



City of Oklahoma City
Public Facility Assistance Program

Solicitation for Proposals
to
Develop Public Facilities
for
Low- and Moderate-Income Beneficiaries
FY 2020 CDBG
Version I.I

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I. General information

PLEASE READ THE ENTIRE DOCUMENT BEFORE SUBMITTING QUESTIONS OR AN APPLICATION!

Questions or requests for additional information should be directed to the project manager, Kimberly Goodbear, Associate Planner, at (405) 297-2490 or kimberly.goodbear@okc.gov.

Attention to must and must not statements is important.

A. Funding Opportunity:

The City of Oklahoma City (CITY) Planning Department's Housing & Community Development Division is seeking proposals from nonprofit agencies that wish to develop capital projects considered public facilities that primarily benefit low- and moderate-income persons or areas. Funds from the CITY's Community Development Block Grant (CDBG) program are dedicated for this purpose.

Funding will be structured as a deferred loan forgivable at the end of the compliance period provided that all requirements of the funding agreement are met. The obligation to repay CDBG funds for nonperformance shall remain throughout the compliance period.

The CITY annually receives CDBG from the Department of Housing and Urban Development (HUD) under Title 1 of the Housing and Community Development Act of 1974, Public Law 93-383, as amended; 42 U.S.C.-5301 et seq. Use of CDBG is regulated by HUD under rules promulgated at 24 CFR 570 (CDBG Regulations).

Approximately \$1,000,000 of CDBG has been allocated for the public facility program. While individual project financial needs should dictate the amount of CDBG requested, The CITY prefers to fund multiple projects rather than one. For this reason, the point structure (see Section IV of the solicitation) favors applications requesting less than 1/4 of the amount of CDBG allocated. **Note that CDBG is considered GAP financing, meaning CDBG should represent the remaining funds needed for the project after all other funding has been raised or committed.**

B. Compliance Period:

Any public facility funded under this opportunity will be subject to a compliance period of at least five (5) years from the project in-service date (the date when the asset becomes operational for its intended purpose). The nonprofit owner of the facility shall be responsible for complying with all local, state, and federal rules and regulations.

c. Eligible Projects:

Examples of public facility projects that may be eligible under this opportunity include construction or renovation of: senior centers; facilities serving persons with disabilities, or low income youth; adult day care or child care centers; homeless shelters; congregate housing for people with special needs; health clinics; green spaces or parks (owned/controlled and maintained by the nonprofit). Public facilities may also include community-based or neighborhood-controlled public spaces. Infrastructure in support of eligible community- development or neighborhood-based projects may be funded.

Any building(s) or property development to be funded under this opportunity must be owned or controlled and operated by the nonprofit organization. Facility operations must be supported by adequate annual revenue of the agency or its partners, must be consistent with the agency's core mission, and serve the intended beneficiaries throughout the compliance period.

Eligible Projects must meet an eligible CDBG activity under CDBG regulations at 24 CFR 570.201-207. Examples include:

- Property Acquisition (if rehab is involved, a portion of CDBG must be used for rehab)
- New Construction (soft and/or hard costs)
- Rehabilitation (soft and/or hard costs)
- Environmental contamination abatement
- Infrastructure and utility installation Operational or administrative costs are not eligible.

Eligible Activities must meet a National Objective per CDBG regulations at 24 CFR 570.208.

Applicants may contact the program manager for assistance in determining how a given activity may meet such an objective.

d. Meeting a Priority Need:

Proposals that meet a compelling community-based or local priority need or that serve a special/vulnerable population shall receive preferences beyond the scoring criteria. "Compelling" here, for example, may mean that a majority of community residents acknowledge the necessity for the project, or the applicant provides sufficient evidence that would lead a reasonable reviewer to acknowledge the necessity. Applicant must describe the scope of the problem to be solved by the project, and how the problem or need(s) will be addressed. Quantifiable information is preferred over anecdotal. Priority or otherwise vulnerable populations include:

- Senior citizens, 62 and over
- Disabled persons

- Abused Children & victims of domestic violence
- Homeless persons
- Persons with HIV
- Persons in drug and alcohol recovery.

E. Submission Information:

Applicants may submit only one proposal for a single project under this opportunity. Submittals may be made during the period **starting January 15, 2020 at 8:00 am and ending June 30, 2020 at 4 pm.** Applications will be reviewed, and funding recommendations will be made by a committee selected by the office of the City Manager. **The first review period will start March 1, 2020.** Applications submitted thereafter will be reviewed monthly for as long as funds remain available.

Applicants must be aware that funds under this proposal come with CITY and federal compliance requirements including but not limited to Income Qualifying Standards; Labor Standards; Equal Opportunity; Accessibility; Environmental Requirements; Affirmative Marketing, etc.

Proposals must specifically reference the program name (CDBG Public Facility Assistance Program 2020, Solicitation Version I.I) on the cover page or cover letter of the submission. Any amendments to this solicitation will be noted by version number in the title line of the solicitation. Applicants must indicate the solicitation version number on the proposal cover page or cover letter.

There is no application “form” to complete. The required content of each proposal is defined in Section II of this document. Use the Application Checklist in Section V as a guide. Please submit documents in the order listed on the check list.

Electronic applications are preferred but must be submitted as a single package through an approved file share service or other preapproved method. Contact the program manager for preapproval to apply electronically. Otherwise, paper submittals must not be stapled but may be bound in a manner that allows for easy unbinding and scanning. Paper submittals must include one original and two copies and should be hand-delivered or mailed to:

Oklahoma City Planning Department
Housing & Community Development Division
C/O Public Facility Assistance Program
420 W Main, Suite 920
Oklahoma City, OK 73102

Faxed proposals will not be accepted.

F. Review and Selection Process:

As a part of the proposal review process, the applicant will be assessed a risk-score of 1-Low; 2-Medium; or 3-High (See Exhibit A for risk-matrix). High-risk applicants shall not be considered for funding. Low risk applicants are preferred. Submittals by Low and Medium risk applicants will be reviewed and evaluated by CITY staff under the solicitation requirements. Final funding recommendations will be based on a variety of factors including score, agency capacity and risk, project feasibility and readiness, availability of funds compared to the request, level of match/leverage, alignment with CITY preferences, and application quality/completeness (meaning conformance to solicitation requirements). Minimum submission requirements must be met, and more substantially complete applications shall be scored accordingly. Substantially incomplete applications are subject to rejection and may not receive a review.*

Selected applications will be forwarded to the City Council with a recommendation for funding and a request for authorization to negotiate a funding agreement. As part of the negotiations, selected applicants must attend a technical session covering CDBG and cross cutting regulations as well as provisions contained in a draft agreement. The finalized agreement will be forwarded to the full City Council for approval.

Funding will be structured as a deferred loan forgivable at the end of the compliance period provided that all requirements of the funding agreement are met. The obligation to repay CDBG funds for nonperformance shall remain throughout the compliance period.

Applications that have merit but do not receive funding under this opportunity may be considered for other funding opportunities should they become available.

G. Applicant Requirements: Each applicant must meet these requirements:

- Must be a nonprofit agency in good standing with the State of Oklahoma.
- Have a DUNS number.
- Be registered as “Active” in the U.S. Government System For Award Management (SAM) and have a CAGE number.

- Have a permanent place of business with adequate staff dedicated to the project.
- Demonstrate sufficient capacity. Capacity here refers to the applicant experience, ability to timely and effectively complete the project, sophistication to comply with CITY, local, state and federal rules and regulations, and ability to sustainably operate the facility for its intended purpose throughout the compliance period.
- Applicants must own the project site or have a long-term lease or evidence options thereto.
- Applicants must address how they will incorporate Section 3 and disadvantaged businesses into the project and how they will provide any project-related construction opportunities to low-income persons or disadvantaged business concerns. Disadvantaged businesses are those that are considered Section 3 business concerns or businesses that are majority owned by women or racial/ethnic minorities.
- Applicants must submit the required exhibits enumerated in Section II of this solicitation.

H. **Other Standards, Rules and Requirements:**

- Section 3 Compliance Objectives

Section 3 is a provision of the Housing and Urban Development Act of 1968. Its purpose is to ensure that employment and other economic opportunities generated by CDBG assistance shall, to the greatest extent feasible, be directed to low- and very low-income persons and business concerns.

“Greatest extent feasible” means every effort must be made and go a step beyond normal notification procedures and develop strategies that will specifically target Section 3 residents and businesses to participate in activities generated by this funding (example: contracting or hiring Sec. 3 persons to perform construction work).

- Davis Bacon Requirements

Funding under this opportunity is subject to Davis-Bacon and Related Acts, which will require laborers and mechanics working on the project to be paid prevailing wage rates (as determined by the U.S. Department of Labor) and to be paid weekly. Completion and submission of payroll certification reports each week will be required.

* The CITY reserves the right to award or to reject any or all proposals in whole or in part; and, waive technical defects, irregularities and/or omissions.

- Environmental review

All projects are subject to an environmental review performed by the CITY. Applicants must comply with CITY requests pertaining to the environmental review and provide all necessary information and property access to complete the review. Applicant must comply with 24 CFR Part 58, which prohibits ‘choice limiting actions’. To comply, once an application is submitted the applicant must stop work on the project until the environmental review is completed. Choice limiting actions include real property acquisition, repair, rehabilitation, construction, demolition, site clearance or leasing activities. In addition, until the environmental review is approved, neither CDBG funds nor non-CDBG funds can be committed to the project for any choice limiting activity.

- Signing an Agreement with the CITY

Applicants approved for CDBG funds under this opportunity shall be required to first sign a ‘Subrecipient Funding Agreement’ with the CITY per 24 CFR 570.503, which shall identify compliance requirements of the subrecipient including scope of work, records and reports to be maintained, uniform administrative requirements to follow, and other terms.

- Competitive Procurement

All subrecipients shall procure their vendors and contractors in a manner providing full and open competition consistent with Uniform Administrative Requirements at 2 CFR Part 318-326. Procurement by sealed bids (formal advertising) is the preferred method for procuring construction. Under this method bids are publicly solicited (and publicly opened) and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be excluded from competing for such procurements.

- Monitoring

The CITY will monitor medium-risk subrecipients twice annually and low-risk subrecipients at least once annually during project development; the CITY will monitor at the subrecipient’s place of business to ensure compliance with regulatory provisions including, but not limited to: meeting the national objective(s), activity eligibility, scope of service, budgeting, scheduling, recordkeeping (including confidentiality and security of records), financial management, maintaining required policies and procedures, and more.

- Record Keeping

Subrecipients must properly document all activities funded through CDBG and to maintain sufficient records to demonstrate that assisted activities meet CDBG requirements. Non-compliance with any requirements is grounds for nonpayment of claims, fund recapture, and/or contract termination.

- Property Standards

All CITY-assisted development projects must obtain necessary permits and are required to meet minimum property standards relevant to the project type throughout the period of compliance.

Currently the CITY uses:

- International Building Code, 2009
- International Existing Building Code, 2009
- International Residential Code, 2009
- International Fire Code, 2009
- National Electrical Code, 2008
- International Plumbing Code, 2000
- International Mechanical Code, 1996
- Associated Supplements to Each Code.

I. **Eligible Costs:**

CITY-source funds under this opportunity are limited to acquisition and development costs², which include but are not limited to the following:

1) Hard Costs (examples)

- Acquisition of land (for a specific project) and existing structures
- Site preparations or improvement, including infrastructure
- Materials and labor
- General conditions
- Integral structural fixtures and equipment.

2) Soft Costs (examples)

- Appraisals
- Plans/designs, including specifications
- Environmental reviews
- Builder or developer fees (based on a % of hard construction costs not to exceed 20%).

3) Ineligible Costs include operating and maintenance expenses, non-integral furnishing, fixtures or equipment, or agency admin expenses.

² Relocation costs are not eligible under this opportunity. Proposals involving acquisition/rehabilitation of occupied property must include a relocation plan conforming to Uniform Relocation Act requirements to be considered for funding.

II. Proposal Submission Criteria:

- A. The CITY reserves the right to request project-related information in addition to the submission requirements during the proposal review process. Proposals must include the minimum submission requirements below (as these are threshold items):
- 1) A complete and clear project description providing location-specific information: address, legal description and delineation of activities in the project scope.
 - 2) Evidence of site control via deed, option, lease, use agreement, etc. The term of any lease or use agreement must cover the period of compliance.
 - 3) Statement or verification that zoning suitable for the project is in place at the time of application.
 - 4) Agency EIN #, DUNS #, and evidence of a Cage number reflecting an active SAMs registration.
 - 5) Summary of the project financing, including a project development budget and operating budget. Please provide line-item detail in the budgets as well as all known committed or planned funding sources.
 - 5) Site plan and floor plans by building, including renderings and materials description if exterior changes are proposed. Preliminary Plans, including site plans, floor plans and elevations. External design must be compatible with the architecture and context of the neighborhoods in which the project is located. The CITY reserves the right to request design changes to satisfy this requirement.
- B. Beyond the minimum submission requirements, a thorough and complete proposal should also contain:
- 1) Project Narrative to include:
 - Details of the facility (by size and type)
 - Eligibility description (address the CDBG eligible activity(ies) and proposed National Objective(s))
 - Description of need for the project
 - Description of the intended beneficiaries
 - If the project serves an area benefit, describe the area boundary and the proposed benefit
 - Number of unduplicated persons intended to be served annually
 - Total cost of project
 - Total CDBG funds requested
 - Other secured funds/funders by source and amount. (Letters of commitment/intent, term sheets etc. must be provided to document the sources.)

- 2) Development Budget (include all sources and uses)
 - Line item detail of activities to be paid with proposed CITY-source and non-CITY funds (show in separate columns)
 - Show all hard and soft costs with line item detail under each respective category
 - Explicitly show all funding sources along with the anticipated financing terms
 - Contingency. (Generally, the expectation is contingency will be a minimum of 10% of total project costs. Larger or more complex projects may require more)
- 3) Operations Budget
 - Show revenue by source and expense by category
 - Operations budget must be reasonable and demonstrate project feasibility
 - Show sufficient reserve set asides for maintenance, replacement, etc. (Typically, 1 - 2% of the property value of the completed project should be set aside each year).
- 4) Pro forma extending 5 years from project in-service date
- 6) Development Timetable.
- 7) Best Efforts to achieve compliance under Section 3 of the Housing and Urban Development Act of 1968.
- 8) Phase I Environmental Assessment (as applicable – for most projects, this will be required).
- 9) Appraisal or other objective assessment of property value, including as is value, and after completion value (if applicable).
- 10) Relocation plan for occupied buildings (if applicable).
- 11) Self-score using the Section IV.
- 12) Application checklist using Section V.
- 13) Risk Evaluation using form in Exhibit A.

III. Selection preferences

- 1) Low Risk Applicants (see exhibit A)
- 2) Projects serving priority vulnerable populations (see page 4 Sec. D)
- 3) Projects meeting a compelling community need (see page 4 Sec. D)
- 4) Projects demonstrating strong inter-agency partnerships and long-term partner commitments.

IV. Point Structure:

Applications will be individually scored by City Staff utilizing the point system below. Total possible points are 100. **A minimum score of 75 points is required for funding consideration. Applicants are to use this tool to self-score and include self-score results with the application.**

- | | |
|---|---------------------------|
| 1) Applicant Risk Assessment | <u>Possible 20 points</u> |
| (Reviewers will complete a Risk Assessment Form to assign a score.
Applicants should complete the Risk Assessment Form [Exhibit A] to self-determine a score.) | |
| Low | 20 points |
| Medium | 10 points |
| High (high risk applicants will be disqualified) | 0 points |
| 2) Thorough and Complete Application | <u>Possible 20</u> |
| <u>points</u> Complete application | 20 points |
| Substantially complete > 85% | 15 points |
| Moderately complete 65-84% | 10 points |
| Marginally complete (meets minimum requirements) | 5 points |
| 3) Private match/leverage financing: | <u>Possible 20 points</u> |
| 81%-100% | 20 points |
| 61%-80% | 15 points |
| 41%-60% | 10 points |
| 26%-40% | 5 points |
| 4) CDBG Funds Requested | <u>Possible 20 points</u> |
| >\$250,000 | 20 points |
| \$250,000-\$499,000 | 15 points |
| \$500,000-\$699,000 | 5 points |
| \$700,000-\$1,000,000 | 0 points |
| 5) Project Readiness: | <u>Possible 10 points</u> |
| Ability to complete and place in service w/in 12 months | 10 points |
| w/in 18 months | 8 points |
| w/in 24 months | 4 points |
| > 24 months | 2 points |
| 7) Developer Fee (based on a percentage of hard construction costs) | <u>Possible 10 points</u> |
| ≤ 10% | 10 points |
| 10-12% | 8 points |
| 12-15% | 6 points |
| >15% | 0 points |

V. Application Checklist (Submit a self-completed checklist as part of the proposal)

- Program name and application version number (list on the cover page or cover letter of the submission).
- Applicant organizational documents, Bylaws, IRS Determination letter, current State Certificate of Good Standing, DUNS #, SAMS registration and CAGE number.
- List of agencies' (non-profit businesses) active board members by name, title, and professional affiliation.
- Agency place of business and list of staff members relevant to the project by name, role they will play in the project, and related experience.
- Proposed project site address, legal description, and evidence of site control.
- Description of best efforts your agency will undertake to comply with Section 3 of the Housing and Urban Development Act of 1968.
- Detailed statement of experience with like projects or prior successful experience working with the CITY and/or with federal community development funds.
- Phase 1 Environmental Site Assessment and property appraisal (required for applicants intending to purchase or refinance a property for use as a public facility or for properties purchased in the past 6 months).
- Development (production) timeline.
- Required Exhibits as listed below:
 - Project narrative: A complete and clear project description providing location-specific information including address, legal description and zoning, as well as a delineation of all activities included in the overall scope of the project.
 - Preliminary plans: site plan and design, if applicable include floor plans by building, renderings and materials description if exterior changes are proposed. Indicate property or building dimensions and total square footage of the facility.

- Description of need for the project.
- Description of project beneficiaries and an unduplicated count estimated to be served each year. If the project serves an area benefit, describe the area boundary and the proposed benefit.
- CDBG funds requested for the project along with leverage/match from private or other public sources. Identify source by name, amount and type and provide a letter of funding interest or commitment from all leverage/match sources including funding or in-kind provided by the applicant.
- Summary of the project financing, including the project development budget and operating budget. Provide line-item detail and all known committed or planned funding sources. Budgets will need to be provided in editable form in Excel® format.
- Development Budget (include all sources and uses)
 - Detail of activities to be paid with proposed CITY-source and non-CITY funds (show in separate columns)
 - Show all hard and soft costs categories separately with item detail under each respective category
 - Explicitly show all funding sources and provide information on all anticipated financing terms
 - Projects not showing a developer fee in the budget will not be allowed a developer fee regardless of whether being paid by a source other than CDBG. Any developer fee shown will be calculated as a percentage of hard costs and shall be limited to that percentage of the project should project costs rise. Property acquisition costs are considered hard costs for purposes of calculating the developer fee percentage.
 - Show contingency amount and source.
- Operations Budgets (1- and 5-year outlook)
 - Show revenue by source and expense by category
 - Operations budget must be reasonable and demonstrate project feasibility
 - Include sufficient reserve set asides for maintenance, replacement, etc.
- Risk Assessment. (Exhibit A)
- Application checklist. (Page 12 Sec. V)

City of OKC Risk Assessment Matrix

City of OKC Program Risk Assessment Matrix is a tool designed for City of OKC to assess a subrecipient's risk and help determine the level of monitoring required.

The examples in the matrix are intended as guidance. A complete risk assessment should consider the subrecipient and subaward on a case-by-case basis.

The weighted score will determine actions required. Assign an assessment rating (1, 2 or 3) for each criterion listed below.

Category	Low Risk	Medium Risk	High Risk	Weight	Assessment Rating 0 = N/A 1 = low 2 = med 3 = high	Weighted Score (weight x assessment rating)
Maturity of Subrecipient Program	Mature (more than 5 years)	Mature (1-5 years)	Start-up, no fiscal controls in place yet	3		
Entity Type	Large Subrecipient (multiple federal/state programs and other DOJ grants)	Medium Subrecipient, with multiple federal/state programs, few DOJ grants	Small Subrecipient, very few to no other federal/state programs	1		
Subrecipient's prior experience with similar awards or awarding agency	Subrecipient has prior experience with the same/similar subawards; Subrecipient also receives awards directly from the awarding agency	Program Site does not have prior experience with type of award, or Program Site does not receive Federal awards or is unfamiliar with awarding agency's requirements	Program Site does not have prior experience with the type of research or programmatic deliverables required by subaward	1		
City of OKC prior experience with Subrecipient	Previous positive experience as a Subrecipient	Previous experience as a Subrecipient but may have some minor concerns (few past findings)	New Subrecipient or previous negative experience (Multiple previous findings)	2		
Audit Results & Accounting/Procurement Systems	Has annual single audit with unmodified opinion	Has annual third-party financial audit; Program Site has a new or substantially changed systems or personnel for project administration	Has not had a financial audit by a 3rd party or current audit has material weaknesses, reportable conditions or findings; Responses to the Financial Status Questionnaire are questionable or indicate a lack of policies, separation of duties, or system controls	2		
Subrecipient's Familiarity with Award Mechanism	Subrecipient is familiar with award mechanism (e.g. contract, grant) and prime sponsor	Subrecipient is unfamiliar with award mechanism (e.g. contract, grant) or first-tier recipient	Subrecipient is unfamiliar with award mechanism (e.g. contract, grant) and first tier recipient	2		
Scope of Work & Project Submission (Timeliness of Submission of Receipts)	Subrecipient easily met objectives (e.g. reports); Progress based on milestones or observable outcomes	Subrecipient is not meeting deliverables, resulting in a change in project scope	Deliverables necessary in order to achieve project success; No reporting until end of the project, no measurable or observable milestones or outcomes	0		
Subrecipient Key Employee Turnover/Rotation of Employees	0 per Year	1-2 per year	>2/year	3		

Budget Compliance and Rate of Program Site Spending on Award	Pace of spending is consistent with budgeted amounts per year	Pace of spending slightly greater or less than budgeted amount per year. Budget is over/under by 10%-20%	Spending far outpaces or is severely below that which was in the submitted budget. Has had a budget revision within the past 2 years.	0	
Additional Procedures	Adequate internal policies are in place.	Needs improvement. Internal policies are in place but not adhered to or enforced.	Subrecipient does not have any internal policies in place.	2	
Amount of time passed since change in accounting systems and/or grants management systems	> 5 years	3-5 years	< 3 years	0	
Total:				16	0

Total Risk Percentage

#DIV/0!

Subrecipient Name: _____

Grant Number(s): _____

Program Manager's Signature: _____

Date: _____

Risk Level Assigned:

HIGH (82-100%) – The risk associated with engaging the program site could compromise the project’s goals, objectives, or compliance the prime sponsor’s terms and conditions.

MEDIUM (49-81%) – The risk associated with engaging the program site could result in inefficient operating inefficiently and/or expending unplanned resources to meet the project’s goals and objectives.

LOW (0-48%) – The risk associated with engaging the program site has no anticipated measurable effect on the achievement of the project’s goals and objectives.