

Request for Proposal

No. RFP-18-941

2018 PROJECT BASED HOUSING CHOICE VOUCHER PROGRAM
(Section 8)

Issued By:

The Housing Authority of Kansas City, Missouri
920 Main Street, Suite 701
Kansas City, Missouri 64105

May ~~14~~⁷², 2018

EXECUTIVE SUMMARY

The Housing Authority of Kansas City, Missouri (HAKC) is accepting proposals from property owners and developers for the Project-Based Housing Choice Voucher (HCV or Section 8) Program. Qualified existing developments or new construction and rehabilitation projects may be awarded 1 to 20-year contracts renewable to a total of 40 years. Benefits to the property owner include increased and stabilized income and occupancy for the contract period.

Proposals will be accepted by HAKC on an on-going basis through December 31st, 2018. However, available funding is limited, and proposals will be reviewed in the order they are received.

The following Request for Proposals (RFP) details the goals, eligibility requirements, proposal submission contents and instructions, and reporting requirements for program participation. Proposals will be scored against the enclosed criteria, and must meet a minimum scoring threshold to be approved.

Qualified sites may receive rental subsidy for qualified tenants in up to 25% of the units, or 25 units in a family development (whichever is greater), or up to 100% of the units in a development for seniors, or developments providing permanent supportive housing for special needs populations including the homeless.

HAKC will review and score proposals as they are received, and provide notice regarding approval of proposals and a conditional reservation of funding within 60 days of proposal submission.

The total number of HCV vouchers available in 2018 for project-based contracts in Kansas City, Missouri is 200. The number of HAP contracts to be awarded by HAKC in 2018, and the timing of awards depend upon the funding available to the HAKC Housing Choice Voucher Program. Large HAP contracts may be implemented in phases. Factors in funding availability include the amount of federal allocations, and local HCV utilization and turnover.

Questions regarding this RFP should be addressed in writing to Karen Pointer, Contract Specialist, Procurement Department, 920 Main Street, Suite 701, Kansas City, MO, 64105, faxed to (816) 968-4117 or submitted by e-mail to kpointer@hac.org.

REQUEST FOR PROPOSALS FOR HAKC 2018 PROJECT-BASED HOUSING CHOICE VOUCHER PROGRAM

SECTION 1 INTRODUCTION

1.1 Goals of the Program

The Housing Authority of Kansas City, Missouri (HAKC) is accepting proposals from property owners and developers for its Project-Based Housing Choice Voucher Program. HAKC seeks to work with private owners to increase and preserve the supply of affordable housing in Kansas City. Specifically, HAKC will give priority to developments which:

- Are losing HUD administered project-based Section 8 contracts that cannot be renewed due to reaching the maximum contract term.
- Either require significant rehabilitation or will be newly constructed affordable units
- Are located in neighborhoods where sufficient quality affordable housing is not readily available
- Provide permanent supportive housing for the homeless or other special needs populations
- Where subsidies are needed to reduce displacement as a result of redevelopment
- Provide housing for low income families with special needs, or seniors
- Are located in neighborhoods providing increased choices and opportunities in employment, education, transportation, and healthcare
- Will have a significant revitalization impact in poverty-impacted neighborhoods undergoing substantial rehabilitation as a part of a comprehensive neighborhood revitalization strategy
- Have been developed in close cooperation with other city or state government agencies
- Demonstrate a significant commitment to including minority contractors, hiring disadvantaged residents from the neighborhood, or have a significant proportion of minority ownership.

1.2 Benefits for the Property Owner/Developer

- A. Increased and stabilized occupancy
- B. Increased and stabilized income
- C. Reduced marketing and turnover expenses
- D. HAP Contract may assist the developer/owner in meeting lender underwriting criteria to obtain loan approval on rehabilitation and new construction projects.

Section 2 HAKC PBV Program Overview

2.1 Eligible Properties

Multi-family rental sites of ten or more dwelling units are eligible for submission. Existing sites meeting Housing Quality Standards (HQS) standards at the time of selection, or sites requiring new construction or rehabilitation are eligible. In order for new construction or rehabilitation projects to be eligible, they must be scheduled to be completed and occupied within 18 months of the date of award, and be completed in compliance with local building codes and Housing Quality Standards as described in *Exhibit A*.

All projects are subject to neighborhood rent comparability analysis and unit rents must meet HAKC Rent Reasonableness standards in effect at the time of contract execution. Preference will be given to projects located in non-poverty impacted census tracts as defined by HUD (less than 20% poverty rate). Projects located in poverty-impacted census tracts may require a HUD waiver.

2.2 Maximum Eligible Units Available per Site

Except in cases of where all units in a site are to be provided for low-income elderly residents, or where there is a supportive services program available to residents on the site, subsidy will be awarded for no more than 25 percent of the total units in a development, or 25 units, whichever is greater. The remaining units must be made available without Project-Based Housing Choice Voucher (PBV) subsidy. Sites that are to be provided for low-income elderly residents or those requiring supportive services may be eligible to have 100% of the units subject to the project-based contract. Submissions for sites with supportive services must include a service plan and a memorandum of understanding with the provider agency.

2.3 PBV Proposal Section Process

The number of project-based Housing Assistance Payment (HAP) contracts, the number of units awarded to each approved site, and the timing of awards depend upon the funding available to the HAKC Housing Choice Voucher Program in 2018. Large HAP contracts may be implemented in phases. The total number of HCV vouchers issued will not exceed 200. Factors in funding availability include the amount of federal allocations, local HCV utilization and turnover, and the local economy which impacts HCV tenant income and thus required subsidy.

HAKC will review and score proposals as they are received, and provide notice regarding approval of proposals within 60 days of proposal submission. This will be in the form of a Conditional Letter of Reservation of PBV funding. These conditions include a satisfactory City of Kansas City, Missouri environmental review, HUD review, satisfactory HQS inspections, and approval of the proposed HAP contract by the HAKC Board of Commissioners. Meeting these conditions

and execution of the HAP contract require a minimum of an additional 90 days after issuance of the Conditional Letter of Reservation.

2.4 PBV Housing Assistance Payment (HAP) Contract

The initial PBV HAP contract will be for a term of 1 to 20 years. The contract is renewable for additional terms of up to 20 years with a total site term up to 40 years. HAKC will use HAP contract form 52530-B which can be found at <https://www.hud.gov/sites/documents/52530B-1.PDF>

Owners of selected sites for which construction or rehabilitation has not been completed must sign an Agreement to enter into a Housing Assistance Payment contract (AHAP). Part I of the Agreement, in a form approved by HUD, specifies the location, size, and configuration of the contract units, initial contract rents, schedule for completion of the units, and initial term of the contract. Part II of the AHAP addresses Section 3, Davis-Bacon, and Equal Opportunity requirements during construction. These requirements are similar to those associated with all federal funding. AHAP HUD Forms 52531-A and B can be found at <https://www.hud.gov/sites/documents/52531A.PDF> and <https://www.hud.gov/sites/documents/52531B.PDF>.

The reservation of an allocation of rental assistance for uncompleted units under the AHAP will be held for a maximum of 18 months from the date of execution of the AHAP. If the units have not been completed by the end of the period stated in the AHAP, and a HAP contract has not been executed, the reservation will be rescinded and the developer will need to submit a new proposal to HAKC if PBV subsidy is still sought and funding is available.

HAKC will not enter into an Agreement listing the initial contract rents until the units have been completed to the point where they require no more than \$1,000 in remaining work. HAP contracts will not be entered into until every contract unit passes the Housing Quality Standards summarized in *Appendix A*.

The HAP contract that will be signed by both the owner and the Housing Authority stipulates that no contract of ownership or rental assistance may be transferred from the original owner to a new party without the advance written consent of the Housing Authority. The only exceptions to the requirements for advance written consent apply to situations where the owner is a corporation, partnership, trust or joint venture. Any passive or non-controlling ownership interest will be considered exempt under this stipulation.

2.5 HCV Rents and Subsidy Level

Housing Choice Voucher subsidies will be provided at a rate not to exceed the HAKC established rent reasonableness standards for the neighborhood in which the project is located. Standards will be verified by a rent comparability study.

Generally, HCV unit rents cannot exceed 100% of current HUD Fair Market Rents (*Appendix B*) as adjusted for location, unit type and size, amenities, and owner-paid utilities. HUD publishes FMRs and rent adjustment factors annually. Proposed HCV contract rents cannot exceed market rate rents for comparable units in the same development.

Housing Choice Voucher funding is subject to annual Congressional approval through the approval of the federal budget. In the event of reductions in funding which result in an insufficient allocation to maintain contract rents, either the Housing Authority or the property owner may terminate the project-based contract.

2.6 Eligible Tenants, Tenant Selection, and Site-Based Waiting List

The HAKC HCV Department maintains separate waiting lists for each PBV site. Property managers must be able to accept applications at the PBV site during regular office hours and refer them to the HAKC for screening. HCV staff may also identify qualified applicants on the general HAKC waiting list for referral to the PBV site. Applicants on the current HAKC waiting list may also choose to be placed on the Project-Based list for the approved site. When an HCV subsidized unit becomes vacant at a Project-Based HAP contract property, the property manager must notify HAKC. HAKC will refer the next applicant on the site-based waiting list for that property to the site manager for screening.

The total income of eligible HCV applicant households cannot exceed 50% of the area median income. Eligible HCV applicants are entitled to receive preference in selection for assisted units of the appropriate size if they meet certain local preferences. These include the following in order of priority:

1. Working Head-of-Household, or elderly or disabled households
2. Training Program and/or Housing Factors (e.g. homelessness)
3. Non-local Preference

Preferences #1 and #2 are weighted equally for the Section 8 Program. Within each Local Preference Category, applicants will be ranked by the date and time of the application. Qualified referrals will be placed on the waiting list in order based on the date and time of application and the preferences established in the HAKC Housing Choice Voucher Administrative Plan. All Project-Based Housing Choice Voucher applicants will be subject to the standard eligibility tests and procedures currently used in the HAKC Section 8 Tenant Based and Public Housing programs.

The owner/landlord has the responsibility to screen the tenant for suitable tenancy. This may include screening for criminal background, housekeeping, and payment of utility bills and rent on a timely basis. A complete listing of the owner/landlord's responsibilities is listed in *Appendix E*.

HAKC may periodically make changes to the above application, waiting list, and screening policy and procedures to comply with HUD requirements or improve PBV program efficiency.

2.7 Staff Training and Program Coordination

The onsite management staff and their immediate supervisor may be required to attend training and periodic coordination meetings with the HAKC HCV Department in order to ensure regulatory compliance and effective operation of the PBV program at the site. Appropriate training courses may include NAHRO Housing Choice Voucher / Project-Based Voucher (HCV-PBV) or NAHMA Certified Professional of Occupancy (CPO).

Section 3 INELIGIBLE PROJECTS

In accordance with guidelines published by the U.S. Department of Housing and Urban Development (HUD) the following projects or units are not eligible for project-based Voucher assistance:

1. Units in a project proposed for assistance under this program that are occupied by the owner of the property. Cooperatives are considered to be rental housing.
2. Units owned in whole or in part by state or local governments, unless the HUD field office approves the site in advance and the government entity agrees to sell the unit to another owner prior to execution of the agreement.
3. Units owned by HAKC board members, officers and employees; members of a local governing body (*and other officials*).
4. Project cannot be in a flood zone area unless the local community is participating in the National Insurance Program and HAKC can assure HUD that flood insurance will be obtained. (24 CFR 983.7)
5. High-rise projects with children residing therein are ineligible unless HUD determines that there are no practical alternatives. (24 CFR 983.7) High-rise projects are defined as any building with 5 or more stories. The presence or absence of an elevator is irrelevant in discerning between a high-rise or garden-style apartment.
6. Shared housing; nursing homes; and facilities providing continual psychiatric care, medical nursing services, board and care or intermediate care. However, HAKC may attach PBV assistance for a dwelling unit in an independent living facility that provides home health care services such as nursing and therapy for the residents.
7. Units within the grounds of penal reformatory, medical, mental, and similar public or private institutions.
8. College or other school dormitories.
9. Mobile homes.
10. Manufactured homes.
11. Transitional housing.

12. Units subsidized with any other project-based Federal, State or local rent subsidy.
13. Units subsidized with tenant-based assistance under the HOME program or any other duplicative Federal, State or local housing subsidy. This does not include the housing component of a welfare payment, a social security payment or a rent reduction because of a tax credit.

SECTION 4 PROJECT THRESHOLDS

In order for a project to be eligible for a HAP contract under this RFP, the project must meet the criteria listed below. Any project that does not meet these will be rejected.

1. The project must be located in Kansas City, Missouri.
2. The proposal may not request project-based assistance for more than 25% of the units in the project, or 25 units (whichever is greater) unless the project serves only elderly or special needs households, or provides a substantial level of supportive services on site.
3. Properties currently not meeting HQS standards (as summarized in Appendix A) must be rehabilitated or repaired to meet HQS standards prior to execution of the HAP contract.
4. Units to be newly constructed or rehabilitated must be ready for occupancy within 18 months from the date of execution of the of the AHAP contract (see Section 1.4). In cases where the allotted time has expired prior to utilization of funding, developers must reapply for subsidy.
5. The project must be financially feasible. This must be demonstrated by a 10-year operating pro-forma and commitments for all sources of equity, funding and financing.
6. Evidence of ownership or site control must be provided with the application.
7. In properties with four or more units for which the construction or rehabilitation is not yet complete at the time of the submission of a proposal under this RFP, the housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973, Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR Part 8. Where 5 percent of assisted units must be accessible for persons with mobility impairments and an additional two percent of units for those with hearing and vision impairments.
8. In properties of nine or more units to be newly constructed or substantially rehabbed after approval of a proposal under this RFP, must comply with federal laws and regulations pertaining to labor standards for development. Labor standards include implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708) and 29 CFR Part 5. The owner must certify that their contractors and subcontractors will pay Davis-Bacon wages to those employed in construction on the site.
9. Properties to be newly constructed or rehabbed after approval of a proposal under this RFP must certify that the all construction contracts for the site of

\$100,000 and over will comply with Section 3 of the Housing and Urban Development Act of 1968.

10. The PBV program is subject to HUD environmental regulations in 24 CFR parts 50 and 58. All projects selected for the program are subject to environmental review unless the City of Kansas City, Missouri determines that an existing development is exempt from review. Owners should fully disclose potential environmental hazards, and be prepared to conduct Phase I or II environmental assessments and perform abatement to the appropriate standards if required by the City's environmental review.
11. The proposed project shall meet Site and Neighborhood Standards set forth in *Appendix D*.
12. The owner must be prepared to provide all existing households, which do not qualify for Section 8 assistance, and will be displaced as a result of the HAP contract, with 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. The cost of required relocation assistance may be paid with funds provided by the owner, or with other public or private funds, however, no funding is available through this program for relocation purposes.

SECTION 5 SUBMISSION CONTENTS

5.1 PROPOSAL REQUIREMENTS FOR ALL PROPERTIES:

The application must be organized as indicated below. The information provided in the following exhibits will be used to score the proposal in accordance with the criteria listed in Section 5.

Cover Letter: Each application must be accompanied by a cover letter that identifies the property, location, total number of units, number of units proposed for project-based vouchers and the number of bedrooms per unit for which project-based assistance is requested. Describe how the project will meet the goals of the program described in Section 1.1. The current condition of the proposed units and the status of current or planned construction or rehabilitation should be described. The cover letter must introduce the owner(s) and project principals, shareholders, investors, and others with substantial interest in the project. Sources and status of financing commitments for uncompleted sites should be specified. The applicant should also state the proposed term of the Housing Assistance Program (HAP) contract (the initial contract will be for a one to twenty-year term, but may be subsequently renewed with a total term up to forty years) and the projected date on which the units proposed for project-based assistance will be made available for occupancy. **The letter must be co-signed by the owner and property manager.**

EXHIBIT 1: Owner/Manager Experience

- A. Profile of Owner/Management Team. Describe the experience of the ownership and management entities, key principals and staff, including the site manager for the subject site, and the project manager who will work with HAKC to implement project-based HCV. This information should specify their roles and their previous experience with housing developments of the size and scope being proposed for this RFP.
- B. Provide a Minimum of 3 References. This should be a representative sample of current or previous property management clients and government agency representatives involved in affordable housing. Please include phone number or contact information whenever possible.
- C. Experience of the Property Management Company. Describe the experience of the proposed management company over the past 5 years, included in the table in *Appendix C*, Part I. (Proposers may use their own existing format, but the information requested in Appendix C must be included). In an attached narrative, if any management contract has been terminated within the past 5 years, explain the reasons for termination. Identify any property(ies) with management challenges similar to those that might occur in this in this property.
- D. If any of the below apply to the subject property, or any member of the ownership/management/development team, please explain:
 1. Financial default of more than 60 days duration.
 2. Mortgage assignment or workout arrangement.
 3. Foreclosure and/or bankruptcy.
 4. Litigation relating to financing or construction of the project, which is pending or which was adjudicated within the past 5 years with a finding against the developer.
 5. Real estate tax delinquencies.
 6. Litigation related to the operation of the site, initiated by tenants, either residential or commercial, within the past 5 years.
 7. Fair housing complaints or investigations.

EXHIBIT 2: Description of the Project: Complete *Appendix C*, Part II & III - Project Description. (Proposers may use their own existing format, but the information requested in Appendix C must be included.)

EXHIBIT 3: Project Amenities: On a separate page, describe the following:

- A. Unit amenities available to tenants e.g. dishwasher, patio, additional storage, etc.
- B. Site amenities available to the tenants, i.e., club house, laundry room, etc.
- C. If there are any non-residential units, e.g., commercial space, include total square footage and percent of total space in the project. What types of uses or businesses are in this space?

Exhibit 4: Displacement / Relocation:

- A. Provide the number of persons (households and individuals) occupying the property on the date of submission. Identify, by unit number only (no names), current Housing Choice Voucher holders, and households that are not currently HCV Voucher holders, but likely to stay and qualify for project-based assistance. Give a preliminary determination of the income levels of the households occupying units proposed for project based assistance.
- B. If applicable, provide an estimate of the number of persons/households to be displaced: either temporarily relocated, or permanently moved within the building or complex, or moved from the site. If there will be no displacement, please make a statement to that effect.
- C. Will any of the businesses be relocated in the redevelopment process?
- D. Provide an estimate of the cost of relocation payments and services, and sources of funding.
- E. Identify the organization that will carry out the relocation activities and their experience.

EXHIBIT 5: Neighborhood and Market Description: Describe the neighborhood in which the property is located and indicate how the property meets HUD Site and Neighborhood Standards described in *Appendix D*.

For properties ready for occupancy, the applicant must attach rent schedules for at least two comparable properties in the neighborhood with similar unit sizes and amenities to the project proposed. These comparables will document the reasonableness of the proposed Section 8 contract rents itemized in Appendix C, Item III. *If the project is to be leased up from a predominantly vacant condition (40 percent or more), or if the rents in the non-subsidized units are to increase by more than 15%, the proposal must be accompanied by a market study and marketing plan.*

EXHIBIT 6: Evidence of Ownership / Site Control: Provide evidence of site control. This may be a warranty deed, an option to purchase that extends through the anticipated date of financial closing, or a lease that gives the applicant long-term (at least 15 years) rights to own the improvements and operate the property.

EXHIBIT 7: Project Operating Pro-forma: A ten-year operating pro-forma should be provided for new construction projects. For existing developments and sites to be rehabilitated, provide a 12-year operating proforma. The first two years of the 12-year pro-forma will reflect actual expenses for the past two years (the most recent fiscal years where applicable) to illustrate the current financial condition of the development. Indicate the fiscal year and provide details on rents collected by unit size. The remaining 10 years in the proforma should reflect operations assuming award of the project-based assistance and any improvements, if applicable, to the property. Provide details on the proposed rents on each unit type, indicating which are proposed for project-based assistance. Indicate separately

the (a) amount of outstanding debt currently on the property and the loan terms, (b) any liens on the property other than mortgage loans reflected above. The proforma should provide sufficient detail to enable reviewers to determine the major categories of expenses and revenue sources (e.g., separate project-based revenue from other rental income), as well as the assumptions for year-to-year increases, and the capitalization and disbursement of operating and maintenance reserves.

EXHIBIT 8: Management Plan and Agreement: A detailed property management plan with policy statements regarding marketing, screening, leasing, lease enforcement, property maintenance, reserves administration, financial management, and fair housing should be submitted. The management plan should be an exhibit to an executed agreement with the proposed management entity.

Exhibit 9: Fair Housing Marketing Plan: In addition to the standard contents, this item should include specific reference to the PBV units and the goal of keeping them occupied at or near 100%.

EXHIBIT 10: Financial Information: Provide a current financial statement for the development and management entities, or in the case of a newly formed entity, of the general partnership or corporate affiliates of the development entity that has been prepared by a Certified Public Accountant along with the most recent audit of such parties. The statement should show assets, liabilities and net worth of the entity(ies).

EXHIBIT 11: Certifications:

- A. The owner must be able to certify that any tenant that has moved within the 12 months preceding submission of the application was not required to move except for good cause. "Good Cause" includes tenant non-compliance with the lease and/or failure to carry out tenant obligations under any state and local landlord-tenant law. This information should be submitted with the proposal.

If the owner submitting the proposal has not owned the property for the last 12 months, this certification may be limited to this person's actions during ownership and with respect to acquiring the property.

- B. Provide a Certification Statement showing that the project principals, shareholders, investors and others with substantial interest in the project are not on the U.S. General Services Administration list of parties excluded from Federal Procurement and non-procurement program.
- C. Disclosure of any possible conflict of interest by any of the parties identified as the project team or as having a financial interest in this project that would be a violation of the rental assistance subsidy contract.

- D. Other certifications may be required by Federal law prior to award of the contract.

5.2 ADDITIONAL REQUIREMENTS FOR NEW CONSTRUCTION OR REHABILITATION PROJECTS:

Exhibit 11: Development Team Structure: Provide a statement on the composition of the development team, including development entity, architect, attorney and general contractor. The statement must set out the anticipated relationship of the team members and their roles. Information concerning any participant who is not known at the time of the owner's submission must be provided to the HAKC as soon as the participant is known.

Exhibit 12: Development Team Experience: For the developer/owner, a statement of previous experience must be submitted. This information should focus on projects of the size and scope being proposed for this RFP. Specific experience with subsidized properties should be identified. Indicate income levels served (very low, moderate, market rate or mixes) and the current status of the property owned or managed.

EXHIBIT 13: Site Plans and Outline Specifications: For properties to be rehabilitated, provide a site plan and describe property "as is" and the rehabilitation to be performed. Outline specifications should be provided. Highlight changes in amenities or unit configurations. For new construction, a site plan, elevations, basic floor plans and outline specifications are to be provided.

EXHIBIT 14: Evidence of Zoning: Evidence that the proposed use is permitted by current zoning, in accordance with current ordinances or regulations, or evidence to indicate that the needed rezoning is likely and will not delay the project. This should be in the form of a letter from the City Planning and Development Department.

EXHIBIT 15: Environmental Status: Provide a concise narrative specifying the environmental history of the site including past environmental hazards and abatement measures, current environmental hazards present, if any; results of any previous Phase I and Phase II Environmental Assessments, or plans/contracts for assessments and abatement during the development period. Recent Phase I and II reports should be attached as exhibits.

Exhibit 16: Construction Cost Documentation: This will consist of a construction cost estimate signed by a registered architect, or preferably an actual construction bid prepared and signed by the general contractor. Uses should include line items for all costs and fees.

EXHIBIT 17: Development Sources and Uses: Provide a ~~a~~-sources and uses statement reflecting how the project will be financed, and line items for construction

and development costs including acquisition, pre-development, design, construction costs, finance and developer fees, and operating and maintenance reserves.

EXHIBIT 18: Evidence of Financing: Provide evidence of all financing. This should include letters of conditional commitment from lenders for construction and permanent financing. Any commitment from a lending institution must extend through the expected date of start of construction.

EXHIBIT 19: Project Schedule: Provide a timeline for project development showing all major steps that must be taken to complete the project from project inception, through plans and specs, financial closing, construction, and lease-up.

SECTION 6 PROJECT SELECTION

6.1 SCORING CRITERIA: All submissions will be scored and selected according to the following rating factors:

1. **The extent to which the project contributes to neighborhood diversity and prevents displacement - 10 Points**

The Selection Committee will consider the income of the neighborhood in which the property is located. Properties located in neighborhoods with low concentrations of poverty (census tracts with less than 20% poverty) will be rated higher. Projects in poverty neighborhoods undergoing substantial rehabilitation, as a part of a comprehensive neighborhood revitalization strategy in which subsidies are required to reduce displacement will be rated higher. These projects will not be selected without HUD approval. Developments offering more project-based units, not to exceed 25% of the total units, except as provided, will be rated more highly. Projects preventing displacement by allowing current residents to remain in a neighborhood of rapidly increasing rents will be rated more highly.

2. **Speed with which the units can be brought to occupancy - 10 Points**

The Selection Committee will review the project schedule and overall plan for development to determine the feasibility of completing the project and achieving occupancy as proposed. In order to retain a reservation letter, a project must be occupied within 18 months from date of award in order to meet the minimum threshold under this factor. However, those projects that demonstrate the likelihood of achieving occupancy on the earliest possible date will be given a higher score.

3. **Qualifications and experience of the proposed developer/owner/management team - 20 Points**

This factor will consider the qualifications and experience of the developer/owner, contractor, and the management team. Owners, developers and management teams with more experience in owning, managing and financing affordable rental housing, especially sites with federal or local rental assistance, will be given greater consideration.

4. Financial strength and market position – 20 Points

For existing sites the occupancy rate, tenant profile, and annual operating costs will be key factors. For rehabilitation and new construction the market study, financial pro-forma, and financing commitments will be critical. Development and operating costs are expected to be within normal ranges. Extraordinary development or operating costs should be referenced with an explanation in the narrative.

5. Project creates new, or contributes to the preservation of affordable housing - 10 Points

New construction of affordable housing or rehabilitation of properties that would otherwise remain sub-standard housing or be closed due to significant code violations will be rated highly under this criterion. Properties which have provided subsidized housing under a HUD project-based contract that is expiring will be given priority. Properties which are in need of refinancing and in danger of closing due to cost and vacancy issues will receive points under this factor only if the proposed strategy for refinancing and/or redevelopment is judged to be responsive to the current market and financially feasible as determined under factor #4.

6. Supportive Housing for Special Needs Populations - 10 Points

Developments which provide permanent supportive housing for the homeless or other special needs populations may receive points in this category. The need must be clearly documented. A service relationship with a non-profit social service agency specializing in service to the subject population must be documented with a Memorandum of Understanding (MOU). A supportive services plan specifically developed for the site by the service provider must be included to receive the full score under this category.

8. The Quality of the Proposed Development - 20 Points

Careful review of the design, building and neighborhood amenities, supportive services, management plan, and the proximity of the development to transportation, jobs, and services will be made to evaluate the quality of life for site residents. Projects which are attractive and competitive within the current market, or which offer more amenities and services will be rated more highly.

6.2 SELECTION PROCESS

The number of HAP contracts and units to be awarded by HAKC in 2018, and the timing of awards depend upon the funding available to the HAKC Housing Choice Voucher Program. Large HAP contracts may be approved but implemented in phases. Factors in funding availability include the amount of federal allocations, and local HCV utilization and turnover.

An evaluation panel convened by HAKC will review, evaluate and rate each responsive submission utilizing the evaluation criteria listed in Section 6.1 above. The minimum score for awarding a project-based HAP contract reservation based on the evaluation criteria above is 60 points. If a limited amount of voucher funding is available and multiple proposals have been received with scores of 60 or more, proposals with the highest score will receive first priority for a reservation of HCV funding. After completion of project reviews, the evaluation panel will recommend proposals to the Executive Director and the HAKC Board of Commissioners for a funding reservation.

HAKC will consider as “non-responsive” any submission for which critical information is lacking, or any submission which represents a major deviation from the RFP. Minor omissions may, at the sole option and discretion of HAKC, be corrected within five business days after notification of the deficiency.

HAKC reserves the right to request additional information from any respondent after the submission deadline. Failure of an applicant to respond to HAKC’s request for additional information within five (5) business days will result in the rejection of the proposal.

HAKC will review all RFP responses in the order they are received. HAKC reserves the right to terminate the acceptance of submissions at any time. HAKC also reserves the right to reject any and all, or parts of any and all proposals; to not award a HAP contract; cancel the RFP at any time; to waive any irregularities in this RFP or in the proposals received as a result of the RFP, to undertake further negotiations with the respondent, and to request a “best and final offer” from the respondent.

Respondents are notified that all information submitted as part of, or in support of their response to this RFP will be available for public inspection (except by competing respondents, and only after official request is made in writing to HAKC) in compliance with HUD, State, and local laws.

Notifications of awards or conditional awards will be issued within 60 days of receipt of proposal. Execution of a Housing Assistance Payment (HAP) contract will require a minimum of an additional 90 days after notification of approval of the

proposal to provide time for HUD review, HQS inspections, and approval of the HAP contract by the HAKC Board of Commissioners.

SECTION 7 Proposal Submission Instructions

Proposals will be accepted on an on-going basis through December 31st, 2015. Please submit **FIVE (5) sets** (one original and four copies) of your proposal to:

**Housing Authority of Kansas City, Missouri
Office of Procurement and Contracts,
ATTN: Karen Pointer
920 Main Street, Suite 701
Kansas City, MO 64105**

QUESTIONS

Questions regarding the RFP should be addressed in writing to Karen Pointer, Contract Specialist, Procurement Department, 920 Main Street, Suite 701, Kansas City, MO, 64105, faxed to (816) 968-4111, or submitted by e-mail to kpointer@hkc.org.

Answers to all questions will be provided to all submitters who provide an e-mail address. If these answers require an RFP addendum to be issued, said addendum shall be forwarded to all submitters who have provided an e-mail address and it will be posted on our website at www.hkc.org.

APPENDIX A

Housing Quality Standards

To ensure that the housing choice voucher program meets the goal of providing “decent, safe and sanitary” housing at an affordable cost to low-income families, basic Housing Quality Standards (HQS) must be met before assistance can be paid on behalf of a family and at least annually reviewed through the term of the assisted tenancy. Housing Quality Standards (HQS) defines “standard housing” and establishes the minimum criteria necessary for the health and safety of program participants.

HQS regulations provide performance requirements and acceptability criteria necessary for a unit to pass a physical inspection. These requirements are quite lengthy and are established by HUD and local codes. Units passing these requirements should assure that you have a decent, safe, and sanitary unit. The Housing Authority only has jurisdiction over HQS items. In all cases, the unit must pass the Housing Authority’s HQS inspection prior to the execution of the contract.

HQS Performance Requirements

At least annually, it is the responsibility of the Public Housing Authority to conduct inspections of units to determine compliance with HQS prior to the execution of the entire term of the assisted lease. HQS consists of the following thirteen performance requirements:

1. Sanitary facilities
 - The dwelling unit must include sanitary facilities within the unit.
 - The sanitary facilities must be in proper operating condition and adequate for personal
 - Cleanliness and disposal of human waste.
 - The sanitary facilities must be usable in privacy.
2. Food preparation and refuse disposal
 - The dwelling unit must have suitable space and equipment to store, prepare, and serve food in a sanitary manner.
3. Space and security
 - The dwelling unit must provide adequate space and security for the family.
4. Thermal environment

- The dwelling unit must be able to provide a thermal environment that is healthy for the human body.
5. Illumination and electricity
 - Each room must have adequate natural or artificial illumination to permit normal indoor activities and to support the health and safety of occupants.
 - The dwelling unit must have sufficient electrical sources so occupants can use essential electrical appliances.
 - Electrical fixtures and wiring must not pose a fire hazard.
 6. Structure and materials
 - The dwelling unit must be structurally sound.
 - The structure must not present any threat to the health and safety of the occupants and must protect the occupants from the environment.
 7. Interior air quality
 - The dwelling unit must be free of air pollutant levels that threaten the occupants' health.
 8. Water supply
 - The water supply must be free of contamination.
 9. Lead-based paint
 - The Lead-Based Paint Poisoning Prevention Act as amended (42 U.S.C. 4821 - 4846) and the Residential Lead-Based Paint Hazard Reduction Act of 1992 and implementing regulations 24 CFR Part 35 Subparts A, B, M, and R apply to the housing choice voucher program.
 10. Access
 - Use and maintenance of the unit must be possible without unauthorized use of other private properties.
 - The building must provide an alternate means of exit in case of fire.
 11. Site and neighborhood
 - The site and neighborhood must be reasonably free from disturbing noises and reverberations or other dangers to the health, safety, and general welfare of the occupants.
 12. Sanitary condition
 - The dwelling unit and its equipment must be in sanitary condition.
 13. Smoke Detectors
 - On each level of the dwelling unit including basements, but excluding spaces and unfinished attics at least one battery-operated or hard-wired smoke detector in proper operating condition must be present.

- Smoke detectors must be installed in accordance with and meet the requirements of the National Fire Protection Association Standards (NFPA) 74 or its successor standards.
- If a hearing-impaired person is occupying the dwelling unit, the smoke detectors must have an alarm system designed for hearing-impaired persons as specified in NFPA 74.

ASBESTOS REMEDIATION

In projects proposing the rehabilitation of an existing building, all asbestos removal must be completed according to environmental clearance guidelines specified by the Environmental Protection Agency and the Department of Housing and Urban Development.

LEAD BASE PAINT REVIEW

Many houses and apartments built before 1978 have paint that may contain harmful levels of lead. The presence of lead can pose serious health hazards particularly to children. Lead can be found in paint, paint chips and paint dust.

Federal law requires that owners be notified that they must disclose known information on lead-based paint hazards to tenants before leases take effect. Occupant protection is a required element of all federally-assisted rehabilitation projects covered under Subpart J of the HUD regulation, stated under lead-safe work practices (see CFR 35.1350 (b) and 24 CFR 35.1345). Standards for abatement are specified by regulation and enforced by the City of Kansas City, Missouri. Environmental testing and monitoring of the abatement process in buildings built prior to 1978 will be required.

APPENDIX B

**Housing Authority of Kansas City Missouri
 Payment Standards for Housing Choice Voucher
 Program
 Effective January 2018**

Payment Standard	0BR \$609 If owner included all utilities in rent	1BR \$784 If owner included all utilities in rent	2BR \$955 If owner included all utilities in rent	3BR \$1293 If owner included all utilities in rent	4BR \$1463 If owner included all utilities in rent	5BR \$1564 If owner included all utilities in rent
House Tenant paid gas/electric/water/sewer		\$570	\$677	\$915	\$1006	\$1168
Townhouse/Duplex Tenant paid gas/electric/water/sewer		\$580	\$691	\$935	\$1030	\$1191
Apartment Tenant paid gas/electric/ water/sewer		\$568	\$713	\$960	\$1058	\$1224

When searching for a unit do not exceed the rental amounts above if all utilities are not provide by the owner, these amounts are estimated amounts only based on the payment standard less tenant paid utilities (gas, electric, water, and sewer), the Housing Authority must perform a rent comparable study to determine rent amount approved under the program.

APPENDIX C

I. Housing Management Experience

Property Name	Address	Building Type	Total Number of Units	Market Rate / LIHTC / Sec8 / Other	Dates of Mgt. Service

(If more space is needed, use a separate page.)

II. Description of Subject Development

No. Buildings

Are there Elevator(s)

Age of Building(s)

Complete the following table for the property

Building Number or Address	Number of bedrooms per unit						Total
	0	1	2	3	4	5+	
Bldg # _____							
Total Number of Units							
Total Number of Units now Vacant *							
# Current Sec 8 Units							
# Proposed Project-based							

Building Number or Address	Number of bedrooms per unit						Total
	0	1	2	3	4	5+	
units							

Building Number or Address	Number of bedrooms per unit						Total
	0	1	2	3	4	5+	
Bldg #							
Total Number of Units							
# Current Sec 8 Units							
# Proposed Project-based units							
Total Number of Units now Vacant *							
Bldg #							
Total Number of Units							
Total Number of Units now Vacant *							
# Current Sec 8 Units							
# Proposed Project-based units							
Bldg #							
Total Number of Units							
Total Number of Units now Vacant *							
# Current Sec 8 Units							
# Proposed Project-based units							

*If any units were vacant during the past 18 months for more than two months, explain on a separate sheet of paper.

1. Which utilities will be paid by the tenant directly? Provide the estimated monthly cost for each.

Electricity ___ \$ _____ Gas ___ \$ _____
 Water ___ \$ _____ Hot Water ___ \$ _____
 Garbage ___ \$ _____

2. For utilities paid by the tenant, indicate "g" for Gas, "e" for electricity.
 Heating ___ Cooking ___ Hot Water ___

3. Which utilities will be paid by the owner?

Electricity ___ Gas ___

Water ___ Hot Water ___

Garbage ___

4. How many units will provide handicapped accessibility?

 0- Bedroom 1-bedroom 2-bedroom 3-bedroom`` 4-bedroom

III. Current and Proposed Contract Rents

For each unit size proposed to receive Project-Based Assistance, provide the square footage, current and proposed rents. If the proposed contract rent is more than 15 percent greater than the current rent, provide a market study and marketing plan to support the higher rents. Copy this table and attach it to this document if more space is needed.

Building Number or Address	Number of bedrooms per unit					
	0	1	2	3	4	5+
Bldg # _____						
Square Feet						
Current Rents						
Proposed Rents						
Bldg # _____						
Square Feet						
Current Rents						
Proposed Rents						
Bldg # _____						
Square Feet						
Current Rents						
Proposed Rents						

APPENDIX D

Site and Neighborhood Standards

1. Project-based assistance for housing at the selected site shall be consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. HAKC will also consider the following:
 - (a) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
 - (b) Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
 - (c) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
 - (d) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
 - (e) Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
 - (f) If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, HAKC will consider whether in the past five years there has been an overall decline in the poverty rate;
 - (g) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.
2. The site and neighborhood must be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, Executive Order 11063, and implementing HUD regulations.
3. The site shall meet Housing Quality Standards (HQS) habitability standards.
4. *Existing and rehabilitated housing site and neighborhood standards.*
A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site 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 service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

- 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 and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
 - d. Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.
5. *New construction site and neighborhood standards.* A site for newly constructed housing must meet the following site and neighborhood standards:
- 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 service the site.
 - b. The site must not be located in an area of minority concentration, except as permitted under paragraph (5) (c) of this section, and 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.
 - c. A project may be located in an area of minority concentration only if:
 - i) 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 ~~-(see paragraph (5)(c)(iii), (iv), and (v) of this section for further guidance on this criterion);~~ or
 - ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (5) (c) (vi) of this section for further guidance on this criterion).
 - iii) As used in paragraph (5) (c) (i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality’s population.

- iv) Units may be considered “comparable opportunities,” as used in paragraph (5) (c) (i) if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
- v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
 - (A) A significant number of assisted housing units are available outside areas of minority concentration.
 - (B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
 - (C) There are racially integrated neighborhoods in the locality.
 - (D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
 - (E) Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
 - (F) A significant proportion of minority households has been successful in finding units in non-minority areas under the Section 8 certificate and voucher programs.
 - (G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
- vi) Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably changing the economic character of the area (a “revitalizing”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status or disability renders sites outside area of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

APPENDIX E

Housing Choice Voucher (Section 8) Owner Responsibilities

The owner/landlord has the following major responsibilities:

1. Tenant selection and leasing
 - a. Screening the family's background and/or suitability for tenancy.
 - b. Owners are permitted to screen based on a family's tenancy history.
 - c. Owner may consider a family's background regarding factors such as:
 - Payment of rent and utility bills
 - Caring for a unit/premises
 - Respecting other's rights for peaceful enjoyment of their housing
 - Drug-related criminal activity or other criminal activity that is a threat to life, safety or property of others
 - Compliance with other essential conditions of tenancy
2. Compliance with the Voucher Subsidy Contract and/or Housing Assistance Payments (HAP) Contract.
3. Normal landlord functions during the lease term (e.g., maintenance, rent collection, issuing of lease violations, and evictions).
4. Compliance with program lease.
5. Owner responsibilities are further defined in the HAP Contract or Subsidy Contract, the Lease, Federal Regulations and State and local City Law (Missouri Landlord/Tenant Law).
6. The owner must maintain the unit to Housing Quality Standards. If the owner fails to do so, the Housing Authority may terminate, suspend, or reduce housing assistance payments and terminate the HAP Contract.
7. The owner is not responsible for a breach of the Housing Quality Standards (HQS) for which the family is responsible. However, the owner is responsible for subsequent repairs to meet HQS in order for the unit to remain eligible under the HAP contract.
8. The owner must adhere to provisions on modifications for reasonable accommodations to a dwelling unit occupied or to be occupied by a disabled person in accordance with the Americans with Disabilities Act of 1992.

APPENDIX F

NON- COLLUSIVE AFFIDAVIT

_____ being first duly sworn, deposes and says:

That he is _____.
(Partner, Officer of Firm, Corp., etc.)

The party making the foregoing proposal or bid and attests to the following:

1. That such proposal or bid is genuine and not collusive or sham; that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham bid or to refrain from bidding, and has not in any manner directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or of any other bidder, or to fix an overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the Housing Authority of Kansas City, Missouri or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

(Name of Firm)

| _____
(Signature of Bidder)

Subscribed and sworn to before me this _____ day _____, 20__

NOTARY PUBLIC

My commission expires: _____

Appendix G

STATEMENT OF ACCEPTANCE AND EXCEPTIONS

The undersigned, by affixing his/her signature to this document, acknowledges that she/he has read and understands the terms, conditions, and other covenants as provided for in the Request for Proposals (RFP) and Exhibit A. The undersigned further agrees and understands that the proposal submitted herein is made under said terms, conditions, and other covenants, and shall abide by them, notwithstanding the exceptions listed herein. She/he states that she/he is an officer of the business entity named below, or has power of attorney to bind said business to the terms, conditions, and other covenants provided in the aforementioned documents, and agrees to perform in accordance therewith the agreed upon services.

Name of firm: _____

Address: _____

Title: _____

Signature: _____

Printed Name: _____

Telephone Number: _____

Date: _____

If you wish to state any exceptions to the terms, conditions, and other covenants stated in this proposal document, then please specify herein, include additional pages as necessary.

(IMPORTANT: SOME EXCEPTIONS MAY BE CLASSIFIED AS NON-RESPONSIVE BY THE HAKC AND THE PROPOSAL MAY BE REJECTED)

Appendix **HG**

AUTHORIZATION FOR RELEASE OF INFORMATION

The undersigned hereby authorizes and request any person, firm or corporation to furnish any information requested by the Housing Authority of Kansas City, Missouri in verification of the recitals comprising this _____ day of _____, 20__.

Name of Contractor: _____

By: _____

Title: _____

STATE OF _____)
) SS
COUNTY OF _____)

_____ being duly sworn, deposes and says that he is _____ of _____ and that the answers to the foregoing questions and all statements therein contained are true and correct.

Subscribed and sworn to before me this _____ day _____, 20__

NOTARY PUBLIC

My commission expires: _____

Appendix H

JOINT VENTURE QUESTIONNAIRE

The following questionnaire must be fully completed and submitted concurrently with the Contractor's Occupation Statement by all Contractors submitted as a joint venture.

Names of Firms involved in the Joint Venture: _____

1. Specify the percent of Minority Business Enterprise/Women Business enterprise (MBE/WBE) ownership in terms of profit and loss sharing.
2. Describe the Capital Contributions by each Joint Venturer.
3. Describe the financial controls of the Joint Venture: Who will keep the books, how will expenses to be reimbursed what is the authority of each Joint Venturer to commit to obligate the others?
4. Explain the relationship of ownership, options for ownership or loans between the Joint Venturers.
5. How and by whom will the on-site work be supervised?
6. Who will be responsible for material purchases and how will the purchases be financed?
7. Who will provide the equipment, the estimated cost thereof and how will the equipment be financed?

8. How and from whom will bonding be acquired; insurance; name of company(s) providing bonding and insurance.

9. Describe the experience and business qualifications of each Joint Venturer.

9-10. Submit copies of any Joint Venture Agreement.

Signature of Affiant

Date

Signature of Affiant

Date

Signature of Affiant

Date