

ADDENDUM THREE

Please disregard Addendum Two. We are issuing Addendum Three in its place. Addendum Three is the same as Addendum Two except for the following Addendum Title Change:

Award of Project-Based Vouchers to Developers and Owners

RESPONSE TO QUESTIONS

QUESTION 1:

I see in the Tab 2 document that Davis-Bacon Wage rates apply if nine or more units are proposed for the PBV contract. Can you please provide additional information on this requirement? For what type of work does Davis-Bacon apply? If we were to enter into an Agreement to enter in a HAP contract (AHAP) prior to the renovation, but not implement the HAP contract until after construction completion, would Davis-Bacon still apply to our renovation work?

RESPONSE 1:

Davis-Bacon wage requirements may apply to new construction, rehabilitation, or “existing housing” projects. For details on the applicability of Davis-Bacon wage requirements to “existing housing” PBV projects based on whether the work meets the HUD definition of “development”, please see 24 C.F.R. § 983 and HUD Notice 80 Fed. Reg. 12511, which can be accessed through the following link:

<https://www.federalregister.gov/documents/2015/03/09/2015-05462/applicability-of-davis-bacon-labor-requirements-to-projects-selected-as-existing-housing-under-the>

The notice states in pertinent part that: “It is HUD’s position, therefore, that the term “development”, as applied to work subject to Davis-Bacon requirements on Section 8 projects, encompasses work on a

Section 8 project that is comparable to the scope of work that HUD has previously determined constitutes development of a public housing project. Accordingly, work that constitutes remodeling that alters the nature or type of housing units in a PBV project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, falls within the purview of “development”. Development activity on a PBV project does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind.”

QUESTION 2:

We are interested in implementing up to 10 PBV units at our property, but we are unsure as to the current income eligibility of some of the current residents, and other current residents have tenant-based vouchers. Is there any way in which we can enter into an agreement with UMHA such that we could implement the PBV subsidy at some point in the future if the current resident is ineligible?

RESPONSE 2:

Yes, with respect to in place families who are eligible for voucher assistance on the date of the HAP Contract’s execution. 24 C.F.R. § 983.251(b)(2) provides:

“if a unit to be placed under contract that is either an existing unit or one requiring rehabilitation is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the PHA's waiting list (if the family is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project.

(However, the PHA may deny assistance for the grounds specified in [24 CFR 982.552](#) and [982.553](#).) Admission of such families is not subject to income-targeting under [24 CFR 982.201\(b\)\(2\)\(i\)](#), and such families must be referred to the owner from the PHA's waiting list. A PHA shall give such families priority for admission to the PBV program. This protection does not apply to families that are not eligible to participate in the program on the proposal selection date.

Conditionally yes with respect to in-place families who are not eligible for voucher assistance. UMHA has the authority to amend an existing PBV HAP Contract to add additional units, by mutual agreement, provided the requirements of NOTICE PIH 2017–21 (HA), Attachment J have been met. Please note that Owners may only evict or otherwise displace existing tenants of the project by following the notice, assistance, and funding requirements of the Uniform Relocation Act.

QUESTION 3:

The caps on the number of PBV units per project outlined in the RFP: are those pursuant to UMHA guidelines, or are those caps pursuant to HUD guidelines?

RESPONSE 3:

HUD regulations set the caps and limit PBV assistance to certain percentages of units. Please see 24 C.F.R. 983.56 and HUD Notice PIH 2017-21(HA) for additional details.

QUESTION 4:

In the Tab 2 document, section 14 UMHA Participation, there is a suggestion that UMHA may be available or interested in providing supportive services to the project. Could you please provide additional information on the scope of supportive services that UMHA may be able to provide to a senior/disabled affordable housing property? Would UMHA be able or willing to provide service coordination to the project? Is this something that UMHA may be interested in discussing further?

RESPONSE 4:

It is the sole responsibility of the owner to either provide or arrange for supportive services. The UMHA is limited in its ability to provide supportive services. This requirement can be met by the owner's property manager referring residents to community agencies. Our level of services to owners is contingent upon funding availability. However, we can help owners to develop supportive services plans and access community resources. Please refer an excerpt of UMHA's Section 8 Administrative Plan on Page for details on the kinds of supportive services that may qualify as excepted units from the PBV program's project cap (referenced in Question 3 above).

QUESTION 5:

Are there any reference materials that you could direct me to in order to adequately respond to the questions in sections 9 and 10 of the Tab 2 document?

RESPONSE 5:

The following documents may be useful in understanding HUD deconcentration guidance:

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

<https://www.sanfordjournal.org/sjpp/2016/hotma-expands-opportunities>

<https://www.jstor.org/stable/26328342>

<https://www.cbpp.org/research/housing/project-based-vouchers>

Please refer to Section 17-II-G of the UMHA Section 8 Administrative Plan on Page 8 and 9.

QUESTION 6:

1) Tab 3: Proposer Team Description

- a. **How many members of our team do you want listed for the purposes of the application? E.g. we are in the midst of the predevelopment process for a major LIHTC renovation project, which includes a number of parties on our development team.**

RESPONSE 6:

Please list appropriate members of your team who will be involved in the proposed project.

QUESTION 7:

- b. **For the org chart, do you want it to be an org chart of the proposed owner entity? Or the development team, which includes various third parties. Or are you looking for an org chart of the developer?**

RESPONSE 7:

The organization chart should reflect the development team and the parties and persons involved in the proposed project.

QUESTION 8:

Tab 4: Profile of Proposer

Audited financial statements: the proposer is a newly formed entity that does not have any financial activity. It will be the new owner of the property once the LIHTC transaction closes. In this instance, what would you like to see for this portion of the application?

- i. **Similarly, the developer sponsor is a company newly formed this year & therefore does not yet have audited financial statements.**

RESPONSE 8:

Please provide a narrative and any financial statements relative to the project team to indicate that the applicant has the necessary resources to develop the project.

QUESTION 9:

References: how many references would you like per category?

RESPONSE 9:

Three

QUESTION 10:

General question re: we have references from our time working at prior companies, are they sufficient?

RESPONSE 10:

Yes

QUESTION 11:

For management agent in PBV project references, would management agents with whom we have worked on project based section 8 projects suffice?

RESPONSE 11:

Yes.

QUESTION 12:

**Tab 5: Profiles of Proposer Team Members
How would you like this tab formatted?**

RESPONSE 12:

Please submit an attachment addressing each of the items listed in Tab 5.

QUESTION 13:

How many references per team member?

RESPONSE 13:

3

QUESTION 14:

**Project Plan
How would you like us to format the Development Plan? Is a short narrative acceptable?**

RESPONSE:

Yes.

QUESTION 15:

- ii. **I want to be sure that we are addressing the Project Requirements and Program Objectives as defined in the RFP language. I see the “Program Objectives” clearly listed in Part II of the RFP. Part II of the RFP also references a Part III that outlines the “Proposal Requirements”; however, I do not see Part III in the language on the Housing Agency Marketplace website. Part II leads into Part V. Is there a section missing? Would the aforementioned “Proposal Requirements” be the same thing as the “Project Requirements” referenced in the Tab 6 prompt?**

RESPONSE 15:

There are no Part III and Part IV sections. Proposal Requirements are the same as the Project Requirements.

QUESTION 16:

- c. **Design: we will be conducting a substantial rehab of an existing property. Our architect is currently drafting the architectural drawings, so they are not yet available, but we can provide a short narrative outlining our scope of work. Would that be acceptable?**

RESPONSE 16:

Yes

UMHA ADMINISTRATIVE PLAN IN CONNECTION WITH SUPPORTIVE SERVICES

Supportive Services

PHAs must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. As of April 18, 2017, the project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit, although the family must be eligible to receive the supportive services. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. A PHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

PHA Policy

The UMHA reserves the right to except units based on the foregoing. The types of services that UMHA will deem eligible to qualify a project to meet HUD's definition of families receiving supportive services include, but are not limited to:

- Job readiness / Job training: Includes preparation and counseling, job development and placement, and follow-up assistance after placement;
- Education: Includes education for the completion of GED, post-secondary education, or computer training classes for children and adults;
- Household Training: Includes homemaking, parenting skills, financial literacy and stability programs;
- Self-Sufficiency Services and Resources: Includes participating in self-sufficiency program to assist the family to achieve economic independence and self-sufficiency;
- Substance Abuse Treatment: Includes counseling, treatment for substance abuse and participation in ongoing support groups;
- Other services – any other services and resources, including case management, service coordination, housing counseling, youth development, senior/disabled services, benefit advocacy, mental health, food assistance, or reasonable accommodations for individuals with disabilities, that the PHA determines to be appropriate in assisting families to achieve economic independence and self-sufficiency.

UMHA ADMINISTRATIVE PLAN IN CONNECTION WITH DECONCENTRATION

17-II.G. SITE SELECTION STANDARDS

Compliance with PBV Goals, Civil Rights Requirements, and HQS Site Standards [24 CFR 983.57(b)]

The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an agreement to enter into a HAP contract or HAP contract for units on the site, unless the PHA has determined that PBV assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR 903 and the PHA administrative plan.

In addition, prior to selecting a proposal, the PHA must determine that the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable Civil Rights Laws, regulations, and Executive Orders, and that the site meets the HQS site and neighborhood standards at 24 CFR 982.401(l).

UMHA Policy

It is the UMHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the UMHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, the UMHA will grant 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 in census tracts with poverty concentrations greater than 20 percent, such as sites in:

- A census tract in which the proposed PBV development will be located in 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 in which the proposed PBV development will be located 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 where such market rate units will positively impact the poverty rate in the area;

- 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.

Existing and Rehabilitated Housing Site and Neighborhood Standards [24 CFR 983.57(d)]

The PHA may not enter into an agreement to enter into a HAP contract nor enter into a HAP contract for existing or rehabilitated housing until it has determined that the site complies with the 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;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- 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
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

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

In order to be selected for PBV assistance, a site for newly constructed housing 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 the PHA 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.