Request for Proposals

for

Project Based Vouchers (PBVs)

(RFP No. PBV-2023-01)

RFP Issue Date: 09/05/2023

Closing Date: 09/19/2023

Closing Time: 4:30 PM (PDT)





I. General Information

The purpose of the Project-Based Voucher program (PBV) is to provide Public Housing Agencies (PHAs) with a flexible tool to increase opportunities for low-income families outside of areas with concentrated poverty. It is an optional program that PHAs may implement to meet the affordable housing needs of the local housing community. It is also a component of the PHA's Housing Choice Voucher (HCV) program. The PBV program attaches rental assistance to specific housing units in properties determined to be decent, safe and sanitary through the Housing Quality Standard (HQS) inspection process. The PBV subsidy can be used for existing properties, or newly constructed or rehabilitated units. These long-term PBV contracts help ensure that affordable housing is available to voucher-eligible households in tight housing markets.

Through this RFP, property owners and developers may request HCV Project-Based Vouchers and/or Veterans Affairs Supportive Housing (VASH) Project-Based Vouchers.

For HCV PBVs, the PHA maintains a waiting list and refers applicants to the property for screening. The property owner/agent identifies approved applicant(s) and then the PHA determines final eligibility for the PBV unit.

The PHA does not maintain a waiting list for Project-Based VASH units. The HUD-VASH program serves homeless Veterans of the United States Military. Homeless status and eligibility for VASH assistance is determined by the U.S. Department of Veterans Affairs (VA). Potential applicants will be referred directly to the property by the VA. No additional targeting criteria may be applied to PBV-VASH units.

A. Overview

The Housing Authority of the City of Salem (Salem Housing Authority or SHA) requests proposals from owners, developers, or other qualified parties for the Project Based Voucher (PBV) program. The PBV program is designed to conform to the following regulations, guidance and policies:

- 24 CFR 982. Where applicable
- <u>24 CFR 983</u>
- Notice PIH 2012-32. Rev-3
- Notice PIH 2013-08
- Notice PIH 2014-04
- HUD Final Rule, Published June 24, 2014
- Notice PIH 2016-05
- Federal Register Notice, published January 12, 2017
- Federal Register Notice, published January 18, 2017
- Federal Register Notice, published July 14, 2017
- Notice PIH 2017-21 (HA)
- SHA Section 8 Voucher Administrative Plan, particularly Chapter 17
- Section 504, Rehabilitation Act of 1973
- 24 CFR 135
- 40 U.S.C 3701-3708

Proposals are requested for new construction and existing projects within the urban growth boundary of Salem, Oregon for Studio, 1-, 2-, and 3-bedroom units at multifamily sites offering supportive service plans for residents. Single Room Occupancy (SRO) units will not be considered for PBVs in this RFP.

Proposal requirements and selection criteria are detailed below.

SHA intends to enter into a Housing Assistance Payments (HAP) contract no later than December 31, 2025 (Owner may request an extension if necessary to coincide with a financing timeline), with the owner selected and approved for PBV assistance. SHA will make housing assistance payments to the owner in accordance with the HAP contract for those units leased and occupied by eligible families during the HAP contract term subject to funding ability.

Property owners and developers may request to attach PBVs to units that are open for occupancy by low-income households or may designate units exclusively for occupancy by elderly households (head of household, spouse, or co-head is age 62+) and/or households eligible for supportive services available to all families receiving PBV assistance in the project. SHA will not provide additional waiting list preferences for projects selected in this RFP.

The owner is responsible for screening the applicants to occupy the owner's unit based on their tenancy histories. Families approved for tenancy shall be families whose annual income does not exceed fifty percent (50%) of the median income for this area as determined by HUD and as adjusted by family size. For all new admissions in the HCV program, seventy five percent (75%) must have incomes that fall under thirty percent (30%) of the area median income.

Any project that includes PBV VASH Vouchers must commit to a Housing First model for the VASH units.

Housing First is a homeless assistance approach that prioritizes providing permanent housing to people experiencing homelessness, thus ending their homelessness and serving as a platform from which they can pursue personal goals and improve their quality of life. This approach is guided by the belief that people need basic necessities like food and a place to live before attending to anything less critical, such as getting a job, budgeting properly, or attending to substance use issues. Additionally, Housing First is based on the understanding that client choice is valuable in housing selection and supportive service participation, and that exercising that choice is likely to make a client more successful in remaining housed and improving their life. More information about Housing First can be found at

https://files.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf.

HAP contract term will be a minimum of five (5) years, with a maximum of 20 years. Housing assistance subsidies will be provided while eligible families occupy the rental housing units, and the units meet other program standards. Until HUD guidance permits otherwise, SHA must maintain the waiting list and refer program participants to the project owner in order to fill vacant units.

During 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 or refuse to renew the lease for good cause.

Up to 100 PBVs are available under this RFP. NO PBV assistance will be available to selected units until November 1, 2023, at the earliest. If the total of PBVs requested under this RFP exceeds 100, SHA reserves the right to award selected projects a reduced number of PBVs.

B. Proposal Submission

Proposals must be **received by SHA** no later than **4:30 p.m. on Tuesday, September 19, 2023.**

Proposals must be submitted electronically, via email, in PDF format. Attachments are limited to 25 MB. If the proposal includes more than 25 MB of attachments, they must be sent in separate email messages. When sending separate emails, please number the messages, including the total number of messages (i.e., "1 of 3").

If SHA determines that proposal is non-responsive or non-compliant with this RFP, written selection criteria and procedures, or HUD program regulations, the proposal will be returned to the applicant with its deficiencies described. SHA will give the applicant five (5) calendar days to correct all deficiencies. The proposal will be considered for the program if the missing information is submitted within this time period.

Email your proposal and attachments to:

Melanie Fletcher

Assistant Housing Administrator of Operations

mfletcher@salemhousingor.com

Attachments must not exceed 25 MB total in one message; send multiple,

numbered emails (i.e., "1 of 3") if total proposal exceeds 25 MB.

RFP Contact: Melanie Fletcher, Assistant Housing Administrator

Housing Authority of the City of Salem

360 Church Street SE Salem, OR 97301 Phone: (503) 587-4815

Email: mfletcher@salemhousingor.com

Document Availability: Electronic copies of the RFP may be obtained on the SHA website at

www.salemhousingor.com/rfp. Hard copies of the RFP may be obtained beginning on September 11, 2023, from 8:00 AM – 4:30 PM by appointment only at the Housing Authority of the City of Salem's office located at 360 Church Street SE, Salem, Oregon, 97301. Applicants may call (503) 588-6368 to schedule an

appointment.

C. Right to cancel RFP or Reject Proposals

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

D. SHA Non-Discrimination Notice

SHA does not discriminate against any person due to disability; race; color; religion; sex; source of income; familial status; national origin; or actual or perceived sexual orientation, gender identity, marital status and/or domestic partnership in accessing, applying for or receiving assistance, or in treatment or employment in any of its programs and activities.

Complaints regarding accessibility of SHA's programs to individuals with disabilities should be submitted in writing to Melanie Fletcher, Salem Housing Authority, 360 Church street SE, Salem, Oregon 97301-3707, Mfletcher@salemhousingor.com. Questions or comments may be made by phone at 503.588.6368 or TDD Users dial 711. Requests for aid may also be directed to an SHA representative or other appropriate employees.

Selected proposal sites and their owners or agents must comply with SHA's non-discrimination statement, all applicable fair housing laws, and SHA policies regarding accessibility and reasonable accommodations.

II. Site Requirements

A. Site Location

Proposed projects must be located within SHA's jurisdiction, the Urban Growth Boundary of Salem, Oregon or Keizer, Oregon.

B. Project Cap

Generally, PBV assistance may not be attached to the lesser of 25% or 25 total units per project. Units that are not subject to the project cap include:

- Units that are exclusively for elderly families (head of household, spouse, or co-head must be age 62+).
- Units occupied by households who are eligible for supportive services available to all families
 receiving PBV assistance in the project, although the family is not required to accept or receive
 such services.
 - These services do not need to be provided at the project but must be reasonably available
 to families receiving PBV assistance at the project. They are designed to help families in
 the project achieve self-sufficiency or live in a community as independent as possible.
 - SHA may not rely solely on a supportive service program that would require the family to engage in the services once enrolled, such as FSS, for the unit to qualify for the supportive services exception.
 - o To meet this exception, supportive services must be written into the housing assistance payment contract (HAP) and subject to annual monitoring.
- Units where the project is in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates. The cap is the greater of 25 units or 40 percent of the units in the project.

C. Ineligible Housing Types

The following housing types are ineligible for the PBV program:

- A public housing or Indian housing unit.
- o A unit receiving project-based assistance under section 8 of the 1937 Act (42 U.S.C 1437f)
- Nursing homes, board and care homes, or facilities providing continual psychiatric, medical or nursing service.
- College or other school dormitories.
- o Units on the grounds of penal, reformatory, medical, mental, and similar public or private institutions.
- o A unit occupied by its owner or by a person with any interest in the unit.
- o Shared housing (does not include Single Room Occupancy (SRO) units).
- o Manufactured housing.
- o Transitional housing.
- o For existing housing, a unit that is occupied by a person ineligible to participate in the PBV program.
- o Any units which constructions or rehabilitation has commenced as defined in 24 CFR 983.152 after proposal submission and prior to the execution of AHAP.
- o Subsidized housing types as defined in 24 CFR 982.352(c) and 24 CFR 983.54.

D. Subsidy-Layering Review

HUD requires new construction and rehabilitation housing to undergo a Subsidy-Layering Review (SLR) prior to entering into an Agreement to Enter a Housing Assistance Payments contract (AHAP). It should be noted that the

SLR process takes 60-90 days to complete, and no construction or other choice-limiting activities may occur prior to HUD approval of the SLR.

No subsidy layering review is required for existing housing.

E. Environmental Review

All PBV properties must have an environmental review or clearance. For rehabilitated or new construction units, SHA may not enter an AHAP until an environmental review is complete. Likewise, for existing housing, SHA may not execute a housing assistance payment contract (HAP), until the environmental review is complete, or the housing determined to be categorically excluded/exempt.

By submitting a PBV proposal, property owners and developers agree to work with the Responsible Entity (the City of Salem) to complete the Environmental Review process.

F. Fair Housing and Equal Opportunity

SHA must comply with all equal opportunity and non-discrimination requirements under federal law and regulations in its implementation of the PBV program. In addition, SHA must comply with its PHA plan certification on civil rights and affirmatively furthering fair housing.

SHA must not establish selection preferences for a specific type of disability. On the other hand, SHA may adopt preferences on project-specific waiting lists for families who need services to be offered in conjunction with a property, building, or set of units. The owner must permit occupancy by any qualified person with disability who could benefit from the housing or services provided, regardless of a person's disability.

G. Accessibility for Persons with Disabilities

Existing housing, as well as new construction and rehabilitation projects, must meet program accessibility standards of both Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8 and the Fair Housing Amendments Act of 1988. SHA must ensure that an owner does not engage in discriminatory practices, the percentages of accessible dwelling units that comply with HUD rules, and design and construction is completed with all requirements.

H. Section 3 Equal Employment & Training Opportunities

The owner must comply with federal equal opportunity requirements, including Section 3 of the Housing and Urban Development Act of 1968 per 24 CFR Part 135. Section 3 requires that recipients of certain HUD financial assistance, to the greatest extent possible, provide job training, employment, and contract opportunities for low-income or very low-income residents in connection with projects and activities in their neighborhoods.

Low income is defined as a single person or family whose income does not exceed 80% of the median income for the area. A very low-income person is defined as a family or single person whose income does not exceed 50% of the median income for the area.

Section 3 is applicable when funds from HUD are used on a project and when additional persons (new hires) are employed. A new hire is any person hired after signing the contract or who us not a current employee.

Consistent with Presidential Executive Orders 11625, 12138 and 12432, and Section 3 of the HUD Act of 1968, all feasible efforts shall be made to ensure that small and minority owned businesses, women's business enterprises and other individuals or firms located in or owned in substantial part by persons residing in the area of the SHA project are used when possible.

I. Relocation Assistance

Owners of new construction and rehabilitation projects must comply with the regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) and state relocation laws. The owner must assist household(s) who are displaced. The execution of the AHAP is the date that is used for the calculation of PBV relocation assistance.

J. Labor Standards

If a new construction or rehabilitation project has nine or more units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics. The owner, contractors and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations at 29 CFR Part 5, and other applicable federal labor relations laws and regulations.

Davis-Bacon wage requirements may apply to existing housing when the nature of the work, including rehabilitation work, planned to be performed prior or after HAP execution, within such post-execution period as specified by HUD, is constituted as development activity.

K. Broadband Access

Effective 1/19/2017, HUD requires the installation of broadband infrastructure at the time of new construction or substantial rehabilitation of multifamily rental housing is funded or supported by HUD. This rule applies to the PBV program.

L. Rent Setting

Generally, the initial rent may not exceed the lowest of:

- The Voucher Payment Standard for the zip code in which the unit is located, less the utility allowance for the bedroom size of the unit; or
- o The reasonable rent; or
- o The rent requested by the owner.

Current Voucher Payment standards may be found online at www.salemhousingor.com/section-8.

Owners may request adjustments to contract rent at the annual anniversary of the HAP contract. The owner's request for a rent adjustment must be in writing and must be received by SHA no less than 60 days from the effective date of the adjustment. SHA may not approve a rent increase if the owner is in violation of the HAP, including units not in compliance with the housing quality standards (HQS).

If there is a ten percent or greater decrease in the published FMR, SHA must conduct a rent reasonable determination and may require adjusting the rent.

M. Other Requirements

- o Evidence of site control. Evidence that property or properties meet the site selection criteria.
- Certification that the owner and other project principles are not in the US General Services
 Administration list of parties excluded from Federal procurement and non-procurement programs.
- o Proposed initial gross rents must not exceed the Voucher Payment Standard including any applicable allowance for tenant paid utilities for the size of the unit.
- o Property must meet eligibility requirements under §983.7 (Eligible and ineligible properties and SHA-owned units), §983.11 (Other federal requirements), and §983.6 (Site and neighborhood standards).

- o Property will be constructed with funding other than assistance under the U.S. Housing Act of 1937 in accordance with §983.9.
- Consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities, consistent with SHA's PHA Plan and Administrative Plan. Specific factors are discussed at 24 CFR 983.57.
- Must meet HUD regulations for site and neighborhood standards. 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 place of employment.
- o Prior to project selection, a site visit or unit inspections must be completed.
 - For new construction and rehabilitation properties, site review must confirm that no construction has begun.
 - For existing housing, inspection of the proposed units must demonstrate that they substantially meet Housing Quality Standards.

N. Minimum and Maximum Number of Vouchers

Projects are limited to:

- No more than 25 PBVs total per proposed project.
 - o Maximum of 25 HCV PBV units
 - o Maximum of four (4) VASH PBV units
- No less than four (4) PBV units total per project.

SHA reserves the right to offer a lower number of PBV units to a property owner or developer if the total number of requested PBVs across all submissions to this RFP exceeds 100 Vouchers.

O. Bonus Points

The proposal scoring process will provide ten (10) bonus points for projects that incorporate up to four (4) VASH PBVs.

III. Proposal Contents

To be considered complete, proposals must contain the following:

- 1. **Proposal Cover Page**, which <u>must</u> include the following:
 - **a.** Project Name
 - **b.** Project Address (or approximate address)
 - **c.** County
 - **d.** Tax lot number(s)
 - **e.** Census Tract and current Poverty Rate of the tract, per the most recent American Community Survey data available
 - f. Project type (Existing Housing, New Construction, Significant Rehab).
 - **g.** Total number of units in the project
 - **h.** Total number of PBVs requested (indicate whether requesting HCV PBV, VASH PBV, or a combination thereof; total requested PBVs may not exceed 25 per proposed project).
 - i. Sponsor Name
 - j. Sponsor Address
 - k. Sponsor Point of Contact Name, Title, Email, Phone
 - I. Sponsor Signatory Name and Title

2. Proposal Narrative (no more than 5 pages, not including attachments)

- a. Provide a brief narrative summary of your project.
 - i. Identify whether the project is existing, new construction, or significant rehabilitation
 - ii. If new construction or significant rehabilitation:
 - 1. Include a description of work to be completed on the project
 - a. Include a rehabilitation work write-up, if applicable
 - b. Include drawings and specifications for new construction (does not count towards total page limit)
 - 2. Describe how the project will comply with the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205, the accessibility requirements under section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR 8.22 and 8.23, and accessibility requirements under Titles II and III of the Americans with Disabilities Act at 28 CFR parts 35 and 36, as applicable
 - 3. Describe how the project will comply with broadband access requirements.
- b. Describe the supportive services planned to be provided to the proposed project, including target population for the supportive services, staffing, and approach. Identify the service provider, any cost of the service to residents, whether services will be provided on-site, and location of services provided off site. Identify all uses of supportive services programming funding and how programming is consistent with operating pro forma submitted.
- c. Describe the need for PBVs in the proposed units and how they are consistent with local priorities including, at minimum, the Consolidated Plan. If applicable, describe consistency with the Ten-Year Plan to End Homelessness, and the Mid-Willamette Homeless Initiative.
- d. Describe the surrounding neighborhood and community, including proximity to public transport, employment opportunities, educational and childcare facilities, medical services and health facilities and social service providers.
 - i. Optional: provide a map identifying the location of services (does not count against page limit)

e. If the proposed project is in a census tract with a poverty concentration of 20 percent or more, the proposal narrative must include information about how the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities within the census tract.

3. Project Description (no page limit)

- a. Identify whether the project is existing, new or significant rehabilitation.
 - i. If new construction or significant rehabilitation, submit certification of site control, compliance with local permits, zoning requirements, and commitment to comply with labor standards and Section 3
 - ii. Lead based paint certification, if property was built before 1978
 - iii. Certification of accessibility
- b. Identify which of the criteria set forth in 24 CFR 983.57 applies to the proposed project.
- c. Proposed contract term (minimum of five (5) years; maximum of 20).
- d. Description of building(s), including year of construction.
- e. Total unit count and number of units proposed for PBV.
 - i. If the total unit count exceeds 25 units or 25% of the total number of units in the project (whichever is greater), identify:
 - 1. Number of units that are exclusively for elderly families (head of household, spouse, or cohead must be a person age 62+), and/or
 - 2. Number of units that will be occupied by households who are eligible for supportive services available to all families receiving PBV assistance in the project (although the family is not required to accept or receive such services).
- f. Site drawing identifying location of buildings with proposed PBV units identified.
- g. Chart of proposed PBV unit characteristics, which must include the following for each unit:
 - i. Unit identifier / Apartment number (if known)
 - ii. Square footage of unit
 - iii. Building story/floor of unit
 - iv. Number of bedrooms and bathrooms
- h. For rehabilitation, scope of work and scheduled construction date.
- i. Provide an estimated completion date if the project will be undergoing construction or rehabilitation. Provide an estimated date of occupancy.
- j. Proposed contract rents for each unit type.
- k. Utilities available to the unit, including which are paid by owner/included in rent, and which are paid by tenants.
- l. Listing of services, maintenance, equipment/appliances to be supplied by the owner without additional charges.
- m. Evidence of rent comparability
 - i. Market study for new/rehab or provide rents of three unassisted units with the same lower rents than the proposed rent.
- n. Relocation Plan
 - i. For currently occupied units, provide an estimated number of persons and households temporarily and permanently displaced. Provide an overview of a relocation plan in accordance with the Uniform Relocation Act.
- o. Current tenant information
 - i. If available, provide annual income information of current households, including annual income earned and number of household members.
- p. Tenant screening criteria and tenant selection plan.
 - i. Include information about the appeal process for denied applications.

- q. Current operating budget or pro forma.
- r. Most recent financial audit, if available.
- s. Proof of insurance
- t. Proof of payment of property taxes.
- u. Disclosure of other governmental assistance for the proposed project (for subsidy layering review)
- v. Owner Interests
 - i. Identify the owner, developer, architect, management agent, officers, principal members, shareholders, investors and other parties with percentage interest in the project.
 - ii. Provide certification that owner and other principals are not on the GSA list of excluded parties.
 - iii. Provide certification that there are no possible conflicts of interest in violation of the HAP.
- w. Describe previous experience developing or managing affordable housing. If available, propose ideas for collaboration between the owner/manager and the Housing Authority for tenant success in the PBV program; aspects could include inspections, certification and recertification appointments, and complying with the Statement of Family Responsibilities.
- x. Photos should be provided for each proposed building. Including those that contain: a) Exterior Showing front and back of the building; b) Common Area Entrance to amenities (laundry room, office, etc.); c) Unit Typical unit for each bedroom size.

4. VASH Housing First Narrative (if including VASH PBV in the proposal)

a. Proposals requesting Project-Based VASH Vouchers must serve chronically homeless households using the Housing First model and must provide a narrative detailing how screening and admissions policies will align with Housing First. Information on Housing First is available at https://files.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf.

IV. Proposal Review

SHA's Housing Administrator or Designee will appoint a PBV Selection Panel to review, evaluate, rank and select the applications according to the criteria described herein. This panel will, at minimum, consist of the Housing Administrator or Designee, Section 8 Manager, and Compliance Manager. Projects that include VASH PBVs must be also reviewed and approved by the US Department of Veterans' Affairs.

If units owned by SHA* are recommended for the project basing, applications and the recommendations of the panel will be forwarded to the HUD field office for review. (*includes tax credit units with ownership interest by SHA, as well as the units owned by SHA Instrumentalities).

Condition of Units	10
Presence or planned development of ADA compliant units, unit amenities, unit sizes.	10
Supportive Services Plan	
Appropriate for target population, no cost to residents, good probability of long-term funding – 30 Points	
Appropriate for target population, but residents charged a reasonable fee, long-term funding indeterminable.	20
- 10 points	
Inappropriate or costly to residents – 0 points	
Resident Opportunity	
Units are in a low poverty census tract (below 20% poverty) OR units in proximity to educational or	10
employment opportunities.	
Financial Stability	
No audit findings; DCR – Minimum 1.1; Maximum 1.45; cash flow does not exceed 10% of total operating	10
expenses.	
Owner/Manager Experience and Capacity	
Experience of owner and management agent in the development and management of affordable housing	20
(acceptance of the Housing Choice Vouchers is not considered in determination of score). Proposal sets forth	20
sustainable ideas for tenant success.	
Tenant Selection	10
Appropriate for low-income residents; includes appeal process for denied applications.	10
Readiness to Proceed	
No permanent displacement of tenants; existing projects able to enter into HAP contract no later than	10
01/31/2024. New construction/significant rehab projects able to enter into AHAP by 12/31/2024 and	10
anticipated completion of construction is prior to 12/31/2025.	
Site Visit	
New Construction or Rehabilitation projects: construction has not begun.	10
Existing Housing: substantial compliance with HQS in the proposed units, as evidenced by inspection.	
Total Possible Points:	100
VASH PBV Bonus	10
Project includes up to four (4) VASH PBVs. Proposal includes Housing First Narrative.	10
Total Possible Points with VASH Bonus:	110