

Equitable Path Forward: New York Grants

Request for Applications (RFA) 2021

Supporting for-profit NYS Affordable Housing Development and Management owned by BIPOC or other historically marginalized groups, that have historically been disenfranchised, grow their organizations and further affordable housing development, ownership, and property management.

Submission Deadline	May 28 th , 2021
Awardee Notification	June 11 th , 2021
Program Launch Date	July 30 th , 2021

How to Apply: Applicants must submit full proposals through SlideRoom, the online system used for this funding opportunity. To start your application, please use: <https://enterprise.slideroom.com/#/permalink/program/60191>

IMPORTANT: SlideRoom will automatically save the Applicant's work. That means that even if the Applicant loses internet connection or has computer problems, the work will still be saved. Applicants can log in and out as many times as they need to complete their proposal. **However, once an Applicant submits their proposal, they cannot go back to make any edits. Applications received outside of SlideRoom or after the deadline will not be accepted.**

Submission Deadline: Friday, May 28th, 2021, at 11:59 PM

Pre-Application Conference:

A pre-application conference will be held on **May 13th, 2021, at 2:00 PM EST.** To RSVP, please use this link: <https://bit.ly/3eCo3RP>

Questions: All interested Applicants will be afforded the opportunity to email questions regarding this RFA during the application period. Applicants must email the questions to Camila Fernandez at cfernandez@enterprisecommunity.org. The responses to these questions will be made available to the public after the pre-application conference.

ABOUT ENTERPRISE

Enterprise Community Partners, Inc.'s (Enterprise's) mission is to make home and community places of pride, power, and belonging and platforms for resilience and upward mobility. To make this possible, we develop and deploy programs and support community organizations on the ground; we advocate for nonpartisan policy at every government level; we invest capital to build and preserve rental homes people can afford; we own, operate, and provide resident services for affordable communities. Since our New York office opened in 1987, we have invested more than \$4 billion in the region, creating and preserving nearly 70,000 affordable homes, delivering impactful technical assistance and capacity building to both our public partners and developers and working with key stakeholders to achieve the systems change that is needed to address the severe housing crisis.

At Enterprise, we are committed to dismantling the enduring legacy of systemic racism in housing –policy, practice, and investment. Our partnerships with adjacent sectors are essential to creating more equitable outcomes.

ABOUT THE INITIATIVE

Property management and development firms owned by Black, Indigenous and people of color (BIPOC), and other historically marginalized groups play an integral part in the property

management and development of affordable housing in New York State. Yet, they continue to face systemic barriers that impede their growth and sustainability.

The pandemic has further aggravated these inequities. For example, Crain's New York Business notes that Black business ownership has plummeted during the pandemic, fueled primarily by the "already weak financial cushions, bank relationships, and preexisting funding gaps" that existed before the pandemic.¹ Relief efforts like the Paycheck Protection Program (PPP) have benefited white-led organizations with preexisting banking relationships.² A significant barrier for Black and other minority entrepreneurs "stems from the long-held perceptions by banks and other financial institutions that these entrepreneurs are higher-risk candidates for mortgages and other loans."³

For decades, the affordable housing, community development and commercial real estate sectors have been lucrative for the mostly white-led organizations that control them, even as they serve to create affordable rental homes primarily in neighborhoods of color. This inequity resulting from decades of discrimination and continued disinvestment calls for a solution to support BIPOC-owned firms in the affordable housing industry looking to grow their pipelines and strengthen operations. This is especially critical given the tighter margins to developing and operating housing as a result of Covid-19.

To help address racial disparities in capital access within the affordable housing industry and thereby strengthen New York State's affordable housing infrastructure for the long term with a more extensive number of strong, affordable housing leaders, Enterprise will be launching **Equitable Path Forward: New York Grants** to support for-profit development and/or management firms, owned by BIPOC or other historically marginalized groups, in the affordable housing industry accelerate their housing development pipelines, bridge operational gaps in their housing portfolios, and fortify their development or property management infrastructure.

With access to more flexible capital resources and targeted operational support, New York's affordable housing businesses owned by BIPOC and other historically marginalized groups will be better positioned to undertake affordable housing development and preservation opportunities that are so vital to the State's post-pandemic housing recovery.

PROGRAM LOGISTICS

Through the **Equitable Path Forward: New York Grants**, Enterprise will provide grants of up to \$450,000 for up to 12 for-profit affordable housing property management and/or development firms owned by BIPOC or other historically marginalized groups further their affordable housing development, operation, and property management efforts.

¹ Everett, G. (2020). Black Business Ownership Plummets After Pandemic. *Crain's New York*, <https://www.crainsnewyork.com/small-business/black-business-ownership-plummets-after-pandemic>

² See above

³ Towns, W. (2020). Black-Owned Businesses Often Struggle to Access Capital. Here's How Financial Institutions Can Change That. *Kellogg Insight*, <https://insight.kellogg.northwestern.edu/article/black-owned-businesses-access-capital-financial-institutions-change>

Selected Applicants will be engaged for ten months, starting in Q2 2021. Selected participants will be required to submit quarterly financial and narrative progress reports.

Technical assistance will be made available to grantees in 2021. Grantees will have the opportunity to participate in trainings and, if appropriate, can be connected to resources providing one-on-one support on real estate development and finance that would benefit the organization's sustainability and complement the grant.

As part of the program, participants will be required to participate in bi-monthly (every other month) peer-to-peer networking events to share management and/or development challenges and best practices as needs arise by program participants.

APPLICANT ELIGIBILITY

Enterprise will select for-profit firms (Applicants) based in urban, suburban, and rural communities in NYS to receive funding for their organizations and affordable housing project(s). Applicants must meet all eligibility requirements listed below:

1. Must be a Certified Minority and/or Women Owned Business (M/WBE) AND/OR meet the criteria specified below:

Business enterprises owned by BIPOC or other historically marginalized groups, meaning applicants who are 51% owned, operated, or controlled by a person or persons who identify as BIPOC or from other historically marginalized groups. To qualify as a BIPOC-owned or other business enterprise, the applicant must meet at least one of the following criteria as being represented by a person who identifies as BIPOC or from another historically marginalized group. Ownership must be real, substantial, and continuing, and the BIPOC person(s) must exercise the authority to independently control the day-to-day business decisions.

- *If a corporation:*
 - *At least 51% of the ownership of the shares*
 - *Chief Executive Officer, Principal, or other similar title*
- *If a limited partnership:*
 - *Individual serving as General Partner (or at least 51% of the individuals serving as General Partners)*
 - *If a Corporation is the General Partner – must meet criteria for Corporation*
- *If a limited liability company*
 - *Individual serving as Managing Member (or at least 51% of the individuals serving as Managing Members)*
 - *If a Corporation is the Managing Member – must meet criteria for Corporation*
 - *If Members – at least 51% of the members*

2. Focused on the property management and/or development of affordable housing
3. Must demonstrate commitment to long-term affordability and eviction prevention relief efforts. Please see the eligible uses and projects for additional detail.
4. The organization must be located in New York State
5. Selected projects for funding must be located in New York State
6. Demonstrate prior affordable residential management and/or development experience and capacity⁴
 - a. Property managers must manage at least 50 units of affordable Section 8 or otherwise regulated housing.
 - b. Eligible developers must have completed at least one (1) successful residential rehabilitation or new construction (multifamily or single-family) LIHTC or other affordable housing project within the past five years, as either a joint venture or independently.
7. Financial Thresholds
 - a. Minimum months operating cash: 1 month
8. Demonstrate good standing with city or state housing agencies by providing a letter of support from HPD or HCR

APPLICANT PREFERENCE

1. Strong preference will be given to organizations that **do not** exceed a total revenue of \$5,000,000.

ELIGIBLE USES AND PROJECTS

Please note that the total grant award for a specific group will be up to \$450,000 regardless of whether the entity is both a developer and project management firm.

All applicants must demonstrate commitment to long-term affordability and eviction prevention relief efforts.

- a. Priority will be given to projects with rent levels lower than the term sheet or for permanent affordability beyond the term sheet.
- b. Developers and property managers must reserve a portion of the funds to build or strengthen eviction prevention efforts. For any property management, operation, developer predevelopment, or equity uses, applicants must reserve \$50,000 or more of the total award to boost operating reserves for eviction prevention relief efforts.

Eligible uses of funds are limited to:

1. **Predevelopment Expenses and/or Developer Equity for Projects in Construction** (*Only for Identified Affordable Housing Projects):

⁴ LIHTC, NMTC, HTC, Supportive Housing, Senior Housing, or similar

- a. For predevelopment uses, the Applicant (s) must demonstrate the need for predevelopment funds. The Applicant must have identified a specific affordable housing project located in New York.
 - i. Applicants planning to use grant funds for predevelopment expenses and/or as project equity must identify the affordable housing project and the means by which they have site control, including a signed MOU for JV partnership with an entity that has site control, RFP designation and/or agency sponsor designation RFP award letter, and/or ownership of the property. The project must be a rehabilitation or new construction (multifamily or single-family) of a LIHTC/NMTC/Section 8/ Supportive/Senior Housing or otherwise regulated housing project.
 - ii. **Priority will be given to projects with rent levels lower than the term sheet or for permanent affordability.**
 - iii. Developers **MUST** set aside a portion of the requested funds to build or strengthen eviction prevention efforts. For any predevelopment or equity uses, applicants must set aside, with the sponsor, \$50,000 or more of the total requested funds to boost funds that are specifically programmed for eviction prevention relief efforts.
 - b. For developer equity for projects in construction, funds must be used at closing per term sheet requirements and/or to cover cost overruns for projects under development (with the approval of all existing financing sources). The Applicant must have identified a specific affordable housing project located in New York.
2. **Organizational Infrastructure for Developers and Property Managers:** Must submit business plans with clear goals of how this grant will help them grow, expand, or stabilize their property management, the development business, potentially expand into other lines of affordable housing business (i.e., property management, development consulting, construction management, or resident services). Increase access and ability to hire new staff and to provide supportive tenant services. **(*Only 10-15% of the funds may be used for this purpose)**
 - a. Uses include but are not limited to hiring a new Director of Development, Construction Manager, Accountant, Fellows, etc., i.e., staffing to support development, construction management, and property management business lines.
 - b. Priority will be given to staffing costs that will provide eviction prevention or other tenant supportive services.
3. **Training Fees:** Only applicable for trainings related to fundraising, owner's rep or construction monitoring/development, and financing. This may be used by the Principal/President of the organization or staff members. **(*Only up to \$20,000 may be used for this purpose)**
4. **Property Management:** Property management staff trainings and/or software updates and/or IT-equipment required for improved building operations including, but not limited to, affordable housing compliance, addressing housing inspections, property oversight, navigating lease modifications, tenant services, etc.
 - a. Property managers **MUST** identify a portfolio of affordable housing projects slated to be improved with better operations. Priority will be given to firms with projects with very low rent levels or otherwise vulnerable to loss of quality or affordability.

- b. Property managers **MUST** use a portion of the requested funds to build or strengthen eviction prevention efforts. For any property management or operation uses, applicants must use \$50,000 or more of the total requested funds to boost operating funds for eviction prevention relief efforts
- 5. **Property Operations.** Funds may be used for property maintenance costs for projects owned by the Applicant. For this use, program participants must demonstrate cashflow shortfalls resulting from decreased rent collection, delayed developer fees, or other causes.
 - a. Property managers **MUST** identify a portfolio of affordable housing projects slated to be improved with better operations. Priority will be given to organizations with projects with very low rent levels or otherwise vulnerable to loss of quality or affordability.
 - b. Property managers **MUST** reserve a portion of the funds to build or strengthen eviction prevention efforts. For any property management or operation uses, applicants must use \$50,000 or more of the total requested funds to boost operating funds for eviction prevention relief efforts

APPLICATION

Applicant information (within Slideroom form)

1. Enter the amount requested (up to \$450,000)
2. Legal Name of Organization– needs to be the full legal name as would be evidenced on legal documents or a W-9 form. Do not use acronyms unless an acronym is the legal name of the applicant. If submitting a “doing business as” (DBA), DBA must be registered with the appropriate state, and Applicant must submit legal entity under which the DBA is registered.
3. Primary Contact First and Last Name
4. Primary Contact Title
1. Primary Contact Email Address
2. Secondary Contact First and Last Name
3. Secondary Contact Title
4. Secondary Contact Email Address
5. Street Address, City/Jurisdiction (if rural), State or Territory
9. Enter the number of years your organization has been in business.
10. Please upload the organizational documents listed in the Due Diligence Checklist below. Please upload these documents in a single PDF document.
 - a. *To access the checklist, please use this link: <https://bit.ly/3eL7S4X>*

Eligibility

1. Please upload your M/WBE certification (in SlideRoom) and/or provide demographic information of your organization as it relates to the eligibility requirement #1 in page 4 of the application. If legally allowed by your organization, please submit Human Resource data sheet certifications, including names of individuals in leadership, titles held, and disclosure of their race and ethnicity.
2. For property management focused applications:
 - a. **Please fill the first tab and upload:** <https://bit.ly/32YvXzN>

- b. How many units of affordable Section 8 and/or regulated housing is your organization currently managing?
 - c. Please submit a sample Monthly Management Report from last year for an affordable housing property of your choosing.
3. For development focused applications:
 - a. **Please fill the second tab and upload: <https://bit.ly/32YvXzN>**
 - b. How many successful residential rehabilitation or new construction (multifamily or single-family) LIHTC or similar projects have you developed within the past five years, as either a joint venture or independently?
4. Please upload a business bank statement (not individual/personal) that shows 1 month of operating cash.
5. Please upload a certified financial statement (self-prepared is also acceptable).

Organization-- 1,000 characters per question

1. Please submit a forward-looking budget, projecting income and expenses across business lines.
2. Please provide a brief description about the background and mission of your organization.
3. What is your organization's long-term commitment to affordable housing preservation?
4. Describe your organization's community engagement efforts.
5. What is the typical number of affordable housing developments your organization has closed per year? Do you expect that this will decrease or accelerate in the next 2-3 years?
6. What is your current staff capacity? What internal infrastructure does your organization have to execute on the grant?
7. For property managers, have IRS Forms 8823s been issued for your properties, reporting non-compliance that was uncorrected at the time of issuance? If so, how many have been issued over the past 5 years? Please describe corrective measures taken. Please describe any instances where you may have purchased or taken over management of a property with open compliance issues.

Need(s) – 3,200 characters per question

1. Describe the operational, financial, pipeline development, staffing, or other needs that this funding will help mitigate.
2. How will Enterprise's grant bridge your unmet needs? More specifically, how will the grant help your organization (1) accelerate your organization's housing development pipeline AND/OR (2) fill operational gaps in your housing portfolios AND/OR (3) contribute to your organizational growth?
 1. **Please note that your response must comply with the eligible uses listed on pages 5 and 6.**

Selected Portfolio and Implementation (s)-- 2,000 characters per question

1. What activities/projects are you planning to finance with this funding and why? Describe your timeline, goals, and anticipated impact/outcomes (both qualitative and quantitative)?
 - a. **Please note that your response must comply with the eligible uses listed on pages 5 and 6.**
2. Specify the housing project(s) you will be targeting. This spreadsheet should include ALL projects slated to be improved through this grant, including those targeted for

Predevelopment, Equity, Property Management, and/or Property Operations Uses listed on pages 5 and 6 of this application. Please upload and fill out all the required columns in the third tab of the following excel document: <https://bit.ly/32YvXzN>

3. **If using a portion of the funds for organizational growth**, how this grant will help your organization grow, expand, or stabilize your property management, development business line, and potentially help expand into other lines of affordable housing business (i.e., property management, development consulting, construction management, or resident services)? Will any of the staffing costs be related to providing eviction prevention or other tenant supportive services?
 - a. **Please note that your response must comply with the eligible uses listed on pages 5 and 6.**
4. **If using a portion of the funds to pay for trainings**, please list out the trainings and how will these help (1) accelerate your organization's housing development pipeline AND/OR (2) fill operational gaps in your housing portfolios AND/OR (3) contribute to your organizational growth?
 - a. **Please note that your response must comply with the eligible uses listed on page 6 for trainings.**
5. **If you are applying for property management uses, please provide your response to the questions listed below. Please note that your response must comply with the eligible uses listed on page 6 for property management firms.**
 - a. Is your firm experiencing cashflow shortfalls resulting from decreased rent collection, delayed developer fees, or other causes? If yes, please explain.
 - b. What are the specific affordable housing projects slated to be improved with better management, and how will the funds be used to help your team improve your business operations? What specific property management staff trainings and/or software updates and/or IT equipment required for improved building operations will be implemented by your team? Improved management includes, but is not limited to, affordable housing compliance, addressing housing inspections, property oversight, navigating lease modifications, tenant services, etc.
6. **If you are applying for property operation uses, please provide your response to the questions listed below. Please note that your response must comply with the eligible uses listed on page 6 for property management firms.**
 - a. Is your firm experiencing cashflow shortfalls resulting from decreased rent collection, delayed developer fees, or other causes? If yes, please explain.
 - b. What are the specific affordable housing projects slated to be improved with better operations, and how will the funds be used to help your team improve your business operations?
7. **If you are applying for predevelopment uses, please provide your response to the questions listed below. Please note that your response must comply with the eligible uses listed on pages 5 and 6 for development firms.**
 - a. Explain the need for the funds at this juncture and any external approvals that will be needed to deploy the funds in the project.
 - b. Discuss the extent to which initial due diligence has been undertaken on the sites.
 - c. Do you have site control, including a signed MOU for JV partnership with an entity that has site control, RFP designation and/or agency sponsor designation

RFP award letter, and/or ownership of the property? If so, please upload supporting docs.

- d. Please submit a preliminary project budget(s).
 - e. Describe the management and maintenance staffing plan envisioned for this project. If you have one, please submit a sample or project-specific Management Plan.
- 8. If you are applying for developer equity for a project in construction, please provide your response to the questions listed below. Please note that your response must comply with the eligible uses listed on pages 5 and 6 for development firms.**
- a. Explain the need for the funds at this juncture and any external approvals that will be needed to deploy the funds in the project.
 - b. Discuss the extent to which initial due diligence has been undertaken on the sites.
 - c. Do you have site control, including a signed MOU for JV partnership with an entity that has site control, RFP designation and/or agency sponsor designation RFP award letter, and/or ownership of the property? If so, please upload supporting docs.
 - d. Describe the management and maintenance staffing plan envisioned for this project. If you have one, please submit a sample or project-specific Management Plan.
9. Does your organization currently have an active eviction prevention program? How will your organization program the \$50,000 (or more) required to support eviction prevention relief efforts? If you are a property management firm, how will you program these funds? If you are a development firm requesting funds for predevelopment or equity purposes, how will your firm work with the sponsor to set aside \$50,000 (or more) required to support eviction prevention relief efforts?
10. Please describe any formal partnerships your organization has established or will create going forward to implement and execute your planned activities. Partnerships can include legal agreements with governmental entities or developers.
11. Please upload a budget for your proposed grant request (including all eligible fund uses).

Long-Term-- 1,500 characters per question

1. For CEOs and executives, have you enrolled or are you currently enrolled in any training or capacity building programs? If yes, please list and provide a brief description about the certification/training received.
2. What type of technical assistance would be most beneficial to your organization to promote operational or project sustainability and growth?

EVALUATION CRITERIA

Enterprise will determine the number of Applicants selected to receive grant awards.

Evaluation Criteria	Eligible Points
Organization	20

<ul style="list-style-type: none"> • Applicant demonstrates a long-term commitment to affordable housing (10) • Applicant demonstrates experience in the affordable housing space and has the staffing infrastructure to execute on the grant (10) 	
Need <ul style="list-style-type: none"> • The Applicant demonstrates how the Enterprise grant will address unmet needs, mainly focusing on growing its affordable housing pipeline (30 points). 	30
Implementation <ul style="list-style-type: none"> • Applicant demonstrates a viable strategy to develop affordable housing and community assets and/or strengthen property management and operations impacting affordable housing projects. (20) • Track record and ability to undertake project due diligence. (20) • Goals and deliverables are clearly stated (5) • Application delineates achievable, measurable outcomes within ten months (5) 	50
Maximum points	100

Enterprise may request additional information from Applicants concerning their applications. Enterprise reserves the right to interview any Applicant and critical management of the Applicant entity. Also, please note that there may be tax consequences to receipt of grant funds but that assessing those consequences and mitigating them are the responsibility of the Applicant, not Enterprise.