

# DCA PBV Application, Request for Proposals

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# I. DCA HCV Introduction and Summary

The Georgia Department of Community Affairs (DCA) administers Housing Choice Vouchers (HCV) for 149 counties (see Appendix B) and currently assists over 11,000 households.

DCA invites property owners, including eligible Housing Tax Credit ("LIHTC") properties, to apply for Project-Based Voucher (PBV) units.<sup>1</sup> PBV assistance provides rental subsidy to pay for eligible families to reside in units contracted under the Housing Choice Voucher (HCV) Program. The primary purpose of the PBV Program is to assist in the creation of affordable rental housing stock by supporting designated rental units that are decent, safe, and sanitary and targeted to households earning no more than fifty (50) percent of Area Median Income ("AMI").<sup>2</sup>

<sup>&</sup>lt;sup>1</sup> DCA intends to meet the requirements set out in 24 CFR Part 983 (Project-Based Voucher Program), as may be amended. United States Department of Housing and Urban Development Notice PIH 2017-21 dated October 30<sup>th</sup>, 2017 (Implementation Guidance: Housing Opportunity Through Modernization Act of 2016 (HOTMA) — Housing Choice Voucher (HCV) and Project-Based Voucher Provisions), Housing Opportunity Through Modernization Act of 2016—Housing -Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes, 89 Fed. Reg. 38,224 (May 7<sup>th</sup>, 2024) (to be codified at 24 C.F.R. pts. 5, 8, 42, 50, 91-93, 247, 290, 882, 888, 891, 903, 908, 943, 945, 960, 972, 982, 983, 985, and 1000), and all other applicable law.

<sup>&</sup>lt;sup>2</sup> This includes those who are on DCA's HCV waitlist, of which at least seventy-five (75) percent make below thirty (30) percent of the Area Median Income.

DCA solicits applications from the following qualifying property owners, subject to availability of funding:

	Existing Properties that received a LIHTC award since 2021	All other existing properties, including those that received a LIHTC award prior to 2021	Properties that received a LIHTC award since 2021 and have not yet started construction <sup>3</sup>	Planned properties applying for LIHTCs and seeking a preliminary commitment of PBVs under the 2024-25 QAP	Other planned properties in development
Application requirements	Application form in Appendix A	Application form in Appendix A and documentation for competitive application	Application form in Appendix A	Application form in Appendix A	N/A
Possible awards	A Housing Assistance Payment (HAP) contract for up to fifteen (15 years)	A HAP contract for up to five (5) years with 5-year renewable terms	An Agreement to a enter a HAP (AHAP) to commit PBVs to the property once it is constructed and meets required criteria	A preliminary commitment to enter an AHAP <sup>4</sup> to commit PBVs to the property once it is constructed and meets required criteria	Not yet eligible for PBVs

DCA will review applications on a rolling basis throughout the duration of the application period.

DATES RELATED TO THIS eRFP	
EVENT	TARGET DATE*
Release of Project-Based Vouchers eRFP	July 15, 2024
Virtual Information Session	Week of July 22, 2024

<sup>&</sup>lt;sup>3</sup> According to federal guidelines, DCA may not award PBVs to properties that have started construction.

<sup>&</sup>lt;sup>4</sup> Properties with a preliminary commitment under this RFP must receive a LIHTC award in order for DCA to execute an Agreement to enter a AHAP.

Publication of Answers	Virtual Information and Question	Week of July 29, 2024
Existing Proposal Due/Close Date and Tim		August 30, 2024 at 5 PM
Property Applications	Proposal Evaluation Completed (on or about)	September 2024
	Initial Award Commitments	September 2024
	Due Diligence and Tenant Eligibility Determinations	October – November 2024
	Expected Contract Executions	November – December 2024
New	Proposal Due/Close Date and Time	September 23, 2024
Construction Applications	Proposal Evaluation Completed (on or about)	September 30, 2024
	Proposal Selection Notice (on or about)	October 1, 2024
	Due Diligence (including subsidy	
	layering reviews and environmental reviews)	October – November 2024
	Expected Contract Executions (on or about)	December 2024 – January 2025

The information contained in this RFP is a summary overview of the PBV Program. DCA does not warrant that it is exhaustive and bears no responsibility for its accuracy or completeness. All persons submitting proposals/applications are encouraged to read the HUD regulations on the PBV Program for a full description of the Program's requirements, as well as DCA's Administrative Plan. The PBV regulations and guidance can be found at:

- 24 C.F.R. Part 983 as revised per Federal Register Notice FR-4636-F-02, dated October 13, 2005.
- The Housing and Economic Recovery Act of 2008 (HERA) as revised per Federal Register Notice FR-5242-N-01, dated November 24, 2008.
- PIH Notice 2001-54 (HA), dated September 20, 2011.
- PIH Notice 17-21 implementing HOTMA.
- FR-6092-F-03 Housing Opportunity Through Modernization Act of 2016—Housing Choice Voucher (HCV) and Project-Based Voucher Implementation; Additional Streamlining Changes
- For a complete copy of DCA's PBV program policies, please see Chapter 18 of DCA's Administrative Plan. The plan is available at the Georgia D.C.A. website at <a href="https://www.dca.ga.gov/node/2459">https://www.dca.ga.gov/node/2459</a>.

Certain other federal requirements may also apply to PBV assistance, including but not limited to:

- *FAIR HOUSING:* Nondiscrimination and equal opportunity. See 24 CFR section 5.105(a) and Section 504 of the Rehabilitation Act.
- **ENVIRONMENTAL REVIEW:** See 24 CFR section 983.58.
- **SUBSIDY LAYERING REVVIEW:** See 24 section 983.55 and Public and Indian Housing Federal Register Notice FR-6201-N-01.
- LABOR STANDARDS: Regulations implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 USC sections 3701-3708), 24 CFR section 983.154(b), and other federal laws and regulations pertaining to labor standards applicable to an AHAP covering nine or more assisted units.
- **DEBARMENT:** Prohibition on use of debarred, suspended, or ineligible contractors. See C.F.R. section 5.105(c) and 24 C.F.R. part 24.
- <u>UNIFORM RELOCATION ACT</u>: A displaced person must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Polices Act of 1970 (URA) (42 USC sections 4201-4655) and implementing regulations at 49 CFR part 24.
- <u>VIOLENCE AGAINST WOMEN ACT</u>: Federal Regulations providing specific housing protections for housing applicants and tenants who are victims of domestic violence, dating violence, stalking, and human trafficking.

# II. Project requirements

## A. Property Criteria

Properties applying for PBV units may be located within a single building or multiple buildings on contiguous parcels of land that are adjacent to one another or touching along one another's boundary. Each property must meet the following criteria:

 Geography: The property is located within DCA's Housing Choice Voucher jurisdiction (see Appendix B) or within the geographic boundary of a housing authority that has an active MOU with DCA for the administration of DCA PBVs within their jurisdiction in place before the application deadline. DCA will award up to ten (10) percent of their PBV allocation (~ 530) to properties within the geographic boundary of other HCV administering housing authorities in Georgia.

Properties must provide proof of coordination with the local HCV administrator, in the form of a letter from the PHA affirming an active MOU with DCA or by submitting the active MOU itself, in order to be eligible. For confirmation of whether the relevant housing authority has an active MOU, owners/developers are encouraged to reach out to the housing authority directly and/or

DCA\_PBV@dca.ga.gov.

As of July 15, 2024, MOUs are in progress with Atlanta Housing Authority, Savannah Housing Authority, Decatur Housing Authority, Marietta Housing Authority, Brunswick Housing Authority, Macon Housing Authority, and Carrollton Housing Authority.

2. Waitlist Management: DCA will allow projects to manage site-based property wait lists for PBV units as long as their tenant selection plans comply with Fair Housing and other DCA HCV Administrative plan requirements.

Properties may choose to use DCA's tenant selection preference options or referrals in their site-based waitlists. When the property opens its waitlist for PBV units, DCA will notify its existing tenant-based voucher waitlist of the property waitlist opening to make it available to those who cannot find housing with their existing voucher.

Applicants should submit a copy of their tenant selection plans with application submission and any MOUs established for referrals.

- 3. Deconcentrating Poverty: The property is located in an aera described below.
  - **a.** A census tract with a concentration of poverty of 20% or less (as determined by the most recent American Community Survey estimates) or
  - A tract with greater than 20% but the applicant can demonstrate other ongoing local redevelopment activities, recent increase in market rate housing, and/or opportunities for low-income residents to access workforce opportunities
  - **c.** A tract with greater than 20% but the applicant can demonstrate the property is located in:
    - i. an area is a HUD-designated Enterprise Zone, and Opportunity Zone, or an Economic Community or Renewal Community;
    - an area where the concentration of assisted units will remain steady or has decreased as a result of public housing demolition and HOPE VI redevelopment;
    - iii. an area that is undergoing significant redevelopment as a result of federal, state and/or local investment;
    - iv. an area that has developed new or rehabilitated market rate units and decreased the concentration of poverty;
    - v. an area where the concentration of poverty has declined in the past five (5)

years; and/or located in an area that provides meaningful employment and/or educational advancement to its residents.

- 4. Site and Neighborhood Standards. The requesting property must meet the following HUD-required standards:
  - **a.** Be adequate in size, exposure, and contour to accommodate the number and type of units proposed.
  - **b.** Have adequate utilities and streets available to service the site.
  - **c.** Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
  - **d.** Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units.
  - **e.** Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

If the property is a new construction property, it must also meet the following criteria:

- f. Not located in an area of minority concentration unless 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 or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- **g.** Not 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;
- **h.** Not located in a neighborhood that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate; and
- i. Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile form the neighborhood to places of employment is not excessive.
- 5. Project quality: Properties that have received a LIHTC award will within the last three years will be able to self-certify that they meet project quality requirements. All other applicants must provide evidence of the following:
  - **a.** Financial feasibility of the project: The applicant must submit evidence of project

financial feasibility for at least a fifteen-year period, including a pro forma, account statements, and an explanation of how affordability will be maintained throughout the life of the property. Specifically, the pro forma must include a detailed description of all sources and uses of funds, including any loans to supplement vacancy losses. Applicants should also include operating costs and income statements or comprehensive balance sheets for the property.

- **b.** Management experience: The applicant or the entity that will develop the project must meet be able to demonstrate that they have affordable housing experience in the state of Georgia, meaning that they have owned, operated, and/or managed at least two affordable housing projects where units were targeted to those at or below 80 percent of the Area Median Income.<sup>5</sup> If properties have received DCA financing, they must be in good standing with DCA finance compliance requirements and/or have resolutions in process to outstanding monitoring findings or complaints.
- **c.** Site Control: The applicant or the applicant's management partner must demonstrate evidence of site control, including a complete and accurate legal description of the site and one of the following:
  - i. A recorded deed or conveyance showing the Applicant has fee or leasehold ownership of the site;
  - ii. A valid and enforceable purchase and sale agreement for the site;
  - iii. A valid option to purchase the site;
  - iv. A valid option for a long-term lease of the site; or
  - v. other evidence of Site Control satisfactory to DCA in its sole discretion.
- 6. Project Minimum: Each project must request PBVs for a minimum of fifteen (15) units. <sup>6</sup> Based on application requirements below, owners may choose to apply for PBVs to be administered within a single property or across multiple properties within their portfolio.
- 7. Project Cap: The total number of vouchers requested for each property cannot exceed twentyfive (25) percent of the total number of dwelling units in the project, unless the property is for senior residents or the owner provides or contracts with an entity to provide on-site supportive services for the residents in the PBV units, as outlined in 24 CFR 983.56.

However, if the project is located in a census tract with a poverty rate of 20 percent or less, as

<sup>&</sup>lt;sup>5</sup> DCA reserves the right to waive this requirement at its discretion.

<sup>&</sup>lt;sup>6</sup> DCA has the discretion to waive the minimum unit requirement of each project.

determined in the most recent American Community Survey Five-Year estimates, the project cap is the greater of twenty-five (25) units or forty (40) percent of the units [FR Notice 7/14/17].

## B. Unit Criteria:

Units to receive PBV within a qualifying property must meet the following criteria:

- 1. Units must serve households at or below fifty (50) percent of the area median income, including those who are on the DCA waitlist.
- 2. All housing units to be considered for PBVs must meet the physical condition standards as required by DCA or other applicable law.<sup>7</sup>
- 3. For more guidance on unit subsidy standards and tenant criteria for units to lease in place, see DCA's PBV unit guide on the website.

# III. Application Requirements

DCA has separate processes for LIHTC Properties Awarded before and after 2021.

DCA may make multiple awards because of this solicitation. DCA may cancel this RFP or reject proposals at any time prior to an award without explanation.

Applications for a portfolio of properties must complete applications for each individual property based on their property type.

# A. LIHTC Awardees since 2021 and current LIHTC applicants

DCA will award PBVs to applicant properties that have received a DCA LIHTC award in the last three years, are expected to be placed in service by December 1, 2024, and have demonstrated that they meet the above property and unit criteria through completing the form and required additional documentation outlined in Appendix A.

Properties should submit this information through email to <u>DCA\_PBV@dca.ga.gov</u>.

In the event that DCA receives more applications for units in 2021-2024 LIHTC properties than its allotment, DCA will request that LIHTC Awardees since 2021 submit a competitive application for scoring. Applicants will have 6-8 weeks to submit.

# B. Other Existing Property and LIHTC Existing Property Awarded before 2021 (Competitive Requirements)

If there is a remaining allotment of PBV after awards to LIHTC properties since 2021, DCA will evaluate proposals based on the competitive requirements outlined below.

Points	Scoring Criteria

<sup>&</sup>lt;sup>7</sup> DCA will transition to the NSPIRE standards during the course of the due diligence process or during the term of the agreements. When this transition happens, properties will be expected to comply with NSPIRE standards.

40	Immediate occupancy/availability
20	Project size and supportive services
10	Property location
30	Unit composition

# *i.* Competitive Requirements

#### a. Immediate occupancy/availability

#### Up to 40 points

	Properties who can lease in place and confirm tenant eligibility	Properties who have just placed in service and have never been occupied	All other properties
Points	40	20	0

#### **b.** Project size

#### Up to 20 points

Properties	50% or more of	25-49% of their	15-24% of their	10-15% of	1-9% of
requesting	their units	units	units	their units	their units
PBVs for					
Points	20	18	15	10	0

If properties are requesting PBVs for more than twenty-five (25) percent of their units, they must provide on-site supportive services and DCA will monitor the property's compliance with offering these services. DCA will evaluate how the number of PBVS on the property impacts deconcentrating poverty goals.

As part of this scoring section, DCA will evaluate the quality of the planned or existing supportive services services on site if properties are requesting PBVs for units beyond the project cap. Supportive services may include housing case management, eviction prevention, employment assistance, childcare services, behavioral health services, healthcare, or other services promoting the housing stability, economic security and wellbeing of the residents. Resident coordinators, security, or other typical property management functions are not considered supportive services. Properties should prepare to submit a summary of the services and how the services offered uniquely benefit property residents, including those individuals on DCA's HCV waitlist who are extremely low income. Properties should also submit any service contracts or agreements, a staffing plan including staff resumes and a commitment for the property to conduct background checks for the services through the entire PBV contract term.

#### c. Property location

Up to 10 points

DCA will evaluate the property based on its access to vital amenities either on site, in the immediate area, or through transportation networks. The property should submit a brief summary of its location in relation to vital amenities, and Points will be awarded based on the applicant's demonstration of the following:

- Transportation
  - a. Property provided transportation network for residents 2 points
  - b. Nearby access to public transportation 2 points
- Amenities
  - c. Nearby access to groceries 2 points
  - d. Nearby access to health/social services/schools 2 points
  - e. Nearby access to local employment centers 2 points

The summary should include:

- A Google Map of the property's location and visual indicators of the distance from the property to each of the above listed amenities.
- A less that one page explanation of the transportation network and of the proximity to the above amenities.

#### e. Unit composition

#### Up to 30 points

	>50% three or more bedroom units	At least 50% of requested units are three or more bedroom units	>50% or more one bedroom units
Points	30	15	10

## IV. Post Award Due Diligence

All properties are required to meet the following criteria:

- a. *Property Inspections*: DCA will inspect properties before finalizing a HAP contract and may eliminate units that fail an inspection or rescind an award entirely upon determining that failing items in one or more units and/or in common areas raise a significant concern.
- b. *Lease in Place/Eligibility Determinations*: DCA will work with the property owner to determine eligibility for lease in place tenants and tenants on the property maintained waitlist. In addition to the other verification documents for eligibility, properties should expect that their tenants will need to provide updated income verification if the property has not completed an income verification within 60 days of HAP contract execution.
- a. Subsidy Layering Review (only relevant for new construction properties): DCA may not enter into an AHAP until it has conducted the required subsidy layering review (SLR) and determined that the PBV assistance to be provided is in accordance with HUD subsidy layering requirements.
  - i. Applicants will be responsible for submitting SLR items to DCA..

- ii. If A property has already received a SLR under a previous competitive award, the applicant will only be responsible for providing updated and recent information.
- iii. SLR could take up to ninety (90) days to process.
- **b.** Determining Contract Rents

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

The DCA rent to owner including utility allowances must not exceed the lowest of:

- i. an amount determined by DCA, not to exceed 110 percent of the applicable Small Area Fair Market Rent (SAFMR) for the unit bedroom size including any applicable tenant-paid utility allowance;
- ii. the reasonable rent; or
- iii. the rent requested by the owner.

# Appendix A: DCA PBV Form

Property Information			
Property Name:			
Property Address:			
Property year of			
construction:			
County Location <sup>*</sup> :			
Parcel Identification Number			
(PIN):			
Census Tract:			

Owner Information				
Owner/Sponsor				
Organization Name:				
Owner/Sponsor				
Address:				
Sponsor Organization	Choose an item.			
Туре:				
	Nonprofit, Limited Liability Corporation, Limited Partnership, Other			
(include all that apply):	Corporation, Other (please specify)			
Federal Tax ID Number:				
Project Contact:				
Contact Phone				
Number:				
Contact Email				
Address:				
Development				
Consultant Name and				
Contact (if applicable):				

		Type of	Project			
Check all that a	pply.					
Existing New Construction Acquisition/Rehab   Family Senior						
Note: Existing housing units are defined as units that already exist on the proposal selection date and that substantially comply with the HQS on that date.						
Competitive A	ward Reservation		Award Reservation and Date			
LIHTC	LIHTC					
HOME or HOME-ARP						
The email submission must contain either a copy of the LIHTC Reservation and/or other DCA finance						
award document or an explanation of when the property will apply.						

<sup>\*</sup>Note: if the property is in a county outside of DCA HCV jurisdiction, DCA must have an active MOU in place with the voucher administering housing authority upon the application deadline. Please confirm MOU status with DCA and the local housing authority.

UNIT RENTAL SUMMARY											
	Studio	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom	Totals					
# Market Rate Units											
# of other subsidized units											
# of requested P.B.V. units											
Total units											

What is the length (years) of Project Based Voucher (PBV) Housing Assistance Payment (HAP) contract you are seeking?

PROPOSED PROJECT BASED UNITS												
Unit Type Apt /SF/ TH/ Duplex	# of Units	Sq. Ft.	# B.R.s	# Baths	Monthly Contract Rent	Monthly Cost of Tenant Paid Utilities	Proposed Gross Rent	Mobility or Hearing/Visual Features (yes/no)				

#### Waitlist Management and Tenant Selection Plans

Please indicate below that you understand and intend to manage your own site-based wait list, and please attach a copy of your tenant selection plan with submission of this application.

 $\Box$  This property will maintain its own site-based waitlist for PBV units and a copy of the tenant selection plan is attached.

#### **Deconcentrating Poverty Guidelines**

If the property is in a census tract with concentration of poverty greater than 20%, the applicant must submit supplemental documentation that the property location meets at least one of the following conditions:

□ Demonstrating other ongoing local redevelopment activities, recent increases in market rate housing, and/or opportunities for low-income residents to access workforce opportunities.

#### Located in

□ a HUD-designated Enterprise Zone, Opportunity Zone, or an Economic Community or Renewal Community;

 $\Box$  an area where the concentration of assisted units will remain steady or has decrease as a result of public housing demolition and HOPE VI redevelopment;

 $\Box$  an area that is undergoing significant redevelopment as a result of federal, state, and/or local investment;

 $\Box$  an area that has developed new or rehabilitated market rate units and decreased the concentration of poverty; or

 $\Box$  an area where the concentration of poverty has declined in the past five (5) years; and/or located in an area that provides meaningful employment and/or educational advancement to its residents.

#### Site and Neighborhood Standards

An existing or rehabilitating property must meet the following standards (please attach documentation confirming compliance with each of the below, as relevant):

 $\Box$ Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;

 $\Box$  Have adequate utilities and streets available to service the site;

□ Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;

Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and

 $\Box$ Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

A new construction site must meet the following standards (please attach documentation confirming compliance with each of the below, as relevant):

 $\Box$ Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;

 $\Box$  Have adequate utilities and streets available to service the site;

□ Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;

Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units;

□Not located in an area of minority concentration unless sufficient, comparable opportunities exist for housing for minority families in the income range to be serve by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;

 $\Box$ Not 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;

□Not located in a neighborhood that is seriously detrimental to family life or in which substandards dwellings or other undesirable conditions predominate; and

Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

Owner Signature:

Date:

# Appendix B: DCA HCV Jurisdiction

