

DERBY HOUSING AUTHORITY, DERBY, CT

REQUEST FOR PROPOSALS (RFP)

ANNOUNCES AVAILABILITY OF PROJECT-BASED VOUCHERS (PBV)

1. Request for Proposals

The Derby Housing Authority (DHA) invites property owners / developers to submit proposals demonstrating their project eligibility, qualifications, and interest in participating in the Housing Choice Voucher, Project Based Program. The DHA encourages owners of zero (0) and one (1) bedroom rental units to apply.

Proposals are being accepted for projects that are part of the State of Connecticut Housing Portfolio in Derby only. The DHA may award up to 15 PBV's under this Request for Proposals (RFP). This 15 Project Based Voucher initiative is intended for units that are designated for occupancy by households who qualify under the HUD program income and eligibility guidelines and are for elderly or disabled residents. The 15 PBV units through this round are dedicated to support this goal while maintaining and/or increasing the supply of decent, safe and sanitary housing.

2. Program Design and Objectives

The U.S. Department of Housing and Urban Development (HUD) regulations allow communities, such as Derby, that are participating in the Housing Choice Voucher Program to allocate up to 20% of their authorized tenant-based vouchers for Project-Based Assistance. Subject to Federal requirements and in accordance with locally developed guidelines, rental subsidies are attached to specific rental units and, when the tenants of the units move, the rental subsidies remain with the units. Subsidies are used to pay the owner a portion of the monthly rent on behalf of eligible households and participating tenants generally pay 30% of their income toward their housing costs.

The DHA's Project Based Voucher program is designed to conform to the PBV program regulations found at 24 CFR Part 983. Owners must agree to comply with all federal Section 8 PBV voucher regulations and requirements. The Project-Based Voucher program provides the owner with contract rental assistance, which the owner is able to use to secure the necessary financing. All financing of project costs and operating expenses will be the responsibility of the owner.

The Derby Housing Authority's (DHA) Project Based Voucher (PBV) Program is designed with the following in mind. The DHA PBV program is designed to promote the preservation and expansion of the supply of affordable rental housing in Derby, with a strong emphasis on new or existing rental housing developments that:

- Leverage and build on housing and/or other investments made or planned by the City of Derby or DHA.
- Support neighborhood revitalization;
- Increase housing choice for low-income households in high opportunity areas;
- Provide options for low-income households to live in mixed-income and mixed-use developments; and;
- Incentivize developers to preserve or create affordable housing units that expand housing options for low-income households.

The DHA is seeking proposals that reflect innovative approaches to addressing the community's housing needs. Selected proposals must be consistent with and supportive of the DHA housing priorities and the goals established for this program initiative.

3. **Limitations**

- a. Proposals that have units that are occupied by persons who are not eligible for participation, will not have project based awarded with respect to that unit.
- b. Fair Market Rent Limitation - Rent and utility costs for a PBV unit cannot exceed the published Fair Market Rent (FMR), subject to the rent reasonableness limitation.
- c. Tax Delinquent Requirements - Property owner(s) who are not current in all tax, contractual or other obligation(s) owed to the City of Derby will not be considered.
- d. Housing types must not be manufactured homes, cooperative housing, transitional housing, owner-occupied units, shared housing, public housing, Section 202 and subsidized housing.
- e. Other issues for denying (i.e. fraud, bribery, or a history of non-compliance in all federally assisted programs).

4. **Proposal Selection – Threshold Requirements**

- A. **Available Units:** A total of 15 units are available. The application request must include a minimum request of 5 or more units. The DHA reserves the right to adjust the number of awarded units per proposal.
- B. **Unit Size:** Unit size is expected to be zero (0), and/or one (1) bedroom units.
- C. **Unit Condition:** All property units must substantially comply with the Section 8 Housing Quality Standards and the Housing Code for the City of Derby, as well as any other applicable City or State codes. The DHA or its contractor shall inspect the property prior to selection to ensure compliance.
- D. **Maximum Units per Building:** The greater of 25 units or 25% of a building's unit can receive PBV. Exceptions to this limit are permitted for:
 - Units exclusively for elderly families
 - Units for households eligible for supportive services available to all families receiving PBV assistance in the project
 - Units where the project is located in a census tract with a poverty rate of 20 percent or less
- E. **Building Type:** Building type is limited to existing buildings.
- F. **Lead Paint Requirement:** All units must be in full compliance with HUD and State of Connecticut regulations.
- G. **Subsidy Layering Review (SLR):** HUD requires a subsidy layering review for all PBV units that have other forms of publicly supported housing funds. The DHA may only provide PBV assistance in accordance with HUD subsidy layering regulations (24 CFR 4.14) and other requirements. The subsidy layering review (SLR) is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

H. Environmental Review: HUD requires that all PBV units comply with HUD environmental regulations stated in 24 CFR parts 50 and 58. HUD or a unit of general local government, county or state (the “responsible entity [RE]”) must ascertain that the building complies with the requirements of the National Environmental Policy Act (NEPA) or is categorically excluded from a federal environmental review.

The DHA will not enter into an Agreement to enter into a Housing Assistance Payment (AHAP) contract nor enter into a HAP contract until it has complied with the environmental review requirements. The owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed. The DHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The DHA will require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

I. Conduct of Development Work:

Labor Standards:

If an Agreement covers the development of nine or more contract 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 employed in the development of housing. The HUD-prescribed form of the Agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The owner, contractors, and subcontractors must also comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.

Equal Opportunity:

The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 and the implementing regulations at 24 CFR part 135. The owner must also comply with federal equal employment opportunity requirements.

Owner Disclosure:

The Agreement and HAP contract must include a certification by the owner that the owner and other project principals are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs. The owner must also disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.

J. Financial Feasibility:

Proposed project must be financially feasible.

K. Expanding Economic Opportunities:

Expanded economic opportunities includes: the availability of mortgage financing for low-income persons at reasonable rates using nondiscriminatory lending practices; the establishment, stabilization, and expansion of small businesses (including microbusinesses); the employment of low-income persons; the access to capital and credit for development activities that promote the long-term economic and social viability of the community; and empowerment and self-sufficiency opportunities for low-income persons to reduce generational poverty in federally assisted and public housing.

5. RFP Submission Instructions

Inquires - Applications must be submitted to the Derby Housing Authority, c/o Imagineers, 635 Farmington Avenue, Hartford, CT 06105. Only those proposals submitted in response to this advertisement will be considered for selection. Awards will be contingent upon compliance with the threshold criteria noted above and, in the application, and rating and ranking. Questions regarding this RFP should be directed to Maria Stoute (phone: 860-768-3304 or by email: mstoute@imagineersllc.com).

Submission Date(s) - The DHA will select PBV proposals through a competitive process. Applications will be reviewed and ranked by a selection committee in accordance with the selection criteria outlined in this RFP. The DHA will publish a Request for Proposal (RFP) in the New Haven Register for 15 available units. The advertisement shall be published at least once a week for three consecutive weeks. The advertisement will specify the number of units expected to be assisted and the application deadline date. Only applications submitted in response to the advertisement will be considered for the funding award.

Proposals are due February 6, 2023 by 4:00 p.m. Proposal application packages are provided with the RFP.

Proposals should be submitted as follows: one (1) original and five (5) copies, as well as one (1) PDF version on flash drive prepared in the format as outlined below, to enable the DHA to make a thorough evaluation. Proposals are submitted by either mail or delivery to the following location: Attn: Maria Stoute; Derby Housing Authority, c/o Imagineers; 635 Farmington Avenue, Hartford, CT 06105

The DHA will initially review applications for technical deficiencies and notify the owner/developer of the deficiencies by letter. If an application has technical deficiencies, the owner/developer will have seven (7) calendar days from the date of issuance of the DHA notification letter to submit the missing or corrected information to the DHA. Curable technical deficiencies relate to items that do not improve the substantive quality of the application relative to the rating factors.

The DHA will determine which, if any, proposals meet the criteria outlined in the RFP. Proposal must meet all eligibility and submission requirement stated in this RFP to be considered for award. The DHA will determine if a proposal meets a compelling community need and is otherwise consistent with DHA's long-term affordable housing goals. Based on the threshold factors, a minimum score of 70 is required for approval. Proposals that the DHA determines do not meet these standards will be rejected. In the event that the evaluation of the proposals results in a tied score, a lottery will be conducted to determine who will be awarded the Project-Based Voucher units.

The DHA reserves the right in its sole discretion to:

- Reject, in whole or in part, any or all proposals received in response to this solicitation;
- Cancel, terminate or re-issue this solicitation;
- Modify the selection and evaluation procedures, the scope of the proposed program and/or the format for required responses;
- Request amendments and/or additional information to supplement or clarify proposal submissions; and/or,
- Negotiate modifications to proposal submissions that are deemed by DHA to be in the best interests of DHA.

6. Submittal Requirements

Proposals should be organized as follows:

Tab 1 – Cover Letter

The letter should describe the subject property, identify the key players and highlight the respondents' qualifications. It should also be responsive to the material requested in the selection criteria.

Tab 2 – Proposal Application Package – Attachment A

Completely fill-out the “Proposal Application Package” attached to this RFP and provide the corresponding requested information.

Tab 3 – Other Attachments

- Attachment B – Certification Regarding Debarment, Suspension
- Attachment C - Lead Disclosure Form
- Attachment D - Owner’s Rent Reasonableness Checklist and Certification

Submit each application in a binder, with a separate tab for each of the application’s required components. Applications that are not complete will be returned and will not be reviewed until submitted as requested. A **Definition of Key Terms** is provided at the end of the application along with a **Checklist page** for required documents and attachments. Call Maria Stoute at 860-768-3304 for assistance.

7. Selection Criteria

The DHA Evaluation Panel will review and score each proposal based on the below factors. The selection criterion outlined below identifies and specifies the weight given to and the factors that will be used to rank and select applications in response to the January 16, 2023 RFP. The points listed below are the maximum points, which may be scored during the review process. Project selection criteria for the DHA PBV program will consist of the following factors and weight: A total of 120 points may be achieved.

FACTORS	MAXIMUM POINTS.
A. Support the Derby Housing Authority’s PBV program goals	30
B. Property Owner/Developer Prior Experience and Project Readiness	25
C. Design	15
D. Site Location	15
E. Previous participation with Derby Housing Programs and other general considerations	15
F. Overall Project Feasibility	15
G. Bonus Points – Preference for projects that propose to have a smoke-free policy	5
TOTAL MAXIMUM POINTS	120 (with bonus points) (Minimum points required: 70)

SELECTION CRITERIA	MAX. PTS. AVAIL.
<u>A.) Support the DHA’s PBV program goals</u> <ul style="list-style-type: none"> • Leverage and build on housing and/or other investments made or planned by the City of Derby or DHA. 	30

<ul style="list-style-type: none"> • Proposals that are confirmed as part of the State of Connecticut Housing Portfolio in Derby. • Property applicant clearly demonstrates broader community benefits. • Provides demonstrated ability to leverage other funding resources. • Units are located in close proximity to public transportation, shopping centers, pharmacies and medical facilities. 	
<p><u>B.) Property Owner/Developer Prior Experience and Project Readiness</u></p> <ul style="list-style-type: none"> • Evidence of previous experience or capacity to successfully rehabilitate, develop, market, manage and maintain rental housing. Owner/developer includes a narrative and/or other documentation demonstrating experience related to this RFP. For new construction or rehabilitation, information provided as to the developer’s experience and capability to build or rehabilitate affordable housing; for existing housing, information provided to indicate experience as an owner in the Housing Choice Voucher program (project based and/or tenant based) and owner’s compliance with owner obligations under the HCV program. • The ability to perform all required rehabilitation and maintain units with HCV fair market rents. • The ability for contract rents to be in accordance with rent reasonableness limitations; • The ability to demonstrate site control and permanent financing commitments. • For new construction and rehabilitation projects, a high scoring proposal must demonstrate that the applicant has either directly or through its team assembled all of the personnel, skills and other resources needed to complete the development project described in the proposal. This can be evidenced by reference projects of similar scale, budget and complexity. For all proposals (new construction, rehab, existing), a high scoring proposal must demonstrate that the applicant has a track record of successfully leasing up and managing projects of similar scale, complexity and resident populations, and has developed a responsive and comprehensive management plan. Information on the portfolio currently managed by the property management team must be presented including number of units, population housed, and location. A high scoring proposal will include a management plan that reflects the specific considerations of the site and the resident population including site/occupancy rules where applicable. 	25
<p><u>C.) Design</u></p> <p>Design consideration includes:</p> <ul style="list-style-type: none"> • Assurances that the unit (s) will meet all local code requirements for use and occupancy. • Evidence that the units are designed to accommodate the intended resident population • Evidence of vacancy or assurances by the owner that no permanent displacement of current residents will occur, and when applicable, provision for temporary relocation. • Evidence that rents will meet rent reasonableness test and units will be marketable (use the “Owner’s Rent Reasonableness Checklist and Certification” form – Attachment E – contained in the proposal package). • Any new or substantial rehabilitation of a building with more than 4 rental units must include installation of broadband infrastructure. • 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 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8 and the Fair Housing Amendments Act of 1988. 	15

<p><u>D.) Site Location</u> Site consideration includes:</p> <ul style="list-style-type: none"> • Evidence of site control. • Consistency with local plans and zoning requirements. • Evidence of ownership of the units by the owner. <p>1. For existing or rehabilitated housing: the site must meet the following site and neighborhood standards:</p> <ol style="list-style-type: none"> 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 service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.); 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 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 d. Be so located that 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 is not excessive. While it is important that housing for the elderly is not totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects. <p>2. For new construction: the site must meet the following HUD required site and neighborhood standards:</p> <ol style="list-style-type: none"> a. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed; b. The site must have adequate utilities and streets available to service the site; c. The site must not be located in an area of minority concentration unless the PHA determines that sufficient, comparable opportunities exist for housing for minority households in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area; d. The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons; e. The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate; f. The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and g. Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive. 	15
<p><u>E.) Previous participation with DHA Housing Programs and other general considerations</u></p>	15

<ul style="list-style-type: none"> • Evidence of previous experience or capacity to successfully manage and maintain rental housing. • Extent to which the owner has satisfactorily or dissatisfactorily participated in previous HUD or Derby housing programs. • Evidence of owner’s experience in development, marketing and management. • Completeness of application. • Owners/Developers must be in good standing with the DHA. • That gross rents are within the DHA’s payment standards. 	
<p><u>F.) Overall Project Feasibility</u> Considerations will include:</p> <ul style="list-style-type: none"> • Submission of income and expense pro-forma showing that projected income covers expenses and demonstrates the need for Project-Based Voucher assistance; • Evidence of funding feasibility/commitment or to extent possible support or interest from funding sources. 	15
<p><u>G. Bonus Points</u> G.) Preference will be given for projects that propose to have a smoke-free policy.</p>	5
<p>TOTAL MAXIMUM POINTS</p>	<p>120 (with bonus points) (Minimum points required: 70)</p>

8. **Evaluation and Selection of Proposals**

Eligible proposals will be reviewed by a DHA committee against the selection criteria and program purpose. The review committee will make pre-selections subject to further verification of criteria. Once final selections are made, the review committee shall advise the Executive Director of its evaluation and selection of the proposals to which Project-Based Voucher assistance shall be awarded.

9. **Project Base Contract Information**

The DHA will enter into a Housing Assistance Payments (HAP) contract with an owner for units in existing housing or in newly constructed or rehabilitated housing. For new construction or rehabilitated housing, the housing will be developed under an Agreement to enter into a Housing Assistance Payments Contract (AHAP) between the owner and the DHA. Contracts will be executed for all housing types when the units are ready for occupancy.

The HAP contract establishes the initial rents for the units and describes the responsibilities of the DHA and the owner. New construction projects and projects proposing rehabilitation will first enter into an AHAP Contract. The AHAP is the HUD-approved legal instrument through which the Owner agrees to develop the contract units to comply with the DHA’s criteria for decent, safe, and sanitary units, and DHA agrees that, upon timely completion of such development in accordance with the terms of the AHAP, the DHA will enter into the HAP contract with the Owner for the contract units. Before the AHAP is signed, the DHA will make a site inspection to verify conditions.

The DHA will not enter into an AHAP if construction or rehabilitation has commenced after proposal submission but before execution of the AHAP. For the purpose of this determination, “construction”

begins when excavation or site preparation (including clearing of the land) begins for the housing. “Rehabilitation” begins with the physical commencement of rehabilitation activity on the housing. The DHA will not enter into an AHAP until both the subsidy layering, and environmental reviews are completed, and the DHA has received the environmental approval.

Housing Assistance Contract Term – The DHA will execute the HAP contract term for a term of 20 years. For subsequent extensions beyond 20 years, the DHA may further extend the HAP contract beyond its initial term as long as a determination is made no earlier than 24 months prior to the expiration on the HAP contract.

10. Tenant Selection for PBV Units

Eligible families occupying units awarded Project-Based Vouchers will be afforded the opportunity to lease that unit or another appropriately sized PBV unit without requiring the family to be placed on the waiting list. The DHA will next provide preference for tenants who match the owner’s set-aside state approved Tenant Selection Plan, if any. Otherwise when filling vacant units, the owner must notify the housing agency of the vacancies in the units to which assistance is attached and potential applicants will be forwarded by DHA thru the existing waiting list of the HCV program.

In order to be eligible for admission to the Project-Based Voucher program all applicants must meet the following admission standards:

- a) An applicant’s income cannot exceed the applicable Section 8 very-low income limits or an applicant must be income eligible according to the HUD’s program standards. For the purposes of determining whether a family is initially eligible according to the HUD published income limits, the size of the family may be determined by counting a family that consists of pregnant woman as a two-person household in addition to any other family members. The DHA may elect to require that a physician’s statement support pregnancy in matters that impact the family size for the purpose of determining income-limit eligibility (income limits apply only at admission and are not applicable for continued occupancy; however, as income increases the assistance will decrease).
- b) An applicant must meet the HUD citizenship/eligible immigrant status criteria. For each household member to be eligible for assistance they must be a citizen, national, or a non-citizen who has eligible immigration status under one of the categories set forth in Section 214 of the Housing and Community Development Act of 1980 (see 42 U. S. C. 1436a(a)).
- c) An applicant must provide social security number documentation for all family members with the exception of individuals who do not contend to have eligible immigration status.
- d) An applicant must have each member of the family who is 18 years of age or older and each family head of household and spouse regardless of age sign one or more of the following consent forms; HUD-9886 Authorization for the Release of Information/Privacy Act Notice, INS consent forms, Certification to HUD Admission and Continued Occupancy Standards, Consent to Obtain Criminal History Records and Contact Drug and Alcohol Treatment Facilities.
- e) An applicant head of household and spouse must sign the Applicant Certification form to certify that the information given to the DHA on household composition, income, net family assets and allowances and deductions is accurate and complete.
- f) An applicant has not committed fraud or misrepresentation in connection with any federally assisted housing program.

- g) An applicant does not owe rent or other amounts to the DHA or any public housing in connection with Section 8 or public housing assistance under the U.S. Housing Act of 1937.
- h) An applicant must not be evicted from public housing or any Section 8 program for drug-related criminal activity within the last three years.
- i) The head of household or oldest family member is at least 18 years old or have the demonstrated “legal capacity” to enter into a lease under State or local law.
- j) All applicants will be screened using criminal history background checks. Applicants will be denied admission for the following offenses:
 - Persons currently engaged in drug related criminal activity or violent criminal activity.
 - Fugitives felons, parole violators and persons fleeing to avoid prosecution, or custody or confinement after convictions, for a crime, or attempt to commit a crime, that is a felony under the laws of the place from which the individuals flees.
 - Persons convicted for producing Methamphetamine on federal assisted housing property.
 - Sex offenders who are required by law to maintain permanent/lifetime registration with a State program. (The attempted background will be carried out with respect to the State of Connecticut and where members of the applicant household are known to have resided and/or information is obtainable.)
 - Persons whom a DHA determines it has a reasonable cause to believe the household member’s illegal drug or alcohol abuse threatens the health, safety, or interferes with the peaceful enjoyment of the premises by other residents.
 - Persons evicted from federally assisted housing for drug-related criminal activity less than 3 years ago, unless the tenant successfully completes a rehabilitation program approved by a DHA or the circumstances for the eviction no longer exist.

Applicants can refuse an offer for a PBV unit and retain their position on the waiting list. All of the vacant units will be rented to eligible households referred by the housing agency from the DHA’s Housing Choice Voucher waiting list. The housing agency will determine eligibility for participation in accordance with HUD requirements. The owner is responsible for screening and selection of tenants. The owner may refuse any family, provided the owner does not unlawfully discriminate.

11. Request for Applications

The PBV application that will be used is included with this RFP. Additional copies are available at: Derby Housing Authority, 30 Elizabeth Street, 2nd fl., Derby, CT 06418 or at Imagineers Office at 635 Farmington Avenue, Hartford, CT 06105. It may also be downloaded from the Derby Housing Authority website: <http://www.derbyhousing.com/default.aspx> or Imagineers website at www.imagineersllc.com/program_management.asp

The DHA is an Equal Opportunity Business Enterprise that promotes competitive solicitations and does not discriminate on the basis of race, color, religion, cred, national origin, sex, disability, age or sexual orientation. The DHA encourages Small, Minority-owned, Women-owned, and Disabled-owned, business enterprises to respond to this RFP.