

REQUEST FOR PROPOSALS (RFP)

Project-Based Voucher (PBV) Program for
Permanent Supportive Housing Serving
Homeless, Seniors and/or Disabled Populations



Rutland Housing Authority

5 Tremont Street, Rutland, VT 05701

RFP Release Date: Tuesday, February 18, 2020

RFP Due Date: Friday, March 13, 2020 by 3:00pm



February 18, 2020

NOTICE OF REQUEST FOR PROPOSALS (RFP)

Project-Based Vouchers for

Permanent Supportive Housing Units

RFP Link: <https://www.rhvt.org/procurement/>

The Rutland Housing Authority (RHA) invites non-profit developers and owners of property within the Rutland City limits to submit proposals to participate in the Section 8 Project-Based Voucher Program (PBV). The primary purpose of this allocation is to create new permanent supportive housing rental units for low-income families.

Owners will be responsible for all operating expenses. Rents must be comparable with similar rental units in the area and cannot exceed the payment standards of the Rutland Housing Authority.

All units must be leased to income-eligible families referred by the RHA. Rental assistance is available for up to 19 PB Vouchers, but are limited to the greater of 25 units or 25% of the total units on the property.

Note: Participation in the PBV Program requires compliance with Fair Housing and Equal Opportunity Requirements; Federal Labor Standards will apply to eligible projects.

Notice is hereby given that proposals will be received by the Rutland Housing Authority, until 3:00 p.m. EST on Friday, March 13, 2020, via e-mail and hard copy, and shall be addressed and marked as follows:

**Kevin L. Loso, Executive Director
Rutland Housing Authority
5 Tremont Street
Rutland, VT 05701
kloso@rhvt.org**

Request for Proposals

A. Introduction

Rutland Housing Authority (RHA) requests proposals from non-profit property owners and developers for the Project-Based Section 8 Voucher (PBV) Program. Project-based applications are being accepted for new construction and rehabilitation projects. Proposals are due to RHA no later than 3:00 p.m. on Friday, March 13, 2020. Late applications and postmarks will not be accepted.

A housing unit will be considered a *rehabilitation unit* if it requires a minimum expenditure of \$10,000, including the unit's prorated share of work to be accomplished on common areas or systems. There is no upper limit on expenditures. All financing of project costs and operating expenses will be the responsibility of the owner.

A housing unit will be considered a new construction unit if construction has not started at the time of selection and/or prior to entering into the Agreement for Housing Assistance Payment (AHAP) contract. All financing and operating expenses will be the responsibility of the owner.

RHA estimates that up to **19 project based vouchers** may be available under this RFP for the purpose of creating and/or expanding permanent, affordable housing to very low and extremely low income families that meet one or more of the following definitions:

- Homeless: Families who meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) and contained in the Continuum of Care Interim Rule (24 CFR, 578.3) who require permanent, supportive housing;
- Elderly/Disabled Housing: Affordable housing to very low and extremely low income families whose head or co-head of household is a person with disabilities or age 62 years or older. The project proposal must make supportive services available to all assisted families in the project with a range of services tailored to the needs of the residents.

RHA is also looking for proposals that include on-site services or access to nearby services available to those utilizing these vouchers to assist with achieving housing stability and self-sufficiency.

B. Description of PBV Program

Through the PBV program, RHA will enter into housing assistance payment contracts with selected property owners for designated rental units for a term of up to fifteen (15) years subject to funding availability. Housing assistance subsidies will be provided while eligible families occupy the rental housing units and the units meet other program standards. RHA will refer families from its Section 8 Project Based Voucher Program waiting list to the project owner in order to fill vacant units. RHA's published subsidy standards will determine the appropriate unit size for the family size and composition.

Certain types of housing units and/or developments are not eligible for PBV assistance including:

- Shared housing;
- Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing service, board and care, or intermediate care. However, RHA may approve assistance for a dwelling unit in an assisted living facility that provides home health care service such as nursing and therapy for residents of the housing;
- Units that are owned or controlled by an educational institution or its affiliate and designed for occupancy by the students of the institution;
- Manufactured homes;
- Cooperative housing;
- Transitional housing;
- Owner-occupied housing units;
- Units occupied by an ineligible family at the time of proposal submission or prior to execution of the Housing Assistance Payment (HAP) contract;
- Subsidized housing unit types determined ineligible in accordance with HUD regulations. These include, but are not limited to: public housing units; units subsidized with any other form of Section 8 assistance; units subsidized with any governmental subsidy that covers all or part of the operating costs of the housing; units subsidized with rental assistance under Section 236, Section 521 or Section 101; units subsidized with Section 202 including supportive housing for the elderly; units subsidized under Section 811; units subsidized with any form of tenant-based rental assistance as defined at 24 CFR 982.1(b)(2) including units subsidized with such assistance under the HOME program; and, units with any other duplicative federal, state or local housing subsidy as determined by HUD or RHA.

The number of PBV assisted units in the building cannot generally exceed the greater of a total of 25 units or 25 percent (25%) of the total number of dwelling units in the building, except as provided by regulation. Exceptions to the project cap include:

- Units exclusively serving elderly families
- Units housing households eligible for one or more supportive services available to all families receiving PBV assistance in the project.

Sites selected for PBV assistance must be:

- Consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities, consistent with the RHA Five-Year Plan and Section 8 Administrative Plan. Specific factors are discussed at 24 CFR 983.57;
- In full compliance with the applicable laws regarding nondiscrimination and accessibility requirements;
- Meet Housing Quality Standards (HQS) site standards; and
- Must meet HUD regulations for site and neighborhood standards. For rehabilitated housing, the site selected must: a) be adequate in size, exposure and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to the site; b) promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons; c) be accessible to social, recreational,

educational, commercial and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and, d) be located within reasonable travel times and cost via public transportation or private auto to places of employment.

For new construction the site; a) must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site. b) must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area. c) must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons. d) neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions. e) housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents, and e) except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

PBV selected sites are subject to HUD environmental regulations with 24 CFR parts 50 and 58. The RHA may not enter into a PBV HAP contract with an owner until one of the following occurs:

- The responsible entity has completed the environmental review procedures required by 24 CFR part 58 and HUD has approved the environmental certification and request for release of funds;
- The responsible entity has determined that the project to be assisted is exempt under 24 CFR 58.34 or is categorically excluded and not subject to compliance with environmental laws under CFR 24.35(b); or
- HUD has performed an environmental review under 24 CFR part 50 and has notified the PHA in writing of environmental approval of the site.

Upon any environmental findings, as applicable, the owner is required to carry out mitigating measures required by the responsible entity in order to enter in to a HAP contract with the RHA.

PBV-selected sites are subject to HUD labor regulations, including Davis-Bacon Labor Requirements (see <https://www.dol.gov/agencies/whd/government-contracts/construction>).

PBV-selected sites are subject to Section 3— Training, employment, and contracting opportunities. The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135.

Lead-based paint requirements under 982.401 do not apply to PBV programs, however, the Lead-Based Paint Poisoning Prevention Act and Residential Lead Based Pain Hazard Reduction Act of 1992 and implementing regulations at 24 CFR part 35, subparts A, B, H and R apply to the PBV program.

The proposed and selected housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8. The RHA shall ensure that the percentage of accessible dwelling units complies with said requirements.

In addition, housing first occupied after March 13, 1991 must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205 as applicable.

RHA will enter into a Housing Assistance Payments (HAP) contract with the owner for all sites selected and approved for PBV assistance. RHA will make housing assistance payments to the owner in accordance with the HAP contract for those contract units leased and occupied by eligible families during the HAP contract term subject to funding availability.

The owner is responsible for screening and selection of the family referred by RHA from RHA's waiting list to occupy the owner's unit. At least seventy-five percent (75%) of the families approved for tenancy shall be families whose annual income does not exceed thirty percent (30%) of the median income for this area as determined by HUD and as adjusted by family size.

During the course of the tenant's lease, the owner may not terminate the lease without good cause. "Good cause" does not include a business or economic reason or desire to use the unit for an individual, family or non-residential rental purpose. Upon expiration of the lease the owner may: renew the lease; refuse to renew the lease for good cause; refuse to renew the lease without good cause.

The amount of the rent to owner is determined in accordance with HUD regulations. Except for certain tax credit units, the rent to owner including utility allowances must not exceed the lowest of:

- An amount determined by RHA, not to exceed 100 percent of the RHA Payment Standard for the unit bedroom size including any applicable tenant-paid utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Effective January 1, 2020, Rutland City 2020 Fair Market Rents and Payment Standards for determining rents are:

Unit Size (# of Bedrooms)	HUD's 2020 Fair Market Rent for Rutland City	RHA's Payment Standard Effective 01/01/2020
0	772	758
1	797	800
2	942	960
3	1293	1250
4	2357	2239

RHA's utility allowance schedule is available upon request.

The total rent to the owner for PBV assisted units consists of the tenant rent (the portion of the rent to owner paid by the family) and the rental assistance paid by RHA in accordance with the contract with the owner. RHA determines the tenant rent in accordance with HUD requirements.

APPLICATION REVIEW PANEL

RHA's Executive Director will appoint a PBV Selection Panel to review, evaluate, rank and select the applications according to the criteria described herein. This panel will, at a minimum, consist of the Section 8 Program Manager and the Property Manager.

APPLICATION REVIEW

RHA will review all applications. Before selecting units, RHA will determine that each application is responsive to and in compliance with RHA's written selection criteria and procedures, and in conformity with HUD program regulations and requirements, including the following items:

- Evidence of site control.
- Existing housing units must, at the time of RHA's selection, substantially comply with Housing Quality Standards.
- Certification that the owner and other project principles are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- Proposed initial gross rents must not exceed 100% of the RHA Payment Standard including any applicable allowance for tenant-paid utilities for the size of the unit.
- Property must meet eligibility requirements under §983.7 (Eligible and Ineligible Properties), §983.11 (Other Federal requirements), and §983.6 (Site and Neighborhood Standards).

- Property will be constructed with other than assistance under the U.S. Housing Act of 1937 in accordance with §983.9.
- No construction has begun, as evidenced by RHA inspection
- Project Cap: The limitation on the number of units that may be project-based in an individual project is the greater of 25 units or 25 percent of the units. Exceptions to the project cap as of April 18, 2017 are units exclusively serving elderly families and/or units housing households eligible for one or more supportive services available to all families receiving PBV assistance in the project. (Project Cap is defined in PIH Notice 2017-21, Attachment E)

If a project does not meet the requirements indicated above, it will be designated non-responsive. A notice mailed to the applicant will identify the disqualifying factor. Proposals that meet the requirements will be evaluated and ranked by the RHA panel. A RHA ranking list will be prepared according to the points awarded to each proposal. RHA may, at its discretion, select none, one or more of the proposals submitted.

RHA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time, if deemed by RHA to be in its best interests. RHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services. RHA reserves the right to award fewer than the number of units requested, if the requester agrees to accept a lower number of PBV units. RHA shall have no obligation to compensate an applicant for costs incurred in responding to this RFP.

SELECTION PROCESS AND SCORING CRITERIA

RHA will use the following to rank and select applications for the PBV Program.

Scoring Criteria:

Units must be inspected by RHA before scoring can occur. If the application is for more than 20 units, a representative sample of each unit size will be inspected before selection. If an existing HQS or equal inspection has been done within the last 12 months that inspection report can be used to satisfy this requirement.

RHA's Evaluation Panel will review and score each proposal based on the following criteria:

Scoring Criteria for Rehabilitated and New Construction Units

CRITERIA	MAX POINTS AVAILABLE
1. Term of Contract Requested	10
2. Site Location	10
3. Design	20
4. Owner Experience	15
5. Management Experience	15
6. Project Feasibility/Readiness to Begin Construction	20
7. Project Type and Supportive Services Provided	10
8. Public Purpose	20
TOTAL POINTS AVAILABLE	120

APPLICATION REQUIREMENTS

Applications will be reviewed and ranked and will be subject to the selection criteria described above. The following procedures will be followed by RHA in accepting and screening owner applications submitted for the PBV Program.

APPLICATION SUBMISSION DEADLINE

Owner applications will be accepted at the RHA office located at:

Attention: Kevin Loso, Executive Director
Rutland Housing Authority
5 Tremont Street
Rutland, VT 05701

Applications and supporting documentation for existing housing units, rehabilitated or new construction units will be accepted until **3:00 PM on Friday, March 13, 2020.**

APPLICATION FORMAT

One (1) original and three (3) copies of owner applications must be submitted in the format designated by RHA. Where possible, copies should be submitted as two-sided copies in

order to conserve paper. One additional copy should be submitted electronically to kloso@rhavt.org.

NON-RESPONSIVE OR NON-COMPLIANT APPLICATIONS

If RHA determines that an application is non-responsive or non-compliant with this RFP, written selection criteria and procedures, or HUD program regulations, the application will be returned to the applicant with its deficiencies described. RHA will give the applicant ten (10) calendar days to correct all deficiencies. The application will be considered for the program if the missing information is submitted within this time period.

RHA reserves the right to cancel this RFP for any reason or to reject applications at any time for misinformation, errors, or omissions of any kind, regardless of the stage in the process that has been achieved.

QUESTIONS FROM PROSPECTIVE OFFERORS

Any prospective offeror desiring an explanation or interpretation of the Request for Proposal, statement of work, etc., must request it in writing. Oral explanations or instructions will not be binding. Any information given to a prospective offeror concerning a Request for Proposal will be furnished promptly to all other prospective respondents as an addendum to the Request for Proposal, if that information is necessary in preparing and submitting the submission or if the lack of it would be prejudicial to any prospective respondents.

All questions regarding this RFP should be directed in writing to Kevin Loso. Inquiries may be delivered by any delivery method including e-mail at kloso@rhavt.org, or faxed to 802-747-6180.

APPLICATION CONTENT

Applications submitted must have the following:

- 1) Cover letter signed and submitted by the principal party authorized to contract on the organization's behalf. The cover letter should state the number of PBV units requested; the total number of units in the development along with number of buildings and the type of resident population.
- 2) A cover sheet that outlines the following:
 - Name of organization
 - Mailing address
 - Telephone numbers, fax numbers and e-mail addresses
 - Principal contact person
 - Executive Officer
 - DBE/MBE/WBE designation if applicable
 - Number of years in business
 - Number of years of ownership of the development

- 3) Copies of most recent single audit, audited 990's or financial statements of the organization.

Subsequent to the award of the contract, all information submitted as part of, or in support of the proposal will be available for public inspection in compliance with state and federal laws. Only financial information, if requested as part of the RFP to confirm a respondent's financial soundness, will be kept confidential.

- 4) Project application. Applications for PBV assistance must provide information on the following topics:

- Owner name
- Number of buildings
- Number and size of units
- Quality and location of units
- Other forms of assistance received
- Requested contract term
- Handicapped accessibility features
- Owner experience with rental housing
- Unit and neighborhood amenities
- Intended resident population
- Tenant selection criteria and plan
- Rent and occupancy status
- Affordability restrictions
- Need for PBV assistance
- Management and maintenance information
- Description of supportive services, including but not limited to:
 - Outreach;
 - Case management, counseling;
 - Health care, psychiatric and mental health care, substance abuse treatment
 - Life skills, parenting skills;
 - Child care, transportation, housing search assistance, budgeting;
 - Employment assistance, job training/placement;
 - Education, vocational opportunities.

- 5) Attachments

- A draft MOU with all organizations providing supportive services to tenants of the proposed site
- Evidence of site control
- Certification that the owner and other project principles are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- Project Operating Pro-forma
- Development Budget, including Sources and Uses
- Commitments of other funding (if available)
- Environmental Review and Notice of Release of Funds (if available)