

City of Ann Arbor

Ann Arbor Housing Commission

Request for Proposal to Project-Based
Vouchers

RFP 13123

SUBMISSION DEADLINE

Wednesday, March 15, 2023 at 2:00 pm EST

An Equal Opportunity Employer

An Equal Housing Provider

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SECTION I. OVERVIEW

A. Introduction

The Ann Arbor Housing Commission (AAHC) is issuing this Request for Proposal (RFP) for the purpose of inviting interested Owners/Developers (Proposers) to submit proposals to use Project-Based Vouchers (PBVs) for their rental units to support the preservation or creation of affordable supportive housing for eligible families. Project-Based Vouchers may be awarded for an existing housing project, or projects that will be rehabilitated or newly constructed housing.

B. Overview of Services

The AAHC is making available Project-Based Vouchers to support the preservation or creation of affordable housing opportunities in the City of Ann Arbor. Project-Based Vouchers may be awarded to multiple eligible applicants up to the maximum number available.

The project-based subsidy will be attached to the units listed on the Contract and not to the individual tenant. The AAHC reserves the right to award all, none, or a portion of the vouchers applied for under PBV assistance. The AAHC, by issuing this RFP, seeks Proposals from Owners/Developers who will commit units of rental housing to receive assistance through PBVs, as detailed more fully within **Section II** of this RFP. The AAHC intends to enter into one or more agreements with the selected Proposers to provide the housing for the PBVs. The term of the awarded Agreement(s) shall be an initial 15 or 20 years with an option to renew for up to 20 years. The initial contract may not exceed 20 years and the extension may not exceed 20 years.

C. RFP Timetable

- i. The release date of this RFP is February 2, 2023 (the “Release Date”).

PRE-BID CONFERENCE

- ii. An optional pre-bid conference (“Pre-bid Conference”) will be held by Zoom on February 10, 2023 at 1:00 p.m. Contact Weneschia Brand at wrbrand@a2gov.org to RSVP.

Join from a PC, Mac, iPad, iPhone or Android device:

Please click this URL to join.

<https://a2gov.zoom.us/j/93029653755?pwd=cXhVcXVkMFR6Qm4rMlM4OTgwR3M0UT09>

Passcode: 943604

Or One tap mobile:

+13126266799,,93029653755# US (Chicago)

+13017158592,,93029653755# US (Washington DC)

Or join by phone:

Dial(for higher quality, dial a number based on your current location):

US: +1 312 626 6799 or +1 301 715 8592 or +1 213 338 8477 or 833 548 0282 (Toll Free) or 877 853 5247 (Toll Free) or 888 788 0099 (Toll Free) or 833 548 0276 (Toll Free)

Webinar ID: 930 2965 3755

International numbers available: <https://a2gov.zoom.us/j/adLaz45YKE>

- a. AAHC additionally recommends that prospective Proposers submit, via e-mail, written questions in advance to Weneschia Brand, Deputy Director at wrbrand@a2gov.org by no later than 12:00 p.m. on February 9, 2023, so that she can address them at the Pre-bid Conference.
- b. Proposers will be permitted to ask additional questions at the Pre-bid Conference.
- c. Questions submitted in writing must include the business name and the name, title, address, telephone number, and e-mail address of the individual to whom responses to the Proposer's questions should be given.
- d. Final questions deadline will be Friday, March 3, 2023, no later than 2:00 p.m. All questions and answers will be provided to all that attended the Pre-bid Conference.

PROPOSAL DUE DATE

- iii. Proposals must be received by AAHC no later than **2:00 p.m. on Wednesday, March 15, 2023** (the "Proposal Submission Deadline"). Proposers should refer to **Section VI-I** of this RFP for details on Proposal packaging and submission requirements.
- iv. The anticipated award date of the Agreement(s) to the selected Proposer(s) is on or about March 24, 2023.
- v. The earliest contract award start date is estimated to be July 1, 2023. The AAHC will reserve the awarded PBV's through June 2028. If the project is not reasonably progressing so that a HAP agreement can be executed by June 2028, the AAHC reserves the right to allocate the PBV's to another project.

SECTION II. PROGRAM OVERVIEW, BACKGROUND AND FEDERAL REQUIREMENTS

A. Program Administration

The Project-Based Voucher (PBV) Program is administered through HUD regulations and the policies outlined in the Ann Arbor Housing Commission's Administrative Plan. The Code of Federal Regulations Title 24, Part 983, are the primary governing regulations of the PBV program. These regulations, program rules, notices, and forms can all be found on HUD's website at:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project.

The AAHC's Administrative Plan is available for review at:

<https://www.a2gov.org/departments/Housing/Pages/Agency%20Plans%20Policies%20Board.aspx>

B. Purpose

The purpose of the PBV Program is to encourage property owners to attach Project-Based Voucher assistance to a rental property in order to preserve and increase the number of housing units serving very low-income persons (50% AMI or less) in the community. The AAHC's goal is to decrease the concentration of poverty in the City of Ann Arbor by providing opportunities for very low-income households to live in high opportunity areas with employment opportunities, public transportation or high mobility areas, low-poverty rates, and access to goods and services. In addition, the AAHC's goal is to increase opportunities for extremely low-income (30% AMI or less), homeless, disabled, and other special needs households to live in permanent supportive housing.

C. Funding

Funding for project-based assistance comes from funds already obligated by HUD to the AAHC's Housing Choice Voucher Program. This funding is subject to annual federal reauthorization. The AAHC may use up to 20% of the voucher unit allocation from HUD for a PBV program. In addition, the AAHC may project-base an additional 10% of the voucher unit allocation for PBV units if those units are reserved for homeless households; and/or veterans; and/or if the project owner provides services to persons with disabilities or to elderly persons; and/or if the project is located in a census tract with a poverty rate of 20% or less.

D. Description of PBV Program

Under this PBV Program, the AAHC will provide assistance to housing developments defined by HUD as follows:

- I. **Existing housing** is considered an existing unit for purposes of the PBV program, if at the time of notice of PHA selection the units substantially comply with HQS.
- II. **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 AAHC and the owner for use under the PBV program.
- III. **Rehabilitated housing** is housing that is planned to be rehabilitated and the rehabilitation will be completed after the date of selection pursuant to an Agreement between AAHC and the owner for use under the PBV program.

HUD-established Housing Quality Standard (HQS) specifications are described in the Code of Federal Regulations, Chapter 24, Section 982.401. All PBV assisted units must meet HQS and other requirements before rental assistance can commence.

After the project is awarded and all terms and conditions have been met, the AAHC will enter into an Agreement to a Housing Assistance Payment (AHAP) contract for new construction or housing that will be rehabilitated. After the project is constructed, rehabilitated or if the housing is an existing property not requiring renovation, then the AAHC will enter into a Housing Assistance Payment (HAP) contract with the owner.

The HAP contract establishes the initial rents for the units and describes the responsibilities of the AAHC 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 AAHC's Project-Based Voucher waitlist, the Continuum of Care (CoC) Homeless by-name list or if applicable, by a HUD-required agency such as the Dept of Veterans Affairs or the Dept of Housing and Human Services for special purpose vouchers for a specific eligible population. All HAP contracts and subsequent renewals are contingent upon the future availability of appropriated HUD funds.

E. Cap on Number of PBV Units per Project

PBVs may be provided for the greater of twenty-five units or twenty-five percent (25%) of units in a project. However, the following units are excluded from the project cap and up to 100% of the units may have a PBV: units exclusively serving the elderly, or units housing households eligible for supportive services that are available to all families receiving PBV assistance for the project. In addition, units in projects that are in a census tract with a poverty rate of 20 percent or less are subject to a higher PBV cap of forty percent (40%) of the units.

F. Occupancy and Vacancy of PBV Units

Project-based units must be leased only to families eligible for Housing Choice Voucher assistance for the term of the HAP contract. For existing housing projects, designated PBV units that are occupied on the proposal selection date must be occupied by a family eligible for Housing Choice Voucher PBV assistance. If the family is not eligible, the unit cannot be selected for PBV assistance.

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 applicants from the Housing Commission Project-Based Voucher waiting list, the Continuum of Care (CoC) Homeless by-name list or if applicable, by a HUD-required agency such as the Dept of Veterans Affairs or the Dept of Housing and Human Services for special purpose vouchers for a specific eligible population. The owner and tenant of a Project-Based unit must notify AAHC immediately if a tenant will be moving from a PBV unit. The Housing Commission will maintain a single waitlist for all Project-Based Voucher projects, unless the Owner/Developer requests that a separate waitlist be maintained, which will be considered on a case by case basis. The AAHC will select applicants from its waiting list to determine eligibility for the PBV program. AAHC will then refer qualified individuals/families to the owner for tenant screening. Once an applicant is approved by the owner, the owner may execute the lease. If the individual/family is denied the owner must provide written notice to the family and AAHC within 10 business days.

If the referral is accepted, the apartment must pass a Housing Quality Standard (HQS) Inspection before the tenant moves in and before the AAHC can make a rental subsidy payment. The tenant will be responsible for paying application fees, security deposits and their portion of the rent directly to the owner/property manager. Tenants will pay 30% of their

adjusted gross income for rent and utilities (based on a utility allowance) and the AAHC will pay the balance of the rent to the owner/property manager’s bank account by the first of the month each month.

The Voucher program restricts all households to an income of 50% of the Area Median Income or less, as published annually by HUD for the Ann Arbor Metropolitan Statistical Area (<https://www.huduser.gov/portal/datasets/il.html>). The AAHC must also meet HUD’s income target of providing 75% of its vouchers to households at 30% of Area Median Income or less, including Project-Based Vouchers. If the owner notifies the AAHC within a reasonable time, when a tenant moves out, the AAHC will pay the full rent to the owner for up to 60 days for the vacancy while the AAHC and the owner/property manager are processing a new tenant.

G. Ineligible Units

Certain special housing types are NOT eligible for project-based assistance. These include 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), units that are receiving another operating subsidy, and units occupied by families who are not eligible for participation in the PBV program. Please see 24 CFR Section 983.53 for a complete list of ineligible properties.

H. Rent Limits

The units that will be listed on the project-based contract will have rents limits. HUD regulations must be followed at the time that the rents are set for the initial rent and any subsequent rent increase that is requested by the Owner/Developer. The gross contract rent (including utility allowance) may not exceed the maximum set by HUD, which is the lowest of (1) 110% of Fair Market Rent (FMR) for both initial rent and annual adjustments; (2) the reasonable rent; (3) the rent requested by the owner. In addition, a rent reasonable study must be conducted in relation to rents charged in the private market for comparable unassisted units to ensure that the rents do not exceed rents in comparable units.

Fair Market Rent (FMR) Including Utilities Effective 10.2022					
	Studio	1 BR	2 BR	3 BR	4 BR
2023 FMR	\$1,148	\$1,153	\$1,384	\$1,684	\$1,926
110% of FMR	\$1,263	\$1,268	\$1,522	\$1,852	\$2,119

The owner must request rent increases from the AAHC at least 90 days prior to the effective date of the rent increase. The AAHC will conduct a rent reasonable assessment prior to approving a rent increase.

I. Federal Requirements

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

- i. **Fair Housing.** Non-discrimination and equal opportunity. See 24 CFR Section 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.
- ii. **Environmental Review.** See 24 CFR parts 50 and 58, and 24 CFR Section 983.58.
- iii. **Eligibility Restrictions.** Prohibition on use of debarred, suspended, or ineligible contractors. See 24 CFR Section 5.105(c) and 24 CFR, part 24.

In addition to the above, the following applies for new construction and rehabilitation projects:

- iv. **Subsidy Layering Review.** If the project has other government assistance in addition to PBVs, the project will be subject to a HUD subsidy layering review (SLR), in accordance with HUD subsidy layering regulations (24 CFR Section 4.13) to prevent excess subsidy. The SLR is not required for existing housing projects or new construction and rehabilitation projects for which PBV is the only form of federal government assistance.
- v. **Labor Standards.** Regulations implementing the Davis-Bacon 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.
- vi. **Section 3** of the Housing and Urban Development Act of 1968.

SECTION III. OFFER OF PROJECT-BASED VOUCHERS

A. Number of PBV Units Available

The Housing Commission will make Project-Based Vouchers available for up to 175 vouchers through this RFP process, depending on available funding.

50 vouchers are available for homeless households

125 vouchers are available without additional restrictions on the occupants (fall within 20% PBV Program cap), however, units that are set-aside for special needs households such as seniors, households with a person with a disability, veterans, homeless households or other identified special populations will be given preference over units that are only income-restricted.

B. Project Eligibility (Threshold Requirements)

The goal of project-based assistance for housing is to deconcentrate poverty and expand housing and economic opportunities.

In order to be considered under this RFP, all projects submitted must meet the HUD Site Selection Standards in [24 CFR Section 983.57](#) as described in **Section VI-2** in the Submission Requirement Section of this RFP.

Proposed projects must be located within the City of Ann Arbor.

C. Limit on Number of Projects and Units

The Owner/Developer can submit up to 2 Proposals for consideration under this RFP for all of their related legal entities. 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.

PROJECT CAP: The Owner/Developer may request to project-base no more than 25 units or 25% of the units at a proposed project (there is no minimum requirement). However, the following units are excluded from the PBV project cap and up to 100% of the units may have a PBV: 1) units exclusively serving the elderly, or 2) units housing households eligible for supportive services that are available to all families receiving PBV assistance for the project. In addition, units in projects that are in a census tract with a poverty rate of 20% or less are subject to a higher PBV cap of forty percent (40%) of the units.

D. PBV Award

Proposals that meet the program requirements outlined in **Section III-B (Threshold Requirements)** of this RFP will be evaluated and ranked according to the rating and selection factors described below in **Section VI** (Submittal Requirements) of this RFP. A ranking list will be prepared according to points awarded to each proposal.

Project applications that have previously been awarded funding under a competitive proposal, that did not contemplate vouchers provided under this RFP, may be awarded project-based vouchers under this award without completing a full application (see **Section V-J** of this RFP). These projects need to complete a cover sheet and evidence of the award from a previous competition.

For projects that must provide a complete application, the project applications scoring the highest points will be **conditionally** awarded project-based vouchers up to the amount requested on the proposal. After awarding the highest scoring application(s), the Housing Commission may conditionally award the next highest-ranking applications with project-based vouchers up to the amount requested and so on. If the Housing Commission determines that an application is eligible for PBV funding but cannot be fully funded at the amount requested by

the Owner/Developer, the Owner will be given the opportunity to receive partial awards for fewer vouchers than requested.

Before selecting projects, the AAHC will determine that each application is responsive to and in compliance with the AAHC's written selection criteria as stated in this RFP, and in conformity with HUD program regulation and requirements at 24 CFR Section 983. The AAHC may request additional documentation as needed to determine an applicant or project's eligibility or qualifications. The AAHC 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.

E. Pre-Selection Conditions

Prior to project selection, the AAHC must conduct:

Site Selection Standards under [24 CFR Section 983.57](#). 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 AAHC's Administrative Plan. Proposers may be asked to submit additional information to help facilitate this site review. See **Section VI-2** in the Selection Criteria of this RFP.

Housing Quality Standards (HQS) Inspection under 24 CFR Section 983.103. For existing units, the AAHC must inspect all units before the proposal selection date to determine whether the units substantially comply with HQS. PBV program-specific inspection requirements, which supplement the HCV inspection requirements that apply to the PBV program, are found at 24 CFR Section 983, Subpart C.

F. Post-Selection Conditions

After projects are reviewed and scored, the AAHC will provide conditional letters of award and then the following items must be completed before the AAHC and the owner can execute an Agreement to enter into a Housing Assistance Payment (AHAP) contract or a Housing Assistance Payments (HAP) contract.

- i. **Environmental Review.** PBV activities are subject to HUD environmental regulations in 24 CFR parts 50 and 58. AAHC must obtain documentation of environmental clearance from the Responsible Entity who conducted or approved the environmental review (see [24 CFR 983.58](#)).
- ii. **Determination of initial contract rent.** The AAHC will determine the amount of initial rent to owner according to [24 CFR 983.303](#). If the project is an AAHC-affiliated property, the rent will be determined by an independent agency.
- iii. **Subsidy layering review.** New construction or rehabilitation PBV projects 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 Section 983.55](#)) to prevent excessive public assistance for the project. Owners/Developers will be required to submit a list of

documents to AAHC which will then be submitted to HUD for the review unless a review has already been completed under another competition.

G. Equal Opportunity

The AAHC 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 Housing Commission encourages Minority, Small, Women- or Disabled- owned Business Enterprises to respond to this solicitation.

SECTION IV. AGREEMENT FOR SERVICES

A. Housing Assistance Payment (HAP) Agreement

Under the agreement resulting from this RFP, the Proposer must perform the following Services:

- i. Commit new, units to be rehabilitated or existing rental units to be part of this program, in which selected units will receive a Project Based Voucher for up to an initial fifteen or twenty-year term, with additional renewals at both parties' option up to a 20-year term. Should a selected tenant leave the rental unit, the assistance will remain with the unit as long as the new tenant meets the Housing Choice Voucher eligibility requirements.

The terms and condition of the program will be in compliance with the Sample Agreement and Contract found at:

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project

B. Payment for Services

The Owner/Developer shall be compensated for services performed in accordance with the terms and conditions of the Agreement, the terms and conditions are defined in the HAP Contract. Compensation shall consist of a monthly rental subsidy.

C. Commitment Letter

After the Owner/Developer's Proposal is approved the Housing Commission will issue a conditional commitment letter, which will be followed by either the AHAP contract for new construction and rehabilitation projects or a HAP contract for existing projects, once all terms and conditions are met.

SECTION V. RFP PROCEDURES

A. General Information - Communications with AAHC

- I. From the Release Date of this RFP until the AAHC awards the Agreement, the only contact the Proposer may have with the AAHC regarding this RFP is with the AAHC's Deputy Director, Weneschia Brand (wrbrand@a2gov.org). The Proposer should rely only on representations, statements or explanations contained in this RFP, in documents that the AAHC provides to the Proposer, and in such formal written addenda as may be issued by the AAHC prior to the Proposal Submission Deadline. The Proposer must not rely on any material, whether written or oral, that the Proposer receives from any other source.
- II. It is the Proposer's responsibility to ensure that it has a complete and thorough understanding of all requirements, expressed or implied, regarding what AAHC expects from the Proposer, as set forth in this RFP, prior to submitting their Proposal. By submitting a Proposal, the Proposer covenants that it will not make any claims for or have any rights to damages because of any misinterpretation or misunderstanding of the Scope of Services, as described in **Section IV** of this RFP, or because of any misinformation or lack of information concerning this RFP.

B. Modifications and Negotiations

- I. On or before the Proposal Submission Deadline, a Proposer may submit a modified complete Proposal to replace all or any section of a previously submitted Proposal. AAHC personnel will not insert pages or otherwise modify the Proposer's Proposal. The Proposer has the full responsibility for ensuring that its final Proposal has been submitted in desired form by the Proposal Submission Deadline. The front cover of a modified Proposal must identify it as a modified Proposal and must include the date on which it is submitted.
- II. The AAHC reserves the right to issue addenda to correct, modify or amend this RFP (including any Scope of Service requirements and/or terms or conditions) prior to the Proposal Submission Deadline, by sending written notification to each party who attended the mandatory pre-bidder conference. The AAHC will advise such parties regarding any clarifications or revisions it makes to this RFP. If, in the AAHC's sole judgment, additional time is required for Proposers to respond, the AAHC may grant an extension of time to all Proposers.
- III. The AAHC reserves the right to communicate with any of the Proposers, but it is not obligated to do so. The AAHC may discuss the Proposals of any Proposers concurrently or sequentially, as AAHC may determine to be in its best interest. No Proposer has any

rights against AAHC arising from any such invitation to a discussion, or from any negotiations that may arise pursuant to the discussions.

- IV. A Proposer must comply with all requests for information and, if requested by the AAHC, appear for discussions. If a Proposer fails to do so within the time period given (or within any time extension that the AAHC may grant), the AAHC may deem the failure to be an act of non-conformance with the RFP requirements, which will permit the AAHC to award the Agreement to another Proposer or to solicit new Proposals. In furtherance and not in limitation of the foregoing, before a final award is made, the AAHC may require a Proposer to produce more detailed information concerning the professional background of those persons who own and manage such Proposer, a report on the financial background of such Proposer, and/or information concerning the nature and status of any past, pending or threatened charges or actions (including lawsuits, criminal or disciplinary actions, administrative proceedings by any governmental or regulatory agency or bankruptcy action) against such Proposer or any of its partners, directors, officers, employees or shareholders, as the case may be.

C. Withdrawal of Proposals

- I. **Prior to Proposal Submission Deadline:** A Proposer may withdraw its Proposal from consideration at any time prior to the Proposal Submission Deadline by notifying AAHC's Coordinator in writing of its desire to withdraw the Proposal.
- II. **After Proposal Submission Deadline:** Proposers may withdraw their Proposals with written notice to the AAHC's Proposal Committee Board.

D. Postponement or Cancellation of RFP or Rejection of All Proposals

The AAHC reserves the right to postpone or cancel this RFP, to reject any and all Proposals, to re-advertise for new Proposals and/or not to award any Agreement pursuant to this RFP, if the AAHC deems it in its best interest to do so.

E. Costs Incurred by Proposers

The AAHC is not liable for any costs that a Proposer incurs in preparing their Proposal, for any work performed in connection therewith, or for travel expenses related thereto (including, without limitation, expenses related to attending the Proposers' Conference). The AAHC's receipt of a Proposal from a Proposer in no way obligates the AAHC to that party.

F. Freedom of Information Act

This RFP and responses to this RFP are subject to the Freedom of Information Act.

G. Public Announcements

Any party receiving this RFP shall not make news releases or other public announcements relating to this RFP without the prior written approval of the AAHC.

H. AAHC Discretion

The AAHC, in its sole discretion, may waive what it considers to be non-material non-conformance by a Proposer with the requirements of this RFP.

I. Proposal Packaging and Submission Requirements

- i. Each Proposer is required to submit one (1) **signed original hard-copy** Proposal document and one (1) **electronic version** by email or flash drive. The original signed hard-copy must be clearly labeled as such. Electronic copies must be submitted to WRBand@A2gov.org. If there are any differences between the original and the electronic copy of the Proposal, the material in the hard-copy original will prevail.
- ii. Each original Proposal must be signed by a principal or officer of the Proposer, who is duly authorized to commit the Proposer to fulfilling the Proposal. If a joint venture is submitting a Proposal, the original Proposal must be signed by a principal or officer of each member of the joint venture and a detailed description of the form of the joint venture must be included. Copies may have original signatures or photocopies of the signatures. All Proposals and accompanying materials (i.e., flash drives) shall become the property of the AAHC and will not be returned to the Proposers.
- iii. All Proposals (AAHC's application form and supporting documents) must be legible and organized. All Proposals must be bound by use of a binder or similar cover device.
- iv. The Proposer must include its complete return address on the outer envelope or wrapper enclosing any materials submitted in response to this RFP. Such outer envelope or wrapper should be sealed and addressed as follows:

FROM: Proposer's Name
Proposer's Address

TO: Ann Arbor Housing Commission
727 Miller Avenue
Ann Arbor, MI 48103
Attn: Weneshia Brand
Deputy Director

Electronic copy may be submitted to WRBrand@a2gov.org or provided on a storage device with the paper copy.

Proposal Submission Deadline: 2:00 pm, Wednesday, March 15, 2023

- v. Proposals may be mailed or hand delivered to the AAHC at the above address and must be **RECEIVED** by the AAHC no later than 2:00 p.m. on the Proposal Submission Deadline date. Hand delivered proposals will be accepted **ONLY** between the hours of 9:00 a.m. - 12:00 p.m. and 1:00 p.m. - 5:00 p.m., Mondays through Fridays, excluding the holidays observed by the AAHC, as listed below, or 9:00 a.m. - 2:00 p.m. on the Proposal Submission Deadline date. Our offices are closed daily from noon to 1:00 p.m. The AAHC will not accept Proposals transmitted via facsimile. The AAHC observes the following holidays:

None during this timeframe

J. Selection Based on Previous Competition

The AAHC may select, without competition through this RFP, a Proposal for housing assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, CDBG, LIHTC, etc.), where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date (between March 2020 and March 2023), and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance. Projects that meet this criteria only need to complete the project Cover Sheet and evidence of the award under a previous competition.

SECTION VI. SUBMITTAL SECTIONS

A. Required Documents

The Applicant must demonstrate, to the satisfaction of the AAHC, that they have the skill and experience, as well as the necessary personnel and financial resources, to provide the required services in a satisfactory and timely manner. The following documents must be included in this section of the Applicant's Proposal, in the order shown below:

1. A table of contents
2. Completed Cover Sheet
3. Complete the Submittal Sections in **Section VI** of this RFP
4. Proof of the Applicant's legal existence as a business entity. If the Proposer was not organized under the laws of the State of Michigan, proof that the Proposer is qualified to do business in Michigan.
5. Copies of the Applicant's audited financial statements for its most recent two (2) fiscal years. If the Proposer is a joint venture, provide this information with respect to each member of the joint venture.

1. COVER SHEET

Applicant Information	
Organization Name: _____	
Primary Contact Name and Title: _____	
Address: _____	
Phone Number: _____	E-Mail: _____
Tax ID: _____	SAM.GOV Unique Entity ID: _____
Non-Profit/Governmental Organization (Y/N)? _____	
Project Information	
Property Address: _____	
Census Tract: _____ PHA-owned project (Y/N)? _____	
Total # of Units in Project: _____ Total # of Units Requesting PBV: _____	
Indicate whether PBV units (meet the 10% exception rule): Homeless ___ Veterans ___	
Services to seniors or persons with disabilities ___ Census tract with < 20% poverty ___	
If requesting PBV for more than 25% of the project units, indicate the exception category below that qualifies the project:	
Seniors (62 or older) ___ Qualified Services ___ Census tract with < 20% poverty _____	
Indicate the category for the application below:	
Existing Project: _____ Rehabilitation: _____ New Construction: _____	
Target date to project-base the vouchers (ready for occupancy) (MM/YY)? _____	
Was this project previously approved under another competitive funding application (Y/N)? _____	
If so, please submit evidence of award with this cover page.	

By signing below the representative of the business hereby certifies that:

I have examined the Request for Proposal and hereby agree to the terms as stipulated and set forth herein. I agree that this submission is good for 120 calendar days after the scheduled submission deadline.

The submission is genuine and is not made in the interest of or on behalf of any undisclosed person, firm or corporation, and is not submitted in conformity with any agreement or rules of any group, association or corporation. I have not solicited or induced any person, firm or corporation to refrain from submitting. Our organization will not discriminate against any employee or applicant for employment because of race, creed, color or national origin in connection with the performance of work.

I certify that the units we are applying for rental assistance for do not currently receive rental assistance or operating subsidy from any source (local, state, or federal sources as well as other public or private sources including other project-based assistance, rent supplement and/or tenant-based voucher programs).

I have carefully prepared this submission, and the required information is accurate. The information submitted does not contain falsified records.

Respectfully submitted by: _____

Print Name
Signature
Date

2. THRESHOLD REQUIREMENT – Site Selection Standard

In order to be considered under this RFP, all projects submitted must meet the Site Selection Standards in [24 CFR 983.57](#) as stated below. Please provide documentation through narrative, maps, and/or charts to show that the project meets the HUD PBV Site Selection Standard.

A. Applicability. The site selection requirements in [paragraph \(C\)](#) of this section apply only to site selection for existing housing and rehabilitated PBV housing. The site selection requirements in [paragraph \(D\)](#) of this section apply only to site selection for newly constructed PBV housing. Other provisions of this section apply to selection of a site for any form of PBV housing, including existing housing, newly constructed housing, and rehabilitated housing.

B. Compliance with PBV goals, civil rights requirements, and HQS. The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless the PHA has determined that:

- (1) Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under [24 CFR Section 903](#) and the PHA Administrative Plan. In developing the standards to apply in determining whether a proposed PBV development will be selected, a PHA must consider the following:
 - (2) PHA Site Selection policy
 - a. Priority will be given to projects located in a census tract with a poverty rate of 20% or less, as determined in the most recent American Community Survey 5-Year Estimates. A project that qualifies for the increased project cap at the time of HAP contract execution continues to qualify for the exception for the length of the contract regardless of changes in the poverty rate for the census tract in which the project is located. Poverty rates by census tract may be viewed at: <https://www.huduser.gov/portal/maps/hcv/home.html>
 - b. Proposed projects that are not in a census tract with a poverty rate of 20% or less will be considered if one or more of the conditions below exist:
 - i. The census tract in which the proposed PBV development will be located in is a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
 - ii. The PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

- c. The proposed PBV development will be located in a census tract undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- d. The project is located in a census tract where new market rate units are being developed and such market rate units will positively impact the poverty rate in the area;
- e. The project is located in a census tract where there has been an overall decline in the poverty rate over the past 5 years;
- f. The project is located in a census tract where more than 50% of residents are post-secondary students (college students);
- g. The project is providing permanent supportive housing which provides a wide spectrum of supportive services, including at least 5 of the services listed below:
 - i. It is not necessary that the services be provided on-site or by the owner, if they are approved services and the Proposer can demonstrate that the services will be provided. To qualify, a family must have at least one member receiving at least one qualifying supportive service. The owner/property manager may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in a PBV unit, although such services may be offered.
 - ii. The Owner will either provide supportive services or refer tenants to supportive services provided in the community. The supportive service requirement will be monitored at a minimum annually during the annual income recertification process. The owner may also refer tenants to specific supportive services as needed. Supportive services can include but are not limited to:
 - Family Self Sufficiency Program
 - Payee Services
 - Financial Literacy/Credit Counseling
 - Employment/Job Skills
 - Anger Management/Conflict Resolution
 - Mental Health Support
 - Medical Care
 - Substance Abuse Recovery Support
 - Domestic Violence
 - Parenting and Child Welfare
 - Education and Employment Support
 - Coordination of Entitlements

- Money Management and Financial Literacy
- Assistance with Basic Needs
- Legal Services
- Child Care
- Transportation
- Security
- Household Maintenance and Activities of Daily Living
- Connections to Mainstream Services and Community Resources
- Tenancy Problems and Lease Violations
- Guest Monitoring and Support
- Eviction Prevention

- (3) The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 ([42 U.S.C. 2000d-2000d\(4\)](#)) and HUD's implementing regulations at [24 CFR part 1](#); Title VIII of the Civil Rights Act of 1968 ([42 U.S.C. 3601-3629](#)); and HUD's implementing regulations at [24 CFR parts 100](#) through [199](#); Executive Order 11063 ([27 FR 11527](#); [3 CFR, 1959-1963 Comp., p. 652](#)) and HUD's implementing regulations at [24 CFR part 107](#). The site must meet the section 504 site selection requirements described in [24 CFR 8.4\(b\)\(5\)](#).
- (4) The site meets the HQS site standards at [24 CFR 982.401\(l\)](#).

C. Existing and rehabilitated housing site and neighborhood standards. A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

- (1) 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.)
- (2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- (3) 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.
- (4) 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 not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

D. New construction site and neighborhood standards. A site for newly constructed housing must meet the following site and neighborhood standards:

- (1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
- (2) The site must not be located in an area of minority concentration, except as permitted under [paragraph \(e\)\(3\)](#) of this section, and must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.
- (3) A project may be located in an area of minority concentration only if:
 - a. Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration (see [paragraph \(e\)\(3\)\(iii\)](#), [\(iv\)](#), and [\(v\)](#) of this section for further guidance on this criterion); or
 - b. The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see [paragraph \(e\) \(3\)\(vi\)](#)) of this section for further guidance on this criterion).
 - c. As used in [paragraph \(e\)\(3\)\(i\)](#) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.
 - d. Units may be considered “comparable opportunities,” as used in [paragraph \(e\)\(3\)\(i\)](#) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
 - e. Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the

following factors are present, along with other factors relevant to housing choice:

- i. A significant number of assisted housing units are available outside areas of minority concentration.
 - ii. There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
 - iii. There are racially integrated neighborhoods in the locality.
 - iv. Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
 - v. Minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
 - vi. A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
 - vii. Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
- f. Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.
- (4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
- (5) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

- (6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
- (7) Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

3. PROJECT DETAILS

A 1-page narrative summary (which can include charts) of the Project Proposal to include items (i) and (ii) below. Other attachments can be added to the narrative 1-page summary.

- i. **Project description**
 - a. Number of buildings, year built, and housing type (townhomes, mid-rise etc.)
 - b. Number of units by bedroom size and number of bathrooms per unit
 - i. Indicate proposed rent
 - ii. Indicate what utilities are included in the rent
 - iii. Indicate what utilities are not included in the rent
 - 1. Indicate the utility type for the following appliances:
 - a. Furnace Heating
 - b. Water Heating
 - c. Cooking Range
 - 2. Indicate if the unit will provide the following:
 - a. Air Conditioning Unit
 - b. Refrigerator
 - c. Range (Stove)
 - iv. Indicate which units will be PBV
 - v. Indicate which units will be accessible and/or visitable
 - vi. Indicate income restrictions for each unit (as applicable)
- ii. **List of on-site amenities**
 - a. Laundry, playground, community center, etc.
 - b. Include any green or energy efficiency improvements
- iii. **Visuals**
 - a. Photos, renderings, and/or site plan for the project.
- iv. **Access to public transit**
 - a. Include map location of nearest bus stop and bus route number

4. APPLICANT EXPERIENCE

Applicants that do not currently have a contract with the Ann Arbor Housing Commission (contracts can include PBV HAP contracts or any other contract), please provide the following as a brief narrative, chart, and/or attachments:

Applicant Projects

Provide descriptions of 2 projects that exhibit the Applicant's experience in affordable multi-family real estate, focusing on the experience most relevant to this RFP. For each project, provide the following minimum information:

- i. Project name and location
- ii. Brief description of the project (indicate if new construction or existing housing and indicate development financing sources and amounts)
- iii. Indicate whether units received rental assistance and the type of assistance
- iv. Tenant target population such as income restrictions and any special needs housing
- v. Number of units and housing type (mid-rise, townhomes, etc)

Owner/Developer Background

Provide the following:

- i. A complete disclosure of all entities and individuals comprising the Applicant/Founding Legal Entity and any subsidiaries of the Applicant/Founding Legal Entity.
- ii. UCC and Litigation search for the founding legal entity that is sponsoring this application.

5. PROPERTY MANAGEMENT EXPERIENCE

Provide the following as a brief narrative, chart, and/or attachments:

Property Manager Projects

Provide descriptions of 2 projects that exhibit the property manager's experience in affordable multi-family real estate, focusing on the experience most relevant to this RFP. For each project, provide the following minimum information:

- i. Project name and location
- ii. Brief description of the project such as number of units
- iii. Indicate whether units received rental assistance and the type of assistance
- iv. Describe any services provided to residents and who performed the services
- v. Tenant target population such as income restrictions and any special needs housing
- vi. Indicate whether the Property Management Company has previous experience with the LIHTC, HUD or other federal or state programs

6. TARGET POPULATION & SUPPORTIVE SERVICES PLAN

Provide the following as a brief narrative, chart, and/or attachments:

Target population

Please describe the target population for the project and why project-based vouchers will enable the applicant to provide housing for this target population.

Tenant selection criteria and plan

Provide a copy of or description of tenant screening requirements including what factors would screen out a tenant such as a credit check, history of eviction, or criminal background.

Supportive Services (if applicable)

- i. Programs and Activities
- ii. Service provider
- iii. Include any contracts or Memorandums of Understanding with the service provider

This list is provided as guidance and is not considered to be exhaustive.

7. READINESS TO PROCEED

Provide the following as a brief narrative with charts and/or attachments:

Site Requirements

All Proposals must provide the following:

- i. Evidence of ownership or site control

New construction must also provide:

- ii. Documentation of zoning status
 - a. Evidence that site has appropriate zoning or
 - b. Timeline for proposed rezoning

Financial Feasibility

All Proposals must provide the following:

- i. A 15-year operating budget for entire project
 - a. With project-based vouchers
 - b. If different, without project-based vouchers

New construction and rehabilitation projects must also provide:

- ii. A development pro forma listing sources and uses
 - a. Indicated whether committed or uncommitted
 - b. Timeline for securing uncommitted funding sources
- iii. Construction timeline
 - a. Reasonable expectation that project will be ready for occupancy by April 2028

Note: If sources and uses change prior to closing, the AAHC shall perform a final review. In the event financial feasibility analysis changes throughout the commitment and is not deemed satisfactory to the AAHC's underwriting requirements, the AAHC may cancel the commitment.

HUD will also conduct a subsidy layering review for new construction and rehabilitation projects with more than one form of government assistance to ensure that there is not excessive subsidy.

B. Scoring Criteria

Proposals will be evaluated by an RFP Evaluation Committee.

The following criteria will be utilized to evaluate each proposal submitted; award of points for each criteria will be based upon the documentation that the proposer submits:

SCORING CRITERIA:	
CRITERIA	MAXIMUM POINTS
1. Project meets site selection standards as a threshold requirement	Yes or No
2. Project Details	20
3. Owner and Development Team Experience	15
4. Property Management Experience	15
5. Target Population and Supportive Services	30
6. Readiness to Proceed/Project Feasibility	20
TOTAL MAXIMUM POINTS:	100 points

C. Award of Agreements

- i. Upon completion of the evaluation of Proposals, the AAHC will notify the Owner/Developer(s) of the approval of their Proposal via a conditional commitment letter.
- ii. Before expiration of a 120-calendar day period after the submission of a Proposal, the AAHC will advise the selected proposers that they have been selected. The AAHC expects to enter into a 15- or 20-year Agreement to Enter Housing Assistance Payment (AHAP) or Housing Assistance Payment (HAP) contract with the Selected Owner/Developer, subject to renewal for up to 20 additional years at both parties' discretion; which will be in the general format of the sample agreement and will encompass (1) this RFP and the exhibits hereto and (2) the Selected Proposers' Proposals and all subsequent modifications thereto.
- iii. Within 10 calendar days after the prospective Owner/Developer receives notification of their selection, the prospective Owner/Developer must provide proof of property and general liability insurance, if necessary, upon request from the AAHC.
- iv. The prospective Owner/Developer must execute its AHAP or HAP contract with AAHC within a reasonable time period, not to exceed 120 calendar days, following the AAHC's notification to the prospective Owner/Developer that they have been selected. If the prospective Owner/Developer does not enter into the AHAP or HAP within such time period, the AAHC may disqualify such prospective Owner/Developer and select another Owner/Developer.
- v. The Owner/Developer must at all times have in effect any required licenses and permits necessary to perform the Services required under the Agreement, if applicable.

END OF DOCUMENT