

Housing Authority of the County of San Mateo

REQUEST FOR PROPOSALS (RFP) **For 200 Section 8 Project-Based Vouchers** **And 35 HUD-VASH Project-Based Vouchers**

Released December 8, 2022

Applications Due by:

4:00 pm, Friday, December 30, 2022

This Request for Proposals (RFP) is available online, at:

<http://housing.smcgov.org/Project-BasedVouchersRFP>

Applications must be submitted online through City Data Services:

www.citydataservices.net

Login for new users: **SMC2023** for ID & Password

Application will be live in CDS not later than Monday, December 12, 2022.

Questions regarding the content of the online application or the RFP content must be emailed to housing@smchousing.org.

For technical assistance with the mechanics of the online application, contact Steve Crouse, citydataservices@yahoo.com or [650-533-5933](tel:650-533-5933)

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I. INTRODUCTION, INVITATION AND TIMELINE

The Housing Authority of the County of San Mateo (HACSM) is a Public Housing Authority (PHA). HACSM’s goal is to provide safe, decent, sanitary and affordable housing to low-income households, including families, the elderly, and the disabled. The primary means to provide this assistance is through the U.S. Department of Housing and Urban Development (HUD) funded Section 8 Voucher program. HACSM currently assists approximately 4,600 households in the County of San Mateo through the Voucher and other rental assistance programs.

Pursuant to the terms of this RFP, HACSM is making available up to **200** regular Section 8 Project-Based Vouchers (“PBVs”) and up to **35** HUD-VASH Project-Based Vouchers (“HUD-VASH PBVs”); and solicits proposals from applicants to achieve specific program goals described below. HACSM may also rely on responses to this RFP to select projects that will be invited at a later date to apply for a new Local Housing Voucher program (not PBVs) still in development. **Applications in response to this RFP must be submitted by 4:00 PM on Friday, December 30, 2022.**

IMPORTANT DATES RELATED TO THIS RFP

<u>EVENT</u>	<u>TARGET DATE*</u>
Release of Project-Based Vouchers RFP	December 8, 2022
Application is Available in CDS	December 12, 2022
Mandatory Pre-Application Meeting	Not later than December 16, 2022 (4:00 PM)
Technical Assistance/Applicant Questions	Q&A’s continually posted on DOH website as questions are received by email to housing@smchousing.org . Potential proposers are directed to periodically check the DOH website for questions and answers
Deadline for Submission of Applications	December 30, 2022 at 4 pm
Notice of Selection of Applications	Late January 2023

**Please check the Department of Housing website to confirm all dates*

All Applications must be submitted online through City Data Services (“CDS”) at citydataservices.net. Proposals will not be accepted via e-mail or postal service mail.

Proposals received after the deadline indicated above will not be considered. Applicants may not submit additional materials after the submittal deadline, and incomplete applications will not be considered.

II. PROGRAM OVERVIEW AND REQUIREMENTS

A. PURPOSE AND POLICY ALIGNMENT

The primary purpose of the PBV Program is to assist in the creation of additional affordable rental housing stock by supporting designated rental units that are decent, safe and sanitary, and targeted to households earning no more than 50 percent of Area Median Income (AMI) (*Federal income limits for County of San Mateo*). Units are “supported” by attaching PBVs to identified rental units. Under the PBV Program, HACSM enters into a Housing Assistance Payments (HAP) Contract with the owner for specified rental units, for a specified term (up to 20 years) subject to funding availability. Rent subsidy is provided up to an agreed amount for PBV units if eligible households occupy the PBV units and the units meet other program standards. To fill vacant Section 8 PBV units, HACSM refers households from a project-specific waiting list to the project owner, subject to approved preferences.

This RFP is released by HACSM to address specific housing needs that are prioritized by the County’s Consolidated Plan, proposed 2023-2031 Housing Element, Strategic Plan to End Homelessness, and 2023 Moving to Work plan, subject to specific requirements of HACSM’s Administrative Plan, including any regulatory changes allowed by the County’s Moving to Work Plan. To that end, this RFP will foster the development of new, permanent, affordable housing that will address:

- Severe overcrowding among extremely low-income and very low-income households by **prioritizing two- and three-bedroom units**.
- High rates of cost burden and severe cost burden among the county’s extremely low-income households by **prioritizing units for extremely low-income households**.
- Growing rates of homelessness by fostering the coordination of deeply affordable housing with a robust and sustainable program of onsite supportive services for **homeless households, disabled households, homeless veterans and other identified special needs households**.

HACSM’s strategic goals for this RFP of PBVs also include:

- **De-concentrate poverty and expand housing and economic opportunities** across San Mateo County, including low-poverty census tracts, high resource areas, and communities that have not recently benefited from an award of PBVs.
- Create affordable housing within **walking distance of services, amenities and transit**.
- Build system capacity in affordable housing providers and supportive services providers to **coordinate deeply affordable housing with effective and sustainable supportive services** that enable targeted populations to acquire and retain an affordable home.

This RFP is issued pursuant to the HACSM Administrative Plan, including the Moving-To-Work Plan. The rules and requirements for the Section 8 PBV program are included in HACSM’s Administrative Plan which can be found on HACSM’s website under “Resources” at www.smhousing.org. The

regulations governing the Section 8 PBV program are found at 24 CFR section 983 as amended, subject to specific differences allowed in HACSM's HUD-approved Moving to Work Plan.

B. DEFINITIONS

Please refer to Exhibit A of this document for a list of defined terms used in this RFP.

C. OVERVIEW OF THE AVAILABLE FUNDING

Funding for the Section 8 PBVs is dependent on annual federal Congressional appropriations for HACSM's Section 8 program. HUD does not allocate separate or additional funding for PBV units. Instead, funding comes from funds already obligated by HUD to HACSM's Housing Choice Voucher Program Annual Contributions Contract (ACC). As such, any Section 8 or HUD-VASH PBV units made available by HACSM in connection with this RFP are entirely contingent upon available and designated HUD funding. HUD regulations allow HACSM to use a limited number of its total voucher allocation for a PBV program, as specified in HACSM's HUD-approved Moving to Work plan.

D. NUMBER AND TYPE OF PBV UNITS AVAILABLE

In this RFP, HACSM will make available **up to 200 regular Section 8 PBV units and up to 35 HUD-VASH PBV units** for eligible New Construction Projects (as defined in Exhibit A) in which, as required by federal regulations, **construction did not start prior to the PBV Award Date (as defined in Exhibit A)**. Depending on the number and quality of applications received, HACSM in its sole discretion may award fewer than 200 Section 8 PBV units and fewer than 35 HUD-VASH PBV units. This RFP only solicits applications for eligible New Construction Projects in San Mateo County. HUD-VASH PBVs will only be awarded to projects with a letter of support from and within the San Mateo County service area of Menlo Park Veterans Administration Medical Center (VAMC), which is not further north than the City of San Mateo.

E. MINIMUM AND MAXIMUM NUMBER AND TARGETING OF PBV UNITS IN A PROJECT.

1. Minimum and Maximum Number of PBV Units and Incomes Served. Applicants must apply for a minimum of fifteen (15) Section 8 PBV units and/or a minimum of fifteen (15) HUD-VASH PBV units. Applicants may apply for Section 8 PBVs for up to 50 percent of the total number of dwelling units in a project ("Cap"). Depending on availability, scoring and other RFP requirements for income targeting, special needs households and unit size, additional PBV units above the Cap may be awarded for Excepted Units as defined in Exhibit A. HUD-VASH PBVs may also be awarded to a project in addition to the maximum number of regular Section 8 PBV units for which the project qualifies.

EXAMPLE: A 60-unit project is targeted solely for Supportive Housing for the homeless population who are eligible for Excepted Units. Depending on scoring, availability of the PBVs and the

satisfaction of other requirements and preferences, HACSM may award more than the Cap of thirty (30) Section 8 PBVs to this project. Furthermore, if the project has a letter of support from and is in the service area of the Menlo Park VAMC, HACSM may award HUD-VASH PBVs for eligible homeless veterans to the project above the 50% cap for Section 8 PBVs.

2. Populations Targeted by Section 8 PBVs. Applicants for Section 8 PBVs may only receive PBVs for Extremely Low Income (ELI) and Very Low Income (VLI) households as defined in Exhibit A. Furthermore, an Applicant must commit at least 75% of the Section 8 PBV units to ELI households and at least 25% of the Section 8 PBV units as Supportive Housing Units (as defined in Exhibit A) for homeless, disabled and other identified special needs populations who will benefit from coordinated supportive services. Supportive Housing PBV units may be counted towards the minimum of 75% of Section 8 PBV units targeted for ELI households. When calculating the number of required ELI and Supportive Housing units, the applicant shall round up any fractional numbers. The applicant may be further required to make an agreed number of non-PBV units subject to a preference for the same Supportive Housing population when they have tenant-based rental subsidies, as further described in Section F.7.

EXAMPLE: A 100-unit project requests a total of 50 PBV units, including 13 PBV units for the homeless (25% of the 50 PBV units). At least 38 of the 50 PBV units (75%) must be ELI, and the 13 PBV units targeted for the homeless population may be counted as part of the required 38 ELI PBV units. Thus, the applicant may propose that up to 12 of the 50 PBV units will be above the ELI income limit (but not higher than the VLI income limit). As a condition of the award of PBV units, the applicant must make an agreed number of the project's non-PBV units subject to a preference for the homeless population with tenant-based rental subsidies.

The number of ELI units and Supportive Housing units required under this RFP may include units already targeted for this purpose by any other finance program, including but not limited to the County's Affordable Housing Fund (AHF) program.

3. Minimum Number of Two-Bedroom and Three-Bedroom Units for Section 8 PBVs. Except for 100% elderly projects, at least 50% of the Section 8 PBV units awarded to a project must be for two-bedroom and three-bedroom units. A single unit that qualifies as both Supportive Housing and a two-bedroom or three-bedroom unit may be counted against the minimum required for both Supportive Housing and two-bedroom and three-bedroom units. An applicant may request that HACSM reduce the required number of two-bedroom and three-bedroom PBV units by increasing the number of Supportive Housing units above the minimum of 25% of requested PBVs.

EXAMPLE: A 100-unit project submits a request for 50 PBV units. Thirteen (13) of the 50 PBV units (25%) must be targeted to Supportive Housing, and 25 of the 50 PBV units (50%) must be placed on two-bedroom and three-bedroom units. If 3 of the 13 Supportive Housing units are to be attached to two-bedroom and three-bedroom units, then 22 of the remaining 37 PBVs must be attached to two-and three-bedroom units. The Applicant may propose to reduce the number of two-bedroom and three-bedroom PBV units by increasing the number of Supportive Housing units above the minimum of 25% of the PBV units. For example, by increasing the number of Supportive Housing units with PBVs from the minimum number of 13 to a new total of 20, the applicant may further reduce the minimum number of two-bedroom and three-bedroom units with PBVs from 22 to 15.

Subject to the required minimum of two-bedroom and three-bedroom PBV units, PBV units shall, to the greatest extent possible, be distributed within the development in proportion to the unit types and sizes in the project.

4. Populations Targeted by HUD-VASH PBVs. HUD-VASH PBVs must be targeted to eligible homeless veterans and their families in the San Mateo County service area of the Menlo Park Veterans Administration Medical Center, which does not extend further north than the City of San Mateo. HUD-VASH PBVs may be awarded for both Extremely Low-Income and Very Low-Income households as defined in Exhibit A.

5. Applicant Commitment to Specific Units. The total number of PBV units applied for, as well as the number targeted to ELI households, the number qualifying as Excepted Units, the number targeted as Supportive Housing Units (both with and without PBVs), the number targeted to homeless veterans eligible for HUD-VASH PBVs and the number targeted to two-bedroom and three-bedroom units, must be stated in the Applicant's application submitted in CDS and will be considered a commitment by the Applicant should the requested number and type of PBVs be awarded. Applicants awarded fewer than the number of PBVs requested shall only be subject to Section 8 PBV or HUD-VASH PBV requirements with respect to the actual award.

F. PREFERENCES AND REFERRAL PROCESS FOR PBV UNITS

1. Site-Specific Waiting Lists. HACSM will establish a site-specific PBV waitlist for initial lease-up and subsequent vacancies of all PBV units awarded to a project pursuant to this RFP. All vacancies for PBV units will be filled from the site-specific PBV waiting list. HACSM is responsible for determining Section 8 and HUD-VASH eligibility, including preferences, for all applicant households, while the owner is responsible for suitability and other screening based on the owner's resident screening criteria. The site-specific waiting list will include the terms of the preferences for the awarded number of ELI units and Supportive Housing Units, incorporating the referral process described in Sections 2 and 3 below.
2. ELI Preference. The site-specific waiting list for the project shall provide a preference for the required minimum number and bedroom size of ELI units.
3. Supportive Housing Preference and Referrals. The site-specific waiting list for the project shall provide a preference for the targeted number, bedroom size, and population type of Supportive Housing units as defined in Exhibit A. Referrals for both PBV and non-PBV Supportive Housing units shall be made by the referring agency approved by HACSM for the specific population served, including:
 - (a) The County's Coordinated Entry System for homeless households administered by the Human Services Agency's Center on Homelessness; or
 - (b) The County's Behavioral Health and Recovery Services agency with respect to No Place Like Home referrals; or

(c) The Health Plan of San Mateo or its designee with respect to Frail Elderly Households, HHC participants, and participants in Duals Demo program; or

(d) Other County agencies or designated service providers approved by HACSM serving the specific type of special needs households targeted for the Supportive Housing Units; or

(e) The Menlo Park Veterans Administration Medical Center (VAMC) or a designated service provider approved by the VAMC for services to homeless veterans eligible for HUD-VASH PBVs.

4. Timely Referrals for PBV Units at Initial Lease-up. If HACSM is unable to refer a sufficient number of eligible applicants for a targeted PBV unit during an agreed-upon period of lease-up activity of the property, or if the PBV unit cannot be successfully filled with referrals from the targeted population, HACSM will refer other eligible households in order to facilitate occupancy of the PBV unit.

5. Timely Referrals for PBV Units After Initial Lease-up. Both the owner and the tenant of a PBV unit must notify HACSM immediately if a tenant will be moving out of a PBV unit. Subject to any applicable preference, HACSM will notify appropriately sized households at the top of its project-specific wait list that a unit is available and will refer applicants from the wait list within 30 days following notification of the PBV unit vacancy/impending vacancy. Owners are responsible for screening all applicants referred to them using tenant selection criteria reviewed and approved by HACSM. Once a tenant is approved by the owner, the owner must refer the family back to HACSM for determination and certification of final eligibility for a PBV unit.

6. Direct Referrals for Preference-Eligible Applicants for Supportive Housing Units. For targeted Supportive Housing units, if HACSM and any referring service partner approved by HACSM are unable to refer preference-eligible applicants to the PBV owner within 30 days of vacancy notification, the owner may refer to HACSM one or more preference-eligible applicants who may qualify for the targeted PBV unit. Owners must have an affirmative fair housing marketing plan on file with HACSM in order to make direct referrals of applicants for Supportive Housing units and any other PBV units.

7. Supportive Housing Preference-Eligible Applicants with Tenant-Based Rental Subsidies. Many of the preference-eligible households for the Supportive Housing units referred by HACSM and the referring service partner may possess a tenant-based Section 8 voucher or another form of rental subsidy. Preference-eligible applicants with tenant-based vouchers may also receive various support services from County agencies and other service providers appropriate for each household's level of need. Because of such rental assistance and the supportive services already in place, it is expected that many of these referred households can be successfully placed in a non-PBV Supportive Housing unit. Therefore, the owner must agree to:

(a) Accept referrals of preference-eligible applicants with tenant-based rental subsidies from the designated referring agency for an agreed number of non-PBV units which will be determined with consideration of the number of PBV units awarded above the Cap (if any), the number of PBV units that are for Supportive Housing and the number of PBV units that are attached to two-bedroom and three-bedroom units. Permit any household with a time-limited Section 8 voucher occupying a non-PBV Supportive Housing unit to remain in their unit and pay 100 percent of the unit's rent at the unit's designated level of affordable rent. If the household

remains, the unit will continue to count toward the non-PBV Supportive Housing unit requirement until the household vacates the property.

8. Timely Referrals for Non-PBV Supportive Housing Units. If HACSM and any referring service partner approved by HACSM are unable to timely refer preference-eligible applicants with rental subsidies (or who are immediately able to obtain such rental subsidies), for non-PBV Supportive Housing units, then the owner may fill such units with non-targeted households pursuant to the terms of the operating agreement to be developed between the owner, HACSM and the service provider. In such case, the next available vacant unit of similar size would then be designated as a non-PBV Supportive Housing unit.
9. Owner Screening for Supportive Housing Units. It is expected that prospective tenants referred by HACSM and any referring service partner will undergo an owner screening process to determine their suitability under the project's tenant selection criteria. It is also expected that the property management plan has or will adopt tenant selection criteria that pose minimal barriers to entry and use screening criteria appropriate for Homeless, Disabled and ELI individuals and families, many of whom will be actively engaged in addressing their housing barriers with supportive services available to them from the County and other service providers.

G. PBV PROGRAM CONTRACT ASSISTANCE AND TERM

1. PBV Housing Quality Standards (HQS). HUD-established HQS specification are described in 24 CFR sections 983.101 and 982.401. All PBV-assisted units must meet HQS and other requirements before rental assistance can commence.
2. Agreement to Enter the Housing Assistance Payment (AHAP) Contract. For New Construction units, HACSM must enter into an Agreement to Enter the Housing Assistance Payment (**AHAP**) contract promptly after the Award Date and after subsidy layering review and environmental approval is received (24 CFR section 983.152). Selected New Construction projects may not begin construction until all post-selection requirements are met and HACSM and the owner have executed an AHAP. HUD regulations do not allow any exception to this "no-start" rule.
3. Housing Assistance Payment (HAP) Contract. Upon satisfactory compliance with all post-selection requirements, satisfactory compliance with provisions of the AHAP, completion of construction, and a successful HQS inspection, HACSM and the property owner will enter into a Housing Assistance Payments (HAP) contract for specified units for an initial term of up to 20 years. The HAP contract establishes the initial rents for the units and describes the responsibilities of HACSM and the owner.
4. Occupancy by Eligible Households. Rental assistance is provided while the units are occupied by eligible households from HACSM's site-specific waitlist, which may include those referred to HACSM by the Center on Homelessness, the Behavioral Health and Recovery Services agency, the Health Plan of San Mateo, the Menlo Park Veterans Administration Medical Center, or other designated service providers approved by HACSM.
5. Portability. A family who resides in a Section 8 PBV unit for at least two years may move with continued rental assistance under the tenant-based Section 8 Program, if HACSM has sufficient resources at the time of the tenant's request to allow the transfer to the tenant-based Section 8

program.¹ The HUD-VASH PBV program has different rules concerning portability of the HUD-VASH assistance. In the event of such a move, the PBV unit the family occupied must then be rented to an eligible family from HACSM's site-specific wait list subject to any applicable preferences. PBV units must be leased to eligible families for the full term of the HAP contract.

6. HAP Contract Renewal. HAP contract renewal may occur at the sole option of HACSM for such period (not exceeding 20 years in total for all renewal periods) as HACSM, in its sole discretion, determines appropriate to expand housing opportunities and to achieve long-term affordability of the assisted housing. All HAP contract renewals are contingent upon the future availability of appropriated HUD funds for the Housing Choice Voucher Program.
7. Subsidy Layering and NEPA Review. Projects may be subject to a HUD-required approval of a Subsidy Layering Review conducted by HUD or the California Tax Credit Allocation Committee, depending on project type, and/or a National Environmental Protection Act (NEPA) environmental review prior to execution of an AHAP or HAP.
8. Reasonable Rent Increases. HACSM expects applicants to properly and accurately underwrite projects, including using industry standards for debt coverage ratios and operating expenses. As such, HACSM will only honor requests from awardees during building operations for rent increases that are in line with the projected increases stated in the project's tax credit application or Pro Forma financial statements used in this and other financing applications. In cases where exceptions are necessary, HACSM may consider, without limitation, information such as operating costs of its Section 8 portfolio, operating costs of DOH's affordable housing portfolio, year-over-year changes to LIHTC and HOME rents, year-over-year changes to the Fair Market Rent (FMR), and indexes such as the Consumer Price Index.
9. Denial of PBV Applicants. HACSM may deny applications for PBVs based in income and asset limits, households size for the available unit type, violent/drug criminal history, compliance history during previous participation in the Housing Choice Voucher Program or public housing programs or having any household member who is a registered sex offender.

H. OCCUPANCY STANDARDS FOR PBV UNITS

The developer/owner will be required to follow HACSM's occupancy (subsidy) standards (see Chapter 5 of HACSM's Administrative Plan). In issuing a voucher, HACSM will use the following guidelines to determine the number of bedrooms supported by the voucher:

- Head of household and his/her spouse, co-head, or partner will be issued one bedroom;
- All remaining family members will be issued one bedroom per two family members regardless of gender, age, or relationship of these family members;

¹ As an MTW Agency, HACSM has received HUD approval to change the initial move limitation from one year to two years. The regulatory change was effective July 1, 2010.

- Live-in aides will generally be assigned a separate bedroom. No additional bedrooms will be assigned for the live-in aide’s family;
- Single person and 2-person households will generally be issued one-bedroom units. In a case where only studio units are available, HACSM may approve a two-person household to reside in a studio unit, provided that such occupancy will not result in overcrowding.

I. RENT LIMITS FOR PBV PROGRAM

1. The rent, to owner for units covered by the PBV Program must not exceed the lowest of the following:
 - The gross rent (including utility allowance) may not exceed 105 percent of the Fair Market Rents (FMR) by unit size as shown in the table below, for both initial rent and annual adjustments;
 - The reasonable rent; or
 - The rent requested by the owner.

Notwithstanding the above, HACSM expects to set PBV Program rent at the lesser of 105 percent of FMR rates as of the PBV Award Date and the rent determined to be fair through a rent-reasonableness test carried out by HACSM at the time of the Subsidy Layering Review. Applicants are encouraged to utilize current FMRs in underwriting for purposes of this application:

TABLE 1: 2023 HUD FAIR MARKET RENTS (FMR) FOR SAN MATEO COUNTY

	Fair Market Rents as of October 1, 2022				
	Studio	1 BR	2 BR	3 BR	4 BR
FMRs	\$2,156	\$2,665	\$3,188	\$3,912	\$4,283

2. Rent limits will be different than those stated above, if the contract unit meets all the following criteria:
 - The contract unit receives a Low-Income Housing Tax Credit (LIHTC) under the Internal Revenue Code of 1986;
 - The contract unit is not located in a qualified census tract (QCT). A QCT is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which at least 50 percent of households have an income of less than 60 percent of the Area Median Gross Income or where the poverty rate is at least 25 percent and where the census tract is designated as a QCT by HUD.

- There are comparable LIHTC units of the same bedroom size as the contract unit in the same building, and the comparable LIHTC units do not have any form of rental assistance other than the LIHTC; and
- The LIHTC rent exceeds the HACSM Payment Standards.

For contract units that meet all these criteria, the rent to owner must not exceed the lowest of:

- The LIHTC rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

J. INELIGIBLE PROJECTS

1. Ineligible Housing Types (24 CFR section 983.53). HACSM may not attach PBV assistance to:
 - Shared housing units;
 - 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 services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities);
 - Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
 - Manufactured homes;
 - Cooperative housing;
 - Transitional housing;
 - A unit occupied by an owner; or
 - A unit occupied by a family ineligible for participation in the PBV Program.

2. Ineligible Subsidized Housing (24 CFR section 983.54). HACSM may not attach PBV assistance to any of the following types of subsidized housing:
 - A public housing unit;
 - A unit subsidized with any other form of Section 8 assistance;
 - A unit subsidized with any governmental rent subsidy;
 - A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;

- A unit subsidized with Section 236 rental assistance payments (except that HACSM may attach assistance to a unit subsidized with Section 236 interest reduction payments);
- A Section 202 project for non-elderly households with disabilities;
- A Section 811 project-based supportive housing for persons with disabilities;
- A Section 202 supportive housing for the elderly;
- A Section 101 rent supplement project;
- A unit subsidized with any form of tenant-based rental assistance; or
- A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or HACSM in accordance with HUD requirements.

K. OTHER FEDERAL REQUIREMENTS

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

- Fair Housing: Nondiscrimination and equal opportunity. See 24 CFR section 5.105(a) and Section 504 of the Rehabilitation Act.
- Environmental Review: See 24 CFR section 983.58.
- Labor Standards: Regulations implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 U.S.C. sections 3701-3708), 24 CFR section 983.154(b), and other federal laws and regulations pertaining to labor standards applicable to an AHAP covering nine or more assisted units.
- Debarment: Prohibition on use of debarred, suspended, or ineligible contractors. See CFR section 5.105(c) and 24 CFR part 24.
- Uniform Relocation Act: A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. sections 4201-4655) and implementing regulations at 49 CFR part 24.
- Violence Against Women Act: Federal Regulations providing specific housing protections for housing applicants and tenants who are victims of domestic violence, dating violence, stalking, and human trafficking.

L. FEDERAL PROGRAM REGULATIONS AND HACSM PROGRAM POLICIES

The information contained in this RFP is a summary overview of the PBV Program. HACSM does not warrant that it is exhaustive and bears no responsibility for its accuracy or completeness. All persons submitting proposals/applications are encouraged to read the HUD regulations on the PBV Program for a full description of the Program's requirements, as well as HACSM's Administrative Plan. The PBV regulations and guidance can be found at:

- a) 24 CFR Part 983 as revised per Federal Register Notice FR-4636-F-02, dated October 13, 2005

- b) The Housing and Economic Recovery Act of 2008 (HERA) as revised per Federal Register Notice FR-5242-N-01, dated November 24, 2008
- c) PIH Notice 2001-54 (HA), dated September 20, 2011
- d) PIH Notice 17-21 implementing HOTMA.

For a complete copy of HACSM’s PBV program policies, please see Chapter 22 of HACSM’s Administrative Plan. The plan is available at the Department of Housing website under “Resources” at www.smhousing.org.

III. THRESHOLD REQUIREMENTS AND EVALUTION AND SCORING

A. THRESHOLD REQUIREMENTS FOR ALL PROJECTS AND APPLICANTS

1. Project Location. The project must be located in San Mateo County. An award of HUD-VASH PBVs will only be made to a project with a letter of support from and located within the San Mateo County service area of the Menlo Park Veterans Administration Medical Center, which does not extend further north than the City of San Mateo.
2. De-concentration of Poverty. A New Construction project must be located in a census tract with a poverty rate no higher than 20 percent unless HACSM determines in its sole discretion that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities such as activities located in:
 - A census tract that is a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
 - 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;
 - A census tract that is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
 - A census tract where new market rate units are being developed;
 - A census tract where there has been an overall decline in the poverty rate within the past five years; or
 - A census tract where there are meaningful opportunities for educational and economic advancement.

Under no circumstances will HACSM approve PBV assistance in a census tract with a poverty rate higher than 40 percent. The source for determining the census tract poverty rate is the 2020 American Community Survey five year estimate.

3. Site and Neighborhood Standards [24 CFR section 983.57(e)]. A New Construction project must meet the following HUD-required site and neighborhood standards:
 - The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed;

- The site must have adequate utilities and streets available to service the site;
 - The site must not be located in an area of minority concentration unless HACSM determines that 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 or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
 - The site 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;
 - 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;
 - The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions prevail;
 - 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
 - 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.
4. Site Control. Applicant must have Site Control of the land and other real property necessary for the proposed development, evidenced by an enforceable right to use a parcel or parcels of land for the proposed development prior to the submission of the proposal. Such enforceable right shall be subject only to specific, objective, time-limited, and reasonable business conditions, and does not include an agreement with conditions in the discretion of the seller or grantor to disapprove or agreements to negotiate an enforceable right at a later date. Applicant must submit acceptable evidence of Site Control including a complete and accurate legal description of the site and one of the following: (a) a recorded deed or conveyance showing the Applicant has fee or leasehold ownership of the site; (b) a valid and enforceable purchase and sale agreement for the site; (c) a valid option to purchase the site; (d) a valid option for a long-term lease of the site; or (e) other evidence of Site Control satisfactory to HACSM in its sole discretion.
5. Financial Feasibility of the Project. The applicant must submit evidence of project financial feasibility for at least a 30-year period. Specifically, the pro forma must include a detailed description of all sources and uses of funds. The 30 year operating income and expense statement must demonstrate that with the committed or highly likely award of other planned financing and the requested award of PBVs, including the income-targeting required by this RFP or by any other affordability restrictions that will apply, the project is feasible pursuant to applicable guidelines for the nine (9) percent or four (4) percent Low Income Housing Tax Credit program (www.treasurer.ca.gov/ctcac/tax.asp). The pro forma may assume the requested award of PBVs over the 30-year period although the actual renewal of the original

20-year HAP contract is subject to HACSM's approval. The pro forma must also provide for the amount and source of funding for supportive services described in the Applicant's supportive services plan.

6. Eligible Applicants. The applicant is the entity submitting an application under this RFP. Eligible applicants include nonprofit and for-profit developers and other non-profit sponsoring agencies capable of entering a contract. Governmental agencies are not eligible applicants.
7. Threshold Development Experience. The applicant or the entity that will develop the project must meet the following threshold qualifications:

(a) Have affordable housing experience in the nine-county Bay Area (San Mateo, San Francisco, Marin, Sonoma, Napa, Solano, Contra Costa, Alameda, and Santa Clara);

(b) Have a successful track record of at least two years of ownership* and management** of at least two affordable housing projects within the nine-county Bay Area, each of which contains at least 15 dwelling units, and where 100 percent of the units, with the exception of the manager(s) unit(s), are targeted to those at or below 80 percent of the Area Median Income; and

(c) Have experience developing, owning* and managing** at least one affordable multifamily development, containing at least 15 dwelling units, where a portion of the units are reserved as permanent supportive housing.

* *Ownership by an affiliated limited partnership for tax credit purposes will qualify as ownership of the project.*

** *Management of the project means management by the owner, an affiliated management entity, or a management agent.*

8. Threshold Property Management Experience. The applicant or the applicant's management agent must demonstrate a track record of successful management of affordable housing developments with similar populations (or a mix of populations) as those being proposed. At a minimum, the applicant or applicant's management agent must have successfully managed, for a period of at least 24 months, one affordable multifamily development containing at least 15 dwelling units, of which a portion of the units are reserved as permanent supportive housing. Evidence of successful management of such project is subject to feedback by a local government funder of the identified affordable housing project that the project is managed in a satisfactory manner, is in compliance with its regulatory agreements, and has taken immediate action to resolve any neighborhood or community complaints involving the project and/or its residents.
9. Threshold Supportive Services Experience, Supportive Services Plan and Sustainable Funding. The applicant or the applicant's service provider must demonstrate experience successfully providing supportive services for affordable housing developments with similar populations (or a mix of populations) as those being proposed. At a minimum, the applicant or applicant's service provider must have successfully provided services, for a period of at least 24 months, for one affordable multifamily development containing at least 15 dwelling units, of

which a portion of the units are reserved as Supportive Housing Units, as defined in Exhibit A. Evidence of successful services provision at such project is subject to feedback by a local government funder of the identified affordable housing project that the project's services delivery is being handled in a satisfactory manner. The applicant must describe a robust program of onsite and other coordinated supportive services appropriate for the service needs of the populations targeted by the application. The applicant's supportive services plan must demonstrate funding for and a strategy for maintaining funding of the supportive services for the duration of the HAP contract. Threshold requirements for supportive services funding consist of at least \$500 PUPA for general resident units and at least \$1,000 PUPA for Supportive Housing units.

10. High-Quality Design and Amenities. The project must incorporate high-quality design and amenities appropriate for the tenant population(s), to HACSM's satisfaction. Projects must include common space for residents as well as space for services provision and service provider staff. The development should incorporate design features that successfully address the housing and service needs of the tenant population(s), such as spaces with doors to enable case managers and service providers to meet confidentially with clients, and space for educational and social activities.
11. Readiness. Applicant must demonstrate the ability to execute an Agreement to enter into Housing Assistance Payments (AHAP) and start construction **within 24 months** of the Award Date for PBVs, which is anticipated in late January 2023. HACSM will evaluate the applicant's evidence of site control, land use approvals and entitlements, and financing commitments in determining whether it is feasible to start construction within 24 months. If the applicant's proposal describes an earlier date for readiness in order to be more competitive as described in Exhibit B, then such earlier date will be binding.
12. Affordability Period. Although the HAP Contract is for a term of only 20 years (subject to extensions, if any are granted, that may not exceed an additional 20 years in total), the Applicant, as a condition of an award of PBVs, must commit to restricted affordability for a period of at least 55 years, the length of any tax credit funding affordability period, the length of any County loan, or the ground lease term, whichever is longer. Income and rent and Supportive Housing restrictions after the expiration of the HAP Contract shall be as set forth in the County loan or ground lease documents, or absent those documents in accordance with the project's tax credit award.
13. Income Targeting, Supportive Housing and Unit Size Commitments. Applicant must meet the minimum requirements for income-targeting, Supportive Housing units, and unit sizes set forth above in this RFP.

B. EVALUATION AND SCORING OF THE APPLICATION

If an application is determined by HACSM in its sole discretion to satisfy all of the Threshold Requirements for projects and applicants described above, the application will be further evaluated and scored as described below.

IV. APPLICATION SUBMITTAL AND PROCESSING

A. REQUIREMENT FOR A PRE-APPLICATION SESSION

Interested applicants must participate in a **pre-application session not later than December 16 at 4 pm** and are encouraged to immediately email a request for an appointment to bdeffenderfer@smchousing.org.

B. SUBMISSION REQUIREMENTS AND FORMAT

An application must be submitted through CDS not later than Friday, **December 30, 2022 at 4 pm**. *Please monitor the Department of Housing website to confirm all dates.* The CDS submission must include all required attachments listed in the application. All required attachments should be provided in PDF format. It is the applicant's responsibility to label the attachments using the numbering format provided in the CDS application. It is the applicant's responsibility to notify CDS of any difficulties using the online application tool.

C. PROPOSAL REVIEW AND SELECTION

After the submittal deadline, HACSM will review, evaluate, and select proposals according to this RFP. If a HACSM-affiliated project is selected for PBVs, the local HUD field office must review and approve the selection procedures, and any award of PBVs is subject to and contingent upon HUD approval.

Prior to selecting proposals for funding, HACSM will determine that each proposal is responsive to and in compliance with HACSM's written selection criteria as stated in this RFP, and in conformity with HUD program regulations and requirements at 24 CFR Part 983 as promulgated by Federal Register Notice FR-4636-F-02, dated October 13, 2005, as amended.

Proposals that do not meet all of the Threshold Requirements will not be considered for an award of PBVs. Proposals that meet all of the Threshold Requirements described above will be evaluated and ranked according to the factors described in Exhibit B of this RFP. In order to be considered for an award, a proposal must score at least 70 points.

The proposals scoring the highest points in HACSM's sole determination will be awarded Project-Based Vouchers up to the amount requested but not more than the limits specified in this RFP. If HACSM determines that a proposal is eligible for PBV assistance, but HACSM allocates less than the full number of PBVs requested by the applicant, the owner will be given the opportunity to accept a partial allocation.

IHACSM may, at its discretion, select one or more of the proposals submitted, or none of the proposals submitted. HACSM reserves the right to postpone or cancel the final award of the PBV units at HACSM's sole discretion.

HACSM will promptly notify the selected owner(s) in writing of its/their selection for the PBV program. HACSM will also publish a notice in newspapers of general circulation to provide public notice of such selection.

Documents regarding HACSM's basis of selection for PBV proposals will be made available for public inspection, excluding sensitive owner information that is not otherwise subject to public disclosure, such as financial statements and information in which the owner or some other person has a legal right to privacy. Projects that are not funded through this RFP may be considered for other County of San Mateo and HACSM subsidies including but not limited to the County's Local Voucher Program. Opportunities for other subsidies will be through an invitation process initiated by the County or HACSM.

D. INCOMPLETE AND NON-RESPONSIVE/NON-COMPLIANT PROPOSALS

Proposals submitted after the deadline will be returned to the applicant and will not be considered. If HACSM determines that a proposal is non-responsive or non-compliant with this RFP's Threshold Requirements, written selection criteria and procedures or HUD program regulations, the proposal will be rejected from consideration and returned to the applicant. In cases where the proposal meets the Threshold Requirements but is defective because of typographical or minor calculation errors, HACSM may, in its sole discretion, process the proposal with such errors corrected.

In addition, HACSM reserves the right to reject a proposal at any time for misinformation, errors or omissions of any kind, no matter how far such proposal has been processed.

E. WITHDRAWAL OF PROPOSAL

Applicants may withdraw their proposals before or after the RFP submittal deadline by submitting a written request to HACSM.

F. PROPOSAL COST

All costs incurred in the preparation of the proposal are the responsibility of the applicant. All documents submitted as part of the proposal will become property of HACSM. Any material submitted that is considered confidential by the submitter must be clearly marked as such. However, HACSM cannot guarantee the confidentiality of materials that are not protected from disclosure by law.

G. AFFIRMATIVE ACTION

HACSM 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.

HACSM encourages Minority-, Small-, Women- and/or Disabled-owned Business Enterprises to respond to this solicitation.

H. POST AWARD CONDITIONS

Applicants selected to receive an award of PBVs through this RFP will receive a conditional award letter.

HUD regulations require proposers of new construction units complete the following items before HACSM and the developer can execute an AHAP:

- a) *Subsidy Layering Review (SLR)*: All new construction projects are subject to a SLR. PBV projects that utilize LIHTCs or other governmental housing assistance from federal, state or local agencies are subject to a SLR (see 24 CFR section 983.55) to prevent excessive public assistance for the project. Applicants will be required to submit a list of documents to HACSM that will then be submitted to HUD, or a HUD-designated state agency, for the SLR approval.
- b) *Environmental Review*: PBV activities are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The developer must obtain documentation of environmental clearance from the Responsible Entity (i.e., the city or county) that conducted or approved the environmental review (see 24 CFR 983.58).
- c) *Determination of Initial Contract Rent*: HACSM will determine the estimated and actual amount of initial rent to the owner according to 24 CFR section 983.301. The AHAP will state the estimated amount of the initial rent to owner; the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

In the case of New Construction units, the following items must be completed before HACSM and the owner/developer can execute a HAP contract:

- a) HACSM has inspected each contract unit in accordance with 24 CFR section 983.103(b) and has determined that the unit fully complies with HQS.
- b) The owner has provided evidence that certifies that the units have been completed in accordance with the AHAP. Completion of the units by the owner and acceptance of units by HACSM are subject to the provisions of the AHAP (see 24 CFR section 983.155 and 24 CFR 983.156).

I. POST AWARD COSTS

All costs for the SLR, environmental review, appraisal (if required for establishment of rent), Davis Bacon monitoring and any and all other costs that may be associated with processing and approval of the proposal are the responsibility of the owner/developer, not HACSM.

J. ISSUES CAUSING DISQUALIFICATION

Serious or material demonstrated, unresolved difficulties with existing affordable developments funded by public funders can result in disqualification of an application at HACSM's sole discretion.

Any of the events listed below which have occurred in connection with projects under the control of the Applicant/sponsor in the past five years must be disclosed and will be considered by HACSM.

Events that could cause disqualification are those that have a detrimental effect on the project or on a public funder's ability to monitor the project or to collect scheduled or residual receipt payments and have not been resolved to the satisfaction of the public funder and HACSM. HACSM reserves the right to check references provided as well as other public funders with whom the Applicant has done business.

Events shall not result in disqualification, if they have been resolved as determined by or to the satisfaction of the affected public funder and HACSM as of the date of this application.

Applicants are STRONGLY advised to disclose any of the following events which have occurred in the past five years. Any such events which have been resolved to HACSM's satisfaction will have no effect on the application. Any such event discovered by HACSM which is not disclosed by an Applicant may result in IMMEDIATE disqualification of an application:

- Removal or withdrawal under threat of removal as a general partner in an affordable housing project.
- Failure to comply with prevailing wage/Davis-Bacon wage requirements, including non-reporting.
- Failure to correct overcharging of rent more than three (3) months after public agency's issuance of notice of noncompliance.
- Use of operating or replacement reserve funds for publicly-subsidized projects in a manner contrary to program requirements, or failure to deposit or maintain reserve funds as required by the public agency.
- Failure to provide promised supportive services to a special needs population or tenants of a publicly-funded project.
- Failure to seek required public funder approvals for actions under loan documents, such as approval of transfers.
- Other significant violations of the requirements of public agency programs such as: the failure to adequately maintain the books and records thereof; failure to adequately maintain an affordable housing property; failure to ensure income eligibility compliance; etc.
- Notice of noncompliance issued by the public funder for other reasons.

K. GENERAL PROVISIONS AND DISCLAIMER

This RFP is not a commitment or contract of any kind. HACSM reserves the right to pursue any and/or all ideas generated by this request. Costs for developing submissions are entirely the responsibility of the submitting developers and shall not be reimbursed. HACSM reserves the right to reject any and all submissions. HACSM reserves the right to waive any HACSM requirements of this RFP when it determines that waiving a requirement is in the best interest of HACSM.

General Provisions Regarding Public Nature of Submissions

California Government Code Section 6250, *et seq.*, the Public Records Act, generally defines a public record as any writing containing information relating to the conduct of the public's business

prepared, owned, used, or retained by any state or local agency regardless of physical form or characteristics. The Public Record Act provides that public records shall be disclosed upon request and that any citizen has a right to inspect any public record, unless the document is exempted from disclosure.

Assertion of Developer’s Rights regarding Confidentiality of Submissions

HACSM cannot represent or guarantee that any information submitted in response to the RFP will be or remain confidential. If HACSM receives a request for any document submitted in response to this RFP under the Public Records Act or other applicable legal authority, it will not assert any privileges that may exist on behalf of the person or business submitting the proposal. If a proposer believes that a portion of its proposal is confidential and notifies HACSM of such in writing, HACSM may, as a courtesy, attempt to notify the submitting developer of any request for the proposal. However, it would be the sole responsibility of that developer to assert any applicable privileges or reasons why the document should not be produced, and to obtain a court order prohibiting disclosure. The submitting developer understands that HACSM is not responsible under any circumstances for any harm caused by production of a confidential submission, and by its submission expressly waives any such claim against HACSM.

HACSM’s Rights Regarding Confidentiality of Submissions

To the extent consistent with applicable provisions of the Public Records Act and applicable case law interpreting those provisions, HACSM and/or its officers, agents and employees retain the discretion to release or to withhold disclosure of any information submitted in response to this RFP.

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EXHIBITS

EXHIBIT A: DEFINITIONS

For purposes of this RFP, the following project-related terms shall be defined as follows:

- A. Affordable Multifamily Rental Housing Project. For this RFP, a multifamily rental housing project shall be considered to be an affordable multifamily rental housing project if it will be permanent housing (meaning there is no time limit for how long households can reside in the housing), and it will provide affordable housing (meaning at least 50 percent of the dwelling units are deed-restricted to serve households with incomes at or below 80 percent of AMI).
- B. Application/Applicant. For this RFP, the term “application” and “proposal” are used interchangeably. The Applicant is the entity submitting the application. Eligible Applicants include nonprofit and for-profit developers and other non-profit sponsoring agencies, capable of entering into a contract. Governmental bodies are not eligible Applicants.
- C. At-risk of Homelessness. As provided by the McKinney-Vento Homeless Assistance Act as amended by Section 896 of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009, the term ‘at-risk of homelessness’ means that an individual or family:
- i. Has income below 30 percent of median income for the geographic area, as determined by HUD;
 - ii. Has insufficient resources or support networks immediately available to attain housing stability; and
 - iii. Meets one of the following conditions:
 1. Has moved frequently (two or more times during a 60-day period) because of economic reasons; **or**
 2. Is living in the home of another because of economic hardship; **or**
 3. Has been notified in writing that their right to occupy their current housing or living situation will be terminated; **or**
 4. Lives in a hotel or motel and the cost is not paid for by a charitable organization or by Federal, State, or local government programs for low-income individuals; **or**
 5. Lives in severely overcrowded (more than two (2) people per bedroom or sleeping area such as a living room) housing; **or**
 6. Is exiting a publicly-funded institution or system of care; **or**
 7. Otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.
- D. Award Date. The date of the letter from HACSM informing the Applicant that a project was selected to receive an award of Section 8 Project-Based Vouchers or HUD-VASH Project-Based Vouchers.
- E. Cap. The maximum number of Section 8 PBVs awarded to a project is 50% of the total units in the project unless HACSM approves additional units as “Excepted Units”.

F. Chronically Homeless. For this RFP, 'chronically homeless' means: a "chronically homeless" individual or family, as defined in section 401(2) of the McKinney-Vento Homeless Assistance Act as amended by S. 896 (HEARTH) act of 2009 (42 U.S.C. 11360(9)), who:

1. In general, is an individual or family who:
 - i. Is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;
 - ii. Has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least a (1) year or on at least four (4) separate occasions in the last three (3) years; and
 - iii. Has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post-traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of two (2) or more of those conditions.
2. A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person also meets all of the requirements described in subparagraph (A) above prior to entering that facility.

G. Disabled Family/Household/Person with Disabilities. This RFP follows the U.S. Department of Housing and Urban Development's (HUD) definition of a disabled family. Disabled family means a family whose head (including co-head), spouse, or sole member is a person with a disability. A disabled household may include two or more persons with disabilities living together, or one or more persons with disabilities living with one or more live-in aides (24 CFR 5.403). As defined in section 5.403, a person with disabilities means a person who:

1. Has a disability as defined in Section 223 of the Social Security Act (42 U.S.C.423), or
2. Is determined by HUD regulations to have a physical, mental or emotional impairment that:
 - a. Is expected to be of long, continued, and indefinite duration;
 - b. Substantially impedes his or her ability to live independently; and
 - c. Is of such a nature that such ability could be improved by more suitable housing conditions, or
3. Has a developmental disability as defined in Section 102 of the Developmental Disabilities Assistance and Bill of Rights Act (42 U.S.C. 6001(5)).

The definition of a person with disabilities includes persons who have the disease acquired immunodeficiency syndrome (AIDS) or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome (HIV). However, for the purpose of qualifying for low-

income housing, the definition of disability does not include a person whose disability is based solely on any drug or alcohol dependence.

HUD regulations prohibit a preference for a specific type of disability but allow a preference for people with disabilities who would benefit from specific supportive services offered by the project that enable them to apply for and retain affordable housing. Accordingly, the applicant's proposed Supportive Services Plan must align with and support any preference for people with disabilities and comply with HUD guidelines limiting preferences for a specific type of disability.

- H. Duals Demo Program. For this RFP, the "Duals Demo Program" refers to a program jointly sponsored by HACSM and the Health Plan of San Mateo which seeks to provide affordable housing opportunities for low-income, Frail Elderly who are homeless or at-risk of being homeless and who are exiting nursing or long-term care facilities, or are at immediate risk of entering long-term care, but who would be able to remain in an independent living situation with some support.
- I. Elderly Household. This RFP follows the HUD definition of elderly as a person age 62 or older.
- J. Excepted Units. Excepted Units are defined as units designated to serve elderly households, or families targeted for Supportive Housing units because of the need for coordinated supportive services.. (See Chapter 22, pages 22-9 and 22-10 of the Housing Authority's Administrative Plan on the HACSM website for more details about exceptions). All units beyond the 50 percent cap must be Excepted Units.
- K. Extremely-Low Income Household. An "ELI" or "Extremely-Low Income" household is a household whose income is at or below 30 percent of Area Median Income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.
- L. Frail Elderly Household. A household that is homeless or at-risk of being homeless and exiting a nursing or long-term care facility, or at immediate risk of entering long-term care, but who would be able to remain in an independent living situation with some support.
- M. Gross Rent. The gross rent for a unit equals the contract rent plus the utility allowance, if the property has a utility allowance.
- N. Homeless. For this RFP, a homeless household is an individual or family that meets at least one of the following criteria:
 - 1. Is an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground; **or**
 - 2. Is an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including congregate shelters, transitional housing, and hotels and motels paid for by charitable organizations or by federal, state, or local government programs for low-income individuals); **or**

3. Is an individual who is exiting an institution where he or she resided for 90 days or less and who resided in an emergency shelter or place not meant for human habitation immediately before entering that institution; **or**
 4. Is an individual or family that is fleeing, or is attempting to flee: domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions that relate to violence against the individual or a family member, including a child, that has either taken place within the individual's or family's primary nighttime residence or has made the individual or family afraid to return to their primary nighttime residence; and
 - a. Has no other residence; and
 - b. Lacks the resources or support networks, e.g. family, friends, and faith-based or other social networks, to obtain other permanent housing; **or**
 5. Is an individual or family that is homeless or at-risk of homelessness, **and** is receiving services from one or more County agencies including, but not limited to, the Human Services Agency (HSA), the County Health System including the Division of Behavioral Health and Recovery Services (BHRS), Department of Housing, or HACSM, **and** who is referred as a potential applicant for the project by the HSA Office of Homelessness or HACSM.
- O. Household. For this RFP, a household is a group of one or more persons who live together. A single person living alone is considered a household.
- P. Housing for Healthy California (HHC) Household. A household that meets the eligibility requirements of HCD's Housing for a Healthy California program.
- Q. New Construction Project. For this RFP, a new construction project is a permanent, affordable multifamily rental housing project which has not started construction as of the proposal selection date, and which will be developed by the project sponsor or owner and deed-restricted to preserve affordability for at least 55 years.
- R. No Place Like Home (NPLH) Household. A household that meets the eligibility requirements of HCD's No Place Like Home program.
- S. Owner. For this RFP, an owner is the entity which has been or will be formed to own the project.
- T. PBV Program. Refers to the Section 8 Project-Based Voucher program (for 200 PBVs) and the HUD-VASH Project-Based Voucher program (for 35 PBVs).
- U. Sponsor. For this RFP, a sponsor is an organization or entity submitting a proposal in response to this RFP and who will also develop the proposed project (in the case of new construction projects). The Sponsor may or may not be the eventual owner of the proposed project.
- V. Supportive Housing Unit. For this RFP, a Supportive Housing Unit is a unit that is subject to a preference for one or more of the following special needs populations as defined in this Exhibit A: Homeless households (with or without disabilities); Chronically Homeless households; At-risk-of

Homelessness households, Disabled Families/Households/Persons with Disabilities; Frail Elderly; Duals Demo Households; Housing Healthy California Households; No Place Like Home Households; Veterans (including but not limited to homeless veterans who specifically qualify for the HUD-VASH program); and Youth Transitioning out of Foster Care. In addition, a unit only qualifies as a Supportive Housing unit if the Applicant offers coordinated on-site and off-site supportive housing services, including but not limited to case management, health services, independent living skills, or other assistance that will help the targeted special needs household to become and remain successfully housed. For households placed in Supportive Housing Units, participation in supportive services and programs should be encouraged but shall be voluntary, and the household shall not be required to receive supportive services as a condition of tenancy if the household is able to successfully maintain their tenancy without such services.

- W. Veterans. Veterans are people who have served in the U.S. armed forces and includes veterans who qualify for the Veterans Housing and Homelessness Prevention program because of their discharge status. HUD-VASH Project-Based Vouchers are available only to homeless veterans and their families eligible for the HUD-VASH program.

- X. Very-Low Income Household. A “VLI” or “Very-Low Income” household is a household whose income is at or below 50 percent of Area Median Income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

- Y. Youth Transitioning Out of Foster Care. For this RFP, ‘youth transitioning out of foster care’ are people between the ages of 18 and 24 who are in transition from state custody or foster care and are at-risk of homelessness.

EXHIBIT B: EVALUATION FACTORS AND POINTS DEFINED

The table below provides a summary of the factors that will be evaluated and scored in this RFP. Following this, the overall scoring framework and scoring details are explained.

Summary of Evaluation Factors and Maximum Points Available

1	Team Experience and Capacity (including developer, property management agent and supportive services provider)	20
2	Readiness (including site control, land use, and financing commitments)	20
3	Location (including De-concentration of Poverty, High Opportunity--Jobs Rich Areas, Communities Not Recently Awarded PBVs and Proximity to Transit and Services)	20
4	Financial Feasibility	20
5	Plan for Resident Services and Supportive Services for Homeless and/or Disabled Units, including evidence of sustainable funding	15
6	Sustainable Development Certification	5
	TOTAL POINTS	100

Minimum Score: Applications must score at least 70points total to be awarded PBVs.

1. TEAM EXPERIENCE AND CAPACITY—Projects Similar to the Proposed Development, including the targeted resident population	MAXIMUM POINTS: 20
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Applicant will be awarded points for the development team’s capacity, experience and track record in successfully developing, managing and providing services for developments similar to the proposed development, including experience housing the targeted resident population. These points are awarded based on evidence that threshold requirements for team experience and capacity have been exceeded.

A. Successful Development Track Record

0-8 points

If the developer/owner is, or will be, a limited partnership formed specifically to develop a tax credit project, the scoring will be based on the qualifications of the general partner(s). If the developer/owner is a nonprofit organization that is structured solely for the purpose of developing and owning the proposed development, points will be awarded based on the experience and qualifications of the sole-purpose entity’s parent organization and the individuals that comprised the development team employed or utilized by the sole-purpose nonprofit organization.

In order to receive points under this criterion, Applicant must provide a list of its affordable housing projects that have been completed in the prior ten (10) years, in which at least 50 percent of the units are income-restricted units, and which serve populations similar to the proposed development. For each project listed, the Applicant must provide the following: Project name; street address; one-sentence description of the project including the population(s) served; total number of units; number of income-restricted units; number of PBV units if any; number of units targeted to homeless and/or disabled if any; number of market-rate units; Developer; General Partner; Co-Developer (if any); and Development Consultant (if any).

Points will be awarded based on the experience of the named developer(s)/ general partner(s) developing the project and exercising the day-to-day ownership responsibilities. For a developer/owner that is a nonprofit organization structured solely for the purpose of developing and owning the proposed development, please list the entity’s parent organization and the individuals who comprised the development team employed or utilized by the sole-purpose nonprofit organization so that their experience and qualifications can be evaluated. For a developer/owner that is a for-profit organization, please describe the experience and qualifications of the nonprofit organization selected to serve as the Managing General Partner for tax credit purposes.

Points will be awarded as follows:

Number of developments serving similar populations successfully completed in prior 10 years	Points
Minimal experience (~ 1 – 2 developments)	2
Some experience (~ 3 – 4 developments) including one or more with PBVs	5
Broad experience (~ 5+ developments) including one or more with PBVs	8

B. Successful Property Management Experience

0-7 points

In order to receive points under this criterion, Applicant must provide information about the management agent, including its experience and qualifications along with a brief description of how the property will be managed.

Points will be awarded based on the experience of the named management company or entity. The number of years the organization has been involved in managing each property must be identified. Projects that serve a similar resident population should be emphasized. Please provide a list of the properties managed for a period of at least 12 months within the last five years and that contain at least 12 income-restricted rental units, along with the following required information about each property: property name; street address; Developer; one-sentence description of the project including the population(s) served; total number of units; number of PBV units if any; number of other income-restricted units; number of units targeted to homeless and/or disabled; number of market-rate units, if any; and, starting/ending dates for management of the property.

Points will be awarded as follows:

Number of restricted affordable rental units including similar resident populations (to the populations targeted by the proposed Project) successfully managed in prior 5 years	Points
Minimal experience (Under 50 restricted rental units)	0
Some experience (~ 51 – 100 restricted rental units)	3
Good experience including some experience with PBVs (~ 151 – 200)	5
Broad experience including some experience with PBVs (~ 201+)	7

While points will be awarded based on the number of restricted rental units managed that serve similar populations to the proposed project, HACSM reserves the right to conduct further investigation as to the successful management of properties listed in this section. Evidence of successful management is subject to feedback by a local government funder of the identified affordable housing units that the project is managed in a satisfactory manner, is in compliance with its regulatory agreements, and has taken immediate action to resolve any neighborhood or community complaints involving the project and/or its residents. Points may be deducted if there is evidence of serious management problems in one or more properties.

C. Successful Services Provision Experience

0-5 points

Skilled service providers are essential to the success of affordable housing communities, particularly those that include extremely low income and vulnerable populations, such as those targeted by the Supportive Housing units.

Points will be awarded based on the number of properties for which the identified services provider entity provided resident services for a period of at least 12 months in the last five years which house the same or similar population(s) as the project seeking PBVs. Please provide a list of the properties that contain at least 8 special needs units supported by the service provider, along with the following required information about each property: property name; street address; Developer; one-sentence description of the project including the population(s) served; total number of units; number of income-restricted units contracted with service provider specifically for a population that is eligible for the Homeless and/or Disabled preference described in the RFP; number of PBV units, if any, contracted with the service provider specifically for a population that is preference-eligible for the Supportive Housing units described in the RFP; number of market-rate units, if any; starting/ending dates for the services provider contract; funding source used for the service provider's contract.

Projects that involve a significant number of units for homeless households or households with other special needs must include a service provider partner capable of providing, at a minimum, on-site service coordination needed to ensure the households' ability to access case management, health, and other services available to the households. HACSM will score the experience of the service provider(s) based on their experience serving the targeted population in similar developments. Depending on the number of special needs households, HACSM will expect to see experience in providing on-site case management and service coordination.

Points will be awarded as follows:

Number of restricted affordable rental projects serving similar populations (to the proposed Project) receiving Resident Services in prior 5 years	Points
Minimal experience (~ 1 – 2 projects)	1
Some experience (~ 3 – 4 projects)	3
Broad experience including with PBV units (~ 5+ projects)	5

While points will be awarded based on the number of properties receiving services from the service provider entity, HACSM reserves the right to conduct further investigation as to the quantity, quality and accessibility of services actually provided pursuant to the listed properties' services plans. Points may be deducted if there is evidence of serious problems with services provision in one or more properties.

2. READINESS TO START CONSTRUCTION	POINTS: 20
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Projects will be awarded readiness points on a sliding scale based on HACSM's determination of when each project is likely to close on construction financing and begin construction (and execute an AHAP with HACSM). Points are awarded only based on readiness that is sooner than the threshold requirement of 24 months.

In order to receive points for readiness, the Applicant must submit a detailed development timeline that is supported by documents providing evidence of the status of site control, land use approvals and entitlements, and financing commitments. HACSM will apply its own knowledge of expected timelines for affordable housing finance applications in evaluating the development timeline. If the underlying documents do not support the submitted development timeline or the submitted development timeline is not consistent with the typical annual cycle of affordable housing finance applications, points will be awarded based on HACSM's assessment of the timeline even if the submitted development timeline assumes a more ambitious schedule.

Points will be awarded as follows:

Timeline to Construction Closing (and AHAP Execution)	Points
(a) <u>Within 12 months of award letter date</u>	20
(b) <u>Within 18 months of award letter date</u>	15
(c) <u>Earlier than 24 months after the award letter date</u>	10
24 months or longer after the award letter date	0

3. Location	POINTS: 20
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Current guidance by the federal government, recent U.S. Supreme Court decisions, and industry best practices indicate that affordable housing should be sited in locations that will enhance educational, employment, and social opportunities for residents. The impact of location on the competitiveness of the proposal for Project-Based Vouchers will be evaluated using four distinct but complementary factors: De-concentration of Poverty; High Opportunity-Jobs Rich Areas; Under-Resourced for PBVs; and Proximity to Transit and Community Services. Each factor will receive a maximum of five points, for a total maximum location score of 20 points.

De-Concentration of Poverty

Under federal regulations, a threshold requirement for PBVs is that the project is in a census tract with a federal poverty rate that does not exceed 20% (unless a specific exception is available). The application will require applicants to identify the project’s census tract and the federal poverty rate of the census tract using the census tract poverty data from the 2020 ACS five year estimates.. Competitive points will be awarded to projects in census tracts that exceed the threshold requirement as follows:

Census Tract Poverty Rate	Points
Census Tract Poverty rate that does not exceed 5.5% (current County poverty rate)	5
Census Tract Poverty rate that does not exceed 10%	3
Census Tract Poverty rate under 20%	1

High Opportunity, Jobs Rich Areas

For the purposes of this NOFA, High Opportunity, Jobs Rich Areas are defined as census tracts that rank above the regional average in at least four of the following indicators: share of the population above 200% of the poverty line; share of the population (25 years+) with a Bachelor’s degree or higher; employment-to-population ratio for the population 20 to 60 years old; 4th grade reading proficiency in three closest elementary schools; share of students not on free and reduced rice meals programs in the three closest elementary schools; and/or high school graduation rate in the three closest high schools; and where the number of all jobs within 3 miles of the tract, or jobs that pay less than \$40,000/year within 3 miles are above the regional median. **High Opportunity, Jobs Rich Areas are mapped at this website: <https://mappingopportunityca.org/#>.**

High Opportunity, Jobs Rich Areas	Points
High Opportunity, Jobs Rich census tract	5

Census tract adjacent to a High Opportunity, Jobs Rich census tract	3
Census tract in a city (or specific community in the unincorporated County) with two or more High Opportunity, Jobs Rich census tracts	1

Communities Under-resourced for PBVs

Project-Based Vouchers represent a critical resource for achieving the countywide goal of increasing ELI housing and housing for homeless and other special needs populations. Accordingly, HACSM’s goal is to prioritize awards of Project-Based Vouchers in this RFP for projects in communities that have not recently received an award of Project-Based Vouchers.

Based on HACSM’s review of the location of projects that have benefited from PBV awards in the past five years, HACSM will grant an additional five points for **projects in the unincorporated county and in cities other than** the City of San Mateo, Redwood City, East Palo Alto, Belmont, Menlo Park, Daly City, and South San Francisco.

Proximity to Transit and Services

The maximum points available for proximity to transit and services is 5 points. Partial credit may be awarded at the sole discretion of HACSM for locational attributes that do not meet the distance criteria listed below but that provide comparable functionality, accessibility and convenience to residents. For instance, a project site that is 0.27 miles from a transit station rather than 0.25 miles may be eligible for partial points.

Proximity to Transit and Services	Points
(a) <u>Transit</u> : The proposed project is located within a public transit corridor, or the project is using a van or dial-a-ride service. If located within a public transit corridor, the project site must be within ¼ mile of a transit station, rail station, commuter rail station, bus station, or bus stop, with service provided at least every 30 minutes during rush periods.	2
(b) <u>Groceries</u> : The proposed project is located within ½ mile of groceries and other essential shopping needs. Grocery is defined as a full-service store or market that provides fresh food staples: fresh meats, poultry, dairy products, and produce. [Convenience stores and mini-marts are not considered full-service stores or markets.]	2
(c) <u>Health and Social Services/ Schools</u> : The proposed project is NOT a family project and is located within one mile of a health or social service facility that is operated to serve the target population(s); or , the proposed project is a family project and is located within one mile of the services above, or within ½ mile of a public elementary, middle school, or high school.	2

(d) Recreation: The proposed project is located within ¼ mile of a park, library, recreational facility, or a community center accessible to the general public and appropriate for the targeted population(s).	1
Maximum Points Allowed	5

4. Financial Feasibility	Points: 20
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HACSM will evaluate and competitively rank proposals based on financial feasibility that exceeds Threshold Requirements with points awarded **up to a total of 20** as follows:

Assumptions of Development and Operating Costs: Development cost estimates are based on recent construction cost estimates that rely on detailed construction drawings and on recent construction period interest and insurance estimates. The pro forma operating income and expense projections make realistic assumptions about increases in FMRs for the PBV units and reflect TCAC minimum operating standards at https://www.treasurer.ca.gov/ctcac/2022/2022-operating-expense-minimums.pdf . Assumptions about developer fees, DSC ratios, costs, cash flow, operating expenses, rent increases, and vacancy rates should anticipate the application of HUD subsidy layering review guidelines for PBVs. See https://www.federalregister.gov/documents/2020/02/28/2020-04147 .	5 points
Assumptions of Available Financing and Terms: Sources of funds and operating income and expense projections are based on already committed sources of financing or make realistic assumptions about the competitiveness of the project for different financing programs and use the most recent available information about the terms of the financing, including required return on investment, interest rates, DSC ratio, and other financing requirements.	5 points
Leveraging of other Financing: The financing plan demonstrates effective utilization of County AHF funding and Project-Based Vouchers to achieve maximum feasible leveraging of other available private, state and city housing finance sources appropriate to the type of project proposed. The financing plan demonstrates that the Applicant has pursued (or will pursue) available state housing finance programs in addition to tax credits, as well as land donations, city commitments of housing funds or city fee waivers.	5 points
Value-Added of Project-Based Vouchers: The financing plan demonstrates that the award of Project-Based Vouchers will enable the project more effectively to serve ELI households, ELI households at income levels lower than 30% of AMI, households who need Supportive Units and larger families than would have been feasible without the award of PBVs and that the award of PBVs will not result in the project being over-subsidized.	5 points.

5. GENERAL RESIDENT SERVICES / SUPPORTIVE SERVICES**POINTS: 15**

This factor differs from the experience criteria assessed in the first section of the scoring and evaluation matrix above. In this factor, HACSM is assessing the applicant’s approach to services provision, including general resident services and supportive services that will be provided to the Supportive Housing units at this project. While the project-specific services plan may still be in a preliminary stage given the timing of this application process, it should be possible for the Applicant to provide a description of the overall approach to general resident services and provision of supportive services.

Scoring for this category will be based on two factors: (a) the overall quality of the plan, including the appropriateness and quality of services for any special needs populations (up to 10 points), and (b) the degree to which service providers have committed to provide services to the project, the funding for supportive services planned in addition to the threshold requirement, and the strength of the plan for ongoing funding for supportive services (up to 5 points), as shown below.

General Resident Services / Special Needs Supportive Services	Points
<p>(a) <u>Services Plan</u>: The proposed resident services plan describes:</p> <ul style="list-style-type: none"> • The target population(s) to be served and their different service needs (distinguish the level and type of services appropriate for the general resident population and the Supportive Housing households); • The outcome measures that will tracked to evaluate the effectiveness of services (for example, length of housing retention; increase in employment or income; gains in independent living skills); • Lead service provider and other significant service partners along with a brief description of the services each will provide, including a clear description of case management or other onsite services that will be provided and the FTE and roles of the services staff who will work onsite; • Strategies to increase resident access to and utilization of public benefits for which they are eligible; • Strategies to increase resident access to other social, educational, health, employment-related, and other services, including offsite; • Strategies to improve resident access to healthy food and nutrition; • Description of how services will support resiliency and assist with housing retention; • Description of approaches to crisis management, including staff capacity to support residents in a mental health or other crisis; 	Up to 10

<ul style="list-style-type: none"> • The specific process and schedule to ensure ongoing, regular communication between the service provider and property management regarding the status of residents; • Supportive services annual budget, include revenue line items from different sources and expense line items, including onsite personnel and direct program expenses. 	
<p>(b) Evidence of Service Commitments and Adequacy of Service Funding:</p> <ul style="list-style-type: none"> • MOUs or Letters of Intent from service providers identified for the project • Evidence of funding for service funding commitments (from the operating budget or from third party commitments) that exceed the threshold requirement of \$500 PUPA for general resident units and \$1000 PUPA for Supportive Housing units. • Strategy for sustaining supportive services funding for the 20 year HAP contract term. 	Up to 5
Maximum Points Allowed	15

6. SUSTAINABLE DEVELOPMENT CERTIFICATION	POINTS: 5
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Projects may earn five (5) points by committing to develop the project in accordance with the minimum certification requirements of any one of the following programs: Leadership in Energy and Environmental Design (LEED); Green Communities; or the GreenPoint Rated Program.

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