas (RFI) packets will be made available at the launch event and online after the launch event at <a href="http://www.ATLPreservation.org">www.ATLPreservation.org</a> . Question and answer period will open on the ATL Challenge website.
November 17, 2016	Interactive Question and Answer webinar to be held; registration details will be made available at <a href="http://www.ATLPreservation.org">www.ATLPreservation.org</a> .
December 19, 2016	Deadline for participants to post questions regarding the Phase 1 competition on the ATL Challenge website. ATL Challenge Organizers will not answer questions submitted after December 19.
December 21, 2016	Answers to questions received by the deadline will be posted on the website by December 21, 2016. All questions and answers will be posted on the ATL Challenge website.
January 6, 2016	Phase 1 electronic submissions are due by 5 pm EST

## Phase 2

- January 25, 2017 ATL Challenge will invite up to three RFI respondents to respond to a Request for Proposals to further develop their concepts during Phase 2 and be eligible for an award of up to \$10,000. If two or more teams submit similar ideas or related concepts, the ATL Challenge Organizers may ask them to merge into one team as part of Phase 2. A merged team will be considered as one of the three finalists.
- May 1, 2017 Phase 2 electronic submissions are due by 5pm EST.
- May 24, 2017 ATL Challenge Organizers will announce the winning proposal on or around May 24.

## Submission Requirements

### Phase I

Details for submission of Phase 1 proposals will be listed at [www.ATLPreservation.org](http://www.ATLPreservation.org). To enter the competition, entrants must provide team member names and contact information and indicate a team leader and organization or company willing to act as a financial agent for receiving awards. Phase 1 submissions are limited to a single PDF file that includes all information as detailed in Appendix A.

After the finalists for Phase 2 are announced, the ATL Challenge Organizers will make all the Phase 1 concept papers available to the public. The ATL Challenge Organizers hope that the competition will produce a large number and wide range of ideas to preserve affordable housing, many of which should be worthy of ongoing discussion and consideration outside of the competition.

### Phase 2

Phase 2 submissions will be submitted electronically to designated staff by May 1, 2017. Additional information about content, size, and proposal presentations will be provided to finalists through the formal RFP at the beginning of Phase 2.

## Sponsors and Organizers

### **Atlanta's Affordable Housing Preservation Challenge is sponsored by the JPMorgan Chase Foundation**

JPMorgan Chase's corporate responsibility efforts seek to advance inclusive economic opportunity through investments that develop a workforce for the 21st century, grow small businesses among the underserved, improve consumer financial health, and support strong, equitable neighborhood economies.

[Read more about JPMorgan Chase's Corporate Responsibility agenda.](#)

### **The ATL Challenge Organizers consist of the following organizations:**

#### ***Enterprise Community Partners***

[Enterprise](#) works with partners nationwide to build opportunity. We create and advocate for affordable homes in thriving communities linked to good schools, jobs, transit and health care. We lend funds, finance development and manage and build affordable housing, while shaping new strategies, solutions and policy. Over more than 30 years, Enterprise has created nearly 358,000 homes, invested \$23.4 billion and touched millions of lives.

#### ***Georgia Department of Community Affairs***

The mission of the [Georgia Department of Community Affairs \(DCA\)](#) is to partner with communities to help create a climate of success for Georgia's families and businesses.

DCA promotes and implements community and economic development, local government assistance, and safe and affordable housing. Using state and federal resources, DCA helps communities spur private job creation, implement planning, develop downtowns, generate affordable housing solutions and promote volunteerism. DCA also helps qualified low- and moderate- income Georgians buy homes, rent housing, and prevent foreclosure and homelessness.

***Georgia Advancing Communities Together, Inc.***

[Georgia ACT's](#) mission is to build and support a statewide network of thriving member organizations and trained professionals engaged in housing and community development serving families with limited housing choices.

## Terms and Conditions

### **Disclaimer**

By submitting an ATL Challenge entry, each Entrant, to the fullest extent permitted by law, releases the Sponsors and ATL Challenge Organizers from any and all claims, causes of action, injuries, damages, liabilities, losses, costs, and expenses resulting in any way from participation in the ATL Challenge. No representation, warranty, or undertaking expressed or implied is or will be made by this Request for Ideas. Selection of Entrant's proposal will not create any rights on the Entrant's part, including, without limitation, rights of enforcement, equity, or reimbursement.

### **Intellectual Property**

The goal of the ATL Challenge is to widely share the ideas generated during the process. By submitting competition materials for selection consideration, Entrants grant the ATL Challenge Organizers a royalty-free, nonexclusive, and irrevocable license to replicate, reproduce, publish, or otherwise use, and to authorize others to use any and all materials submitted for the competition.

### **Phases and Awards**

Up to three finalists will be awarded a maximum of \$10,000 each by the ATL Challenge Organizers to assist with costs associated with the development of Phase 2 proposals. After receiving notice of selection for advancement to Phase 2, finalists may be asked to provide supplementary budget information for the development of their Phase 2 proposal. Up to \$5,000 may be awarded upon notification of advancement to Phase 2, subject to ratification of a funding contract/agreement. The balance of funds will be paid to finalists based on allowable expenses and on a schedule outlined in the funding contract/agreement.

### **Final Obligations**

All Finalists will be required to:

- Bear all costs incurred beyond the \$10,000 award as a result of participation in Phase 2 of the ATL challenge.
- Participate [in person or via teleconference] in a Phase 2 orientation meeting following the announcement of finalists.
- Comply with submission requirements as stated in this RFI and as further clarified at the Phase 2 orientation meeting.
- Participate in one or more progress calls if requested to do so by the ATL Challenge Organizers
- Participate in team interviews with the selection panel as deemed necessary by the ATL Challenge Organizers
- Guarantee delivery of Phase 2 deliverables as specified in the Phase 2 funding contract/agreement
- Participate in conference presentation and other publicity elements as agreed
- Compliance with the above stated items will be considered as satisfactory completion of obligations to the ATL Challenge Organizers and will be a qualifying condition for receiving the Phase 2 award. Finalist team members will be required to sign a short contract/agreement with the ATL Challenge Organizers in acknowledgment of these and additional terms.

### **Option for Contract/Agreement**

At the conclusion of the challenge and pending availability of funding the ATL Challenge Organizers may engage one or more team(s) to implement their concept. If the ATL Challenge Organizers and the finalist team(s) initially invited to

submit such proposal and terms are unable to successfully negotiate a contract/agreement, the ATL Challenge Organizers reserve the right to terminate negotiations and enter into negotiations with other finalists. The ATL Challenge Organizers further reserve the right to request during negotiations that finalists team(s) makes whatever adjustments to their team composition that are, in the opinion of the ATL Challenge Organizers, required.

### **Conflict of Interests**

Employees of neither the Sponsors nor ATL Challenge Organizers may not participate in ATL Challenge as Entrants, but certain ATL Challenge Organizers employees will be available for technical assistance to Entrants and finalists.

Any selection panel members who believe him or herself to be at risk of a potential conflict of interest with one or more associated Entrant(s) is instructed to isolate him or herself from the Entrant(s) in question in respect of work that is in any way related to the competition. If the panel member in question is unable to maintain such isolation for any reason, the panel member shall recuse him or herself from deliberations with respect to the entry or entries in question. Failure on the part of any panelist to adhere to these provisions will result in disqualification of both the panelist and the associated Entrant/finalist.

### **ATL Challenge Procedural Rights**

The ATL Challenge Organizers and selection panel have the unilateral and exclusive right at its sole discretion to:

- Reject or disqualify any or all submissions
- Accept any submission
- Determine whether a submission satisfactorily meets stated submission requirements
- Determine whether a failure to comply with stated requirements is substantially relevant or not
- Alter the submission requirements or competition process
- Seek clarification or request further information from Entrants
- Individually answer questions to Entrants or Finalists, particularly regarding administrative matters
- Cancel this competition
- Determine or modify composition of the independent panel
- Score submissions



## Appendix A: Proposal Submission Form

The Proposal Submission Form is included in full in the following pages of this Appendix. To respond to the ATL Challenge, download and completed the Microsoft Word version of the Proposal Submission Form at [www.ATLPreservation.org](http://www.ATLPreservation.org).



# ATL CHALLENGE

Atlanta's Affordable Housing Preservation Challenge

## Atlanta's Affordable Housing Preservation Challenge

### PHASE 1: Proposal Submission Form and Instructions

*Proposer Information*

<b>Lead Proposing Organization (Full Legal Name)</b>	
<b>Address</b>	
<b>Organizational Description (100 word maximum)</b>	
<b>Lead Point-of-Contact</b>	
<b>Lead Point-of-Contact Phone</b>	
<b>Lead Point-of-Contact E-mail</b>	
<b>Partner Organizations and Descriptions (50 words per organization maximum)</b>	

**Proposal Summary**

<p><b>Provide a brief summary of your proposal (100 word maximum):</b></p>	
<p><b>1.1 Proposal will support the preservation of (check all that apply):</b>          Individual property (___)          Portfolio of properties (___)          System-wide applicability (___)</p>	<p><b>1.2 Proposal would directly provide for the following affordability restriction length:</b>          Acquisition/short-term hold (&lt;5 years) (___)          Acquisition with demonstrated path to long-term/permanent affordability (___)          N/A; proposal supports general preservation infrastructure (___)          Medium-term affordability restrictions (5-30 years) (___)          Long-term/permanent affordability (30+ years) (___)          System-wide applicability (___)</p>
<p><b>1.3 The proposal would apply to the following property &amp; neighborhood types (check all that apply):</b>          Property type: Single-Family (___)          Property type: 2-49 units (___)          Property type: 50+ units (___)          Subsidy status: Market-rate affordable (___)          Subsidy status: Expiring subsidy restrictions (___)          Neighborhood typology: Current high-cost community (___)          Neighborhood typology: Communities experiencing (or at risk of) rapid cost escalation (___)          Neighborhood typology: Communities in need of reinvestment (___)</p>	
<p><b>1.4 Does the proposal increase system-wide knowledge and capacity to preserve affordable housing? (check one)</b>          Closed-access (proposed intervention could be utilized by either a single entity or discrete set of entities) (___)          Open-access (proposed intervention could be broadly accessed across the spectrum of interested entities) (___)</p>	
<p><b>2.1 Does the proposal team include all organizations that would need to take action to successfully implement the proposal?</b>          Yes (___) No (___)  <i>If "No" is selected, please describe how the team would go about engaging additional partners if selected (50 word maximum):</i></p>	
<p><b>3.1 Describe how the proposal will increase access to opportunity for low-income households (100 word maximum):</b></p>	
<p><b>3.2 Describe how the proposed preservation strategy is aligned with the any neighborhood typology selected in Question 1.3 (100 word maximum):</b></p>	

**4.1 Level of tenant involvement:**

- Tenants or tenant representatives included as part of the official proposal team (\_\_\_)
- Tenants or tenant representatives consulted in development of Phase 1 proposal (\_\_\_)
- Tenants or tenant representatives will be directly involved if proposal is selected for Phase 2 (\_\_\_)

**4.2 If selected for implementation, do the partner organizations commit to develop a tenant engagement plan?**

- Yes (\_\_\_) No (\_\_\_)

**5.1 If selected for implementation, would the proposal lead to any of the following (select all that apply):**

- Long-term increase in the amount of capital available for preservation activities (\_\_\_)
- Policy changes that would have a sustained impact on the ability to preserve affordable housing (\_\_\_)
- Development of broadly-accessible tools that would have a sustained impact on the ability to preserve affordable housing (\_\_\_)
- Increase the pool of developers and development partners (including tenant representatives) active in preservation efforts (\_\_\_)

**Proposal Budget and Financial Characteristics – Phase 1 Due Diligence (100 word maximum)**

*Up to \$10,000 in funding may be awarded to proposals selected to enter into Phase 2. These funds may be used to conduct planning and due diligence to support implementation of the proposed activity. Provide a description of the intended use of these funds – including staff time, consultant expenses, and/or other direct costs. Budget figures may be estimates.*

**Proposal Budget and Financial Characteristics – Overall Proposal Viability (100 word maximum)**

*One proposal from the finalists selected for Phase 2 will receive up to \$70,000 in funding to implement the proposed activity. Provide a brief description of the intended use of any awarded funds, as well as the potential sources and uses of any additional resources necessary for implementation. Budget figures may be estimates.*

**Narrative Description of Proposed Activities**

*Provide a narrative description of the proposed affordable housing preservation activities on the following pages. The narrative should not exceed 2 pre-formatted pages with the following characteristics: single-spaced, one-inch margins and 11-point Calibri Font. Supporting graphs and charts may be inserted but must be contained within the 2 page limit. Citations should be included as endnotes; up to one page of citations may be included in addition to the 2-page limit. Any explanatory language in endnotes beyond the basic citation will not be considered.*

*Proposal narratives should include the following:*

- *Description of the gaps and needs that the proposed activity will address.*
- *Description of proposed activity*
- *Proposed implementation timeline*
- *Capacity of proposing organization/partnership to implement the activity*
- *Description of any extraneous policy/programmatic changes and/or funding allocations needed to implement and/or enhance proposal*
- *Method of securing permanent affordability for properties, either directly through proposal or through additional action*
- *Any additional information that demonstrates the proposals viability and impact*

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<b>Proposal Title:</b>	
<b>Narrative Description of Proposed Activities</b>	

*Insert narrative*