



Housing Authority of the City of Tacoma

Request for Proposals:

Property-Based Subsidies

March 29, 2019

Updated April 23, 2019

Tacoma Housing Authority Request for Proposals:

Property-Based Subsidy Program

The Housing Authority of the City of Tacoma (THA) seeks competitive proposals for its property-based rental assistance. The Tacoma housing market continues to see low vacancy rates and rising rents. Affordable housing options for low-income families continues to shrink. THA can use its federal funding to find creative ways to make units available to low-income households and to serve more households in the community. Under this request for proposals, THA will accept proposals for Local Property-Based Subsidies. This program is different from THA's traditional Tenant-Based and Project-Based Voucher programs. It is similar to the Project-Based Voucher program in that the subsidy is tied to a property, as opposed to the tenant. Like the Project-Based Voucher, THA also regularly inspects units to ensure they are safe for occupancy. The Local Property-Based Subsidy is different from the Project-Based Voucher program in three main ways:

- Like other programs, tenants must income qualify and have incomes below set standards, but the tenant rents are fixed regardless of the tenant's actual income. This provides predictable rent amounts for tenants rather than rent going up or down based on their income. Fixed rents make the program easier to explain, understand and manage for both tenants and landlords. The fixed subsidy also removes a disincentive for tenants to increase their earned income because the tenant's share of the rent will not increase if they earn more. On the other hand, it also means that a tenant's rent share will not decrease if their income goes down. In this way, it is similar to THA's HOP program except it's tied to a property rather than a tenant.
- The subsidies to the owner would be set on an annual basis, subject to the property meeting negotiated minimum occupancy rates, rather than varying month-to-month based on tenant rent calculations. This provides a stable, predictable and easy to administer income stream for the owners and predictable expenses for the housing authority.
- The owner is responsible for advertising vacancies, screening its tenants and verifying the income of tenants. The tenants will not have a relationship with the housing authority. Tenants will just realize affordable rents at the property level based on the subsidy that is being provided to the owner. The arrangement offers tenants the same tenant protections of THA's other programs.

Under this Request for Proposal (RFP) and subject to funding availability, THA will provide property-based subsidies for up to 200 rental units.

Under this solicitation, THA will accept proposals for PBV assistance in the category(s) selected below:

Existing Housing—units that substantially comply with Housing Quality Standards (HQS) on the proposal selection date.

Rehabilitated Housing—units that do not substantially comply with the HQS on the proposal selection date but will be rehabilitated and available within 90 days of the proposal selection date.

New Construction—units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an agreement between THA and the owner for use under the PBS program. To be eligible to apply, the development must be schedule to be complete and have received a City of Tacoma Certificate of Occupancy within nine (9) months of application.

Interested owners may request an application packet by calling Eric Lane, Landlord Engagement Specialist, at (253) 448-2751. Applications are also available on-line at tacomahousing.org

This Request for Proposals will remain open continuously until further notice. THA will notify the public once it has awarded all of the available vouchers and/or if THA decides to close the bid process. On a decision to close the bid process, THA will provide a 30-day notice for respondents to submit their final bids.

Completed applications for the Local Property-Based Subsidy program will first be reviewed on April 30, 2019, and future reviews will occur every 30 days after that. For the first review, applications must be received by Tacoma Housing Authority, Attn: Eric Lane, 902 S L St, Tacoma, WA 98405 **no later than 4:00 p.m. on April 30**. Applications postmarked before the deadline but not received by the Tacoma Housing Authority will be held until the next review cycle.

Fully responsive proposals that are received by the first application deadline and score at least 50 points will be considered for funding. Proposals received after the first deadline and/or proposals scoring less than 50 points might be held until adequate applications are received to merit a competition. This decision will be made on a case-by-case basis.

To assist owners in understanding the program and the application requirements, an informational meeting will be held April 11th at 1:00 pm at the THA Administrative Building located at 902 S. L Street, Tacoma WA 98405. Sign language interpreters or translators will be provided by request. Accommodation requests must be received at least 72 hours in advance of the scheduled meeting.

Submit questions in writing to the THA offices or elane@tacomahousing.org . Visit the RFP page on www.tacomahousing.net for a response.

Required Application Components:

The application for the Property-Based Subsidy Program has seven parts, all of which must be submitted for an application to be reviewed:

1. Letter of Interest

Interested parties are to submit a letter of interest that includes a detailed history of the owner's experience with HUD (US Department of Housing and Urban Development) affordable housing programs or any other rental assistance or below market rent programs, especially those targeting Special Needs populations.

Indicate the requested number of units to be assisted and a description of how your project could benefit low-income Tacomans.

Explain how a project award would benefit the community and if applicable, how the award might affect the financial stability, sustainability and long-term feasibility of the project. Applicants are encouraged to provide copies of available audits to demonstrate this impact.

Explain how you have self-scored your application. It could be helpful to include a table or matrix to show your scoring. Include a narrative description, where appropriate, so THA can understand how you arrived at your self-score.

Include any other general information that the respondent believes may be appropriate to assist THA in its evaluation.

Include the name and contact information for the person responsible for the application.

2. Letter from Education Partner

For owners requesting points for providing housing dedicated to students of a local post-secondary institution or Tacoma Public Schools, there must be a letter of support from the education partner outlining their support and role in the potential housing partnership.

3. Completed Application Form

See Exhibit A in this packet.

4. Market Study to Support the Contract Rents Proposed

A formal or informal study justifying the rents you are proposing for the property.

5. Experience of Your Management Team

This should include a narrative description of the team directly overseeing the project, the names and roles of each member of the team, and resumes of each team member. Specify any experience of the team members in managing affordable housing programs. Include an explanation of fair housing training and compliance processes.

6. A Map Showing the Location and Pictures of the Property

This should depict quality and condition of the property as well proximity to Tacoma schools or post-secondary institutions if you are seeking points in that category.

7. Evidence of Property Ownership

This can include tax statements, proof of insurance, etc.

8. Most Recent Audited Financials and Property Budget

This should include the audited financials of the ownership entity and the property budget for the current fiscal year.

9. Form HUD-2880 Applicant Recipient Disclosure

Submit all application documents in order, on single-sided 8 ½ x 11 inch paper, for ease of review.

THA may reject your application if it fails to provide all information and documentation requested.

Local Property-Based Subsidy Program Overview

THA is a Moving to Work (MTW) housing authority. MTW privileges allow THA to waive some federal regulations in order to increase housing choice, reduce administrative burden and encourage families to work. THA is waiving federal regulations in order to design this new Local Property-Based Subsidy Program. The program will secure new affordable housing in the Tacoma rental market. THA does not intend to select units that have affordability restrictions (an existing requirement to make units available to low-income households).

1. Description

1.1. The subsidies to the owner are set on an annual basis, subject to the property meeting negotiated minimum occupancy rates, rather than varying month-to-month based on tenant rent calculations. The annual unit subsidy amount equals the difference between a fixed tenant rent and the negotiated contract rent amount multiplied by the number of months the units is under contract.

1.1.1. Rents for the property will be limited to no more than 110% of the THA payment standard. The current THA payment standards are include in the table below:

Payment Standards

Bedroom Size	Payment Standard
0	\$860
1	\$966
2	\$1265
3	\$1829
4	\$2222
5	\$2555
6	\$2889
7	\$3222
8	\$3555

1.2. During the application and negotiation process the property owner commits to serve households below 30%, 40% and/or 50% of the area median income (AMI) (see table below for these income levels). Based on the income levels chosen, the property owner advertises its vacancies at rents equal to the rents for those income levels as shown on the table below:

**Pierce County
MTSP-Income and Rent Limits
Effective 4/1/18
Median Income: \$74,600.**

Set-aside Percentage	1-person	2-person	3-person	4-person	5-person	6-person	7-person	8-person
30%	15690	17910	20160	22380	24180	25980	27780	29550
35%	18305	20895	23520	26110	28210	30310	32410	34475
40%	20920	23880	26880	29840	32240	34640	37040	39400
45%	23535	26865	30240	33570	36270	38970	41670	44325
50%	26150	29850	33600	37300	40300	43300	46300	49250
60%	31380	35820	40320	44760	48360	51960	55560	59100
80%	41840	47760	53760	59680	64480	69280	74080	78800

Maximum Tenant Rents:

Set-aside Percentage	Studio	1-Bedroom	2-Bedroom	3-Bedroom	4-Bedroom	5-Bedroom
30%	392	420	504	582	649	716
35%	457	490	588	679	757	836
40%	523	560	672	776	866	955
45%	588	630	756	873	974	1074
50%	653	700	840	970	1082	1194
60%	784	840	1008	1164	1299	1433

*These tables are expected to change before contracts are executed. Check this website for most recent updates: <http://www.wshfc.org/limits/map.aspx>

- 1.3. The owner will be responsible for advertising its vacancies, screening tenants and verifying their income. Tenants will not have a direct relationship with the housing authority. The arrangement between the property owner and THA will offer the tenant protections of THA’s other programs.
- 1.4. The property owner and THA will negotiate annually to set the contract rent amount for the assisted units based on mutually agreed upon market value of the unit. THA will use a HUD-approved “rent reasonableness” system to evaluate the market value of the unit. Regardless of the market value of the units, the contract rent amount cannot exceed 110% of the THA payment standard.
- 1.5. Under the LPBS program, THA will enter into a Housing Assistance Payments (HAP) contract with an owner for existing housing units that do not have existing affordability restrictions. Existing housing units that are occupied are allowed if the current household qualifies for the program and there will not be any displaced tenants.
- 1.6. THA has Moving to Work (MTW) authority that allows for federal flexibility. Upon contract award, THA and awardee may negotiate flexible LPBS terms as allowed by THA’s MTW contract.

2. Offering

Subject to available funding, THA's goal is to award up to 200 subsidies. A focus of this offering is on units made available to extremely low-income households attending a local post-secondary institution and/or Tacoma Public Schools.

3. Subsidy Contract

- 3.1. THA will enter into a contract with owners of existing, vacant housing once the units pass a Housing Quality Standards (HQS) inspection.
- 3.2. During the term of the HAP contract, THA will make housing assistance payments to the owner for units set aside for eligible households. The contract term will be determined by THA and subject to funding availability. Initial contract terms will be between 1 and 10 years with renewal terms between 1 and 5 years.
- 3.3. For properties that sought and were awarded points for their partnerships with an educational institution, contract terms may be negotiated to address how the owner and institution will ensure students are making adequate academic progress.
- 3.4. At the time of contract execution, units occupied by households with any THA rental subsidy will be given the choice whether to retain their current THA subsidy to turn it in in order to use this subsidy. THA clients that choose to retain their subsidy cannot be charged a contract rent higher than the rents on the Property Based Subsidy units.

4. Jurisdiction

Proposed projects must be located within THA's jurisdiction (Tacoma City limits plus 2.5 miles).

5. Selection Criteria for Property-Based Subsidy

Proposals will be reviewed and selected based on the PBS program listed in the selection criteria below. Requests should be made for no more than 75 units per property.

Factor description and Points possible

Factor	Points
Each unit set aside for households below 30% AMI	3
Each unit set aside for households below 40% AMI (does not include units receiving points for being below 30% AMI)	2
Each unit set aside for households below 50% AMI (does not include units receiving points for being below 30% or 40% AMI)	1
Occupancy for all available vacancies under the contract will be restricted to households that have at least one household member enrolled at a Tacoma Public School or local post-secondary institution*	10
Occupancy is restricted to a special-needs population. The owner is responsible for explaining the need and why this priority is important to the Tacoma community*	10
Units are within easy walking distance to a Tacoma Public School or local post-secondary institution	10
Experience of the property owner/manager units with HUD affordable housing programs or any other rental assistance or below market rent programs, especially those targeting special needs populations	10
The addition of a Property Based Subsidy contract to the property will create affordable units where they do not currently exist and/or will allow affordable units to remain affordable where units would otherwise be re-rented for market rate rents	5
The owner is making other services available to THA customers that are not occupying the housing subject to this application or other Property Based Subsidy units	5

*Property owners seeking these additional points will need to explain how they intend to adjust their screening criteria and/or partnerships to support these special populations.

Exhibit A - Application

Application Form

Instructions

Please fill out the attached application completely. Failure to provide complete information or documentation as required, may cause your application to be rejected.

1. **Project Name:** _____

2. **Project Address:** _____

Street Address

City

State

Zip Code

3. **Census Tract #:** _____

4. **What is the poverty rate of families in the census tract?** _____ %

(To find, use www.factfinder.census.gov; input the address under address search, select "GO"; select census tract and click "GO"; scroll down to find and select "Profile of Selected Economic Characteristics" ; Go to "Poverty Status (below poverty level)" for "Families")

5. **Building Type:**

apartments duplex other, specify type:

6. **Number of units with bedroom size requested in this application (if rents vary by bedroom size of if other anomalies exist, feel free to modify this table or add additional pages):**

# Bedrooms	Total Number of units in the property	# Requested by bedroom	# Requested at 50% AMI	# Requested at 40% AMI	#Requested at 30% AMI	Contract Rent Requested
1						
2						
3						
4 or more						
Total						

7. **Population to be Served:**

8. **Proposed Contract Term:**

9. Describe the following resources found in the area of the project and the exact distance of each from the project, if applicable.

Resources	Brief Description & Proximity to Site
Public Transit	
Public Schools	
Parks and Recreational Facilities	
Job Center	
Shopping	
Health/ Medical Services	

10. List the utilities/services and indicate which are provided by owner and included in the rent:

Utilities/Services	
Heating	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other_____ <input type="checkbox"/> Provided by owner
Cooking	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other_____ <input type="checkbox"/> Provided by owner
Other Electric	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other_____ <input type="checkbox"/> Provided by owner
Water Heating	<input type="checkbox"/> Natural Gas <input type="checkbox"/> Electric <input type="checkbox"/> Other_____ <input type="checkbox"/> Provided by owner
Water	<input type="checkbox"/> _____ <input type="checkbox"/> Provided by owner
Sewer	<input type="checkbox"/> _____ <input type="checkbox"/> Provided by owner
Trash Collection	<input type="checkbox"/> _____ <input type="checkbox"/> Provided by owner

- 11. Total number of units in the property:
- 12. Total number of units for which you are requesting subsidy:

(Add additional pages if necessary)

Verification Statement: The undersigned proposer hereby states that by completing and submitting this form he/she is verifying that all information provided herein is, to the best of his/her knowledge, true and accurate, and agrees if THA discovers any information entered herein is false, that shall entitle THA and/or HUD to not consider or make an award or to cancel any award with the undersigned party.

Signature	/ /	Date		Company
<hr/>				
Printed Name				Title