



**Cuyahoga Land Bank
Request for Applications (RFA)
Housing Construction Gap Grant Program
September 10, 2020, as revised 10/1/2020**

The Cuyahoga County Land Reutilization Corporation, a/k/a the Cuyahoga Land Bank announces the availability of construction financing gap grants to support the construction of new single-family homes. The Cuyahoga Land Bank is a community improvement corporation formed in 2009 with a mission of strategically returning non-productive properties to productive use to improve the quality of life for Cuyahoga County residents. The Land Bank is organized as an Ohio nonprofit corporation and as a county land reutilization corporation under Chapters 1724 of the Ohio Revised Code.

Threshold Criteria:

The Land Bank will strategically invest in emerging markets (as defined by the Land Bank) by offering construction financing gap grants for eligible projects in order to incentivize development activity and to stimulate higher market values in these areas. Projects must first satisfy the following thresholds to be eligible for further consideration:

Project location in emerging or future markets: The project must be located within the boundary shown in Exhibit A. For a more detailed view of these areas, please go to <https://arcg.is/1Oz9uL>

Project type: Newly-constructed single-family homes. Renovation projects are not eligible.

Disposition type: Homes to be sold to owner-occupants.

Home sales price: Up to \$400,000

Development entity: Developers desiring to apply may be organized as a for-profit or a non-profit entity registered with and in good standing with the Ohio Secretary of State. A developer is defined as a company whose principals and staff will conceive, control, invest in and orchestrate the project from beginning to end.

Experience: Developers must demonstrate that it has developed at least 5 newly-constructed, single-family homes in Northeast Ohio that were sold during the period September 1, 2017 - August 31, 2020.

No Debarment: The development company and each of its principals may not be on the Cuyahoga County Inspector General's debarred contractor list.

Other Property-related thresholds: The development company and each of its principals may not have owned any real property wherein they lost title to the property or had any foreclosure filings within the last 3 years. In addition, the company and principals may not currently own any real property that:

1. is in material violation of state and/or local codes or has a history of code violations;
2. is known to have a history of being a site for criminal activity during their ownership;
3. is tax delinquent.

Developers and projects that the Land Bank deems to have met the above-described thresholds may be eligible to apply for project financing. Please review this entire RFA to determine if your project qualifies.

The Land Bank will be making at least \$1.2 million in grant funding available for this program. Applications will be accepted and awards made on a competitive basis. **Applications must be submitted by November 15th, 2020.**

Evaluation Criteria:

Applications that have satisfied the threshold criteria will be further evaluated with weight given to the following criteria and factors:

1. Projects for which site control has been secured either through direct ownership or by executed option agreements;
2. Projects that include multiple units as opposed to an application for a single house. In addition, projects that propose to build multiple units located within a geographic area of no greater than 40 acres or within a municipally-approved planned unit development;
3. Projects that are financially feasible based on our review of the proposed product, asking price, sub-market, proforma showing all projected sources and uses and the status of securing financing. Direct hard and soft costs and reasonable GC/developer fees may be included in project costs, however, indirect costs and developer overhead expenses should not be included. The degree to which the information that the applicant submits demonstrates that, but for the grant, the proposed project could not proceed, shall also be given weight in our evaluation;
4. Projects where the homes can feasibly be built and a certificate of occupancy obtained by December 31, 2021;
5. Projects which can be expected to: 1) have the greatest positive impact on the value of surrounding home values, and 2) encourage spin-off housing investment from others;
6. Projects supported by the local municipality as evidenced by a support letter executed by the Mayor or the Director of the City's Housing, Community Development, or Building Department. For projects within the City of Cleveland, support may also be evidenced by a support letter from the City Councilperson for the ward in which the project is to be built;
7. Projects for which detailed and relevant information has been provided. The Land Bank will not contact applicants to pursue incomplete and/or non-specific information, your application and the supplemental attachments that you provide shall be evaluated on their face so please be thorough in compiling your submittal.

A review committee consisting of members of the Land Bank's staff who have experience in the development, sale and/or financing of single-family homes shall review submitted applications and select projects for awards. The Land Bank reserves the right to consult others in this process, to accept and or reject any or all applications, to require additional information from an applicant, or to negotiate separately as necessary to serve its best interests.

Grant awards may range from a minimum of \$10,000 up to a maximum of \$40,000 per house. The amount will be determined by the Land Bank based on its evaluation of the financing gap, giving

consideration to a reasonable return to the developer. Award announcements will be made no later than December 31st, 2020. A grant agreement shall define the grant terms including a requirement that the awardee submit progress reports by the last day of each calendar quarter until the funded homes are sold.

Grants will be funded when the project is deemed by the Land Bank to be 75% complete based on an inspection by the Land Bank. At such time as the Land Bank advances the funds, it will place a lien on each parcel in the financed project which shall later be released upon sale of the property to the homebuyer. The lien may be subordinated to 1st mortgage construction financing from a financial institution and will be released as part of the homebuyer's closing process.

The Land Bank shall retain the right to revoke the grant award if 1) the developer fails to timely submit quarterly progress reports, 2) the project has not commenced construction within 9 months of the grant award and has not achieved 75% completion within 15 months of the grant award, or 3) the inspection reveals that the construction is not being executed in compliance with local codes and/or if required building permits have not been secured.

The application form and proforma worksheet can be found on the Land Bank's website at: <http://www.cuyahogalandbank.org/gapgrant>. We encourage you to review the entire application form and the proforma worksheet before you commence completing these materials.

Please submit any questions you may have on the application or the proforma worksheet to: gapgrant@cuyahogalandbank.org. In your e-mail, please provide your full name, the name of your company and your phone number.

The Land Bank reserves the right to amend this RFA, the application form or the proforma worksheet. Before submitting your application, please check for any amendments and for answers to frequently asked questions (FAQ) posted at: <http://www.cuyahogalandbank.org/gapgrant>.

Applications must be submitted by e-mail to: gapgrant@cuyahogalandbank.org.

The following files related to this grant can be found on our website at <http://www.cuyahogalandbank.org/gapgrant>

- Housing Construction Gap Grant – Round 1 - Request for Applications (this document)
- Housing Construction Gap Grant – Round 1 - Application Form
- Housing Construction Gap Grant – Round 1 - Proforma Worksheet
- Housing Construction Gap Grant – Round 1 - FAQ