

**MASSACHUSETTS
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
(DHCD)**

**Request for Proposals (RFP) for HUD-VASH
Project-Based Vouchers (PBV)**

August 12, 2015

On June 26, 2015, the US Department of Housing and Urban Development (HUD) published a Notice (PIH 2015-11) announcing the availability of approximately 1000 HUD-Veterans Affairs Supportive Housing (VASH) Project-Based Vouchers (PBV) to be made available through a nationwide competition. These project-based VASH vouchers are intended to enable homeless veterans to access long term affordable housing with an array of supportive services available in or near the project. Any Public Housing Agency (PHA) that administers the Housing Choice Voucher Program may apply. PHAs that already have more than one allocation of VASH vouchers targeted to different VA facilities, may submit one application per allocation.

REQUEST FOR PROPOSALS

DHCD seeks proposals from qualified applicants (owners/developers and/or project sponsors) to receive an allocation of PBV VASH vouchers to be made available under the criteria established in PIH 2015-11. DHCD is eligible to submit **one application for one single project, for each of the seven VA medical facilities** for which it has received an allocation of tenant-based HUD-VASH vouchers. These VA medical facility sites and their respective contact information are listed below. For each site for which it receives one or more proposals, DHCD will determine which, if any, proposal, best meets the competitive criteria HUD will use to award vouchers. At DHCD's sole discretion, DHCD may include the best proposal for each site in an application to HUD. Being selected by DHCD for proposal submittal to HUD is no guarantee that HUD will award some or all of the vouchers requested.

PROPOSAL DUE DATE TO DHCD

Interested developers and project sponsors must submit their proposal to DHCD, 100 Cambridge St., Suite 300, Boston, MA 02114, Attention: Bureau of Rental Assistance HUD-VASH program, no later than Friday, **Tuesday, August 24, 2015** by the close of business, in the format prescribed in the **Proposal Submission** section below.

DHCD VA MEDICAL FACILITY SITES FOR WHICH DHCD MAY SUBMIT AN APPLICATION

DHCD administers its VASH program with the Bedford, MA Veterans Affairs Medical Center (VAMC) and six Community Based Outreach Centers (CBOC) that serve as satellite offices for their respective VAMCs (Bedford, MA VAMC, Boston VAMC, Northampton, MA VAMC and Providence, R.I. VAMC)

DHCD is eligible to submit **one application** for **one single PBV project** linked to each of the following seven VA medical facilities:

Bedford VAMC: 200 Springs Rd., Bedford, MA 01730

Contact: Corona Benson / 781-879-5913 / corona.benson@va.gov

Haverhill CBOC: 108 Merrimack St., Haverhill, MA 01830 (Bedford VAMC)

Contact: Corona Benson / 781-879-5913 / corona.benson@va.gov

Lowell CBOC: 130 Marshall Rd., Lowell, MA 01852 (Bedford VAMC)

Contact: Corona Benson / 781-879-5913 / corona.benson@va.gov

Brockton CBOC: 940 Belmont St., Brockton, Ma 02301 (Boston VAMC)

Contact: Judith Lipton / 857-364-5433 / judith.lipton@va.gov

Hyannis CBOC: 233 Stevens St., Hyannis, MA 02601 (Providence, R.I. VAMC)

Contact: Kerrin Charpentier / 401-265-4114 / kerrin.charpentier@va.gov

Pittsfield CBOC: 73 Eagle St., Pittsfield, MA 01201 (Northampton VAMC)

Contact: Sue White / 413-584-4040 x2139 / susan.white7@va.gov

Worcester CBOC: 605 Lincoln St., Worcester, MA 01605 (Northampton VAMC)

Contact: Sue White / 413-584-4040 x2139 / susan.white7@va.gov

VAMC/CBOC Catchment Areas: The catchment area for each of these sites generally includes cities and towns located within one hour's drive from the VA medical facility. It is up to each prospective applicant to contact the VAMC VASH program director listed above to determine which, if any, VAMC/CBOC covers the community in which the applicant is proposing to make units available.

For information on other MA VASH PHAs that might be soliciting proposals for communities not covered by MA DHCD's five VA medical facility sites, interested persons should contact Kevin Casey at the VA's Veterans Integrated Service Network (VISN) @ 781-389-3858.

MAXIMUM NUMBER OF VOUCHERS PER PROJECT

Each application for a single project is limited to a **maximum of 75 vouchers** and these vouchers **cannot be split** between separate projects.

ELIGIBLE PROJECTS

- **Project Definition:** A "single project" is defined to mean a single building, multiple contiguous buildings or multiple buildings on contiguous parcels of land.
- **Occupancy Status:** Occupied units, including those occupied by PBV tenant-based VASH participants, are not eligible for these vouchers.
- **Transitional Housing projects** are not eligible for these project-based vouchers.

PROPOSAL SUBMISSION AND SCORING

There are HUD Threshold Factors and Scoring Factors included in the PIH 2015-11 Notice. Certain Threshold Factors are specific to the PHA's VASH Program. DHCD will take responsibility for addressing the following Threshold Factors in any application it submits to HUD:

- Statement concerning our Administrative Plan and compliance with all PBV policies and consistency with our PHA Plan
- Statement regarding no unresolved program management findings
- Statement regarding the resolution of any outstanding civil rights matters

As part of the proposal submission to DHCD, owners will be required to address other Threshold Factors, which are noted below. DHCD has added additional Scoring Factors to those defined in the PIH 2015-11 Notice. Scoring Points are defined in the specific sections of the owner proposal format noted below.

Two copies of each proposal submission must be submitted in a three-ring binder, with separate sections addressing ALL of the following criteria in the order provided below:

Threshold Factors

Section 1: Description of Proposed Project. Provide a brief narrative of the project, including the owner/project sponsor name, project address, whether the project will be new construction/rehabilitation or existing housing, proposed timeline, utility information and a description of any amenities to be provided to tenants. The following specific information must be included:

- a. The number of PBVs requested, which cannot exceed 75, and the minimum number of PBVs which the developer or project sponsor will accept.
- b. the location by census tract;
- c. total number of buildings;
- d. total number of units by bedroom size in each building;
- e. number and bedroom size of HUD-VASH units requested in each building; and
- f. target population of any non HUD-VASH units, if applicable.

Section 2: Description of the Proximity of Community Facilities and Resources for Veterans.

A description of the project's accessibility to transit, the VA Medical Center or VA Community-Based Outpatient Clinic (CBOC), employment opportunities, and to key neighborhood assets (which must be identified), such as quality grocery stores, banks, libraries, and parks and recreational facilities. This statement must include transit options for the immediate area, such as rail, bus, ride/bike share, etc., and may include scoring indices for neighborhoods, such as a Walk Score (<http://www.walkscore.com>).

Section 3: Financing and Site Control.

- a. For new Construction and Rehabilitation projects, provide a Development Pro Forma
 - Financing commitments from lenders are not required at the time of submission to DHCD; however the developer or project sponsor should address how they will obtain any necessary financing and the time period for obtaining these funds.
- b. For all projects, provide an Operating Pro forma for a minimum of five years
 - DHCD recommends use of the One Stop Source & Use of Funds and Operating Pro Forma forms, but it is not required

- c. The applicant *must have site control* at the time of submission to DHCD as evidenced by a deed, option, purchase and sale agreement or other instrument acceptable to DHCD. Site control must be for *at least six months* to allow for the completion of the HUD review process and the time required to secure any development financing.

Section 4: Letter of Support Signed by the VAMC Director. The proposal must include a letter of support signed by the Director of the Veterans Integrated Service Network (VISN).

Scoring Factors- A maximum of 80 may be awarded by DHCD.

Section 5: Project Readiness. The owner must provide a project timeline indicating major milestones including when project units will be ready for occupancy:

- **30 points:** Existing housing that will be ready for occupancy by new homeless HUD-VASH clients within 90 days of selection date for PBVs under this notice, which is anticipated to be 60 calendar days from application due date.
- **15 points:** Newly constructed or rehabilitated units, developed in accordance with PBV requirements found at 24 CFR Part 983 Subpart D, that will execute an AHAP and start construction within 18 months of selection date for PBVs under this notice, which is anticipated to be 60 calendar days from application due date. These PBV requirements include the selection of a PBV proposal, an environmental review, subsidy layering review and the execution of an AHAP prior to construction or rehabilitation. HUD will only accept proposals for projects that have already begun construction if the project was developed under the PBV program, including complying with the PBV requirements listed above. *For newly constructed or rehabilitated units, the PHA must provide a project timeline including these major milestones: (1) execution of Agreement to Enter into a Housing Assistance Payments contract (AHAP); (2) construction start date; and (3) execution of PBV HAP contract.*

Note: Owners must be realistic when developing the proposed timeline;

If the PHA is selected for an existing project, the PHA will be required to submit a PBV HAP contract (form HUD-52530B) to HUD Headquarters at VASH@hud.gov to verify occupancy for existing units within 90 days of selection. If a PHA is selected for a new construction or rehabilitation project, the AHAP (form HUD-53531 A and B) must be submitted within 18 months.

If the PBV HAP contract or AHAP is not executed by the deadlines noted above, the funding and associated PBVs will be forfeited by the PHA and must be returned to the Department. Because this is a competitive process and Project Readiness is a scored factor, no extensions on these deadlines will be granted. In addition, all requested PBV units must be vacant at the time the HAP is executed.

Please note that both the AHAP and PBV HAP contract may only be executed after specific regulatory requirements are satisfied. For new construction and rehabilitation, an environmental review and subsidy layering review are required prior to the execution of the AHAP as required by 24 CFR 983.153. An environmental review is required prior to the execution of a PBV HAP contract for existing units. In selecting projects, the PHA must consider these requirements in concert with the timelines noted above.

Failure to address the Project Readiness scored factor, including major milestones, where applicable, is considered a non-curable deficiency and will result in the application being removed from the competition.

Section 6: Supportive Services. The application must describe any supportive services available to the residents of the project, in addition to the VA case management services provided with the voucher. If any additional services are proposed to be provided by the project owner, the source of funding for those services should be identified, as well as the status of the funding commitment for those services.

Applicants should clearly indicate how the principles of *Housing First* will be incorporated into the provision of supportive services. Supportive services must reflect the specific needs of the target population this project plans to assist.

Applications must include a description of on-site as well as off-site services, what these services include, who provides the services (e.g., VA, project owner, or other provider), the length of time services will be available to each client, total number of hours per week that services will be available, how off-site services will be accessed, and how these services will be monitored by the VA or other responsible party.

Specifics of what the supportive services will entail are needed. For example, if employment services are provided, then the applicant should detail what kinds of employment services will be provided and how they will be delivered.

In addition, project owners must demonstrate a relationship and coordination plan with the VAMC for the provision of case management and other supportive services.

- **10 points:** Appropriate, target population focused supportive services beyond case management are provided, funded and easily accessible to Veterans and well-coordinated with the local VAMC staff. 8
- **5 points:** Supportive services beyond case management are provided but are limited, primarily off-site, not specific to the target population, unfunded as of application, difficult to access and/or not well-coordinated with VAMC staff.
- **0 points:** There are no supportive services offered beyond VA case management. There is not a demonstrated relationship or coordination with the VAMC.

Responses to the supportive services section must not exceed 3 pages with 1 inch margins and Arial font, minimum size 11.

Failure to address the *Supportive Services* scored factor is considered a non-curable deficiency and will result in the application being removed from the competition.

Section 7: Housing First. *Housing First* is an approach where homeless persons, usually chronically homeless or especially vulnerable homeless individuals and families, are provided immediate access to housing and then offered the supportive services that may be needed to foster long-term stability and prevent a return to homelessness. This approach removes unnecessary barriers and assumes that supportive services are more effective in addressing needs when the individual or family is housed and

the daily stress of being homeless is taken out of the equation. Key components of this model include a simple application process, a harm reduction approach, and no conditions of tenancy beyond those included in the lease. *Housing First* specifically does not require sobriety or testing for substance abuse to obtain or sustain tenancy and thus must not be required in the lease. In serving these populations, projects cannot discriminate against families with children. More information on *Housing First* is available at: <https://www.hudexchange.info/resources/documents/Housing-First-Permanent-Supportive-Housing-Brief.pdf>.

Housing First: As stated, the project must comply with *Housing First*. Applications should include occupancy policies or statements of purpose from the project owner that clearly indicate how the principles of *Housing First* will be incorporated into the admission of Veterans and the provision of any supportive services provided by the project owner.

- **10 points:** Occupancy policies or statements of purpose specifically do not require being clean and sober upon admission or to maintain their housing. Submitted policies will also demonstrate how negative exits will be avoided; how a respectful, warm, and compassionate environment for Veterans to live in will be created; and how a recovery oriented environment will be created.
- **0 points:** Submitted documentation does not reflect a commitment to Housing First, as outlined in the 10 point category

Failure to address the *Housing First* scored factor is considered a non-curable deficiency and will result in the application being removed from the competition.

Section 8: Poverty Rate. DHCD will give preference to projects located in a census tract with a poverty rate of 20 percent or less.

- **15 points:** The project is located in a census tract with a poverty rate of 20 per cent or less.
- **0 points:** The project is not located in a census tract with a poverty rate less than 20 per cent. DHCD will only consider a proposal located in a census tract with a poverty rate greater than 20 percent *if* the project site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities, per criteria stated in 24 CFR 983.57(b) (*see Attachment A*). In this case the applicant must make a *very compelling case*, using these criteria, for why DHCD should consider submitting this proposal to HUD.

Section 9: Experience of Developer or Project Sponsor. DHCD will give preference to proposals where the developer or project sponsor has solid experience in the management and development of supportive housing for veterans. DHCD will consider proposals where the developer or project sponsor has experience in the management and development of supportive housing for the homeless, the elderly and/or disabled families.

- **15 points:** The owner/developer has experience in the management/development of supportive housing for veterans.
- **10 points:** The owner/developer has experience in the management/development of supportive housing for homeless, elderly and/or disabled families.
- **5 points:** The owner/developer has experience in the management/development of affordable, non-supportive housing.
- **0 points:** None of the above applies.

Additional Criteria to be scored by HUD and the VA- Applicants are not required to provide any information in response to the following criteria:

- **Participation in the Enhanced Use Lease (EUL) Program:** The PHA must indicate if the project is part of an EUL program. Please note that a PHA's selection of an EUL site meets the alternative competitive selection requirements under 24 CFR 983.51(b)(2). However, the means of selection must still be consistent with the PHA's administrative plan.
- **Relative Need: Number of Veterans experiencing homelessness.** This factor will be rated by HUD and VA based on an analysis of homeless veteran data, provided by local Continuums of Care and VAMCs in the geographic area of the PBV project. Level of need will be determined by the number of homeless veterans, with an emphasis on chronically homeless veterans, in the project's geographic area and the number of permanent supportive housing resources in the area available to address the need. HUD and VA will then divide the applications into three levels of need based on the available data
- **Relative Need: Affordable Housing.** This factor will be rated by HUD and VA based on the availability of affordable housing resources in the neighborhood of the proposed project

CONFERENCE CALL FOR QUESTIONS AND ANSWERS

DHCD will answer any questions about this RFP on a conference call scheduled for **Tuesday, August 18, 2015 at 11:00 AM. Please call: 1-877-820-7831. The passcode is 109440.**

For other assistance, please call Paul Nixon at 617-573-1217 or Dan Topyne at 617-573-1241.

RELATED DOCUMENTS FOR THIS RFP

Included with the posting of this RFP on DHCD's website are the following documents:

1. HUD PIH-2015-11
2. Attachment A- PBV Regulation 983.57 (b) Re: Compliance with HUD's statutory goal of "de-concentrating poverty and expanding housing and economic opportunities"

Additional information about the HUD-VASH program can be found on HUD's website at: www.hud.gov/VASH.

Additional information about DHCD's project-based voucher program, can be found in DHCD's Housing Choice Voucher Program Administrative Plan (see Chapter 18), on our DHCD's website at: > www.mass.gov/dhcd; >Our Organization;>Affordable Housing;>Rental Assistance Programs;>Project Based Voucher