

REQUEST FOR PROPOSALS

PROJECT-BASED VOUCHERS FOR OFF-SITE BEECHER TERRACE REPLACEMENT HOUSING

Proposal #1487

Addendum #2

The deadline to receive questions was Tuesday, April 2nd. The following questions were received via email by April 2nd and at the Pre-Proposal Conference on March 19th:

Q. What are Project-Based Vouchers?

A. Project-based assistance is attached to units in a development pursuant to a Housing Assistance Payment (HAP) agreement between a Public Housing Authority (PHA) and the owner of the development. Eligible households that live in the unit pay no more than 30% of their monthly gross income and the PHA, Louisville Metro Housing Authority, pays the balance of the rent.

Q. Who are the eligible tenants?

A. Beecher Terrace residents will have a lifetime first preference. If there are no Beecher Terrace residents on the waiting list, any eligible household with an income that does not exceed 80% Area Median Income is eligible.

Q. Why is the Project-Based Voucher program better than the Section 8 Housing Choice Voucher program?

A. Owners/developers will receive two 20-year HAP contracts for a total term of 40 years. This means that as long as the units are occupied, at least 70% of the rent (the portion paid by LMHA) is guaranteed. LMHA has a waiting list of eligible households that can help keep the units occupied. Also, the rent limits for Project-Based Vouchers is higher in most areas of Jefferson County than Section 8 Housing Choice Voucher rents provided the rent reasonableness test can support the higher rent.

Q. I have several rental homes on the Section 8 Housing Choice Voucher program, and I would like to know how this can help me secure more properties?

A. The Project-Based Voucher program will only pay a portion of the rental assistance. It is not a source of financing to purchase additional properties.

Q. Can I get a rent increase?

A. Yes, the Owner must request an increase in the Rent to Owner at least 60 calendar days before the annual anniversary date of the HAP contract by written notice to LMHA. The request must be submitted

in the form and manner required by the Housing Authority. The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted Rent to Owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract. LMHA will not approve annual Rent to Owner requests that exceed 2% of the current Rent to Owner. LMHA will not approve and the Owner may not receive any increase of Rent to Owner until and unless the Owner has complied with all requirements of the HAP contract, including compliance with the Housing Authority's criteria for decent, safe, and sanitary housing. The Owner will not receive any retroactive increase of rent for any period of noncompliance.

Q. If I want out of the Project-Based Voucher program, can I get out of the HAP contract?

A. Selected PBV projects must be deed restricted to keep the properties affordable. The only way LMHA will terminate a HAP contract is if the property fails to meet the requirements of the HAP contract.

Q. Do I have to be currently building or rehabilitating my development?

A. No, existing properties that are not going through rehabilitation are eligible for Project-Based Vouchers.

Q. Do I have to have all my financing in place to apply?

A. No, LMHA may offer a conditional commitment to place a HAP or AHAP contract on the property contingent on all of the financing being in place within a specified period of time.

Q. Can I get paid for vacant units?

A. No, LMHA will not pay for vacant units.

Q. Can I get a copy of the plans and specs?

A. This is a Request for Proposals for projects that private developers own that are proposed for development or substantial rehabilitation, or existing developments needing no rehabilitation. There are no plans and specs available from Louisville Metro Housing Authority.

Q. For PBV units that are also tax credit units, are the rents capped at the lower of the two? If yes, then is this a HUD rule or an LMHA rule?

A. The most restrictive rent limits apply with the exception of LIHTC/PBV combination units. HUD allows Project-Based Voucher units that are also LIHTC units to use the higher of the tax credit rent or the applicable Project-Based Voucher rent.

Q. Are there any situations in which the rent to Owner could be higher than the LIHTC rents?

A. Yes, if the rent reasonableness test will support it, up to the maximum applicable rent per the Project-Based Voucher rent chart for the applicable zip code that the development is located in can be charged.

Q. It mentions in the RFP that on a case-by-case basis LMHA, at its discretion, may award PBV assistance to more than 50% of the units in a development. What specific criteria would LMHA use to determine if a development can get more than 50% in vouchers?

A. The Respondent will have to make the argument that the surrounding households in the area are largely made up of market rate housing.

Q. Would LMHA consider awarding up to 100% of the units in a development PBVs? If so, what criteria would you use to make this exception?

A. The CFR allows senior housing projects to be awarded PBVs for all of the senior housing units. In addition, LMHA has MTW flexibility to allow 100% of the units in a family development to be awarded PBVs if the surrounding households in the neighborhood are market rate. The Respondent would have to provide income documentation on the surrounding households.

Q. Does LMHA have a certain number of senior units that need to be replaced, and if so, how many?

A. The number of senior households that are needed will rise each year based on the ages of the income eligible Beecher Terrace residents.

Q. If yes to senior, would the housing be restricted to ages 62+, or could the age restriction be 55+?

A. For the purpose of determining the order in which families on the Housing Authority's PBV waiting list are referred by LMHA to the owner of a project-based elderly or elderly/disabled building, an "Elderly Family" will be defined as a family whose head (including co-head), spouse, or sole member is a person who is at least 55 years of age. It may include two or more persons who are at least 55 years of age living together, or one or more persons who are at least 55 years of age living with one or more Live-In Aides.

Q. Is there greater weight/points given to family units vs. senior units?

A. No, there is not a greater weight given to family units vs. senior units.

Q. Regarding the weighted evaluation criteria, how will the points for each category be determined? For example – In the Ready to Proceed category, what if a site is under contract and you can show evidence that utilities are available, but the property is not zoned yet?

A. The scoring criteria is explained in the RFP.

Q. Is there any way to make scattered housing sites all PBVs (and not just 50% of them) if they are already intermingled in market rate neighborhoods?

A. Possibly. This will be determined on a case-by-case basis. The Respondent must provide surrounding household income documentation to be used for consideration.

Q. Where would we include backup (such as employment center maps, purchase agreement, utility letters)? There are no tabs that specify where to put these items. Should we include them in the application tab?

A. You can either place them behind the application in Tab #3 or add another Tab (Tab #11) and place them there.

Q. Within the application, question #13, there is a chart to fill out of members of the development team. Under the “name” column, do we enter the names of the individuals who are principals of each entity, or the name of the entity? Then in the “organization” column, do we enter the entity name? For example, for General Partner do we put the Principal’s name(s) in the Name column and the entity name in the Organization column? Or would we enter the General Partner’s entity name in the name column, and the organization that manages it in the Organization column?

A. List the name of the person under the “name” column and the name of their company under the “organization” column.

Q. Does Section 3 apply?

A. Yes, Section 3 applies to the Project-Based Voucher program. See 24 CFR Subpart B.

Q. Does Davis Bacon apply?

A. Yes, Davis Bacon applies to developments with more than 8 Project-Based Voucher units.

Q. What are the rent limits? Are the rents in the chart the maximum rents?

A. The approved Payment Standards can be found under Attachment 7. The rents under the “PBV Rent” column are the maximum rents.

Q. How are we making the decision if we will award or not?

A. The Evaluation Criteria is explained in the RFP on pages 14 - 17.

Q. Are impacted census tracts pass/fail?

A. Yes, they are listed under the Threshold Requirements as a pass/fail item.

Q. Is there a limit to how many vouchers will go to any one developer?

A. No, LMHA has not established a limit.

Q. How does LMHA feel about doing 100% of the project as PBVs?

A. Depending on the total number of PBVs requested by all of the Respondents to this competitive RFP, LMHA may be open to making an award of up to 100% PBVs for a project. However, the Respondent will need to provide sufficient documentation regarding the income status of the surrounding households.

Q. If a Respondent asks for 100% PBVs and LMHA only want to award PBVs for 50% of the project, will LMHA deny the application?

A. No, LMHA will make a recommendation for a PBV award for up to 50% of the project and check with the Respondent to make sure they will accept a PBV award for up to 50% of their project before presenting the Resolution to LMHA's Board.

Q. If a Respondent submits more than one project, can the Respondent identify which ones are priority?

A. The Respondent can prioritize. But, LMHA is going to be most interested in projects located in areas of opportunity and on bus lines. So, LMHA may not make a recommendation for a PBV award based on the Respondent's priorities.