



MAYOR TIMOTHY P. DOUGHERTY

Notice of

Funding Availability

For **Affordable Housing**

Development

**Small-Scale Infill Development and Rehabilitation
Residential Projects**

Issued: September 19, 2014

Due: October 29, 2014

PREPARED BY:

Topology



Our vision is to become
the most **welcoming, beautiful,**
healthy, resilient, and sustainable
place to live, work, and play
in **New Jersey.**

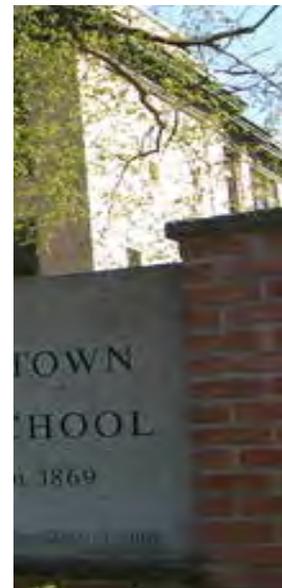
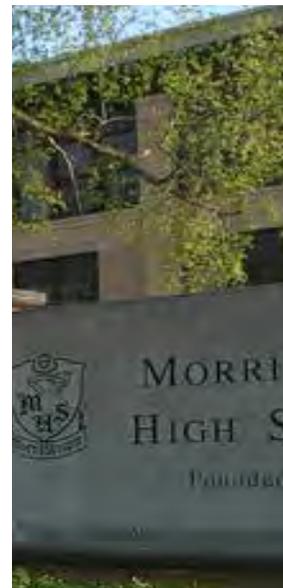
- Morristown Moving Forward - Mobility & Community Form Plan, adopted March 2014



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1.0 INTRODUCTION

The Town of Morristown has established an Affordable Housing Trust Fund (AHTF). The goal of the Morristown AHTF is to increase access to quality, desirable housing that is affordable to low-income households (at or below 80% of AMI) in the Town. The AHTF will be used to develop and preserve affordable housing as a tool for neighborhood revitalization that strengthens and improves the social, economic and physical fabric of Morristown neighborhoods. Morristown will prioritize affordable housing projects that create and strengthen mixed income neighborhoods, and promote development within reasonable proximity to transit networks, employment centers, neighborhood commerce, and community services.



2.O FUNDING AVAILABILITY & USE OF FUNDS

1. Funding Availability

Morristown is allocating AHTF funds to finance Small-Scale Infill Development and Rehabilitation Projects. The number of competitive responses to this funding availability will determine the amount of funding that will be disbursed. Funding parameters include the following:

Up to \$50,000 per unit will be made available for small-scale rental or owner-occupied projects (1-4 units).

2. Use of Funds

- a. Projects shall be underwritten to meet the following income targets:
 - For-sale owner-occupied housing must be created at or below 80% of AMI.
 - Funds may be used only for housing units that do not exceed purchase price limits established by COAH.
 - Rental housing must be created, repaired or preserved for households with income at or below 60% AMI whose rent is no more than 30% of gross income of a household at 60% AMI including utilities.
- b. AHTF funds may only be applied to pre-development and development costs as identified in the Project Budget – soft costs professional fees may include design and engineering; hard costs and capital costs may include acquisition, rehabilitation, and construction.
- c. Income restrictions on dwelling units must be maintained and monitored for a minimum of 30 years, which shall be made subject to the COAH approved form of deed restriction. The project will be deed restricted during the period of restriction. Developer shall submit a statement describing compliance with COAH Regulations as well as the New Jersey Uniform Housing Affordability Controls. All projects are expected to comply with COAH requirements.
- d. Dwelling units and residential structures shall comply with all applicable municipal zoning and land use, governing housing and building codes, and COAH requirements.
- e. AHTF funding shall be committed as a grant to the development

project and pursuant to a grant agreement. Any grant/funding agreement entered into for development projects using these affordable housing trust funds shall be subject to the approval by Town Council, COAH (relative to, among other things, the Town's Spending Plan) and the provisions of the Local Land and Buildings Law, N.J.S.A. 40A:12-1 et seq., as may be applicable.

f. The Town of Morristown owns three (3) vacant residential parcels that may be suitable for the development of affordable housing. These properties are available to qualified non-profit corporations and organizations meeting the requirements of N.J.S.A. 40A:12-12 of the Local Land and Buildings Law. Respondents may submit interest for the use of the affordable housing funds for these properties. All of the following parcels are located in the RT-1 zoning district, which allows for one-family and two-family detached dwellings. Site acquisition costs for the municipal owned properties shall be included in the required project budget to be submitted as part of the funding availability responses.

- 20 Orchard Street – Block 3303, Lot 15
- 21 Orchard Street – Block 3304, Lot 11
- 22 Orchard Street – Block 3303, Lot 14



3.O POLICY OBJECTIVES & AWARD CRITERIA

1. Policy Objectives

- a. Priority for projects demonstrating neighborhood revitalization and strengthening a mixed-income neighborhood strategy.
- b. Small-Scale Infill Projects – priority for rehabilitation of existing buildings and infill development to mend the fabric of neighborhoods.
- c. Projects that include collaborations for the development of dwelling units for special needs community residents, pursuant to N.J.S.A. 40:55 66.1.
- d. Development of affordable housing on municipal properties identified above.

2. Award Criteria

As part of Mayor Timothy P. Dougherty's good government policy, an open and competitive funding availability process for the selection of developers and development projects is being undertaken for the allocation of AHTF resources. A criterion based point system, with a total of 55 points, will be used to evaluate and select projects for funding award. Reviews are confidential and managed at the Town's sole discretion. Developer respondents will have the opportunity to present the proposed projects demonstrating the viable use of the affordable housing trust funds to a selection committee, as may be requested by the selection committee. Other selection review committee members might include Morristown Partnership, Director of Code Enforcement, County or State Housing and Community Development Agencies, and/or Economic Development Agencies.

Competitive funding availability responses will clearly identify how the responses meet the following criteria:

- a. ***Development Program.*** Ability of the development program and overall approach to meet the Policy Objectives stated above.
- b. ***Developer and Property Management Team Capacity.*** Demonstrable capacity, experience and qualifications of the developer and property manager (if applicable).



- c. ***Design and Construction Team Capacity.*** Demonstrable capacity, experience and qualifications of the design and construction team.
- d. ***Project Feasibility: Budget, Schedule and Approvals.*** Financial feasibility and competitiveness of total development cost; and, capacity of financial structure and developer to leverage and secure all sources of funds identified in the development budget (equity and debt), as well as operating subsidies, if applicable. Feasibility of project schedule to be completed on-time and within budget based on the scope of work and development program proposed. Clear evidence of site control, feasibility of obtaining required approvals and governmental entitlements, and project readiness to proceed according to schedule for project financial closing, construction, and occupancy by qualified residents.
- e. ***Design and Building Performance.*** Excellence in architectural and urban design. Energy Star and Water Sense compliance is required. Other green performance standards are encouraged. Universal Design is a priority to create barrier-free homes that increase the use of the home regardless of age or human ability, without the need for adaptation or specialized design.

Universal Design in Housing resource:

http://www.ncsu.edu/ncsu/design/cud/pubs_p/docs/UDinHousing.pdf)

EPA Energy Star in NJ resource:

https://www.energystar.gov/index.cfm?fuseaction=new_homes_partners.showStateResults&s_code=NJ

EPA Water Sense resource:

<http://www.epa.gov/watersense/>

4.O DEVELOPER REQUIREMENTS

The Town will expect the developer to have the capacity to perform the activities generally expected of a professional, high-quality development entity, and the activities typically associated with public private ventures and the use of public sources to fund affordability in residential development projects.

Selected developers are expected to negotiate and enter into a Grant Agreement with the Town which will set forth the responsibilities of the respective parties, applicable development program budget and schedule for completing the project, and conditions precedent to the funding, as agreed upon in said Grant Agreement

The developer is expected to perform, at its sole expense, and the funding will be subject to, all necessary predevelopment, financing, development, approvals, construction, and project completion activities associated with residential development projects. These include, without limitation; site inspections, surveys, environmental investigations, preparation of engineered site plans and securing site plan approval and all other agency approvals, preparation of architectural plans including residential building construction documents and the securing of building permits for the project. Plans and specifications are subject to Town approval to ensure consistency with the design principles and energy efficiency objectives. As applicable, projects may also be subject to the approval of the Town's Planning or Zoning Boards.

In addition, the developer is responsible for all financial structuring, providing the equity and securing the financing needed to complete the project, including construction loans, grants and other subsidies, and permanent mortgages. The developer is expected to seek housing subsidies from public sources for capital development, as well as operating subsidies, if applicable.

The developer, along with the property leasing or sales agent (as applicable) is required to comply with fair housing regulations and affirmative marketing requirements and guidelines, and to coordinate and keep informed the Town's affordable housing liaison/administrative agent on all said activities. At the project's expense, notification and outreach shall include communication materials to and for low-income and minority communities in Morristown, which may be available at community development organizations, other affordable housing providers, community centers, places of worship, local retail establishments, neighborhood newspapers, etc.

The Town of Morristown will affirmatively work to implement fair housing regulations that prohibit discrimination in housing based on:

- Race or color
- National origin
- Religion
- Gender
- Familial status
- Sexual orientation
- And, as otherwise required by law.



5.0 SUBMISSION REQUIREMENTS & SELECTION PROCESS

Respondents shall submit one complete funding availability response and one electronic copy. All funding availability responses must be submitted no later than 5:00 p.m., 29 October to the following address:

Michael F. Rogers
Town Administrator
Town Hall, Fourth Floor
200 South Street
Morristown, NJ 07963

September 29:	Pre-submission conference (non-mandatory)
October 29:	Funding availability responses due
November 3: (Approx.)	Developer selection notification
November 5-17:	Resolution from Town Council to Request Spending Plan Approval
November 25:	Submit Revised Spending Plan to COAH
Date TBD:	COAH Approval
Date TBD:	Disburse Funds for Affordable Projects Plan Approval

The Town will consider as “non-responsive” any submission for which critical information is lacking, or any submission, which represents a major deviation from this funding availability. Minor omissions may, at the sole option and discretion of the Town be corrected within five business days of notification of the deficiency by the Town. The Town may reject any and all responses to this funding availability, and/or withdraw this funding availability at any time, at its sole discretion. Costs and tasks associated with responding to this funding availability are the sole responsibility of the respondent. Any agreement resulting from this funding availability process shall be awarded to the respondent the Town considers most qualified and whose proposed project(s) the Town determines to be the most advantageous to the Town, primarily based on the evaluation factors set forth herein.

Item	Description	Points
1. Development Program	A complete project description, including the development program (number of units, and other spaces, if applicable); target market (identify special needs populations, if applicable); project location and neighborhood context; project goals and objectives.	10
2. Developer and Property Management Team Capacity	The developer's track record, project portfolio of completed and pipelines projects; resumes of key staff and project director; economic and staffing capacity of developer to undertake this project; 3-5 references including public agency, financial, professional project consultant, construction contractor. As well as property management or sales agent entity track record, project portfolio under management, particularly projects requiring affirmative marketing and monitoring of restricted unit affordability.	10
3. Design and Construction Team Capacity	Design and Construction team's track record, project portfolio of completed and pipelines projects; resumes of key staff and project director; economic and staffing capacity of developer to undertake this project; 3-5 references including public agency, financial, professional project consultant, construction contractor.	10
4. Project Feasibility – Budget, Schedule, and Approvals	A detailed Sources and Uses Project Budget showing total development costs, as well as operating budget or sales budget, (as applicable). Project Schedule illustrating readiness of project to proceed and anticipated time frame to complete the project on-time and within budget. Standard evidence of site control (deed, option, other) and overall risk of the project.	15
5. Design and Building Performance	Description of project scope of work, including design concept, construction scope, energy, water and green performance, universal and barrier free design, other.	10
	TOTAL	55

6.O CONTRACT NEGOTIATIONS & SPECIFIC INQUIRIES

Funding availability documentation for the criteria-based selection process shall include:

Negotiations

The Town reserves the right to reject any and all responses and to negotiate the terms of the contract, including the funding amount, and conditions precedent to funding, with the selected developer(s) prior to entering into a written agreement.

Inquiries

A pre-submission conference will be held on 19 September at 10 AM at the Morristown Town Hall, 200 South Street, Morristown, New Jersey. Attendance at this conference is recommended, but not mandatory.

Inquiries concerning this funding availability may be directed to Michael F. Rogers, Town Administrator by mail or email:

Michael F. Rogers, Town Administrator
Town Hall, Fourth Floor
200 South Street
Morristown, NJ 07963
m-rogers@townofmorristown.org