

Request for Responses

Home Modification Loan Program

Summary

The Community Economic Development Assistance Corporation (CEDAC) on behalf of the Executive Office of Health and Human Services (EOHHS) and the Massachusetts Rehabilitation Commission (MRC) seeks Provider Agencies to administer the Home Modification Loan Program (HMLP) for the cities and towns specified in Exhibit A. Exhibit A also includes historic loan activity for these cities and towns for the past five (5) fiscal years.

This state bond-funded program provides 0% interest, deferred payment loans to homeowners who have a household member requiring access and/or safety modifications to their home. HMLP also offers 3% interest, amortizing loans to landlords of rental units. Target households include low- and moderate-income elders, adults with disabilities, and families with children with disabilities. Eligible modifications are modifications made to the primary residence of a person with a limitation(s) affecting their ability to function on a day-to-day basis or which allow the person to live more independently in the community. MRC has an overall program philosophy that reflects the independent living philosophy. The program is designed to allow for a great deal of consumer choice, and the program strives to empower borrowers to control and manage their own contractor and overall home modification project.

The Massachusetts State Legislature initially established the program in 1999. To date, HMLP has served over 3,000 Massachusetts residents. HMLP funding was last authorized in the 2018 Housing Bond Bill; a copy of the legislation can be found here: <https://malegislature.gov/Laws/SessionLaws/Acts/2018/Chapter99>.

CEDAC works in collaboration with the Massachusetts Rehabilitation Commission (MRC), the Department of Housing and Community Development (DHCD), and on the program. CEDAC and MRC/EOHHS work closely on program administration and policy through the Loan Committee, which is made up of individuals from CEDAC and MRC/EOHHS and a consumer advocate. MRC has contracted with CEDAC to administer HMLP funds and to contract with the Provider Agencies who work directly with applicants throughout the loan process (visit www.cedac.org/hmlp to learn more about the loan application process).

The HMLP offers 0% interest deferred payment loans to households with gross income of up to 200% of the area median income (AMI) as determined by the U.S. Department of Housing and Urban Development, using the Boston metropolitan area for all cities and towns in the Commonwealth. Applicant households must also have less than \$75,000 in countable assets. The program offers loans of up to **\$50,000** to property owners and up to **\$30,000** to owners of manufactured homes. Eligible landlords are offered 3% interest, amortizing loans, with the tenant's gross income and assets used to determine eligibility.

CEDAC will contract with each Provider agency in July 2022 (FY23), with program administration beginning by October 1, 2022. We anticipate the start of the fiscal year to be dedicated to program training and other program administration start-up requirements. Contract renewals will then occur annually, at CEDAC and MRC's discretion, for a total of 3 years, with the option to renew for up to an additional five years, with one-year extensions, subject to funding availability.

Each Provider is required to ensure that the program does not discriminate based on disability and all other federal/state classifications. In part, this means that the Provider must maintain effective communications and provide reasonable accommodations as requested by applicants or borrowers. Please refer to the "Technical Assistance Provided to Borrower" section of the HMLP Guidelines (Exhibit B) for more details.

Any questions regarding this RFP should be directed to Susan Gillam, HMLP Program Project Manager at sgillam@cedac.org or 857-939-7227.

Overview of Program Responsibilities

Through this RFP, a few organizations or collaborations of organizations that have the appropriate experience, skills, and capacity will be selected to administer this program for some or all of the cities and towns listed in Exhibit A attached at the end of this RFP.

Respondents should identify which cities and towns they are proposing to serve. Respondents are encouraged to consider developing a collaboration with other organization(s) to ensure equal access and coverage for all cities and towns. Based on the responses received, CEDAC may request or seek to negotiate the cities and towns to be included in the respondent's final service region.

CEDAC might consider a proposal to provide only some services outlined in this RFP, such as program outreach and/or application in-take. Respondents must provide details regarding why the proposal only includes some services, as well as a suggested payment structure.

Please review the current HMLP Guidelines (Exhibit B) to learn more details about the program requirements.

Respondents will be expected to provide the following services in order to implement this program successfully:

- Develop an annual outreach plan to reach potential program participants including elders, adults with disabilities, and families with children with disabilities and to agencies that serve these populations.
- Work closely with applicants to assist them as necessary in completing the application. In addition, work closely with the applicant and their selected contractor to complete the Bid Form as part of the application.
- Determine the eligibility of the applicant and proposed home modification projects under the program guidelines.
- Provide clear communication and regular updates to applicants about their application.
- Create an internal system to track applicants and communication throughout the application and loan process.
- Inform applicants of the availability of Reasonable Accommodations and how to request such accommodations.
- Provide Reasonable Accommodation as requested to ensure the homeowner can participate effectively in this program. For example, Provider staff may need to visit an applicant in their home to assist with the application.
- Work collaboratively with HMLP Construction Monitors, who review construction documentation and conduct initial and final inspections of HMLP borrower projects.
- Prepare loan documents, which are generated using the HMLP web-based database, and ensure any unusual ownership or other legal matters are shared with CEDAC for legal review in a timely manner.
- Have a working knowledge of the Massachusetts Land Records website, and have the ability to file mortgages or UCCs or engage a title company to facilitate the filing of necessary documentation.
- Provide clear explanations of each HMLP loan document to applicants and ensure applicants understand the legal obligations of the loan terms.
- Manage, review and process borrower project invoices and loan disbursements for each borrower project.
- Maintain up-to-date information on inquiries and current loans in the web-based HMLP database.
- Maintain paper files for all current loans in an organized fashion with copies of all relevant documents and communication that is discernable to any person who reviews the file.
- Maintain a segregated bank account for all HMLP funds and reconcile account activity monthly with the agency's accounting system and HMLP web-based database reports.
- Service all 3% interest, amortizing landlord loans or any HMLP borrower in the region wishing to make principal payments on their HMLP loan. Engage in collections efforts as necessary for delinquent portfolio borrowers.
- Submit quarterly financial reports to CEDAC on all program funds and activity as specified in the HMLP Guidelines and annual contract.
- Process subordination requests, issue pay-off letters, and work with borrowers experiencing financial hardships.
- Review and ensure any foreclosure notices and or other notices from the bankruptcy or other courts are submitted to CEDAC to be reviewed by the program's legal firm.
- Make best efforts to attend all scheduled Provider meetings and/or trainings.
- Work closely with CEDAC and MRC on refining the program including, but not limited to, assistance developing program policies, guidelines, forms and other materials.

Expected Start Date: CEDAC will be available to provide training on an on-going basis and acknowledges it will take each agency time to establish and learn the details of administering this new program. The start of the fiscal year will be dedicated to training and program start-up, with the goal of the Provider to be fully functioning by October 1, 2022.

Provider Compensation: Currently, each Provider under contract receives \$10,000 annually to assist with program administration costs. In addition, Providers receive \$3,400 per new loan closed and, receive \$1,500 for the first loan amendment closed. Additionally, Providers can receive up to \$3,000 per quarter if the agency meets certain performance

benchmarks within the quarter. Providers also have access to \$5,000 annually for dedicated program outreach efforts for the designated region.

Qualifications and Requirements

To be eligible for a contract, Respondents must meet the following qualifications:

- A. Demonstrated experience and competence in the administration and operation of similar services as described in the RFP, including, but not limited to, the administration of housing rehabilitation programs and/or individual consumer loan programs for low- and moderate-income households.
- B. For all cities and towns included in the proposal, demonstrated relationships or partnerships with community organizations that provide information and services to low- and moderate-income elders, persons with disabilities, and families who have children with disabilities.
- C. Demonstrated experience assisting program applicants to successfully complete the loan application process by providing technical assistance and information and referral.
- D. Demonstrated experience in conducting program intake and determining program eligibility.
- E. Demonstrated experience preparing loan documents and closing loans as described in this RFP.
- F. Demonstrated Cultural Competence: Respondents shall ensure equal access to services. The following strategies are recommended:

Agency Commitment: Agency Board of Directors and administrators make a commitment to creating an environment that clearly supports services for cultural and linguistic minority populations through the mission and goals of the agency.

Consumer Services: Program policies include language that contributes to enhancing equal access to services for all individuals residing in the Commonwealth. Program design, content, and materials are culturally and linguistically appropriate. Planning, implementation, and evaluation efforts include members of the target population. The program location and outreach activities are in settings that are most effective in reaching the target population.

Staff: Staff and volunteers, especially those who have direct contact with consumers, reflect the diversity of the culture and language of the community/target population. Bilingual/bicultural staff provides services to non-English speaking clients. Policies on recruitment, screening, and interviewing encourage hiring of individuals whose cultural and linguistic backgrounds reflect the cities and towns to be served. If the program does not have bilingual/bicultural staff, there is extensive training and systems in place to ensure culturally sensitive and language appropriate services.

- G. Demonstrated ability to manage and service a portfolio of both deferred payment loans and amortizing loans.
- H. Demonstrated experience with reviewing and processing invoices, with sufficient internal controls in place to ensure proper use of state funds.
- I. Sufficient levels and qualifications of staff to provide the services described in the RFP, including, but not limited to, appropriate housing rehabilitation expertise, loan administration expertise, and fiscal oversight.
- J. Ability and willingness to work effectively with CEDAC and MRC as well as other Providers on common issues in order to share and receive information and contribute to improvements in program design and implementation.
- K. Ability and willingness to work effectively and collaboratively with Construction Monitors.
- L. Ability and willingness to adjust services as may be required to ensure successful system operations.
1. Ability to commit to training and program start-up beginning July 2022 and to having the loan program fully functioning by October 1, 2022.

Response Requirements

Any questions regarding this RFP should be directed to Susan Gillam, HMLP Project Manager, 857-939-7227, or sgillam@cedac.org

Please provide a project narrative addressing the following areas:

Respondents who are proposing to implement only some of the required services should clearly identify and provide details about which program services are to be included and the response should include the required information from the corresponding bullet point(s) below. If you have questions about what should be included, please contact Susan Gillam.

- List of cities and towns in proposed service area. If multiple agencies are proposing a collaboration to serve these cities and towns, please clearly identify the roles and responsibilities of each agency and provide any suggested alterations to the Provider compensation.
- Names of the personnel who are expected to implement this program.
 - Include each individual's role and responsibilities. Please identify the staff person who will oversee the HMLP contract and manage program staff. Also identify the staff person(s) who will conduct intake, assist applicants with their applications, perform the underwriting, review and processing of invoices, and manage the fiscal oversight of the HMLP program funds.
 - Please also indicate the amount of time each staff person is anticipated to spend on this program.
 - If your agency plans to hire someone to implement this program, indicate this and provide a job description.
- Briefly describe respondent's experience implementing services similar to those requested in the RFP and/or information demonstrating the ability to provide such services, such as:
 - Knowledge of fair housing practices, including housing for individuals with disabilities;
 - Intake and eligibility determination for home modification, housing rehabilitation and/or other loan programs for low- and moderate-income households;
 - Technical assistance and information and referral;
 - Ability to assist consumers with varying abilities, including cognitive and emotional limitations;
 - The respondent's policies/practices ensuring that activities are equally accessible to all individuals residing in the Commonwealth.
 - Review of invoices and the processing of loan payments on consumer loans. Please include information regarding the frequency of the agency's Account Payable (AP) cycle;
 - Underwriting and servicing of deferred payment and amortizing consumer loans, including loan repayments, subordination and loan hardship requests.
- Brief outline of a plan to market this program to low- and moderate-income elders, persons with disabilities, and families with children with disabilities across your region(s). Please include a list of and description of agency's relationships with appropriate local and regional agencies to assist with HMLP outreach in the region.
- Provide a brief description of the respondent's accounting systems. Describe how the agency's system will manage and track each transaction required to implement a program similar to what is outlined in the RFP. Respondents with an accounting system capable of entering and tracking transactions at the individual borrower level is highly encouraged.
- Description of any start-up issues you believe are unique to the region(s) for which you are submitting a proposal.
- Indicate if the respondent is MBE, WBE, VBE or PBE certified. If so, please include evidence of the certification.

The RFP submission should include the following attachments

- Resumes and current job descriptions for staff expected to be involved in program operations.
- Applicant's audits and management letters for the last three years.
- Agency's WISP or written information security program document or policies.
- Agency's written internal control policies and disbursement procedures.
- MBE, WBE, VBE or PBE certification from the Massachusetts Supplier Diversity Office, if applicable.

Electronic Responses are preferred and should be delivered to: sgillam@cedac.org. Please contact Susan at 857-939-7227, if you do not receive an email confirming CEDAC's receipt of your submission.

The submission deadline is **12:00 p.m. on July 8, 2022.**

**Current Cities and Towns in
Western, MA Region**

	Loans Closed				
	FY17	FY18	FY19	FY20	FY21
Adams		1	1		1
Alford					
Ashfield					
Becket					1
Belchertown	1	1			1
Bernardston					
Blandford					
Brimfield		1			
Buckland					
Charlemont					
Cheshire	1	1			
Chester					
Chesterfield					
Clarksburg					
Colrain	1			2	
Conway				1	
Cummington					
Dalton		1	1	1	
Deerfield					
East Longmeadow			1		2
Easthampton	3				
Egremont					
Erving					
Florida					
Gill	1				
Goshen					
Granby					
Granville					
Great Barrington					
Greenfield		5	1	4	2
Hadley					1
Hampden					
Hancock					
Hardwick		2			
Hatfield					1
Hawley		1			
Heath					
Hinsdale					
Holland					
Huntington				1	1
Lanesborough					
Lee					1
Lenox		1			
Leverett					
Leyden					

Longmeadow			1	1	
Ludlow			1	1	
Middlefield					
Monroe					
Monson		2		1	
Montague	1	1	1		1
Monterey		1	1		
Montgomery					
Mount Washington					
New Ashford					
New Marlborough					
New Salem					
North Adams		2	2		1
Northfield					
Otis					
Palmer	1	3	1		
Pelham					
Peru					
Pittsfield	2	1	1	2	2
Plainfield					
Rowe					
Richmond					
Russell					
Sandisfield					
Savoy					
Sheffield					
Shelburne			1		
Shutesbury					
Southampton	1				
Southwick					
Stockbridge					
Sunderland					
Tolland					
Tyringham					
Wales					
Ware	2	2		1	
Warwick	1				
Washington					
Wendell	1		1		
West Stockbridge					
Westhampton					
Whately					1
Wilbraham		1	1		
Williamsburg				1	
Williamstown					
Windsor					
Worthington	1				
Total # of Loans	17	27	15	16	16