 

**REQUEST FOR PROPOSALS TO USE PROJECT BASED VOUCHERS (PBVS) TO DEVELOP OR REHABILITATE AFFORDABLE HOUSING**

THE CITY OF SHEBOYGAN HOUSING AUTHORITY IS ACCEPTING PROPOSALS FOR PROJECT BASED VOUCHERS. ALL PROPOSALS SUBMITTED IN RESPONSE TO THIS SOLICITATION MUST CONFROM TO ALL OF THE REQUIREMENTS AND SPECIFICATIONS OUTLINED IN THIS DOCUMENT AND ANY DESIGNATED ATTACHMENTS IN THEIR ENTIRETY.

**ONE ORIGINAL AND TWO COIES OF THE PROPOSAL SHOULD BE DELIVERED TO:**

**SHEBOYGAN HOUSING AUTHORITY**

**611 NORTH WATER STREET, P.O. BOX 1052**

**SHEBOYGAN, WI 53082-1052**

**ATTN: Melody Hermann, EXECUTIVE DIRECTOR**

**AND CLEARLY MARKED “PROPOSAL FOR PBV’S**

**RFP PACKAGES CAN BE OBTAINED AT THE SHEBOYGAN HOUSING AUTHORITY,** [**WWW.SHEBOYGANHA.COM**](http://WWW.SHEBOYGANHA.COM) **OR VIA EMAIL TO** [**melody.hermann @SHEBOYGANHA.COM**](mailto:JOE.RUPNIK@SHEBOYGANHA.COM)

**PURPOSE AND ELIGIBLE ACTIVITIES**

The Sheboygan Housing Authority (SHA) is making available a total of up to 20 project-based vouchers to support the preservation or creation of affordable housing opportunities within the city limits of Sheboygan. Project Based Vouchers may be awarded to a new construction project or a substantial rehabilitation project. The SHA reserves the right to award all, a portion, or none of the vouchers applied for.

**New Construction** is defined as: Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an agreement between the SHA and the owner for use under the PBV program.

**Substantial rehabilitation** is defined as: Housing units that exist on the proposal selection date, that are in need of substantial rehabilitation and are rehabilitated pursuant to an agreement between the SHA and owner, for use under the PBV program

**Applying organizations should be aware of the following conditions:**

1. All required land use approvals must be obtained. Any award of vouchers is contingent upon receiving all required land use approvals.
2. The Project must meet all applicable requirements of the HUD Project-Based and Housing Choice Voucher program regulations. For more information see: <http://portal.hud.gov/hudportal/HUD?src=/hudprograms/projectbased>
3. The project will be subject to a HUD subsidy layering review, in accordance with HUD subsidy layering regulations (24CFR 4.13) to prevent excess subsidy.
4. The housing project must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulation at 24CFR 100.205, as applicable, and accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8.
5. Construction may involve application of the Federal Davis-Bacon construction wage guidelines. Construction costs may be higher if Davis-Bacon applies.
6. Projects must comply with AICUZ requirements.
7. An Environmental Review and/or Assessment will be required. If an Assessment is required, the SHA will select an appropriate contractor to complete the review at the expense of the applicant.
8. Due to the above conditions and requirements, applicants should be aware of the significant lead time necessary to secure all required approvals prior to commencement of construction.
9. Execution of an agreement to enter into a Housing Assistance Payment Contract is contingent upon completion of all the above requirements.

**ELIGIBLE APPLICANTS**

For-Profit and Non-profit, 501(3)c housing development organizations proposing to create housing, either by new construction or setting aside and rehabilitating existing units, that will serve elderly, disabled or low income families and individuals in the City of Sheboygan.

**Section 8 Income Limits**

|  |  |  |  |
| --- | --- | --- | --- |
| FAMILY SIZE | EXTREMELY LOW  30% of median | VERY LOW INCOME  50% of median | LOW INCOME  80% of median |
| 1 person | 15,700 | 26,150 | 41,850 |
| 2 person | 17,950 | 29,900 | 47,800 |
| 3 person | 20,780 | 33,650 | 53,800 |
| 4 person | 25,100 | 37,350 | 59,750 |
| 5 person | 29,420 | 40,350 | 64,550 |
| 6 person | 33,740 | 43,350 | 69,350 |
| 7 person | 38,060 | 46,350 | 74,100 |
| 8 person | 42,380 | 49,350 | 78,900 |

**The following are housing types that are not eligible for PBV awards under this RFP:**

1. Shared housing
2. Units on the grounds of a penal, reformatory, medical, mental or similar public or private institution
3. Nursing homes or facilities
4. Units that are owned or controlled by educational institutions or its affiliate
5. Manufactured homes
6. Cooperative housing
7. Transitional housing
8. Units occupied by owner of the housing
9. Units occupied by a family ineligible for participation in the PBV program

In addition, PBV assistance will not be provided to:

1. Public Housing
2. A unit subsidized with any other form of Section 8 assistance
3. A unit subsidized with any governmental rent subsidy
4. A unit subsidized with Section 236 rental assistance payments
5. A unit subsidized with rental assistance payments under section 521 of the Housing Act of 1947
6. a Section 101 rent supplement project
7. a unit subsidized with any form of tenant-based rental assistance

**REQUIREMENTS FOR ENTITIES RECEIVING PROJECT BASED VOUCHERS FROM SHA AND HUD**

1. The entity must have a board of directors (or similar overight body) that hires the executive director and sets policy and financial guidelines.
2. The entity must have policies and procedures including admission policies, rules for resident behavior, procedures for involuntary discharge and a grievance procedure.
3. The entity must be annually audited by a certified public accounting firm, the results must be provided to the SHA. The latest audit must be part of the submission to this RFP.
4. The entity must have in place the following insurance which shall be written by companies authorized to do business in the State of Wisconsin and acceptable to the SHA. Binders will be required before completion of contract:
5. Comprehensive liability insurance at limits not less than one million combined single limits.
6. Commercial general liability insurance including contractual liability coverage in the amount not less than one million dollars combined single limits.
7. Workers Compensation Insurance.
8. The entity must comply with all the laws and regulations of the State of Wisconsin, including but not limited to laws involving the use, maintenance and operation of structures including building permits, zoning, code enforcement and rental certificates of compliance.
9. The entity must not be involved in any current litigation or contractual dispute.
10. The entity must designate a point of contact for SHA.
11. The entity must provide to SHA, HUD or its agents any reports, financial and other information as requested that may be needed to ensure compliance with local, state and federal laws and regulations.
12. Entities must be able to enter into an Agreement for Housing Assistance Payments contracts and start the project for with PBV’s have been requested within a 12-month period after the announcement of award of PBV’s or SHA reserves the right to withdraw the award.

**PROPOSAL INSTRUCTIONS**

All proposals must include:

* All requirements under the four tabs as described in “Format of Proposal Response”
* A minimum of two (2) years of financial statements
* A copy of the most recent audit

Respondents must submit three copies of their proposal by 4:00pm, Monday December 17, 2018 to:

**Sheboygan Housing Authority**

**P.O. Box 1052**

**611 North Water Street**

**Sheboygan, WI 53082-1052**

**Please Note:** Emailed or faxed proposals will not be considered.

**Format of Proposal Response**

**Tab 1- Owner Experience (pass/fail)**

SHA will evaluate the relevant previous experience and qualifications of the Owner in owning/developing multifamily real estate. The proposed Owner must demonstrate prior ownership experience in multifamily rental housing projects.

List and briefly describe 3 projects within the last 10 years that exhibit the owner’s experience in multifamily real estate, focusing on the experience most relevant to this RFP. For each project, provide the following information:

1. Project name and location
2. Brief description of the project
3. Owner entity or developer team members
4. Describe the services performed and your firm’s role

Also provide the following:

* Identify the respondent’s ownership status as a for-profit or nonprofit owner. Provide a complete disclosure of all entities and individuals comprising the owner.
* Provide complete organizational charts that clearly show all principals of the owner.
* Provide a summary list of the owner’s current portfolio of properties.
* Indicate whether the owner has ever experienced a foreclosure or bankruptcy.
* If the owner or management team has previous experience with low-income housing tax credit program, HUD, or other federal or state programs, describe any unresolved audit findings.

The minimum qualifications to receive a passing evaluation are:

* A complete disclosure of ownership status and organizational structure.
* Owner has demonstrated at least three continuous years of prior ownership experience in at least three multi-family rental housing projects.
* Owner has not experienced a foreclosure or bankruptcy in the last three years.
* Owner or management team does not have any unresolved compliance agency audit findings.

**Tab 2- Management Team (Pass/Fail)**

Respondent must demonstrate the experience and capabilities of the management team in managing affordable multifamily rental properties. List and briefly describe 3 projects within the last 5 five years that exhibit the management team’s experience in multifamily real estate, focusing on the most relevant to this RFP.

Submit a proposed management plan that will be evaluated based on its completeness, sound policies and procedures, demonstration of coordination with the service provider and owner, and demonstration that the existing housing units will be managed in accordance with professional standards and approaches.

**Tab 3- Site Requirements (pass/fail)**

Respondent must provide the following:

* Evidence of site control including option agreements, sales contracts or proof of current ownership.
* Documentation of zoning status.

Minimum qualifications to receive a passing evaluation are:

* Property must meet inspection standards.
* Evidence of site control. Contracts must be executed prior to execution of this agreement, including the legal description for the property and must provide legal control of the site.
* Documentation establishing the property is appropriately zoned or in the process of being rezoned for the intended use.

**Tab 4- Financial Feasibility (Pass/Fail)**

SHA will conduct a financial review to ensure the housing units have appropriate funding.

Respondent must provide the following:

* 2-year operating budget and pro forma for the operation covered by the project proposal.

Minimum qualifications for a passing evaluation are:

* Confirmation that the costs funded do not exceed the maximum per unit limits.
* Projected cash flows provide reasonable assumptions given current economic conditions.

**SCORING CRITERIA FOR ALL UNITS:**

**Criteria Max. Points Available**

Term of Contract Requested 15

Community Amenities 15

Unit Amenities 15

Ownership Experience 10

Management Experience 10

Public Exposure 10

Non-Profit Developer 10

Alternative Rental Criteria 10

**TOTAL POINTS AVAILABLE 100**

**TERM OF CONTRACT REQUESTED**

If requesting a ten-year contract 15

If requesting a five to nine-year contract 10

If requesting less than 5 years 0

**COMMUNITY AMENITIES**

Project is located outside an area of low income concentration 10

Site is within ¼ mile of shopping and neighborhood services, or is within ¼ mile of bus; and is

Services and is within 3 miles of a significant health facility 5

**UNIT /APT COMPLEX AMENITIES**

Unit amenities include the following: features adapted for persons with disabilities, off street

Parking, laundry facilities, porches/decks, play area for children, recreational facility for

Children and adults, common are function room.

If three or more amenities 15

If two or more amenities 10

If one amenity 5

**OWNER EXPERIENCE**

If applicant has 20 years or more experience owning affordable rental housing 10

If applicant has 10 to 19 years 4

If applicant has 5 to 9 years 2

**MANAGEMENT EXPERIENCE**

If applicant has 20 years or more experience managing affordable rental housing 10

If applicant has 10 to 19 years 4

If applicant has 5 to 9 years 2

**NON-PROFIT DEVELOPER**

If developer is a 501C(3) Non-profit entity or nonprofit government entity 15

If development team includes a non-profit with at least 51% ownership 10

**ALTERNATIVE RENTAL CRITERIA**

If developer has identified alternative rental criteria to reduce barriers to housing: for example lower credit score approval for PBV applicants or acceptance of credit counseling when applicant would otherwise be denied due to credit score.

Upon completion of construction and issuance of an occupancy permit, and provided that all other requirements under this RFP have been met, SHA will enter into a Housing Assistance Payment (HAP) Contract with the owner for the site selected and approved for PPBV assistance. SHA will make housing assistance payments to the owner in accordance with the HAP contract for those contract units leased and occupied by eligible families during the HAP contract term.

SHA does not have responsibility or liability to the owner or any other person for the family’s behavior or suitability for tenancy. The owner is responsible for screening and selection of the family referred by SHA to occupy the owner’s unit based on their tenancy histories. At least seventy-five percent (75%) of the families approved for tenancy shall be families whose annual income does not exceed thirty percent (30%) of the median income for this area as determined by HUD and as adjusted by family size. No families will be approved whose income exceeds fifty percent (50%) of the median income for this area as determined by HUD and as adjusted by family size.

The amount of the rent to owner is determined in accordance with HUD regulations. Except for certain tax credit units, the rent to owner must not exceed the lowest of:

* An amount determined by SHA, not to exceed 110% of the applicable fair market rent (FMR) for the unit bedroom size minus any utility allowance.
* The reasonable rent (similar unit in a similar market) or;
* The rent requested by the owner.

The following Fair Market Rents are approved effective 1/1/2019:

|  |  |
| --- | --- |
| **Bedroom Size** | **Approved Rent for SHA** |
| 0 bedroom | 467 |
|  |  |
| 1 bedroom | 600 |
|  |  |
| 2 bedroom | 763 |
|  |  |
| 3 bedroom | 954 |
|  |  |
| 4 bedroom | 1100 |
|  |  |
| 5 bedroom | 1212 |

**In no event will the rent exceed HUD Fair Market Rents, less utility allowances which are currently:**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Utility** | **Efficiency** | **1 bedroom** | **2 bedroom** | **3 bedroom** | **4 bedroom** | **5 bedroom** |
| **Heat** |  |  |  |  |  |  |
| Natural Gas | 18 | 21 | 24 | 27 | 31 | 35 |
| Oil | 66 | 79 | 93 | 106 | 120 | 134 |
| Electricity | 26 | 30 | 41 | 53 | 64 | 75 |
| LP Gas | 46 | 53 | 61 | 70 | 80 | 88 |
|  |  |  |  |  |  |  |
| **Water Heat** |  |  |  |  |  |  |
| Natural Gas | 4 | 5 | 7 | 10 | 12 | 14 |
| Oil | 16 | 19 | 27 | 35 | 46 | 55 |
| Electricity | 14 | 17 | 21 | 26 | 31 | 35 |
| LP Gas | 11 | 13 | 19 | 24 | 30 | 36 |
|  |  |  |  |  |  |  |
| **Cooking** |  |  |  |  |  |  |
| Natural Gas | 2 | 2 | 3 | 4 | 5 | 5 |
| Electricity | 5 | 6 | 9 | 12 | 15 | 17 |
| LP Gas | 4 | 4 | 7 | 10 | 13 | 14 |
|  |  |  |  |  |  |  |
| **Electricity** | 20 | 23 | 33 | 42 | 51 | 60 |
|  |  |  |  |  |  |  |
| **Air Conditioning** | 3 | 4 | 5 | 7 | 8 | 9 |
|  |  |  |  |  |  |  |
| **Water** | 52 | 53 | 61 | 70 | 78 | 88 |
|  |  |  |  |  |  |  |
| **\*Range** | 11 | 11 | 11 | 11 | 11 | 11 |
| **\*Fridge** | 12 | 12 | 12 | 12 | 12 | 12 |
|  |  |  |  |  |  |  |
| **\*\*Base Charges** |  |  |  |  |  |  |
| Natural Gas | 16 | 16 | 16 | 16 | 16 | 16 |
| Electric | 16 | 16 | 16 | 16 | 16 | 16 |

An independent reasonable rent study in accordance with HUD requirements will be prepared to determine the initial contract rent. The total rent to the owner for PBV assisted units consist of the tenant rent (the portion of the rent to owner paid by the family) and the rental assistance paid by SHA in accordance with the HAP Contract.

**RFP ADMINISTRATIVE TERMS AND CONDITIONS**

**Ownership of Documents**

All documents and information generated, prepared, assembled and provided to SHA pursuant to this RFP become the property of SHA upon receipt. Respondents shall not copyright, or cause to be copyrighted, any portion of any document submitted to SHA as a result of this RFP.

**Public Access to Procurement Records**

The laws of the State of Wisconsin, including the Wisconsin Open Records Act require certain public records be made available for public inspection. Even though information submitted by a respondent may be marked “confidential”, “proprietary”, etc., SHA will make its own determination regarding what information may or may not be withheld from disclosure.

**Withdrawal of Proposals**

Proposals may be withdrawn by written notice received any time before contract award. Proposals may be withdrawn in person by respondent or its authorized representative if the identity of such representative is established and a signed receipt of the withdrawn proposal is received by SHA prior to contract award.

**Advertising**

Respondent agrees not to use the fact of or the results from submission of a proposal as a part of any commercial advertising. SHA does not permit the use of SHA’s relationship with an entity for purposes of marketing efforts unless SHA specifically agrees otherwise.

**Funding Limitations**

The procurement may be funded, in whole or in part, by grant funds provided by the U.S. Department of Housing and Urban Development (HUD). SHA will not be bound to any contract if funding has been disallowed by HUD.

**SHA Authorized Procurement Authority**

In accordance with SHA’s Procurement Policy statement, contracts shall be subject to approval by SHA’s Board of Commissioners prior to award and contract execution.

**Cancellation of Solicitation**

SHA reserves the right to cancel a solicitation when it is determined to be in the best interest of SHA to do so.

**Notices**

All notices, demands, requests and claims pertaining to the award of the contract must be addressed in writing to:

Joe Rupnik, Executive Director

P.O. Box 1052

Sheboygan, WI 53082-1052

Any actual or prospective Contractor may protest the solicitation or award of a contract. All protests of the solicitation must be received five days prior to the proposal due date. All protests of the contract award must be received within five days after the basis of the protest is known or after the actual or prospective contractor is notified of the award. All protests shall be in writing and submitted to the Executive Director who shall issue a written decision on the matter. The Executive Director may, at his or her discretion, suspend the procurement pending resolution of the protest if warranted by the fact presented.

**SHA’S RESERVATION OF RIGHTS**

The SHA reserves the right to reject any or all proposals, to waive any informality in the RFP process, or to terminate the RFP process at any time if deemed by the SAH to be in its best interest.

The SHA reserves the right not to award a contract pursuant to this RFP.

The SHA reserves the right to terminate a contract awarded pursuant to this RFP at any time for its convenience upon 30 days written notice to the successful proposer(s).

The SHA reserves the right to determine the days, hours and locations that the successful proposer(s) shall provide the services called for in this RFP.

The SHA reserves the right to retain all proposals submitted and not permit withdrawal for a period of 60 days after the deadline for receiving proposals without the written consent of the SHA’s Executive Director.

The SHA reserves the right to negotiate the fees proposed by the proposer entity.

The SHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP including but not limited to incomplete proposals and/or proposals offering alternate or non-requested services.

The SHA shall have no obligation to compensate any proposer for any costs incurred in responding to this RFP.

The SHA shall reserve the right at any time during the RFP or contract process to prohibit any further participation by a proposer or reject any proposal submitted that does not conform to any of the requirements detailed herein and/or reject the proposal of any firm who is disbarred by the U.D. Department of Housing and Urban Development from providing services to PHAs and reserves the right to reject the proposal of any firm who has previously failed to perform contracts properly.

**Procurement Schedule** (there will not be a pre-proposal conference)

**Due Date RFP Item**

Sunday December 2, 2018 Release/Advertisement of RFP

Wednesday December 12, 2018 Last day for questions

Monday December 17, 2018 Responses to questions

Thursday December 20, 2018 Proposals review complete by

Friday December 21, 2018 Vote to award contract

**Proposer Responsibilities**

It is the responsibility of the proposer to complete the RFP response in accordance with the terms and conditions as outlined for the response including all forms, certifications and affidavits.

It is the responsibility of the proposer to disclose any potential conflicts of interest, maintain and provide proof of insurance and personal/business financial statement relevant to this contract.

It is the responsibility of the proposer to address all communication and correspondence pertaining to this RFP process to the Executive Director, Joe Rupnik only. Proposers must not make inquiry or communicate with any other SHA staff member or official pertaining to this RFP. Failure to abide by this requirement may be cause for the SHA not consider a proposal submittal received form any proposer who has not abided by this directive.

**Addendums**

All questions and requests for information must be addressed in writing to the Executive Director, who will respond to all such inquiries in writing by addendum to all prospective proposers.

All addenda to this solicitation will be posted on the SHA website. It is the responsibility of the respondent to monitor the SHA website for any addenda issued.

Respondent is responsible for contacting their local city and county authorities and the State of Wisconsin to ensure that respondent has complied with all laws and is authorities to do business in Wisconsin.

All applicable fees associated therewith are the responsibility of respondent now and hereafter in effect during the contract.

Respondent and its employees, agents and subcontractors shall also comply with all Federal, State and local laws regarding business permits and licenses that may be required to perform under the contract.

**Cost of Proposals**

All costs incurred, directly or indirectly in response to this solicitation, including preparation and submittal shall be the sole responsibility of the respondent. SHA will not provide any reimbursement for any such costs.

**Section 3 Business (Optional Item):**

If you are claiming a Section 3 preference, please indicate same on your proposal and provide the Section 3 priority that you are claiming.