

Housing Authority of the County of San Mateo

REQUEST FOR PROPOSALS (RFP)

For Section 8

Project-Based Vouchers

RFP Package:

- Section 8 Project-Based Voucher RFP
- Section 8 Project-Based Voucher Application

Applications Due by

4:00 p.m. Friday, January 11, 2019

This NOFA is available online, at: <http://housing.smcgov.org/Project-BasedVouchersRFP>

Applications must be submitted online through City Data Services

Link: www.citydataservices.net

Login for new users: **SMC2019 for ID & Password**

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

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

December 13, 2018

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I. INTRODUCTION AND INVITATION

The Housing Authority of the County of San Mateo (HACSM) is a Public Housing Authority (PHA). One of HACSM's goals 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.

HACSM makes available **250** Section 8 project-based vouchers ("PBVs") through this Request for Proposals ("RFP"). **Applications are due by 4:00 PM on Friday, January 11, 2019.**

HACSM invites qualified affordable housing developers to submit written proposals for participation in the Section 8 Project Based Voucher Program ("Section 8 PBV program") referred to as the PBV Program ("PBV Program"). Applications will be accepted for units in both *new construction and acquisition* projects. The goal is to incentivize development of new and newly-affordable permanent housing, with a high priority on the creation of permanent affordable apartments for extremely-low income (ELI) and very-low income (VLI) households, including those experiencing homelessness and those with other special needs as defined in Exhibit A of this RFP.

A housing unit will be considered eligible for participation in the PBV Program if it matches one of the following descriptions:

1. **A new construction unit in an affordable rental housing project** where construction has not started at the time of HACSM selection under this RFP; or
2. **A unit in an ARAPP project preserved as affordable housing** through San Mateo County's Affordable Rental Acquisition and Preservation Program (ARAPP), and which at the time of the Housing Assistance Payment (HAP) contract execution will be either vacant or occupied by a household eligible for the PBV Program.

Other eligibility requirements apply to the owner and the project, and are listed in [Section II\(J\)](#) through [Section II\(L\)](#). The PBV Program does not cover any expenses outside of the project-based voucher ("PBV") payments made to the project owner. All financing, project costs, and operating expenses will be the responsibility of the owner.

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 deed-restricted affordable rental housing stock by supporting designated rental units that are decent, safe and sanitary and targeted to households earning no more than 50% of Area Median Income (AMI). Units are “supported” by attaching PBVs to identified rental units. The primary goal of this RFP, as stated above, is to incentivize development of new and newly-affordable permanent affordable housing, with a high priority on the creation of permanent affordable apartments for extremely-low income (ELI) and very-low income (VLI) households, including those experiencing homelessness and those with other special needs.

Under the PBV Program, HACSM enters into a Housing Assistance Payments Contract with the owner for specified rental units, for a specified term (up to twenty years) subject to funding availability. Assistance or subsidy is provided while 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.

Other HACSM strategic priorities in this phase of the PBV Program include the following:

- De-concentrate poverty and expand housing and economic opportunities.
- Create more affordable housing through construction of new affordable housing units.
- Preserve “naturally occurring” affordable housing through acquisition of existing multifamily units, which are then deed-restricted to preserve and improve affordability.
- Create more affordable housing within walking distance of services, amenities, and transit.
- Provide additional affordable units targeted to households at or below 50% of Area Median Income.
- Direct a portion of the Section 8 Voucher subsidy for project-basing to act as a form of community-held asset supporting the creation or preservation of affordable housing deed-restricted for a minimum of 30 years.
- Build system capacity in affordable housing providers and supportive services providers.

This RFP issuance is consistent with the HACSM Moving-To-Work Annual Plan and the San Mateo County Department of Housing (“Department of Housing”) goals and priorities for affordable housing funds including the Affordable Housing Fund (AHF) and its Affordable Rental Acquisition Preservation Program (ARAPP) sub-fund. 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 at www.smchousing.org. The regulations governing the Section 8 PBV program are found at 24 CFR 983.

B. DEFINITIONS

Please refer to [Exhibit A](#) of this document for a list of terms and definitions.

C. OVERVIEW OF THE AVAILABLE FUNDING

Section 8 PBV Program:

HACSM's Section 8 PBV program provides federally-funded rental subsidies paid on behalf of eligible families who live in rental housing units that are contracted under the Section 8 PBV Program. The general benefit to developers of the award of PBVs that can be attached to designated rental housing units is the guarantee of a multi-year contract with HACSM ensuring an approved Section 8 contract rent for their properties.

Funding for the Section 8 PBVs is dependent on annual federal Congressional appropriations along with the remainder of 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 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.

California Emergency Solutions and Housing (CESH):

In August 2018, the California Department of Housing and Community Development (HCD) announced the first round of funding availability of approximately \$53 million of the California Emergency Solutions and Housing (CESH) program, which provides grants to eligible Administrative Entities to assist persons who are experiencing or are at risk of homelessness. The Department of Housing is the Administrative Entity (AE) for the County of San Mateo and has been allocated an estimated \$596,075 in the first round. The County intends to award CESH funds to eligible applicants who indicate their interest in their application for Project Based Section 8 vouchers. These funds will be used to fund operating subsidies in the form of a 15-year capitalized operating reserve to pay for additional supportive services in projects that provide affordable units for homeless and/or disabled households referred to the Project by the County through its Coordinated Entry System (CES) over and above the 5% requirement for homeless households required by the County's AHF and ARAPP programs and the graduated requirements of this PBV RFP described in Section [II.F\(7\)](#) below. To be eligible to apply for CESH funds, Projects must meet the following criteria:

1. The Project must have received an award of Project Based Vouchers from HACSM under this RFP or in the past three (3) years.
2. The Project must have received a capital funding award from the County under one or more AHF or ARAPP NOFAs.
3. The Project must be eligible to participate in the CESH Program.
4. The Project must have more than 30% of targeted units for Homeless/Disabled populations referred by the County.
5. The Project must have an estimated construction closing within 12 months of RFP release date.

The application for this PBV RFP will provide Applicants the opportunity to indicate interest in receiving CESH funds. The County intends to award CESH funds simultaneous with HACSM's PBV award announcements. Potential applicants for CESH funding are advised to review the CESH [program guidelines](#). A second round of CESH funding is anticipated to be made available in Spring 2019. The County reserves the right to utilize this RFP and the applications received under this RFP for future CESH funding considerations.

D. NUMBER OF PBV UNITS AVAILABLE

HACSM will make available **up to a total of 250 Section 8 PBV units** for new construction and acquisition projects (as defined in [Exhibit A](#)) selected as a result of this RFP.

E. MINIMUM AND MAXIMUM NUMBER OF SECTION 8 PBV UNITS IN A PROJECT

1. For both new construction and acquisition projects, applicants responding to this RFP who desire to utilize Section 8 PBVs must apply for a minimum of eight (8) Section 8 PBVs and up to a maximum cap of 50% of the total number of dwelling units per building in a project, except as provided by regulation. Excepted units (units to receive PBVs beyond the 50% cap) must specifically be made available for qualifying elderly or disabled households, or households that are receiving specific supportive services in order to maintain stable housing. *(see Chapter 22, page 22-8 of the Housing Authority's Administrative Plan on the HACSM website for more details about exceptions)*
2. Applicants seeking an allocation of Section 8 PBVs for a new construction or acquisition project must be willing to commit to targeting a certain percentage of PBV and non-PBV units in the project to serve homeless and/or disabled households (also referred to as homeless/disabled units) and to commit a certain percentage of units to serve extremely low-income (ELI) households. As shown in the chart in [Section II\(F\)7](#) below, the percentage of these required targeted units correlates to the amount of PBVs allocated. Applicants should note that these requirements may be different and more stringent than those of the County's AHF and ARAPP capital funding programs.

F. ALLOCATION OF SECTION 8 PBV UNITS

1. The graduated requirements for homeless/ disabled and ELI units in new construction projects and acquisition projects are indicated in the chart in [Section II\(F\)7](#) below.
2. The total number of units in the project committed to each targeted population (homeless/ disabled and ELI) must be stated in the applicant's proposal and will be considered as a commitment by the applicant should the requested number of PBVs be awarded. Applicants awarded fewer Section 8 PBVs than requested will only have to comply with the requirements associated with the actual Section 8 PBV allocation awarded to the project.

3. The number of required units targeted to homeless/disabled households shall be ***in addition to*** the number of required units targeted to ELI households. When calculating both the number of required ELI and homeless/ disabled units, the applicant shall round up any fractional numbers.
4. To the greatest degree possible, PBV units as well as those units targeted to ELI households should be spread out in proportion to the unit types and sizes in the project.
5. Targeted homeless/ disabled units include units targeted to persons with disabilities, those experiencing homelessness or who are at-risk of homelessness, youth transitioning out of foster care, and frail elderly exiting institutional care, or at immediate risk of entering institutional care, who are able to live independently with some supports. Referrals to targeted homeless/ disabled units will be made by HACSM and the County's Human Services Agency Center on Homelessness through the County's Coordinated Entry System (or in the case of frail elderly as described above, by the Health Plan of San Mateo) and will reflect a variety of County clients, some of whom may be chronically homeless. (See [Section II\(G\)](#) below for a more detailed explanation of the referral process).
6. Because most of these referred County clients will already have or be eligible to obtain rental assistance, not more than half of the targeted homeless and/or disabled units in the project may be PBV units, with the following exception: homeless/ disabled units targeted to frail elderly (i.e. meeting the HACSM's Dual Demo preference) who are homeless or at-risk of being homeless and who are exiting nursing or long-term care facilities, or at immediate risk of entering long-term care, but who would be able to remain in an independent living situation with some supports, will constitute an exception to this limit on PBV units targeted to homeless and/or disabled. It is expected that the project's operating budget will be sized to include general resident services and service coordination plus the additional services coordination appropriate to the special needs population or populations to be served.
7. Graduated Requirements for Section 8 PBV Allocations
 - a. Required Units targeted to ELI households: The required number of ELI units may be inclusive of ELI units required under previous AHF or ARAPP funding committed to the project.
 - b. Required Units targeted to Homeless / Disabled Population—non-PBV: The required homeless and / or disabled units may be inclusive of homeless units required under previous AHF or ARAPP funding committed to the project. All projects awarded a PBV allocation are required to include at least one non-PBV unit in project that is targeted to Homeless / Disabled population.

Required Units targeted to Homeless / Disabled Population—PBV units: The required homeless and / or disabled units may be inclusive of homeless units required under previous AHF or ARAPP funding committed to the project. All projects awarded a PBV allocation are required to include at least one PBV unit in project that is targeted to Homeless / Disabled population.

TABLE 1: NEW CONSTRUCTION PROJECTS AND ACQUISITION PROJECTS

Size of PBV Allocation Requested <i>(% PBV Units out of Total Units in Project)</i> minimum request of 8 PBVs	Required % of Total Units in Project		
	Targeted to ELI	Targeted to Homeless / Disabled: <u>Non-PBV</u>	Targeted to Homeless / Disabled: <u>PBV</u>
Up to 20%	10.0%	2.5%	2.5%
20.01-30%	12.0%	3.5%	3.5%
30.01-40%	15.0%	4.0%	4.0%
40.01-50%	20.0%	5.0%	5.0%
50.01-100%*	35.0%	7.5%*	7.5%*

* HUD caps the total number of dwelling units per building that may have HACSM-allocated PBVs at 50%, except as provided by regulation. Regardless of HACSM PBV program requirements of the above chart, units to receive PBVs beyond the 50% cap must be rented to qualifying elderly or disabled households, or to households that receive specific supportive services.

G. REFERRAL PROCESS FOR TARGETED HOMELESS/ DISABLED UNITS

1. Homeless/Disabled Referrals. All targeted homeless/disabled units will be handled through an identified referral process.
 - a. Homeless/Disabled Tenants (Non-Frail Elderly). HACSM, working with the County’s Human Services Agency’s Center on Homelessness through the County’s Coordinated Entry System, will be responsible for referring prospective applicants for all of the required homeless/disabled units, for both project-based and non-project-based units.
 - b. Non-PBV homeless/ disabled units. If HACSM and the Center on Homelessness are unable to timely refer homeless and/or disabled applicants who possess rental subsidies (or who are immediately able to obtain such rental subsidies), then the owners may fill such units with non-targeted households. In such cases, the next available vacant unit of similar size would then be designated as a non-PBV homeless/ disabled unit.
 - c. Frail Elderly. HACSM, working with the Health Plan of San Mateo, will be responsible for referring prospective applicants for units targeted to frail elderly participating in the Health Plan and HACSM’s Duals Demo program. It is anticipated that all Duals Demo program units will be Section 8 PBV units.

2. Homeless/ Disabled Preference for a Portion of PBV Units. HACSM will allow up to 50%, rounding up, of the required homeless/ disabled units to be designated as Section 8 PBV units by establishing specific preferences for these units within the site-specific Section 8 waiting list.
3. ELI Preference for a Portion of PBV Units. HACSM will allow up to 75% of designated PBV units to be designated as ELI units by establishing a specific preference for households earning Extremely Low Incomes within the site-specific Section 8 waiting list.
4. Frail Elderly Duals Demo program units. Up to 100% of the Section 8 PBVs may be targeted to this population in affordable senior housing projects.
5. Site-Specific Waiting Lists. HACSM will establish a site-specific Section 8 waitlist for initial and subsequent lease-up of all of the PBV units. All vacancies for PBV units will be filled from the site-specific Section 8 waiting list. It is expected that prospective tenants from the Section 8 waitlist will, along with other prospective tenants, go through a screening process to determine their suitability under the project's tenant selection criteria.
6. Tenant-Based Rental Subsidies. Many of the homeless/disabled households referred by HACSM and Center on Homelessness through the CES will possess a tenant-based Section 8 voucher or other form of rental subsidy. County clients with tenant-based vouchers will also be receiving various support services appropriate for each household's level of need. Because of such rental assistance and County-provided supportive services, it is expected that many of these referred households can be successfully placed in a non-PBV unit. Some County clients may have Section 8 vouchers that are time-limited. At the end of their voucher terms, the time-limited households should be permitted to stay and pay 100% of the unit rent. If the household stays, the unit will continue to count toward the "restricted homeless/ disabled unit" requirement until the household vacates the property.
7. Tenant Selection Process for Homeless/ Disabled Units. It is expected that prospective tenants referred from HACSM / Center on Homelessness will go through 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 guidelines that pose minimal barriers to entry and use screening criteria appropriate for homeless and ELI individuals and families, many of whom will be actively engaged in addressing their housing barriers.

H. DESCRIPTION OF ELIGIBLE HOUSING PROJECT TYPES

Under the PBV Program, HACSM will provide assistance to selected qualified acquisition or new construction housing developments (as defined in this RFP) willing to designate a portion of their units to ELI and special needs populations. For the Section 8 PBV program, selected new construction housing developments must conform to HUD's requirements for new construction housing, and selected acquisition projects must conform to HUD's requirements for existing or rehabilitated housing, as defined by HUD (24 CFR 983.52 – 983.54). These HUD definitions for PBV housing developments are as follows:

1. New construction housing. Housing that is in predevelopment on the proposal selection date and is developed after the date of selection pursuant to an Agreement between HACSM and the owner for use under the PBV Program.
2. Acquisition housing. Housing that already exists on the proposal selection date and that, at the time of proposal selection, substantially complies with the Housing Quality Standards (HQS). HACSM inspection of the designated PBV units will be required prior to executing a HAP contract.
3. Acquisition with Rehabilitation housing. Previously built housing with designated PBV units which do not substantially comply with the HQS on that date, and are rehabilitated pursuant to an Agreement between HACSM and the owner for use under the PBV Program.
4. If a proposal is for existing or rehabilitation housing, the units to be project-based must:
 - a) Be newly permanent affordable housing (conversion of market rate housing or conversion of transitional affordable housing to permanent affordable housing); and
 - b) Be vacant or currently occupied by families who are earning less than 50% AMI adjusted by household size upon completion of construction or rehabilitation; and
 - c) Have no other federal, State or local housing restrictions and regulatory agreements that conflict with the HUD Section 8 regulations or HACSM policies.

Under this RFP and subject to HUD regulations, HACSM has designated ARAPP projects funded in the 6 months prior to application for PBV funding an eligible project type.

I. PBV PROGRAM CONTRACT ASSISTANCE AND TERM

1. PBV Housing Quality Standards. HUD-established HQS specification are described in 24 CFR 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 newly constructed and existing units to be rehabilitated to meet HQS standards, HACSM must enter into an Agreement to Enter the Housing Assistance Payment (**AHAP**) contract promptly after notice of proposal selection, and after subsidy layering review and environmental approval is received (24 CFR 983.152). Selected projects may not begin construction until all post-selection requirements (see [Section IV\(H\)](#) below) 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 with the option of extending the contract term for an additional 20 years, subject to PBV regulations in effect at the time of the extension request.

Rental assistance (which is based on each household's income) is provided while the units are occupied by eligible families from HACSM's site-specific waitlist, which may include those referred to HACSM by the Center on Homelessness.

A family who resides in a PBV unit for at least two years may move with continued rental assistance under the tenant-based Section 8 Program if assistance is available.¹ In the event of such a move, the PBV unit the family occupied must then be rented to an eligible family from HACSM's wait list. PBV units must be leased to eligible families for the full term of the HAP contract.

The HAP contract establishes the initial rents for the units and describes the responsibilities of HACSM and the owner. HAP contract renewal may occur at the sole option of HACSM for such period (not exceeding 20 years for each renewal) 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.

As described in [Section IV\(H\)](#), projects may be subject to HUD approval of a Subsidy Layering Review and/or National Environmental Protection Act (NEPA) environmental review prior to execution of an AHAP or HAP, depending on project type.

J. OCCUPANCY/ VACANCY OF SECTION 8 PBV UNITS IN NEW CONSTRUCTION PROJECTS

For Section 8 PBV assisted units in new construction projects, initial vacancies as well as all ongoing vacancies will be filled using HACSM's site-specific waitlist. For targeted Homeless/ Disabled units, the specific process for filling such units is described in [Section II\(G\)](#) above. If HACSM is unable to refer a sufficient number of eligible, targeted applicants per PBV unit during an agreed-upon period of time during lease-up 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.

Both the owner and the tenant of a PBV assisted unit must notify HACSM immediately if the tenant will be moving out of the PBV unit. 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 for tenancy suitability. Once a tenant is approved by the

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.

owner, the owner must refer the family back to HACSM for determination and certification of final eligibility.

For targeted Homeless/ Disabled units, if HACSM is unable to refer applicants to the PBV owner within 30 days of vacancy notification, the PBV owner may refer to HACSM one or more applicants who may be eligible for the PBV unit. Owners must have an affirmative fair housing marketing plan on file with HACSM in order to make direct referrals of applicants.

K. OCCUPANCY/ VACANCY OF SECTION 8 PBV UNITS IN ACQUISITION PROJECTS

Occupancy of PBV units in acquisition projects is the same as new construction projects stated in [Section II\(J\)](#) above, except for the following procedure:

An eligible family residing in a proposed PBV unit on the date the proposal is selected by the HACSM is considered an “in-place family.” These families are afforded protection from displacement under the PBV rule. If a unit to be placed under contract (either an existing unit or a unit requiring rehabilitation) is occupied by an eligible family on the date the proposal is selected, the in-place family must be placed on the HACSM’s site-specific waiting list. Once the family’s eligibility is determined, the family must be given an absolute selection preference and HACSM must refer these families to the project owner for an appropriately sized PBV unit in the project. This regulatory protection from displacement does not apply to families that are not eligible to participate in the program on the proposal selection date.

L. OCCUPANCY STANDARDS FOR PBV UNITS

For new construction projects, the developer/owner will be required to follow HACSM’s occupancy (subsidy) standards (see Chapter 5 of HACSM’s Administrative Plan). In issuing the voucher, HACSM will use the following guidelines:

- 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
- 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 or 2-person households will generally be issued one-bedroom units. In a case where only studio units are available, HACSM will approve such households to reside in studio units providing such occupancy will not create an overcrowding situation.

M. RENT LIMITS FOR PBV PROGRAM

1. The rent to owner must not exceed the lowest of the following:
 - The gross rent (including utility allowance) may not exceed 105% of the Fair Market Rent (FMR) as shown in the table below, for both initial rent and annual adjustments

and must be rent reasonable in relation to rents charged in the private market for comparable unassisted units, or;

- The rent requested by the owner.

Notwithstanding the above, HACSM expects to set PBV Program rent at the lesser of 105% of FMR rates at the time of award letter 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 2: 2018 HUD FAIR MARKET RENTS

	Fair Market Rents as of June 1, 2018				
	Studio	1 BR	2 BR	3 BR	4 BR
100% FMR	\$2,014.00	\$2,499.00	\$3,121.00	\$4,070.00	\$4,346.00
105% FMR	\$2,114.70	\$2,623.95	\$3,277.05	\$4,273.50	\$4,563.30

2. Rent limits will be different than those stated above in Section M.1 if the contract unit meets all the following criteria

- The contract unit receives a 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% of households have an income of less than 60% of the Area Median Gross Income or where the poverty rate is at least 25% 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.

N. INELIGIBLE PROJECTS

Ineligible Housing Types (24 CFR 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.

Ineligible Subsidized Housing (24 CFR 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.

O. SITE INSPECTION AND SITE SELECTION STANDARDS

De-concentration of Poverty

Before selecting a proposal for PBV assistance on a new construction or acquisition project HACSM must determine that PBV assistance for housing at the site is consistent with its goal of deconcentrating poverty and expanding housing and economic opportunities. HACSM will limit approval of sites for PBV housing to census tracts that have poverty concentrations of 20 percent or less, with the following exception:

HACSM determines 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 concentration greater than 40 percent.

Site and Neighborhood Standards for New Construction [24 CFR 983.57(e)]

In order to be selected for PBV assistance, a site for new construction 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 predominate;
- 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.

P. 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 5.105(a) and Section 504 of the Rehabilitation Act.
- Environmental Review: See 24 CFR 983.58.
- Labor Standards: Regulations implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), 24 CFR 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 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. 4201-4655) and implementing regulations at 49 CFR part 24.

Q. 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 are encouraged to read the HUD regulations on the PBV Program for a full description of the Program's requirements. 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) PHI Notice 2001-54 (HA), dated September 20, 2011

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.smchousing.org.

III. REQUIREMENTS / EVALUATION AND SCORING

A. THRESHOLD REQUIREMENTS FOR ALL PROJECTS AND APPLICANTS

1. Project Location. The project must be located in San Mateo County.
2. De-concentration of Poverty. The project must be located in a census tract with a poverty rate no higher than 20%. An exception to this requirement is possible if certain other conditions exist, i.e., there has been an overall decline in the poverty rate over the past five years; the area is undergoing significant revitalization; new market rate units are being developed that would positively impact the poverty rate; and other conditions.
3. Site Control. Applicant must have Site Control of the land and other real property necessary for the proposed development, meaning that the applicant has obtained an enforceable right to use a parcel or parcels of land for the proposed development prior to the submission of the proposal. Applicant must submit acceptable evidence of site control, which is a document that has a complete and accurate legal description and is one of the following: (a) a recorded deed or conveyance showing the Applicant has fee or leasehold ownership; (b) a valid purchase and sale agreement; (c) a valid option to purchase; (d) a valid option for a long-term lease; or (e) other evidence satisfactory to the County.
4. Financial Feasibility of the Project. In order to be considered under this RFP, the applicant must submit evidence of project financial feasibility for at least a 30-year period. If the project is a new construction project, the project also must demonstrate that it is feasible per the guidelines for the 9% or 4% Low Income Housing Tax Credit program.
5. Applicant. The applicant is the entity submitting an application for this RFP. 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.
6. Development Experience. In the case of either acquisition or new construction applications, the applicant or the developer who 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% of the units, with the exception of the manager(s) unit(s), are targeted to those at or below 80% 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.

7. Management Experience. The applicant or the applicant's management agent must demonstrate successful approaches to managing 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.
8. Services Experience. The applicant or the applicant's service provider must demonstrate successful experience 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 permanent supportive housing. 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.

B. THRESHOLD REQUIREMENTS FOR NEW CONSTRUCTION PROJECTS

1. 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 staff. The development should incorporate necessary design features that best 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 classes.
2. Zoning. Applicant must submit evidence that the proposed project is permitted by current zoning ordinances or regulations at the time of the proposal submission, or that the required zoning is likely to be obtained **within 12 months** of the selection date for PBVs, which is anticipated in late January 2019.

3. Funding Assembly. Applicant must demonstrate the capacity to secure all necessary funding for development **within 18 months** of the selection date for PBVs, which is anticipated in late January 2019.
4. Readiness. Applicant must be able to execute an Agreement to enter into Housing Assistance Payments (AHAP) and start construction **within 18 months** of the selection date for PBVs, which is anticipated in late January 2019 .
5. Affordability Period. Applicant must commit to restricted affordability for a period of at least 30 years, the length of any tax credit funding affordability period, the length of any County loan, or the ground lease term, whichever is longer.

C. THRESHOLD REQUIREMENTS FOR ACQUISITION PROJECTS

1. Project Amenities. The acquired project must include – either at acquisition or after rehabilitation – some amount of common space for tenants as well as some space with doors to enable case managers and service providers to meet confidentially with clients, and space for classes.
2. Funding Assembly. Applicant must demonstrate the capacity to secure all necessary funding for acquisition **within 8 months** of the selection date for PBVs, which is anticipated in late January 2019.
3. Readiness.
 - a. Acquisition/ Rehab project. Applicant for an acquisition project needing rehabilitation in order to meet Housing Quality Standards must be able to execute an Agreement to enter into Housing Assistance Payments (AHAP) **within 18 months** of the selection date for PBVs (anticipated in late January 2019).
 - b. Acquisition only project. Applicant for an acquisition-only project must be able to execute a Housing Assistance Payments (HAP) contract **within 12 months** of the selection date for PBVs (anticipated in late January 2019).
4. Affordability Period. Applicant must commit to restricted affordability for a period of at least 30 years in order to maintain or improve the overall affordability over time.

D. EVALUATION AND SCORING OF THE APPLICATION

If an application meets all of the applicable threshold requirements for the type of project being proposed (new construction or acquisition), it will be evaluated and scored based on a number of factors. See [Exhibit C](#) for a full explanation of the evaluation factors.

IV. PROPOSAL SUBMITTAL AND PROCESSING

A. SUBMISSION DEADLINE AND OTHER IMPORTANT DATES

Applications for this RFP are due no later than **4:00 PM (Pacific Time) on Friday, January 11, 2019**. Applications must be submitted online through City Data Services (“CDS”) at citydataservices.net.

Proposals received after the deadline indicated above will not be considered. Proposals will not be accepted via e-mail or postal service mail. Applicants may not submit additional materials after the submittal deadline, and incomplete applications will not be considered.

Important dates related to this RFP

EVENT	TARGET DATE*
Release of Project-Based Vouchers RFP	December 13, 2018
Technical Assistance/ Applicant Questions	Q&A's continually posted on DOH website
RFP Proposals Due Date	January 11, 2019 (4:00 PM)
Notice of Selection of Proposals	Late January 2019

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

B. SUBMISSION REQUIREMENTS AND FORMAT

All applications must be submitted through CDS and must include all required attachments listed in the application. All required attachments should be provided in PDF format. Carefully label the attachments using the numbering format provided in the application.

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 units, 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.

Proposals that meet the Project Threshold Eligibility outlined above will be evaluated and ranked according to the factors described in [Exhibit C](#) of this RFP. A Ranking List will be prepared according to points awarded to each proposal. In order to be considered for award, a proposal must score at least 65 points. points.

The proposals scoring the highest points will be awarded project-based vouchers up to the amount requested and in accordance with the specified limits. After awarding the highest scoring proposals, HACSM will award the next highest ranking proposals up to the amount requested and in accordance with the specified limits until all vouchers advertised in the RFP have been assigned. If HACSM determines that a proposal is eligible for PBV assistance, but HACSM is unable to allocate the full number of PBVs requested by the applicant, the owner will be given the opportunity to accept a partial allocation.

In the case where there is a tie score between two or more proposals and not enough PBVs available to fully award each tied proposal, HACSM will first discuss with the tied proposers whether they would accept fewer PBVs. If an acceptable agreement cannot be reached, HACSM may conduct a lottery or employ some other equitable method of selection.

HACSM 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 proposals 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 such as financial statements and information in which the owner or some other person has a legal right to privacy.

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

If HACSM determines that a proposal is non-responsive or non-compliant with this RFP, 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 minimum 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 for other basis for rejection set forth herein, 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

Projects selected 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 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 983.301. The AHAP states 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 and rehabilitation 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 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 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. 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

Government Code Section 6250 et. seq., the Public Records Act, 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.

Submitting Developer's Rights regarding Confidentiality of Submissions

HACSM cannot represent or guarantee that any information submitted in response to the RFP will be confidential. If HACSM receives a request for any document submitted in response to this RFP, 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.

* * * * *

EXHIBITS

EXHIBIT A: DEFINITIONS

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

- A. Acquisition Project. For this RFP, an acquisition project is: an existing multifamily housing development that a prospective owner or sponsor (a) either acquired through the San Mateo County's Affordable Rental Acquisition and Preservation Program (ARAPP) in the six months prior to application under this RFP, or (B) can demonstrate they are in the process of acquiring, and which will be subject to affordability restrictions at 80% AMI or lower, for a minimum of thirty years in order to create and/or preserve affordability. Further, upon acquisition, aside from the requirements of a standard lease, there will be no time limit for how long households can reside in the housing. Such acquisition project may be an "acquisition only" project that does not require repairs to meet HUD Housing Quality Standards (HQS) and is seeking assistance solely with acquisition financing, or may be a an "acquisition/rehabilitation" project that includes urgently needed life and safety rehabilitation work and/or additional upgrades which are shown as part of the financial proforma submitted as part of the RFP application.
- B. Affordable Multifamily Rental Housing Project. For this RFP, a new-construction **or** acquisition multifamily rental housing project shall be considered to be an affordable multifamily rental housing project if will be permanent affordable housing (i.e. where there is no time limit for how long households can reside in the housing), and if at least 50% of the dwelling units are deed-restricted, or will be deed-restricted at acquisition, to serve households with incomes at or below 80% of AMI.
- C. 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. ARAPP Project. For this RFP, an ARAPP project is a project which received funding from the County of San Mateo's Affordable Rental Acquisition and Preservation Program (ARAPP) and is subject to a regulatory agreement in connection with the ARAPP funding.
- D. ARAPP Project. For this RFP, an ARAPP project is a project which received funding from the County of San Mateo's Affordable Rental Acquisition and Preservation Program (ARAPP) and is subject to a regulatory agreement in connection with the ARAPP funding.
- E. 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 supports.

- F. Excepted Units. Excepted Units are defined as units designated to serve elderly and or disabled households, or families receiving supportive services. (see Chapter 22, pages 22-7 and 22-8 of the Housing Authority’s Administrative Plan on the HACSM website for more details about exceptions). Excepted Units only apply to those Projects that receive PBVs beyond the HUD-mandated 50% cap. All units beyond the 50% cap must be Excepted Units.
- G. Extremely-Low Income Household. An “ELI” or “Extremely-Low Income” household is a household whose income is at or below 30% of Area Median Income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.
- H. 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.
- I. 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 30 years.
- J. Owner. For this RFP, an owner is the entity which has been or will be formed to own the project.
- K. PBV Program. Refers to the Section 8 Project-Based Voucher program.
- L. 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) or acquire the proposed project (in the case of acquisition/rehab projects). The Sponsor may or may not be the eventual owner of the proposed project.
- M. Very-Low Income Household. A “VLI” or “Very-Low Income” household is a household whose income is at or below 50% of Area Median Income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

For purposes of this RFP, the following special needs populations terms shall be defined as follows:

- A. At-risk of homelessness. This RFP follows the definition of 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:
 1. has income below 30% of median income for the geographic area, as determined by HUD;
 2. has insufficient resources or support networks immediately available to attain housing stability; and
 3. meets one of the following conditions:
 - a. has moved frequently (two or more times during a 60-day period) because of economic reasons; **or**

- b. is living in the home of another because of economic hardship; **or**
- c. has been notified in writing that their right to occupy their current housing or living situation will be terminated; **or**
- d. 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**
- e. lives in severely overcrowded (more than 2 people per bedroom or sleeping area such as a living room) housing; **or**
- f. is exiting a publicly funded institution or system of care; **or**
- g. otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Note: for this RFP, the following special needs population meets the definition of 'homeless' or 'at-risk of homelessness': 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 supports.

B. 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 1 year or on at least 4 separate occasions in the last 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 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.

C. Disabled 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). HUD regulation prohibits a preference for a specific type of disability.

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 would include 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 does not include a person whose disability is based solely on any drug or alcohol dependence.

D. 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.
- E. Homeless and/or Disabled Targeted Unit. For this RFP, a unit targeted to a homeless and/or disabled household (“homeless and/ or disabled unit” or “homeless/ disabled unit”) refers to a unit targeted to special needs populations including the following households: homeless households with or without disabilities; chronically homeless; at-risk-of homelessness households, persons with disabilities, 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 supports; and youth transitioning out of foster care.
- F. Supportive Housing Unit. For this RFP, a supportive housing unit is a unit that is targeted to homeless and/or disabled households as defined in this RFP. For these households, the provision of on-site and off-site supportive housing services such as case management, health services, independent living skills, or other such assistance is offered in order to help the household remain successfully housed. For households placed in supportive housing units, participation in supportive services and programs will 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.
- G. Youth Transitioning Out of Foster Care. For this RFP, ‘youth transitioning out of foster care’ is described as follows: Transitional age youth 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. Such youth struggle to find and keep housing and employment and to pursue further education.

EXHIBIT B: SECTION 8 PBVS PROGRAM SUMMARY

Characteristic	Section 8 PBVs
Population Served	Individuals and families, including homeless and/or disabled populations who are very-low (50% AMI) or extremely-low (30% AMI) income and meet other Section 8 eligibility criteria.
Case Management Providers	None required or varied depending on population served
Funding	Annual Congressional Appropriations
Referral Process	All applicants must come from HACSM PBV site-based waitlist. Preference may be established by HACSM based on its policy.
Income Eligibility	At or below 50% AMI
Other Eligibility Criteria	Applicants can be denied admission for over asset limit, violent/drug criminal history, compliance history during previous program participations from the HCV or public housing programs, or having any family member who is a registered sex offender.
Number of PBVs available	Up to 250
Minimum number of PBVs in each project	8
Maximum number of PBVs in each project	Up to 50% per building unless there are excepted units.
Move with Tenant-Based Voucher	A household that has been residing in the project for at least two years may move with continued rental assistance with a MTW time-limited voucher if one is available, provided that the household is in compliance with other program requirements
Tenant Rent	The difference between the contract rent and the HACSM subsidy payment. The subsidy payment is based on the HACSM Tiered Subsidy Table

Unit Turnover	Units are offered to applicants from the HACSM PBV site-based waitlist
Additional References	24 CFR 982.201 and 982.552 and HACSM's Administrative Plan

EXHIBIT C: 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	30
2	De-concentration of Poverty / Communities of Opportunity	20
3	Leveraging of Other Sources (Financing and Land)	15
4	Locational Amenities	12
5	General Resident Services / Supportive Services	10
6	Public Benefit	7
7	Sustainable Development	6
	MAXIMUM POSSIBLE POINTS	100

Note: Applications need to score a minimum threshold of 65 points total to be awarded.

1. TEAM EXPERIENCE AND CAPACITY	POINTS: 30
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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.

A. Successful Development Track Record

0-10 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.

Track-record qualifications will require listing the number of affordable housing projects that have been completed in the prior ten (10) years where at least 50% 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 units targeted to homeless and/or disabled; 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 actually exercising 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 actually comprised the development team employed or utilized by the sole-purpose nonprofit organization so that their experience and qualifications can be evaluated.

Points will be awarded as follows:

Number of developments serving similar populations completed in prior 10 years	Points
Minimal experience (~ 1 – 2 developments)	2
Some experience (~ 3 – 4 developments)	5
Broad experience (~ 5+ developments)	10

B. Successful Property Management Experience

0-12 points

Skilled property management is critical to the success of affordable housing projects. Applicants must provide information about the management agent and that entity’s 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. 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 income-restricted units under management entity’s management; 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 serving similar populations (to the proposed Project) managed in prior 5 years	Points
Minimal experience (Under 50 restricted rental units)	0
Some experience (~ 51 – 100 restricted rental units)	3
Fair experience (~ 101 – 150)	6
Good experience (~ 151 – 200)	9

Broad experience (~ 201+)	12
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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

0-8 points

Skilled service providers are a necessity to enable affordable housing developments to be successful. When affordable housing also serves vulnerable populations, the quality and experience of service providers is particularly important.

Points will be awarded based on the number of properties for which the 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 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 income-restricted units contracted with service provider; number of units targeted to homeless and/or disabled; number of market-rate units, if any; and, starting/ending dates for the services provider contract.

Projects that involve a significant number of units for homeless households or households with 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) to reflect their experience with similar developments. Depending on the number of homeless/special needs households, HACSM may require on-site supportive case management services.

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)	2
Some experience (~ 3 – 4 projects)	5
Broad experience (~ 5+ projects)	8

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 provided relative 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. DE-CONCENTRATION OF POVERTY/ COMMUNITIES OF OPPORTUNITY

POINTS: 20

Current guidance by the federal government, recent U.S. Supreme Court decisions, and industry best practices indicate that affordable housing should be sited so that it is a local amenity that compliments the existing housing stock, and should be located in communities that have opportunities for residents. Therefore, projects ideally should be located in Census tracts with federal poverty rates of less than 20% and where there are job opportunities and educational amenities (if appropriate to the project's target population(s)), and other services appropriate to the populations served.

Points will be awarded for:

- Poverty rate where the project will be/is located based on 2017 census tract data;
- Close proximity to various services and opportunities, if appropriate to the project's target population(s), for education and economic advancement; and
- Accessibility to public transportation and health services.

HACSM will consider exceptions to the 20 percent standard where it determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities. If the poverty rate in the census tract is 20% or greater, HACSM will consider an award only if at least **two** of the following conditions are present:

1. A census tract that is a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
2. 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;
3. A census tract that is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
4. A census tract where new market rate units are being developed;
5. A census tract where there has been an overall decline in the poverty rate within the past five years; or
6. 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 concentration greater than 40 percent.

Points will be awarded as follows:

Project Characteristics	Points
Located in census tract where the poverty rate is 0% - 10%	10
Located in census tract where the poverty rate is 11% - 19%	5
Located in close proximity to, and easily accessible to, public transportation	0 - 5
Located in close proximity to educational/ economic opportunities	0 - 5
Located in close proximity to medical / health care facilities serving low-income populations	0 - 5
Located in census tract where the poverty rate is 20% or greater, but meets at least two of the conditions listed above	3
Maximum Points Allowed	20

3. LEVERAGING OF OTHER SOURCES (FUNDING AND LAND)	POINTS: 15
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Points will be awarded on a sliding scale based on a project's ability to leverage other permanent funding sources, including land donation or below-market-rate long-term lease, *from sources other than the County of San Mateo or HACSM*. Only the proposed permanent financing sources identified will be used to determine the leveraging ratio. If private debt is underwritten on PBV rental income to the project, the private debt may be counted in this calculation. Partial points will be awarded for projects that have a leveraging ratio that falls in between the scoring levels set forth below:

Percent of Permanent Sources from Other than County/HACSM	Points
50% or less	0
51 - 70%	3
71 - 80%	7
81 - 90%	11
More than 90%	15

Committed Funds: Additionally, projects that have current soft or hard permanent funding commitments representing a minimum 25% of total development costs receive 5 points. Regardless, the maximum points to be awarded in this category is 15.

4. LOCATIONAL AMENITIES	POINTS: 12
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The Project Sponsor must certify as to the locational attributes that are applicable to the proposed project. A project may earn 3 points for each of the following attributes that is property documented and shows the facility’s or service’s distance (measured by radius from the project) and certified to be applicable to the proposed project, for a maximum of 12 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.

Locational Amenities	Points
(a) <u>Transit</u> : The proposed project is located with 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.	3
(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.]	3
(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.	3
(d) <u>Recreation</u> : 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).	3
Maximum Points Allowed	12

5. GENERAL RESIDENT SERVICES / SUPPORTIVE SERVICES	POINTS: 10
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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 any supportive services that will be provided to the special needs 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 (8 points), and (b) the degree to which conditional commitments or letters of intent for additional ancillary and supportive services have already been obtained (2 points), as shown below.

General Resident Services / Supportive Services	Points
(a) <u>Services Plan</u> : The proposed resident services plan addresses: <ul style="list-style-type: none"> • The target population(s) to be served and their service needs; • Indication of whether or not there will be an on-site service coordinator • Provision of a wide array of social, educational, health, employment-related, and other services enhancing resident well-being and increased opportunity • Description of how services will support resiliency and assist with housing retention • The services goals for the development • Lead service provider and other significant service partners along with a brief description of the services each will provide • The process to ensure effective communication between the service provider and property management regarding the status of residents • How services will be funded (i.e. identify both income and expense items including expense of on-site service provider/coordinator) 	Up to 8
(b) <u>Commitment for Provision of Services</u> : The extent to which conditional commitments or letters of intent from additional ancillary or supportive services have already been obtained	Up to 2
Maximum Points Allowed	10

6. PUBLIC BENEFIT	POINTS: 7
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Projects that include any of the following elements benefitting the public will be awarded up to a maximum of 7 points:

Public Benefit Features	Points
(a) <u>Integrates Space and Program</u> : Project integrates space and program to enhance job readiness skills of residents of the project or community residents (e.g. a resident-run café or other social entrepreneur business) or addresses an important community need (e.g. childcare center, health clinic, etc.)	4
(b) <u>Provides Public-Use Amenity</u> : Project provides the neighborhood with some public-use amenity (e.g. a public easement onto open space or community garden, a pocket park, public plaza, etc.)	4
(c) <u>Incorporates Special Design/ Architectural Feature</u> : Project incorporates outdoor sculpture, murals, or other special architectural features that enhance the neighborhood aesthetic	3
(d) Other public benefit feature. Must be identified in the application as such.	Up to 4
Maximum Points Allowed	7

7. SUSTAINABLE DEVELOPMENT	POINTS: 6
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Projects may earn a maximum of 6 points in this category to the extent they include the following sustainable development elements as part of their design, as must be detailed in the Sponsor’s application:

A. Element worth 6 points:

The Applicant commits to develop the project in accordance with the minimum requirements of any one of the following programs: Leadership in Energy & Environmental Design (LEED); Green Communities; or the GreenPoint Rated Program.

B. Elements each worth 1 point:

1. Energy efficiency heating/cooling system beyond the requirements in Title 24.
2. Energy efficiency water heating system beyond the requirements in Title 24.
3. Integration of a green roof.
4. Use of a graywater system.
5. Installation of a solar-powered water heating system.

C. Elements each worth 0.5 points:

1. 100% application of low flow faucets and plumbing fixtures and 100% application of energy efficient electrical fixtures.
2. 100% application of Energy Star or equivalent appliances.
3. Project design retains, infiltrates, and/or treats more than the code-required amount of rainfall in a 24-hour period.
4. Use of cool-roof technology.
5. Requirement of nonsmoking buildings or sections of buildings. Nonsmoking sections must consist of at least half the units within the building, and those units must be contiguous.

8. ISSUES CAUSING DISQUALIFICATION

Serious 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.

- A. Removal or withdrawal under threat of removal as a general partner in an affordable housing project.
- B. Failure to comply with prevailing wage/Davis-Bacon wage requirements, including non-reporting.
- C. Failure to correct overcharging of rent more than 3 months after public agency's issuance of notice of noncompliance.

- D.** 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.
- E.** Failure to provide promised supportive services to a special needs population or tenants of a publicly-funded project.
- F.** Failure to seek required public funder approvals for actions under loan documents, such as approval of transfers.
- G.** 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.
- H.** Notice of noncompliance issued by the public funder for other reasons.

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