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# **Request for Proposal (RFP)**

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## Project Based Vouchers-Homeless

# Request for Proposals: Project-Based Voucher Program-RFP #2020-01

## Purpose of RFP

MaineHousing requests proposals from developers for the Project-Based Voucher (PBV) Program. The PBV program is designed to conform to the provisions covered by The Housing Opportunity through Modernization Act of 2016 (HOTMA) and implemented through a *Federal Register* (FR) notice (82 FR 5458) published on January 18, 2017.

PBV applications are being accepted for up to twenty five (25) Vouchers for units in existing housing or rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that was executed prior to the start of construction. Projects must be located in Maine and contain the following:

- 1.) The PBV designated units must serve households at or below 50% of the area medium income;
- 2.) Must serve homeless individuals or families as defined by HUD  
<https://www.govinfo.gov/content/pkg/FR-2011-12-05/pdf/2011-30942.pdf> ;
- 3.) Developer must demonstrate that project rehabilitation will commence within six (6) months and occupancy will commence within ten (10) months from date of preliminary award of PBV's;
- 6.) Preference will be given for sites located in Maine-Opportunity Zones  
<https://www.maine.gov/decd/business-development/opportunity-zones>.

## About MaineHousing

MaineHousing is an independent quasi-state agency that also is one of the top mortgage and affordable housing development lenders in the state. The authority is a \$1.8 billion financial institution with a staff of 160+ whose mission is to assist Maine people in obtaining and maintaining quality affordable housing and services suitable to their housing needs.

On an annual basis the agency assists more than 90,000 Maine households and invests more than \$300 million in Maine's economy, most of it from the sale of tax-exempt revenue bonds, private capital generated by the low income housing tax credit, and federal funds.

MaineHousing provides financing and administers programs to assist first-time homebuyers; to develop affordable rental housing; to create housing for people with special needs; to provide housing for people who are homeless; to provide low income households with rental assistance and heating assistance; and to repair or weatherize homes of low-income homeowners.

## Description of PBV Program

Through the PBV program, MaineHousing will enter into a Housing Assistance Payment (HAP) contract with the selected property owner for designated rental units for a term of up to Twenty years subject to funding availability. Housing assistance subsidies will be provided while eligible households occupy the rental housing units and the units meet other program standards.

MaineHousing will maintain the waiting list consisting of program applicants referred by the owner in order to fill vacant units. MaineHousing 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.
- 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;
- 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; and
- Subsidized housing unit types that are 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 MaineHousing.

The number of PBV assisted units in the project cannot be more than the greater of 25 units or 25 percent (25%) of the number of dwelling units in the project, except as provided by [FR Notice 1/18/17, Notice PIH 2017-21].

Sites selected for PBV assistance must:

- Be consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities, consistent with MaineHousing's PHA Plan and Administrative Plan. Specific factors are discussed at 24 CFR 983.57(b);
- Be in full compliance with the applicable laws regarding nondiscrimination and accessibility requirements;
- Meet Housing Quality Standards (HQS) site standards; and
- 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 places of employment.

Additionally:

- Activities under the PBV program are subject to HUD environmental regulations and may be subject to review under the National Environmental Policy Act by local authorities.
- MaineHousing will enter into a Housing Assistance Payment (HAP) contract with the owner selected and approved for PBV assistance. MaineHousing 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 applicants to occupy the owner's units based on their tenancy histories. 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; or refuse to renew the lease without good cause.

The amount of the rent to owner is determined in accordance with HUD regulations. The rent to owner including utility allowances must not exceed the lowest of:

- An amount determined by MaineHousing, not to exceed 110 percent of the applicable fair market rent (FMR) for the unit bedroom size including any applicable tenant-paid utility allowance;
- The reasonable rent (rents being paid are reasonable in relation to rents being charged for comparable unassisted units in the same market); or
- The rent requested by the owner.

Current Fair Market Rents can be found on MaineHousing's website at:

<https://www.mainehousing.org/programs-services/rental/rentaldetail/housing-choice-vouchers>

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 household) and the rental assistance paid by MaineHousing in accordance with the contract with the owner. MaineHousing determines the tenant rent in accordance with HUD requirements.

### **Application Review**

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

- Units designated for PBV must serve households at or below 50% of area medium income.
- Evidence of site control.

- Developer must demonstrate that project construction will commence within six (6) months and occupancy will commence within ten (10) months from date of preliminary award of PBV's.
- 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 110% of the applicable Fair Market Rent including any applicable allowance for tenant-paid utilities for the size of the unit.
- Property must meet eligibility requirements under 24 C.F.R. §983.7 (Eligible and ineligible Properties and MaineHousing-owned units), §983.11 (Other Federal requirements), and §983.6 (Site and Neighborhood Standards).
- Property will be constructed with funding other than assistance under the U.S. Housing Act of 1937 in accordance with 24 C.F.R. §983.9.
- No construction has begun, as evidenced by MaineHousing inspection
- Generally not more than 25 units or 25 percent (25%) of the total number of dwelling units in the project are eligible for PBV assistance per 24 CFR 983.56.
- Preference will be given to sites located in Maine-Opportunity Zones  
<https://www.maine.gov/decd/business-development/opportunity-zones>.

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 MaineHousing. A MaineHousing ranking list will be prepared according to the points awarded to each proposal. MaineHousing may, at its discretion, select none, one or more of the proposals submitted.

MaineHousing 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 MaineHousing to be in its best interests. MaineHousing 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. MaineHousing reserves the right to award fewer than the number of units requested, if the requester agrees to accept a lower number of PBV units. MaineHousing shall have no obligation to compensate an applicant for costs incurred in responding to this RFP.

### **Other Requirements**

1. Before executing an Agreement with any selected owner, MaineHousing will:
  - a. Establish rents in accordance with 24 C.F.R. §983.12.
  - b. Conduct a subsidy-layering contract rent review

### **Selection Process**

Each agency will be evaluated using the following criteria and point structure:

- Owner Experience and capability to build and operate affordable rental housing. 10 pts
- The financial viability of the proposal – including a proforma demonstrating the status of realistic and available sources and explanations of how construction and operating expenses were determined. 10 pts

- Extent to which the project furthers MaineHousing’s goal of de-concentrating poverty and expanding housing and economic opportunities with 25% or less of units in each project designated for PBV. 10 pts
- Extent to which the project serves Extremely Low Income Households (30% AMI or lower). 20 pts
- Responsiveness to the proposed scope of work and ability to meet MaineHousing’s timeline. 20 pts
- Extent to which the project serves homeless households. 30 pts

### **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 MaineHousing in accepting and screening owner applications submitted for the PBV Program.

### **Application Submission Deadline**

Applications and supporting documentation will be accepted until 5:00 pm, on Friday September 11, 2020

### **Information Contact**

All questions and inquiries relating to this RFP must be submitted to MaineHousing by e-mail and include the name of the questioner and his/her telephone number, fax number and/or e-mail address. The MaineHousing contact for all questions about the RFP is:

Name: Allison Gallagher  
 Title: Director, HCV  
 Address: MaineHousing, 26 Edison Dr., Augusta, ME 04330-6046  
 Telephone: 207-624-5712  
 Fax: 207-624-5713  
 E-mail: [agallagher@mainehousing.org](mailto:agallagher@mainehousing.org)

### **Submission Timeline**

- September 4, 2020** All questions regarding the RFP are due no later than 5:00 PM EST and should be e-mailed to [agallagher@mainehousing.org](mailto:agallagher@mainehousing.org)
- September 8, 2020** All questions and answers regarding this RFP will be posted on the MaineHousing website no later than 5:00 PM EST.
- September 11, 2020** Proposals are due to MaineHousing, [agallagher@mainehousing.org](mailto:agallagher@mainehousing.org) by 5:00 PM EST.

## Submissions

If your organization is interested in working with MaineHousing, please provide 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 sponsor 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
3. Copies of most recent single audit, audited 990's or financial statements of the sponsor organization
4. Project application. Applications for PBV assistance must provide information on the following topics:
  - Owner name
  - Project name
  - Number of buildings
  - Number and size of units
  - Location of units
  - Other forms of assistance received
  - Requested contract term
  - Handicapped accessibility features
  - Owner experience with affordable rental housing
  - Unit and neighborhood amenities
  - Intended resident population
  - Tenant selection criteria and plan
  - Proposed Rents
  - Affordability restrictions
  - Need for PBV assistance
  - Management and operations plan
  - Service providers, if applicable
  - Evidence of site control
  - Financial Proforma
  - Development Schedule

- **Scope of Work Proposal**

A proposal that outlines the scope of work and a schedule for its accomplishment to include:

- Timelines and Schedules: A timeline and schedule of events and work products. MaineHousing is requesting that the timeline reflect a deadline for unit occupancy readiness no later than **July 31, 2021**.

- **Availability Timeframe**

Once a proposal has been accepted, MaineHousing will request an onsite or online meeting with the awardee to discuss the project. The meeting will take place within one week, preferable as soon as possible, of the award.

### **Additional Terms and Conditions**

This RFP is subject to the following terms and conditions:

- MaineHousing expressly reserves the right to modify or withdraw this RFP at any time, whether before or after any responses have been submitted or received.
- MaineHousing reserves the right to adjust the timetable for this RFP as MaineHousing deems necessary.
- In the event the respondent selected does not enter into the required contract to deliver the services described in this RFP, MaineHousing reserves the right to reject the respondent and to offer a contract to another respondent.
- In no event will any obligations of any kind be enforceable against MaineHousing unless and until a written agreement is entered into.
- MaineHousing reserves the right to waive informalities and minor irregularities in proposals received. MaineHousing reserves the right to negotiate price or other factors included in any proposal submitted to MaineHousing. If MaineHousing is unable to negotiate a mutually satisfactory arrangement with the successful respondent under this RFP, MaineHousing may, in its sole discretion, negotiate with another respondent or cancel this RFP and not select any proposal or MaineHousing may select another proposal. Each respondent bears all costs and expenses of its response and there will be no reimbursement for any costs and expenses relating to the preparation of responses submitted or for any costs or expenses incurred during any negotiations.
- Information submitted in any proposal becomes public information, and is subject to disclosure in accordance with the Maine Freedom of Access Act, 1 M.R.S.A. Section 401 et seq. ("FOAA").



*MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, physical or mental disability, age, familial status or receipt of public assistance in the admission or access to or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex, sexual orientation, gender identity or expression, national origin, ancestry, age, physical or mental disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*