



REQUEST FOR PROPOSAL (RFP)

PROJECT-BASED VOUCHER PROGRAM

SUBMITTAL DEADLINE: November 30, 2023 - 4:00 P.M.

Project Based Voucher Program

REQUEST FOR PROPOSALS (RFP)

INSTRUCTIONS

I. INTRODUCTION

The Housing Authority of the County of Merced (Authority) invites property owners in the County of Merced to submit a written proposal demonstrating their project eligibility, qualifications and interest in security Project Based Vouchers (PBV) that will serve eligible individuals or families. PBV assistance provides rental subsidies paid on behalf of eligible families who live in units that are contracted under the program. In this RFP, the Authority seeks proposals from owners/developers who will commit up to **150 units** of their rental housing to receive assistance through project-based vouchers.

PLEASE REVIEW THE INSTRUCTIONS AND COMPLETE A PROPOSAL PACKET. If you have any questions about the PBV Program or this RFP, please email Maria Alvarado at mariaa@merced-pha.com.

II. HOUSING AUTHORITY PROFILE

The Authority is a public agency whose main office is located at 405 U Street, Merced, CA 95341. The Authority's mission is to provide safe, decent, sanitary and affordable housing to low- and very low-income households, including families, the elderly and the disabled. The primary means to provide this assistance is through the U.S. Department of Housing and Urban Development (HUD) funded Section 8 Housing Choice Voucher (HCV) Program. The Authority currently assists over 3,900 families of the County of Merced through the HCV and similar programs.

Both the HCV and PBV programs operate within the Authority's program.

III. PROJECT BASED VOUCHER PROGRAM OVERVIEW

A. Program Administration

The Project-Based Voucher (PBV) Program is administered through HUD regulations and the policies outlined in the Authority's Administrative Plan.

The Code of Federal Regulations Title 24, Part 983, which outlines the primary governing regulations of the PBV program, is available for review online at www.gpoaccess.gov. The Authority's Administrative Plan is available for review by sending an email to mariaa@merced-pha.com.

B. Purpose

The purpose of the PBV program is to encourage property owners to attach project-based voucher assistance to rental property in order to preserve and increase the number of housing units serving low-income persons in the community.

C. Funding

Housing Authorities may use up to 20% percent of the amount of budget authority allocated to the Housing Authority by HUD in the voucher program. Funding for project-based assistance comes from funds already obligated by HUD to a Housing Authority's Housing Choice Voucher Program. This funding is subject to federal reauthorization.

D. Description of PBV Program

Under the PBV program, the Authority will provide assistance to selected existing, rehabilitated or new construction housing developments (as defined by HUD) willing to designate a portion of their units to special needs populations. HUD defines PBV housing developments as follows:

1. **Existing** housing is housing that already exists and that (upon Authority inspection of its designated PBV units) substantially complies with the Housing Quality Standards (HQS)/ National Standards for the Physical Inspection of Real Estate (NSPIRE) on the proposal selection date.
2. **Rehabilitated** housing is housing that exists on the proposal selection date, but whose designated PBV units do not substantially comply with the HQS/INSPIRE on that date, and are developed, pursuant to an Agreement between the Authority and the owner for use under the PBV program.
3. **New construction** housing is housing that does not exist on the proposal selection date and is developed after the date of selection pursuant to an Agreement between the Authority and the owner for use under the PBV program.

HUD-established HQS/NSPIRE specifications are described in the Cod of Federal Regulations, Chapter 242, Section 982.401. All PBV assisted units must meet HQS/NSPIRE and other requirements before rental assistance can commence.

Upon completion of a successful HQS/NSPIRE inspection, the Authority and the property owner will enter into a Housing Assistance Payments (HAP) contract for specified units for a term of up to 15 years. The HAP contract establishes the initial rents for the units and describes the responsibilities of the Authority and the owner. Rental assistance (which is based on each household's income) is provided while the units are occupied by eligible individuals or families referred from the Authority's waiting list. HAP contract renewal after the initial term may occur at the sole option of the Authority for such period (not exceeding

15 years) as the Authority determines appropriate to expand housing opportunities and to achieve long-term affordability of the assisted housing. All HAP contracts and subsequent renewals are contingent upon the future availability of appropriated HUD funds for the HCV Program.

E. Cap on Number of PBV Units per Project

Up to 25% of a project's units may be project-based. This cap will not apply if the PBV units over the 25% cap are leased only to elderly families, disabled families or families receiving supportive services. Supportive services include but are not limited to the services listed below. To be eligible for this service exception, a project must provide to the excepted units at least 6 of the services listed:

- Child Care
- Transportation
- Education
- Job training and employment counseling
- Substance/alcohol abuse treatment or counseling
- Household skills training
- Homeownership counseling
- Personal assistance;
- Health-related services;
- Case management;
- Counseling; or
- Other services designed to help the recipient live in the community as independently as possible.

The project owner will be responsible for regularly monitoring the supportive services requirements for the excepted units and must submit, at least annually, a report listing the families, the types of services provided and accessed, and the frequency of that access.

F. Occupancy and Vacancy of PBV Units

PBV units must be leased only to families from the Authority's wait list that are eligible for HCV assistance for the term of the HAP contract. For existing and rehabilitation projects, designated PBV units that are occupied on the proposal selection date must be occupied by a family eligible for HCV PBV assistance (see income limits below) and meeting the special needs criteria. If the family is not eligible, the unit cannot be selected for PBV assistance.

2023 Income Limits								
	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
30% of Area Median Income (Extremely Low)	\$16,350	\$18,700	\$23,030	\$27,750	\$32,470	\$37,190	\$41,910	\$46,630

PBV units that are vacant at the time of project selection or become vacant at any time during the term of the PBV HAP contract will be filled with eligible families from the Authority waiting list. The owner and tenant of the PBV unit must notify the Authority immediately if a tenant will be moving from a PBV unit. The Authority will notify applicants from its waiting list and refer interested individuals /families to the owner for suitability. Once an applicant is approved by the owner, the owner will refer them back to the Authority for final eligibility determination.

G. Ineligible Units

Certain special housing types are NOT eligible for project-based assistance. These include but are not limited to transitional housing, owner-occupied units, shared housing, public housing, Section 202 housing, Section 236 housing (exception made for units subsidized with Section 236 interest reduction payments) and units occupied by families who are not eligible for participation in the PBV program. Please see 24 CFR 983.53 for a complete list of ineligible properties.

H. Rent Limits

The gross rent (including utility allowance) may not exceed 110% of Fair Market Rent (FMR) for both initial rent and annual adjustments and must be rent reasonable in relation to rents charged in the private market for comparable unassisted units.

2023 Payment Standards						
Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms	6 Bedrooms
\$939	\$1,119	\$1,367	\$1,944	\$2,329	\$2,679	\$3,027

I. Federal Requirements

Certain other Federal requirements also apply to PBV assistance, including, but not limited to:

1. Fair Housing. Nondiscrimination and equal opportunity. See 24 CFR 5.105(a) and section 504 of the Rehabilitation Act. Selected projects are subject to Fair Housing reviews which may include review of marketing and outreach plans and reasonable accommodation policies.
2. Environmental Review. See 24 CFR parts 50 and 58 and 24 CFR, part 983.58.

3. Debarment. Prohibition on use of debarred, suspended, or ineligible contractors. See CFR 5.105(c) and 24 CFR, part 24.

In addition to the above the following applies for new construction or rehabilitated housing:

4. Labor Standards. Regulations implementing the Davis-Brown Act, Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), 29 CFR part 5, and other federal laws and regulations pertaining to labor standards applicable to an Agreement covering nine or more assisted units.
5. Equal Opportunity. Requires compliance with all equal opportunity requirements under federal law and regulation, including the authorities cited at 24 CFR 5.105(a).

In additions to #1-5 above, the following applies for rehabilitated housing only:

6. Uniform Relocation Act. A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.

IV. OFFER OF PROJECT BASED VOUCHERS

A. Number of PBV Units Available

The Authority will make up to **150 units** available for existing, rehabilitated or new construction projects that will serve special needs populations (see definitions in section B. below)

B. Definition of "Special Needs Population"

For purposes of this RFP a "special needs" population means:

1. An individual who is elderly (aged 62 or older); or
2. A family whose Head of Household or Spouse is elderly; or
3. An individual with a disability (as defined by HUD and determined by the Housing Authority); or
4. A family whose Head of Household or Spouse is a person with disabilities; or
5. A chronically homeless individual or family (as defined by HUD)

C. Project Eligibility

In order to be considered under this RFP, all projects submitted must meet the conditions stated below:

1. Proposed project must be located in the County of Merced.
2. Applicant may request to project-base no more than 25% of the units at a proposed project (there is no minimum requirement).

3. Proposed project must be an existing project, a planned new construction project or an existing project in need of major rehabilitation (see definitions in section III.D. of this RFP).
4. Construction or rehabilitation for the proposed project must not have started at time of selection of PBV (and cannot start until all post-award conditions are met and an Agreement is signed).
5. New construction or rehabilitation projects must provide a detailed plan for its construction and permanent financing which identifies the committed financing and anticipated remaining funding sources, including the status and commitment timeline for each source.
6. Proposed project must be located in a census tract with a poverty rate of no more than 20%. An exception to this requirement is possible if certain other conditions exist, i.e., there has been an overall decline in poverty rate over the past five years; is undergoing significant revitalization; new market rate units are being developed that would positively impact the poverty rate; and other conditions. Poverty rate, minority concentration and other characteristics of the neighborhood and census tract where the project is/will be located may apply. See 24 CFR Section 983.57 Site Selection Standards.
7. Applicant must have site control or evidence to indicate that the needed approval/documentation for site control is likely to be obtained and will not delay the project.
8. Applicant must provide evidence that the proposed new construction or rehabilitation is permitted by current zoning ordinances or regulations, or evidence to indicate that the needed rezoning is likely to be obtained and will not delay the project.
9. Owner/developer will dedicate all units awarded PBV under this RFP to serving “special needs” populations.

D. Other Considerations

1. Proposed projects that have or plan on-site or easily accessible supportive services for the target population will receive extra points in the competitive scoring process.
2. Applications submitted by an owner or developer experienced in the management or development of affordable housing for special needs populations will receive extra points in the competitive scoring process.
3. Applications proposing to project-base units with accessibility features for persons with mobility, hearing and sight impairments will receive extra point in the competitive scoring process. For a unit to be considered accessible, it must have:
 - a. An accessible building entrance on an accessible route
 - b. Accessible common and public use areas
 - c. Accessible doors (for a wheelchair)
 - d. Accessible route into and through the dwelling unit
 - e. Light switches, electrical outlets, thermostats and other environmental controls in accessible locations
 - f. Reinforced walls in bathrooms for installation of grab bars
 - g. Accessible kitchens and bathrooms

- h. Wired for visible alarm and doorbell appliances

V. APPLICATION PROCESSING

A. Limit on Number of Projects

Applicants (applicant means a sponsoring housing development organization and all its affiliated entities) can submit a maximum of 2 projects for consideration under this RFP. Each application must be for a single project. A project is defined as a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

B. Organization of Submitted Materials

All proposals (Authority application form and supporting documents) must be legibly typed and neatly organized and presented. All proposals must be bound by use of a binder or similar cover device. Applications submitted in loose-leaf style or held together by a paper clip or binder clip will NOT be accepted.

C. Submittal Deadline

The applicant shall submit an original and 3 copies of its proposal to the Authority. Proposals may be submitted by:

1. U.S. Mail to:

Attn: Maria Alvarado, Director of Housing & Community Development

Housing Authority of the County of Merced

405 U Street, Merced, CA 95341

2. Proposals addressed to the Authority may also be hand delivered to the Authority main lobby during regular business hours.

The Authority will date and time stamp all applications upon receipt. Proposals submitted after the deadline indicated above will not be accepted. Delays in mail service or other methods of delivery will not excuse late proposal delivery.

D. Proposal Review

The PBV Selection Panel appointed by the Authority's Executive Director will review, evaluate, rank, and select the applications according to the scoring criteria outlined in RFP, Authority policy, and program regulations.

E. PBV Voucher Award

Proposals that meet the program requirements will be evaluated and ranked according to the rating and selection described below and in section VI. of this RFP. A ranking list will be prepared according to points awarded to each proposal. In order to be awarded project-based vouchers, an application must score at least 125 points. Existing projects that are otherwise eligible and meet the minimum threshold requirement of 125 points will be given selection preference over new construction or rehabilitation projects.

The project application scoring the highest points will be conditionally awarded project-based vouchers up to the amount requested and in accordance with the specified limits. After awarding the highest scoring application(s), the Authority will conditionally award the next highest-ranking applications with project-based vouchers up to the amount requested and in accordance with the specified limits until all vouchers advertised as available for the program have been assigned. If the Authority determines that an application is eligible for PBV funding but cannot be fully funded at the amount requested by the applicant, the owner will be given the opportunity to receive partial funding.

Before selecting projects, the Authority will determine that each application is responsive to an in compliance with the Authority's written selection criteria as stated in this RFP, and in conformity with HUD program regulation and requirements at 24 CFR part 983. The Authority may request additional documentation as needed to determine an applicant or project's eligibility or qualifications. The Authority may, at its discretion, select none of the proposals submitted and reserves the right to postpone or cancel the final award of the proposals at its convenience.

F. Pre-Award Conditions

Prior to project selection, the Authority must conduct:

1. Unit Inspections. If the units to be assisted already exist, the Authority must inspect all the units prior to the proposal selection date according to HUD's HQS/NSPIRE guidelines and determine whether the units will be considered as existing housing or rehabilitated housing (see definitions in section III.D. of this RFP).
2. Site and Neighborhood Review. Before proposal selection, the Authority will conduct an inspection of the proposed PBV site. Site selection standards include 1) An assessment of the physical attributes and appropriateness of the site for the proposed units; and 2) An assessment

of whether the project is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities as stated in the Authority's Administrative Plan. Owners/developers may be asked to submit additional information to help facilitate this site review.

G. Post Award Conditions

For the selected project(s), the following items must be completed before the Authority and the owner can execute an agreement (AHAP) or Housing Assistance Payments (HAP) contract.

1. Environmental Review. PBV activities are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The Authority must obtain documentation of environmental clearance from the Responsible Entity who conducted or approved the environmental review (see 983.58).
2. Determination of initial contract rent. The Authority will determine the amount of initial rent to owner according to 24 CFR Section 983.303, paragraph (c). If the project is an Authority affiliated property, the rent will be determined by an independent agency.
3. Subsidy layering review. New construction PBV projects or existing PBV projects in need of rehabilitation that utilize tax credits or other governmental housing assistance from federal, state or local agencies are subject to a subsidy layering review (see 24 CFR 983.55) to prevent excessive public assistance for the project. Owner/developers will be required to submit a list of documents to the Authority which will then be submitted to HUD or California Tax Credit Allocation Committee (CTCAC) for the review.

H. Incomplete and Non-Responsive/Non-Compliant Applications

If a supporting document required by this RFP is not under the control of the applicant and cannot be obtained by the proposed submission deadline, the applicant must include a written explanation in the application detailing the cause of the delay and the anticipated date the document will be delivered. The Authority will review the information provided and accept the application, but classify it as non-responsive pending receipt of the document. In no case will documentation be accepted more than ten (10) days after the final deadline. If the Authority finds that an application is found to be non-responsive or non-compliant with this RFP, written selection criteria and procedures, or HUD program regulations, it will be rejected and the applicant will receive written notification stating the reason for rejection. The Authority reserves the right to reject applications at any time for misinformation, errors, or omissions of any kind, no matter how far they have been processed.

I. Withdrawal of Proposal

Applicants may withdraw their proposals before or after the RFP submittal deadline by submitting a written request to the address listed in section V.C. for proposal submittal or by email. Proposals can be re-submitted before the RFP submittal deadline but cannot be re-submitted after the deadline.

J. Tied Proposals

In the case of a tie score between two or more applications and not enough units available to fully award each tied application, the following factor will be considered to determine the application to be scored highest: The applicant with the highest number of units requested to be PBV will be ranked highest.

K. Proposal Cost

All costs incurred in the preparation and presentation of the proposal shall be completely absorbed by the applicant. All documents submitted as part of the proposal will become property of the Authority. Any material submitted that is confidential must be clearly marked as such.

L. Affirmative Action

The Authority is an Equal Opportunity Business Enterprise which promotes competitive solicitations and does not discriminate on the basis of race, color, religion, creed, national origin, sex, disability, age or sexual orientation. The Authority encourages Minority, Small, Women- or Disabled-owned Business Enterprises to respond to this solicitation.

M. Appeals and Remedies

Any party not awarded a contract may protest a contract award.

Grounds for Protest. Protest shall be based only on one or more of the following grounds:

- The Protestor believes that the Authority failed to follow the RFP's procedures and adhere to requirements set forth in the RFP or any addendum thereto.
- The Protestor believes there is misconduct or impropriety by the Authority officials or evaluation team members.
- The Protestor believes there was abuse of process or abuse of discretion by Authority officials or evaluation team members.

Protests must be received within seven (7) calendar days after the Authority has posted a notice of conditional intent to award on its website. The Authority will not consider protests after the above specified deadlines. All protests must be in writing and submitted to the Authority Attention: Maria Alvarado at the place specified for submittal of proposals.

VI. SELECTION CRITERIA

The following selection criteria will be used by the Authority to rank and select applications for this PBV program. Each criterion is comprised of several components with an associated point value. The total points awarded to an application will be the aggregate of the component subtotals for each factor. This section provides both a summary and details of the factors and point values.

SUMMARY OF FACTORS AND POINTS:

FACTOR	MAX POINTS
A. Site Location Adequacy (proximity of services)	20 Points
B. Decentralization of Site Location	20 Points
C. Provision of Supportive Services	20 Points
D. Financial Feasibility (for New Construction or Rehabilitation projects only)	20 Points
E. Previous Experience of Applicant in Development, and Management of Affordable Housing for Special Needs Populations	20 Points
F. Location of Units	20 Points
G. Project Accessibility	20 Points
H. Project Amenities	10 Points
I.	5 Points
TOTAL MAXIMUM POINTS:	155 Points

FACTORS AND POINTS

A. SITE LOCATION WITH REGARD TO PROXIMITY OF SERVICES	
<p>Project is within ½ mile of:</p> <ol style="list-style-type: none"> 1) A significant health facility 2) Bus or rail line 3) Retain shopping stores, including a grocery store and a pharmaceutical store 	<p>Project is within ½ mile of the <u>three</u> listed services:</p> <p style="text-align: center;">20 points</p> <p>Project is within ½ mile to <u>two</u> of the listed services (health facility must be one of the two services):</p> <p style="text-align: center;">10 points</p> <p>Project is within ½ mile of <u>one or none</u> of the listed services:</p> <p style="text-align: center;">0 Points</p>
MAXIMUM POINTS	20 Points

B. DECENTRALIZATION OF SITE LOCATION	
<p>Project is located within a census tract in which:</p> <ol style="list-style-type: none"> 1) The poverty rate is no more than 20%. 2) The poverty rate of adjacent census tracts are no more than 20%. 3) This is the first HCV project-based housing located in the census tract. 	<p>Projects meets <u>all three</u> of the listed factors:</p> <p style="text-align: center;">20 points</p> <p>Project meets the <u>first</u> and the <u>one other</u> of the listed factors:</p> <p style="text-align: center;">10 points</p> <p>Project <u>does not</u> meet the first factor for decentralization:</p> <p style="text-align: center;">0 points</p>
MAXIMUM POINTS	20 points

C. SUPPORTIVE SERVICES	
<p>Project provides appropriate supportive services on-site or easily accessible to site:</p> <ol style="list-style-type: none"> 1. Transportation, i.e. shuttle 2. Education 3. Child Care 4. Job training and employment counseling 5. Substance/alcohol abuse treatment or counseling 6. Household or life skills training 7. Homeownership counseling 	<p>Project provides <u>at least four</u> of the listed services:</p> <p style="text-align: right;">20 points</p> <p>Project provides <u>at least three</u> of the listed services:</p> <p style="text-align: right;">10 points</p> <p>Project provides <u>two or fewer</u> of the listed services:</p> <p style="text-align: right;">0 points</p>
MAXIMUM POINTS	20 points

D. FINANCIAL FEASIBILITY (Scored for new construction/rehabilitation projects only)	
<p>New construction or rehabilitated housing has a significant percentage of finance sources committed and there is a detailed plan identifying the remaining funding, including an explanation of the status and commitment time-lines for each source</p>	
MAXIMUM POINTS	20 points

E. PREVIOUS EXPERIENCE OF APPLICANT IN DEVELOPMENT AND MANAGEMENT OF AFFORDABLE HOUSING FOR SPECIAL NEEDS POPULATIONS	
<p>Applicant has significant experience developing and/or managing (through a selected property management agent) low income units for:</p> <ol style="list-style-type: none"> 1) Elderly persons; or 2) Person with disabilities; or 3) Chronically Homeless persons or families <p>The Housing Authority will assign points by reviewing the size of affordable housing portfolio, the applicant's amount and length of experience developing and managing affordable housing, and evidence of financial stability.</p>	
MAXIMUM POINTS	20 points

F. LOCATION OF UNITS	
<p>Higher points will be awarded to applicants project-basing certain housing types in under-served locations of the county.</p> <p>North County includes the cities of (input here names of cities in the north county)</p> <p>Central County includes the cities of (input here the names of the cities in the central county)</p> <p>South County includes the cities of (input her the names of the cities of the south county)</p>	<p>Project is:</p> <p>For elderly households and is/will be located in North Merced County: <u>or</u></p> <p>For non-elderly households and is/will be located in Central or South Merced County</p> <p style="text-align: right;">20 points</p> <p>Project does not meet the above specifications:</p> <p style="text-align: right;">0 points</p>
MAXIMUM POINTS	20 points

G. PROJECT ACCESSIBILITY	
<p>Project will designate units with accessibility features for person with mobility, hearing or sight impairments as PBV units (<u>see section IV.D.</u> of the RFP for a definition of accessible units)</p>	<p>All of the project's PBV units will be accessible for persons with mobility, hearing or sight disabilities:</p> <p style="text-align: right;">20 points</p> <p>50% or more of the project's PBV units (or at least 2 units, whichever is greater) will be accessible for persons with disabilities:</p> <p style="text-align: right;">10 points</p> <p>Less than 50% of the projects PBV units will be accessible:</p> <p style="text-align: right;">0 points</p>
MAXIMUM POINTS	20 points

H. PROJECT AMENITIES	
<p>Project provides the following amenities to its residents:</p> <ol style="list-style-type: none"> 1) Off street parking 2) On site management 3) On site laundry facilities 4) Common room for residents use 5) Decks or patios attached to units 	<p>Project provides <u>all</u> of the listed amenities:</p> <p style="text-align: right;">10 points</p> <p>Project provides at <u>least three</u> of the listed amenities:</p> <p style="text-align: right;">5 points</p> <p>Project provides <u>less than three</u> of the listed amenities:</p> <p style="text-align: right;">0 points</p>
MAXIMUM POINTS	10 points

I. PROJECT READINESS: NEW CONSTRUCTION	
<p>Project consists of newly constructed units that will be ready for occupancy within 12 months of signing the Agreement to Enter into a Housing Assistance Payments (AHAP) contract.</p>	
MAXIMUM POINTS	5 points