



**DuPage Housing Authority**  
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[www.dupagehousing.org](http://www.dupagehousing.org)

# DUPAGE HOUSING AUTHORITY REQUEST FOR PROPOSALS – PBV’s

## A. Project-Based Voucher Program

## B. Voluntary Relinquishment of Enhanced Voucher Assistance in Exchange for Project-Based Voucher Assistance in Multi-Family Housing



### A. Project-Based Voucher Program – RFP No.: 31Jan2017

The DuPage Housing Authority (DHA) is accepting written proposals for the Project-Based Voucher (PBV) Program. The PBV program is designed to conform to the Project-Based Voucher Program Final Rule published on October 13, 2005 at The Code of Federal Regulations 24 CFR Part 983.

PBV applications are being accepted for new construction or existing housing rehab projects wholly within DuPage County, Illinois that contain all of the following:

- 1) The PBV designated units must serve households at or below 50% of the area medium income;
- 2) Must show evidence of site control;
- 3) Developer must demonstrate that project construction will commence within fifteen (15) months and occupancy will commence within thirty (30) months from date of preliminary award of PBV’s;
- 4) Each project must contain a minimum of 20 units

Proposals must be received by the DuPage Housing Authority no later than **1:30 p.m., Tuesday January 31, 2017. Late applications will not be accepted.**

A pool of forty-six (46) Project Based Vouchers will be available under this RFP for low-income individuals and families in DuPage County, Illinois. DuPage Housing Authority seeks to meet the goal of de-concentrating poverty and helping to expand affordable housing opportunities with the award of these Project Based Vouchers.

## DESCRIPTION OF PBV PROGRAM

Through the PBV program, DuPage Housing Authority will enter into a Housing Assistance Payment (HAP) contract with the selected property owner for designated rental units for a term of up to fifteen (15) years subject to funding availability. Housing assistance subsidies will be provided while eligible families occupy the rental housing units and the units meet other program standards. DuPage Housing Authority will maintain the waiting list and refer program participants to the project owner to fill vacant units. DHA's subsidy standards will determine the appropriate unit size for the family size and composition.

Certain types of housing units and/or developments are **not eligible** for PBV assistance including:

- Shared housing;
- 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 service, board and care, or intermediate care.
- Units that are owned or controlled by an educational institution or its affiliate and designed for occupancy by the students of the institution;
- Manufactured homes;
- Cooperative housing;
- Transitional housing;
- Owner-occupied housing units;
- Units occupied by an ineligible family at the time of proposal submission or prior to execution of the Housing Assistance Payment (HAP) contract; and
- Subsidized housing unit types that are determined ineligible in accordance with HUD regulations. These include, but are not limited to: public housing units (there are none in DuPage County); units subsidized with any other form of Section 8 assistance; units subsidized with any governmental subsidy that covers all or part of the operating costs of the housing; units subsidized with rental assistance under Section 236, Section 521 or Section 101; units subsidized with Section 202 including supportive housing for the elderly; units subsidized under Section 811; units subsidized with any form of tenant-based rental assistance as defined at 24 CFR 982.1(b)(2) including units subsidized with such assistance under the HOME program; and, units with any other duplicative federal, state or local housing subsidy as determined by HUD or DHA.

The number of PBV assisted units in the project cannot generally exceed 25 percent (25%) of the total number of dwelling units in the project, except as provided by regulation.

Sites selected for DHA PBV assistance must be:

- Consistent with the goal of de-concentrating poverty and expanding affordable housing and economic opportunities, consistent with DHA's PHA Plan and Administrative Plan. Specific factors are discussed at 24 CFR 983.57;
- In full compliance with the applicable laws regarding nondiscrimination and accessibility requirements;
- Meet Housing Quality Standards (HQS) site standards; and
- Must meet HUD regulations for site and neighborhood standards. The site selected must:
  - a) be adequate in size, exposure and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to the site;
  - b) promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
  - c) be accessible to social, recreational, educational, commercial and health facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents; and,
  - d) be located within reasonable travel times and cost via public transportation or private auto to places of employment.

Activities under the PBV program are subject to HUD environmental regulations and may be subject to review under the National Environmental Policy Act by local authorities. Additionally, the owner, the owner's contractors and subcontractors must pay Davis-Bacon wage rates to laborers and mechanics.

DHA will enter into a Housing Assistance Payments (HAP) contract with the owner selected and approved for PBV assistance. DHA 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 subject to funding availability.

After being certified program eligible by DHA, the owner is responsible for screening applicants to occupy the owner's unit based on their screening criteria. 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.

During the course of the tenant's lease, the owner may not terminate the lease without good cause. "Good cause" does not include a business or economic reason or desire to use the unit for an individual, family or non-residential rental purpose. Upon expiration of the lease the owner may renew the lease; refuse to renew the lease for good cause; or refuse to renew the lease without good cause.

The amount of the rent to owner is determined in accordance with HUD regulations. The rent to owner including utility allowances must not exceed the lowest of:

- An amount determined by DHA, not to exceed 110 percent of the applicable Fair Market Rent (FMR) for the unit bedroom size including any applicable tenant-paid utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

Current HUD published DuPage County 2016 Fair Market Rents for determining rents are:

<b>UNIT SIZE – (Number of Bedrooms)</b>	<b>FAIR MARKET RENTS – DUPAGE Effective October 1, 2016</b>
<b>0</b>	<b>\$912</b>
<b>1</b>	<b>\$1055</b>
<b>2</b>	<b>\$1232</b>
<b>3</b>	<b>\$1569</b>
<b>4</b>	<b>\$1878</b>
<b>5</b>	<b>\$2160</b>
<b>6</b>	<b>\$2441</b>

Current DuPage County 2016 Payment Standards for determining maximum subsidy under the Housing Choice Voucher program are:

<b>UNIT SIZE – (Number of Bedrooms)</b>	<b>PAYMENT STANDARDS – DUPAGE Effective October 1, 2016</b>
<b>0</b>	<b>\$912</b>
<b>1</b>	<b>\$1055</b>
<b>2</b>	<b>\$1232</b>
<b>3</b>	<b>\$1569</b>
<b>4</b>	<b>\$1878</b>
<b>5</b>	<b>\$2022</b>
<b>6</b>	<b>\$2285</b>

The total rent to the owner for PBV assisted units consists of the tenant rent (the portion of the rent to owner paid by the family) and the rental assistance paid by DHA in accordance with the contract with the owner. DHA determines the tenant rent in accordance with HUD requirements.

#### **APPLICATION REVIEW PANEL**

DHA's Executive Director will appoint a PBV Selection Panel to review, evaluate, rank and select the applications according to the criteria described herein. This panel will, at

a minimum, consist of the Executive Director, Finance Director/Chief Financial Officer and Program Area Managers.

## **APPLICATION REVIEW**

DHA will review all applications. Before selecting applications for scoring, DHA will determine that each application is responsive to and in compliance with DHA's written selection criteria and procedures, and in conformity with HUD program regulations and requirements, including the following items:

- Units designated for PBV must serve households at or below 50% of area medium income
- Evidence of site control
- Developer must demonstrate that project construction will commence within fifteen (15) months and occupancy will commence within thirty (30) months from date of preliminary award of PBV's
- Each project must contain a minimum of 20 units
- Certification that the owner and other project principles are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- Proposed initial gross rents must not exceed 110% of the applicable Fair Market Rent including any applicable allowance for tenant-paid utilities for the size of the unit.
- Property must meet eligibility requirements under §983.7 (Eligible and ineligible Properties and any DHA-owned units), §983.11 (Other Federal requirements), and §983.6 (Site and Neighborhood Standards).
- Property will be constructed with funding other than assistance under the U.S. Housing Act of 1937 in accordance with §983.9.
- No construction has begun, as evidenced by DHA inspection
- Generally, not more than 25 percent of units per project are eligible for PBV assistance.

If a project does not meet the requirements indicated above, it will be designated non-responsive. A notice to the applicant will identify the disqualifying factor. Proposals that meet the requirements will be evaluated and ranked by the DHA panel. A DHA ranking list will be prepared according to the points awarded to each proposal. DHA may, at its discretion, select none, one or more of the proposals submitted.

DHA 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 DHA to be in its best interests. DHA reserves the right to reject and not consider any proposal that does not meet the requirements of this RFP, including but not necessarily limited to incomplete proposals and/or proposals offering alternate or non-requested services. DHA reserves the right to award fewer than the number of units requested, if the

requester agrees to accept a lower number of PBV units. DHA shall have no obligation to compensate an applicant for costs incurred in responding to this RFP.

**OTHER REQUIREMENTS**

1. Before executing an Agreement with any selected owner, DHA will:
  - a) Insure all fees have been paid. (see *Application Content* for fee structure)
  - b) Obtain subsidy-layering contract rent reviews from HUD, if applicable.
  - c) Submit a certification to the HUD field office stating that the unit or units were selected in accordance with DHA’s approved unit selection policy.

**RANKING AND SELECTION CRITERIA**

**Scoring Criteria:**

DHA’s Evaluation Panel will review and score each proposal based on the following criteria:

<b>CRITERIA</b>	<b>MAXIMUM POINTS AVAILABLE</b>
Owner experience and demonstrated capability to build and operate affordable rental housing	<b>25</b>
The extent to which services for special populations are provided on site or in the immediate area for residents of the property	<b>25</b>
Extent to which the project furthers DHA’s goal of de-concentrating poverty and expanding affordable housing and economic opportunities with 25% or less of project units designated for PBV’s	<b>30</b>
The financial viability of the proposal - including a proforma demonstrating the status of realistic and available sources and explanations of how construction and operating expenses were determined	<b>20</b>
<b>TOTAL POINTS AVAILABLE</b>	<b>100</b>

**APPLICATION REQUIREMENTS**

Applications will be reviewed and ranked and will be subject to the selection criteria described above. The following procedures will be followed by DHA in accepting and screening owner applications submitted for the PBV Program.

**APPLICATION SUBMISSION DEADLINE**

Owner applications will be accepted at the DHA office:

**Attention: Barbara Chen, Finance Director/CFO;  
DuPage Housing Authority;  
711 E. Roosevelt Rd., Wheaton, IL 60187  
bchen@dupagehousing.org  
(630) 690-3555**

Applications and supporting documentation will be accepted until **1:30 p.m. on Tuesday, January 31, 2017.**

### **APPLICATION FORMAT**

One (1) original and one (1) copy of owner applications must be submitted in the format designated by DHA. Where possible, copies should be submitted as two-sided copies to conserve paper.

### **NON-RESPONSIVE OR NON-COMPLIANT APPLICATIONS**

If DHA determines that an application is minimally non-responsive or non-compliant with this RFP, written selection criteria and procedures, or HUD program regulations, the application may be returned to the applicant with its deficiencies described. If returned, DHA will give the applicant ten (10) calendar days to correct all deficiencies. The application will be considered for the program if the missing information is submitted within this time period.

DHA reserves the right to cancel this RFP for any reason or to reject applications at any time for misinformation, errors, or omissions of any kind, regardless of the stage in the process that has been achieved.

### **APPLICATION CONTENT**

Applications submitted must have the following:

- 1) Cover letter signed and submitted by the principal party authorized to contract on the organization's behalf. The cover letter should state the number of PBV units requested; the total number of units in the development along with number of buildings and the type of resident population.
  
- 2) A cover sheet that outlines the following:
  - Name of sponsor organization
  - Mailing address
  - Telephone numbers, fax numbers and e-mail addresses
  - Principal contact person
  - Executive Officer
  - DBE/MBE/WBE designation if applicable
  - Number of years in business

- 3) Copies of most recent single audit, audited 990's or financial statements of the sponsor organization
- 4) Project application. Applications for PBV assistance must provide information on the following topics:
  - Owner name
  - Project name
  - Number of buildings
  - Number and size of units
  - Location of units
  - Other forms of assistance received
  - Requested contract term
  - Handicapped accessibility features
  - Owner experience with affordable rental housing
  - Unit and neighborhood amenities
  - Intended resident population
  - Tenant selection criteria and plan
  - Proposed Rents
  - Affordability restrictions
  - Need for PBV assistance
  - Management and operations plan
  - Service providers, if applicable
  - Evidence of site control
  - Financial Proforma
  - Development Schedule

## **FEE STRUCTURE**

The following non-refundable fees are due at each of the corresponding steps in the process. Checks should be made payable to the DuPage Housing Authority:

- a) **Submission Processing Fee: \$500** – This fee is due at the time of submission of the RFP or LOI and must be included with the submission.
- b) **Initial Application Fee: \$2,000** – This fee is due within 10 days of *Notice of PBV Award* that the owner's RFP application has been approved by the DHA Board of Commissioners for award of PBV's.





## **B. Voluntary Relinquishment of Enhanced Voucher Assistance in Exchange for Project-Based Voucher Assistance in Multifamily Housing Conversion Actions – LOI No.: 31Jan2017a**

As outlined in NOTICE PIH 2013-27 issued December 4, 2013, with cross reference of Notice PIH 2001-41, Notice PIH 2011-49 and Notice PIH 2012-3, DHA is also accepting Letters of Intent (LOI) from any projects within DuPage County that have recently undergone a Housing conversion action, the families have elected to remain in the project with enhanced voucher assistance and the families desire is to voluntarily relinquish their Enhanced Voucher assistance for PBV assistance.

The LOI must be submitted by the Application Submission Deadline indicated in this posting as **1:30 p.m. on Tuesday, January 31, 2017** and must include the fee indicated under (a) in the Fee Structure section.

### **DESCRIPTION OF CONDITIONS**

Section 8(t) of the United States Housing Act of 1937 authorizes enhanced voucher assistance as tenant-based assistance. Absent Congressional authorization, HUD does not have the authority on its own to convert enhanced voucher assistance to project-based assistance or to require recipients of enhanced voucher assistance to relinquish such assistance and accept PBV assistance. However, many owners, housing authorities and other interested parties have sought HUD's assistance in utilizing tenant protection funding provided for enhanced voucher assistance as project-based voucher assistance.

In projects that have recently undergone a Housing conversion action, neither the DHA nor the owner can force or require families to relinquish enhanced vouchers already received by eligible families or enhanced vouchers that have not yet been issued but will be received by eligible families pursuant to the Housing conversion action.

Families that are entitled to enhanced voucher assistance have a statutory right to such assistance and if a family elects to remain in a unit with their enhanced voucher, the unit is not eligible for PBV assistance. An owner cannot refuse to accept the family's enhanced voucher if the family elects to remain in the property with enhanced voucher assistance.