REQUEST FOR PROPOSAL

INDIANAPOLIS AFRICAN AMERICAN QUALITY OF LIFE INITIATIVE FOR HOUSING RACIAL EQUITY

Racial Equity in Housing Development

ISSUED:
MARCH 15, 2022

RESPONSES DUE:
APRIL 22, 2022
11:59 PM (Eastern Time)

For Submission Requirements see www.iaaqli.org
INTRODUCTION

Indianapolis Urban League (IUL), with support and in partnership with National Urban League (NUL), the African American Coalition of Indianapolis (AACI), its member organizations, community groups, faith-based organizations, corporations, foundations, local and state public agencies and individuals, is implementing the Indianapolis African American Quality of Life Initiative (IAAQLI). Funded through a $100 million grant to NUL from Lilly Endowment, IAAQLI is mobilizing African American resources while also building collaborations and partnerships to elevate the quality of life of African Americans in Indianapolis/Marion County.

IAAQLI focuses on five priority issue areas affecting the quality of life of African Americans in Indianapolis: Business & Entrepreneurship, Education, Employment, Health and Wellness, and Housing and Homeownership. This Request for Proposal addresses the issue of Housing Racial Equity (under the area of Housing and Homeownership). IAAQLI invites eligible applicants to submit projects/programs that address the strategy of Racial Equity in Housing Development.

Background

NEED: RACIAL EQUITY IN HOUSING

The National Multifamily Housing Council estimates that the U.S. needs to build an average of 328,000 new apartments every year by 2030, and that mark has only been hit three times since 1989. According to a recently released White House briefing fact sheet announcing immediate steps to increase affordable housing supply, “the large and long-standing gap between the supply and demand of affordable homes for both renters and homeowners makes it harder for families to buy their first home and drives up the cost of rent. Higher housing costs also crowd out other investments families can and should make to improve their lives, such as investments in education.”

In real estate development, 70 percent of decisions that pertain to project outcomes are made within the first 10 percent of the development life cycle. For developers working in challenging markets, pre-development is fraught with multiple competing deadlines that complicate an already precarious development outlook. Developers frequently speak of the need for “no-cost capital” (i.e., non-recoverable grants) to cover pre-development services. These dollars bring a welcome degree of certainty to the project and allow developers the financial resources to navigate pre-development.
Real estate development in underinvested communities is complex during the best of times. The disproportionate impact of COVID-19 on Black communities exacerbates that complexity, but it also underscores the need to leverage catalytic real estate development as an economic recovery measure. According to recent data, 26.9 percent of COVID-19 deaths in Marion County are Black residents. Even before COVID-19, residents of Black communities in Marion County were twice as likely to be unemployed, four times less likely to hold a bachelor’s degree, and had a life expectancy of up to 16 years lower than nearby majority-white communities. The spread of a dangerous respiratory virus in already-struggling communities is a recipe for crisis. Urban pollution, the absence of some combination of basic needs such as quality grocery stores, safe open space, accessible transportation options and healthcare facilities, and the extremes of either overcrowding or social isolation make it all worse. As the region pivots from the immediate needs of the crisis to building back better real estate projects that incorporate strategies to improve racial equity, public health and the environment should take precedence. COVID-19 is a clarion call for sustainable development.

**IAAQLI STRATEGY TO RESPOND TO THE NEED**

IAAQLI seeks to engage African American led development teams to promote equitable and scalable models to increase the number of quality rental housing units and for-sale homes in the African American community.

To do this, we recognize that the creation and expansion of housing development options, including those that address the lack of equity funding, predevelopment funding, land acquisition, and gap financing, will be promoted through investments with African American led real estate developers and builders, selected religious institutions and African American led community development organizations with demonstrated housing development capacity. Furthermore, we recognize that there has been a deficit in the access to capital for such African American developers and other organizations. IAAQLI has identified the following strategy to address this deficit:

**STRATEGY—RACIAL EQUITY IN HOUSING DEVELOPMENT**

**Statement of Purpose for Racial Equity in Housing Development**

The goal of this strategy is to enhance the opportunity for development teams led by African Americans to be successful in their endeavors to increase quality and affordable housing throughout Indianapolis. Success will take many forms, such as increased access to other capital sources and opportunities to play a key role in the growth of African American neighborhoods. Respondents to this RFP are asked to measure the # of units developed (new or rehabilitation) and the # of individuals served by their proposed projects/programs and be able to articulate how grant
funds received under IAAQLI will expand their capacities to strengthen their operations and to improve the lives of African Americans in Marion County.

Under IAAQLI, NUL has committed $7,000,000 in funding for pre-development grants of up to $500,000 and equity/gap grants of up to $1,500,000. The grant term for awarded funds for pre-development, equity and gap funding is up to three (3) years.

Award amounts are subject to change.

The intended outcome of this funded strategy is to produce at least 50 dwellings (single-family and/or multi-family units) by the end of the grant cycle.

**ELIGIBILITY REQUIREMENTS**

**ELIGIBLE APPLICANTS**

Funding is restricted to organizations that are public charities described in Section 501(c)(3) of the Internal Revenue Code (Code). To be eligible for a grant award through this RFP, preference will be given to organizations that are African American-led and that is embedded in communities serving African American residents in Marion County, Indiana. Examples include:

a) Nonprofit social service organizations described in Section 501(c)(3) of the Code.
b) Community-based organization (CBO).
c) A religious organization with demonstrated housing development experience.
d) Community Development Corporation (CDC).
e) Community Housing Development Organization (CHDO).

In reviewing applications, preference will be given to organizations that include a plan for measurable milestones, outcome reporting, and collaborative project/program teams that consist of:

a) An experienced African American developer that is focusing on lot by lot, block by block development.
b) An African American lead architect.
c) A builder that has experience in larger scale projects with the capacity to execute the proposed project/program, paired with a contractor focused on low unit multi-family and residential single-family homes.
d) A Community Development Corp. (CDC) or Community Housing Development Organization (CHDO) collaborator that will economically benefit from the large-scale development.
e) Experienced developers and designers working with emerging African American developers and designers.

These organizations may apply independently or decide to collaborate with other organizations to deliver project/program activities. If applying with a collaborating organization or with a consortium of organizations, the applicant must include a letter(s) of support from those collaborators (signed by their authorized official) in the application. A letter of support should outline the collaborator's roles and contributions in delivering the required project/program, experience, expertise, and knowledge. Collaborating organizations may or may not be one of the following:

1) Black led or otherwise
2) Not-for-profit or for profit

It is preferred that collaborating organizations are based in Indiana and preferably, reside in Indianapolis.

Responsive proposals should describe how the development team will work together to provide wrap around support services to promote scalable, equitable, and sustainable development that benefits both new and existing residents in historically African American neighborhoods in Indianapolis and Marion County.

ELIGIBLE ACTIVITIES FOR PRE-DEVELOPMENT FUNDING

Eligible uses for Racial Equity in Housing Development funds include pre-development costs incurred in connection with:

a) Economic, market and other feasibility analyses for the project/program.
b) Architectural services.
c) Site due diligence, including but not limited to, environmental studies, soil testing, appraisals, and surveys.
d) Earnest money and deposits to execute purchase agreements and/or options for site control.
e) Professional services and initial fees related to project/program funding to support deal structuring, financial packaging, tax credit applications and/or grant applications.
f) Project management professionals and consultants, including attorneys, accountants and project managers used to support project/program approvals.
g) Community engagement and coordination.
h) Staffing to increase the capacity of the organization to complete project/program deliverables during the grant period.


**ELIGIBLE USES FOR EQUITY/GAP FUNDS**

Eligible uses for Racial Equity in Housing Development equity/gap funds include:

- a) Gap funding for 9% or 4% Low Income Housing Tax Credit (LIHTC) projects/programs and homeownership projects/programs.
- b) Subsidies to ensure homeownership projects/programs are affordable to the buyer.
- c) Land or building acquisition.
- d) Loans to the project/program to increase equity pricing through bridging the equity pay-in.

**ELEMENTS OF PROPOSAL**

**APPLICATION REQUIREMENTS**

1. The application form is available online at https://app.smarterselect.com/programs/77221-iaaqli.
2. All applications will be reviewed and screened by IUL and its IAAQLI partners. Criteria will include certification of Code section 501(c)3 public charity status (including a Letter of IRS Determination), the 990 of the organization, and clear identification of the IAAQLI strategy your organization plans to address, and adherence to other program requirements.

**IAAQLI GRANT APPLICATION**

The following section provides a general overview of questions grant seekers will need to answer in the application process. Applications, like the Letter of Intent, will be submitted through the IAAQLI Smarter Select system. Applications should address or include the following:

- a) The target audience for the proposed project/program, including the geographic location served, and points of service (including where the services will be offered and how the Black community will be able to access the services).
- b) A detailed project/program budget to accompany the applicant's grant request material. The budget must be completed on the IAAQLI Budget Template.
- c) How the project/program activities will meet the eligibility criteria of the proposed funding strategy.
A description of the project/program team and the management structure for the project/program; a description of the organization's leadership and staffing.

How the project/program will address the gaps in the housing ecosystem, focusing on racial equity within that ecosystem, and how it will contribute towards the achievement of the proposal's objectives and expected results. (*The information should describe what you are offering, how you will deliver, your proven track record, past experiences and your level of expertise related to entrepreneurship. If your project/program includes collaborations with other organizations, please also describe their role, track record, experience, and expertise.*)

Key activities you will undertake in this project/program and the proposed length of the project/program.

Plans for future sustainability after the grant funds are exhausted.

A statement of Revenue and Expense for the organization's most recently completed fiscal year.

A commitment that IUL will receive a certificate of insurance ("COI") naming NUL as an additional insured from each individual or organization receiving funding from NUL under IAAQLI.

**PROCEDURE FOR PROSPECTIVE GRANT APPLICANTS**

1. Applicants must submit responses to this RFP online by the indicated due date.
2. You should expect to receive notification of awards/declines by the end of May 2022. Please note, awards and grant agreement letters will come from the National Urban League.
3. Grant Agreements are sent to funded organizations and must be signed by an officer of the organization and returned by the due date indicated.
4. Funds are delivered after award approval and receipt of a signed Grant Agreement unless requested later.
5. Grant recipients are required to submit Grant Summary Reports at six-month intervals. Reports should update us on the progress of your funded project/program. A final report will be required at the conclusion of the award period. Reporting requirements and dates are included in the Grant Agreement. Please be sure to put the due dates on your calendar. If you do not submit your reports on a timely basis, we will not be able to provide scheduled future funding until those reports are made current.
SELECTION & EVALUATION PROCESS

Each submitted proposal will be reviewed by a team of evaluators. An IAAQLI staff representative will oversee the proposal evaluation process. Each proposal will be evaluated based on the following criteria, among others:

- Eligibility: The extent to which the organization meets the criteria regarding who can apply.
- Alignment: The extent to which the organization demonstrates how it will address gaps and challenges in the housing ecosystem (focusing on racial equity within that ecosystem), in alignment with this strategy’s stated objectives and expected results.
- Experience and capacity: The ability of the organization to deliver on the proposed project activities and the applicant's and/or collaborator’s technical and financial management capacity. Organizations are highly encouraged to leverage resources by fostering partnerships and by demonstrating economies of scale.
- Feasibility: The extent to which the project is sound and financially feasible.

ANTICIPATED RFP TIMELINE

<table>
<thead>
<tr>
<th>Event</th>
<th>Date/Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>RFP Date of Issue</td>
<td>March 15, 2022</td>
</tr>
<tr>
<td>Written Questions from Q&amp;A session</td>
<td></td>
</tr>
<tr>
<td>Due to Email: <a href="mailto:info@iaaqli.org">info@iaaqli.org</a></td>
<td>March 28, 2022</td>
</tr>
<tr>
<td>IUL Posts Answers to Questions</td>
<td>April 2, 2022</td>
</tr>
<tr>
<td>RFP Proposals Due to Smarter Select</td>
<td>April 22, 2022, 11:59 pm</td>
</tr>
<tr>
<td>Anticipated Proposal Awards</td>
<td>June 2022</td>
</tr>
</tbody>
</table>

QUESTIONS AND INQUIRY PROCESS

All questions/inquiries regarding this RFP must be submitted in writing by the deadline of March 28, 2022. Questions/Inquiries should be submitted electronically via email to info@iaaqli.org and must be received by the date indicated above.

Following the question/inquiry due date, IAAQLI will compile a list of the questions/inquiries submitted by applicants. Only answers posted on Smarter Select will be considered official and valid. No applicant shall rely upon, take any action, or make any decision based upon any verbal communication.
NUL and its IAAQLI partners reserve the right to publish clarifications on information submitted in response to this RFP and to conduct discussions, either oral or written, with applicants separately or in groups. These discussions could include requests for additional information, requests for cost information or technical requirements, response attachment revisions, etc. Additionally, in conducting discussions, NUL and its IAAQLI partners may use information derived from the responses submitted by competing applicants, making reasonable efforts to preserve the identity of applicants when communicating with others.

Neither NUL, its IAAQLI partners, nor any of their representatives shall be liable for any expenses incurred in connection with the preparation of a response to this RFP. Applicants understand that this RFP does not constitute an offer to enter into an agreement or a contract between any applicant and NUL, or any of their IAAQLI partners.

This document is for information purposes only. All applicants are required to complete a full application to be considered for funding. Eligible applicants are invited to apply through the Smarter Select grants management system available on at www.iaaqli.org.