



CITY OF TUCSON
HOUSING & COMMUNITY DEVELOPMENT DEPARTMENT
ADMINISTRATION DIVISION

The City of Tucson Housing and Community Development Department (HCD) requests proposals from property owners and developers 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 24 CFR Part 983 and PIH Notice 2017-21.

Project based applications are being accepted for **“New Construction” or projects with substantial rehabilitation.** New Construction is defined by HUD in 24 CFR 983.3 as *Newly constructed housing* - 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 PHA and owner for use under the PBV program. Substantial rehabilitation for this purpose shall mean an investment of at least \$25,000 per unit in the project. All projects must be permitted no later than 12/31/2019. Proposals are due to (HCD) no later than **5:00 p.m., Friday, February 22, 2019. Late applications will not be accepted.**

HCD estimates that up to 140 **project based vouchers** may be available under this RFP. Of these, at least 40 must be used for projects for homeless individuals or families for the purpose of preserving, creating and/or expanding permanent, affordable housing.

DESCRIPTION OF PBV PROGRAM

Through the PBV program, HCD will enter into housing assistance payment contracts with selected property owners for designated rental units for a term of up to twenty 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. HCD will notify families from its tenant-based Housing Choice Voucher program waiting list of their ability to apply to the Project Based Voucher Development's waiting list. HCD's published subsidy standards will determine the appropriate unit size for the family size and composition.

Under the PBV regulations, Project-Based Vouchers can be attached to HCD-owned units, however, all proposals submitted for units where HCD has an “identity of interest” must be approved by HUD, or an independent entity selected by HUD.

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;

Subsidized housing unit types determined ineligible in accordance with HUD regulations. These include, but are not limited to: public housing units; 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 HCD.

The project cap of PBV assisted units in the building cannot generally exceed 25 units or 25 percent (25%) of the total number of dwelling units in the building, whichever is greater. The cap for projects in a census tract where the poverty level is 20% or less as determined in the most recent American Community Survey Five-Year estimates, the number of PBV assisted units may equal 25 units or 40 percent (40%) of the total number of dwelling units in the building, whichever is greater.

Notwithstanding these provisions, exceptions to the 25% or 40% caps include units in a building that are specifically made available for "qualifying families" that are elderly or that are eligible to receive specific supportive services as defined in the City of Tucson's Administrative Plan for the Housing Choice Voucher Program or Attachment F from PIH Notice 2017-21.

Sites selected for PBV assistance must be:

- Consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities, consistent with HCD'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. HCD will enter into a Housing Assistance Payments (HAP) contract with the owner for all sites selected and approved for PBV assistance. HCD 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.

The owner is responsible for screening and selection of the family referred by HCD from HCD's waiting list 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.

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.

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

- An amount determined by HCD, 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 Pima County 2019 Fair Market Rents and Payment Standards (effective 01/01/2019) for determining rents are:

Fair Market Rents (2019)

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
\$580	\$683	\$903	\$1306	\$1543	\$1774

Low Rental Cost Area Payment Standards (Effective 1/2/18)

Zip codes: 85321, 85341, 85601, 85602, 85619, 85633, 85634, 85637, 85652, 85654, 85701, 85702, 85703, 85705, 85706, 85707, 85710, 85711, 85712, 85713, 85714, 85716, 85717, 85719, 85721, 85723, 85724, 85725, 85726, 85728, 85731, 85732, 85733, 85734, 85738, 85740, 85751, 85752, 85754

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
\$550	\$685	\$905	\$1305	\$1545	\$1720



High Rental Cost Area Payment Standards (Effective 1/02/2019)

Zip codes: 85611, 85614, 85622, 85629, 85641, 85645, 85653, 85658, 85704, 85708, 85715, 85718, 85730, 85735, 85736, 85737, 85739, 85741, 85742, 85743, 85745, 85746, 85747, 85748, 85749, 85750, 85755, 85756, 85757

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms	5 Bedrooms
\$580	\$715	\$950	\$1370	\$1620	\$1860

HCD’s utility allowance schedule is available on HCD’s website at:

<https://www.tucsonaz.gov/hcd/section-8-program-information>

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 HCD in accordance with the contract with the owner. HCD determines the tenant rent in accordance with HUD requirements.

APPLICATION REVIEW PANEL

HCD’s 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 Program Manager for the Housing Assistance Division and one specialist within the Housing Department.

In the event that HCD-owned units* are recommended for project basing, applications and the recommendation of the panel will be forwarded to the HUD field office for review. (*includes tax credit units with ownership interest by HCD, as well as units owned by HCD instrumentalities.)

APPLICATION REVIEW

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

- Evidence of site control.
- 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 HCD- owned units), §983.11 (Other Federal requirements), and §983.6 (Site and Neighborhood Standards).
- Property will be constructed with other than assistance under the U.S. Housing Act of 1937 in accordance with §983.9.



- No construction has begun, as evidenced by HCD inspection
- Not more than 25 unit or 25% or 40% (percent) of units per building, depending on the project location, are eligible for PBV assistance, except to the extent such buildings are in a senior housing project or for persons eligible to receive supports services as defined in HCD’s Administrative Plan meeting any applicable federal standards pursuant to the Civil Rights Act and the federal Fair Housing Amendments Act, in which case up to 100 percent of the units in such buildings are eligible for PBV assistance.

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

HCD 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 HCD to be in its best interests. HCD 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. HCD reserves the right to award fewer than the number of units requested, if the requester agrees to accept a lower number of PBV units. The HCD 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, HCD will:
 - a. Establish rents in accordance with §983.12. For any HCD-owned unit, an independent entity will determine a recommendation for initial rents which then will be submitted to the HUD field office for final approval.
 - 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 the HCD’s approved unit selection policy.

RANKING AND SELECTION CRITERIA

HCD will use the following to rank and select applications for the PBV Program.

Scoring Criteria:

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

Criteria	Max Points Available
Site Location	10
Design	20
Owner Experience	15
Management Experience	15
Project Feasibility/Readiness to begin construction	20
Public Purpose	20
Total Points Available	100



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 the HCD in accepting and screening owner applications submitted for the PBV Program.

APPLICATION SUBMISSION DEADLINE

Owner applications will be accepted electronically at:

HCDAdmin@tucsonaz.gov

Applications and supporting documentation for or new construction units will be accepted until **5:00 PM on Friday, February 22, 2019. Absolutely no late submissions will be accepted.**

NON-RESPONSIVE OR NON-COMPLIANT APPLICATIONS

If HCD determines that an application is non-responsive or non-compliant with this RFP, written selection criteria and procedures, or HUD program regulations the application will not be considered for the program. HCD 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 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
- Number of years of ownership of the development

3) Copies of most recent single audit, audited 990's or financial statements of the organization

4) Project application. Applications for PBV assistance must provide information on the following topics:

- Owner name
- Number of buildings
- Number and size of units
- Quality and location of units
- Other forms of assistance received
- Requested contract term



- Handicapped accessibility features
- Owner experience with rental housing
- Unit and neighborhood amenities
- Intended resident population
- Tenant selection criteria and plan
- Rent and occupancy status
- Affordability restrictions
- Need for PBV assistance
- Management and maintenance information
- Service providers, if applicable

