



## **Urban Redevelopment Authority**

### **REQUEST FOR PROPOSALS (RFP)**

On behalf of the City of Pittsburgh

#### **HUD PROJECT-BASED SECTION 8 RENTAL SUBSIDY IN THE CITY OF PITTSBURGH**

#### **REALLOCATION OF BUDGET AUTHORITY FROM THE BETHESDA HOMEWOOD PROPERTIES**

**RFP Issue Date: Thursday, December 21, 2017**

**Proposal Due Date: Friday, January 5, 2018 at NOON ET**

## I. INTRODUCTION

The Urban Redevelopment Authority of Pittsburgh (URA), on behalf of the City of Pittsburgh, is issuing this Request for Proposals (RFP). The URA's role is limited to serving as the issuer of the RFP and coordinating review of responses. **Under no circumstances will the URA enter into any contract or agreement with, or enter into any transaction with, any respondent related to this RFP.**

### Goal of the RFP

The URA is soliciting proposals from experienced property owners who currently own rental units that are either vacant and/or occupied with low-income households and are in good condition and hence have the ability to pass a U.S. Department of Housing and Urban Development (HUD) Real Estate Assessment Center (REAC) inspection. HUD recently abated (cancelled) Project-Based Section 8 operating subsidy from 140 units of affordable rental housing (the Bethesda Homewood properties) in the Homewood, Larimer and Garfield neighborhoods due to the units failing several consecutive REAC inspections. This subsidy provides approximately \$109,293 per month in operating income to the owner of the units. These subsidies exist so that households below 50 percent AMI may afford to live in the units. The households pay 30 percent of their monthly income in rent plus utilities, and the project-based subsidies cover the remainder of the rent. Because the Project-Based Section 8 Housing Assistance Payment (HAP) subsidy was abated from the units in Homewood, Garfield and Larimer, there is now an interest in transferring this subsidy to one or more rental developments so that the affordable resource can be preserved in the City of Pittsburgh. If HUD determines that a portion of the subsidy can be transferred to the original sites under new ownership and after renovation, the amount of subsidy available to respondents of this RFP may be less than \$109,293 per month in operating income.

The goal of this RFP is to select one or more property owners who have the ability to house low-income households in existing rental units. The units must be able to complete an immediate REAC inspection. A REAC inspection is a physical inspection where the units must pass Uniform Physical Conditions Standards (UPCS) – note that this is a more stringent standard than the Housing Quality Standards (HQS) used for tenant-based vouchers. The properties must score no less than 65 on a scale of 1 to 100. Another goal of the RFP is to not only find property owners who currently, or are willing to, rent the units to households with incomes below 50 percent AMI but are additionally willing to utilize vacant units as a relocation resource for those households who are being displaced from the Bethesda Homewood properties. All property owners selected through this RFP process may continue to provide legal rental screening in accordance with Pennsylvania law and HUD guidelines. Property owners responding to this request may be recommended to HUD as a potential destination for reassignment of all or a portion of the HUD multi-family HAP agreement, and must agree to enter into a 20-year HAP contract with HUD.

### Requirements

The property owners referred to HUD through this RFP process must submit a complete 8(bb) transfer package for HUD review and approval. The Housing Authority of the City of Pittsburgh (HACP) will provide assistance to the extent possible to the selected property owners to complete this transfer package. According to HUD, specifics of the transfer process are as follows:

- Due to budget neutrality, the Monthly Rent Potential for recipient project(s) must not exceed the current Monthly Rent Potential of Bethesda Homewood, which is \$109,293.
- The budget authority can be transferred to one project or split into multiple contracts.
- The City of Pittsburgh must identify which project(s) receive new subsidy contracts and in what amounts.
- All identified projects must meet HUD's standards for an 8(bb) transfer according to Housing Notice H2015-03. The essential standards are as follows:

- There must be local demand for affordable housing.
- The neighborhood poverty rate must be less than 30 percent, unless the neighborhood meets certain conditions. One such condition is if the neighborhood is the same or immediately adjacent to the neighborhoods where the Bethesda Homewood units are located which are Homewood, Larimer and Garfield.
- Unless the units are in the same neighborhoods as the abated units, the units should not be located in an area of minority concentration, and will be reviewed by HUD to determine compliance with applicable civil rights regulations.
- Units must meet applicable accessibility requirements.
- The building and units must be in good physical conditional and be able to provide decent, safe, and sanitary housing over the life of a 20-year HAP contract.
- The owner and property manager must be acceptable to HUD and satisfactorily complete Previous Participation (2530) screening.
- Other HUD requirements apply.

**Public Funding**

The public funding for this initiative is through HUD’s Office of Multi-Family Housing Division’s Project-Based Subsidy program and is in the form of operating subsidies administered by HUD. The URA does not provide funding for this program.

**RFP Timeline**

RFP Issue Date	December 21, 2017
<b>Deadline to submit questions via e-mail. All questions must be e-mailed to both:</b> <b>Thomas Cummings, Director of Housing,</b> <a href="mailto:tcummings@ura.org">tcummings@ura.org</a> <b>Jessica Smith Perry, Assistant Director of Housing,</b> <a href="mailto:ismithperry@ura.org">ismithperry@ura.org</a>	<b>December 26, 2017 at 5:00 PM</b>
<b>Proposals Due</b>	<b>Friday, January 5, 2018 at Noon ET</b>
Proposal Evaluation Period	Week of January 8, 2018

**HUD Income Limit Requirements**

The Income Limits for the households residing in the Project-Based subsidy units can be found at <https://www.huduser.gov/portal/datasets/il/il2017/2017summary.odn>.

**II. PROPOSAL REQUIREMENTS**

All responses should include the RFP Summary Page, which can be found at the end of this document. This page should be fully completed by the respondent. ALL RESPONSES MUST BE RECEIVED BY THE RESPONSE DUE DATE AND TIME AS STATED IN THE RFP TIMELINE for consideration. Any late responses will not be reviewed. Submissions lacking one or more of the requested documents may be considered rejected.

The URA reserves the right to reject any proposal for failure to comply with the terms of this RFP, and/or, to waive any such failure.

Respondents should submit eight (8) hard copies of the proposal package with one (1) electronic copy in a single bookmarked PDF format. The hard copies should be in a binder and/or bound with tabbed sections identifying the general structure outlined below. Electronic copies of all documents required as part of the RFP can be sent either via email (to both [tcummings@ura.org](mailto:tcummings@ura.org) and [jsmithperry@ura.org](mailto:jsmithperry@ura.org)), or on CD-Rom or flash drive. Flash drives and CDs will not be returned. All submissions should be directed to:

Urban Redevelopment Authority of Pittsburgh, Housing Department  
c/o Thomas Cummings or Jessica Smith Perry  
Urban Redevelopment Authority of Pittsburgh  
200 Ross Street, 10<sup>th</sup> Floor  
Pittsburgh, PA 15219  
e-mail: [tcummings@ura.org](mailto:tcummings@ura.org) or [jsmithperry@ura.org](mailto:jsmithperry@ura.org)

The response should follow the general structure as outlined below.

**1. Project Narrative**

- a) Description of existing properties – this must include property addresses, lot and block/parcel information, the neighborhood(s) in which the properties are occupied, and a summary of which properties are occupied and which are vacant. Please clearly identify the number of units and the monthly Section 8 subsidy for which you are requesting Project-Based Section 8. If the properties are occupied, please state if the tenants are income eligible for the Project-Based Voucher program.
- b) Description of the existing ownership entity – if the ownership entity is a limited partnership or a limited liability corporation, please list the general partner/managing members and all equity partners/members with a 20 percent or greater ownership interest.
- c) List of all properties owned by the property owners.
- d) List of any repairs that the owner knows must be addressed to pass an REAC inspection.
- e) Include photos of existing units to the extent available.

**2. Relevant Development and Management Experience**

- a) Provide a description of the owner’s experience in managing affordable housing units. Specifically list the names of any other Project-Based Section 8 contracts that the owner currently has with HUD.
- b) Identify the property manager. List the experience of the property manager in managing affordable housing. Specifically list any Project-Based Section 8 contracts that the property manager manages.
- c) References – provide a minimum of three (3) references from public housing authorities, financial institutions, other public lending institutions, and/or tenants.

**3. Financial Capacity**

- a) Description and current amounts of any existing debt on the properties
- b) Financial statements for the ownership entity and all general partners
- c) If repairs are needed, a financing plan for those repairs

**4. Budgets**

- a) Include a current 10-year operating proforma.
- b) Include a projected 10-year operating proforma if Project-Based Section 8 Subsidy is awarded.

**5. Due Diligence**

- a) Due diligence is the sole responsibility of the redeveloper.

### III. SELECTION PROCESS

A review committee made up of URA staff, HACP, City staff, and community representatives will review each proposal submitted and shall work with the City of Pittsburgh to recommend to the HUD a property or properties based upon the responses to the RFP submitted by the proposers, proposers' prior experience and performance on similar projects, and other pertinent factors. **Under no circumstances will the URA enter into any contract or agreement with any proposer related to this RFP.** The URA's sole role is to issue this RFP and work with the City of Pittsburgh to provide reviews and recommendations to HUD.

The URA reserves the right, in its sole discretion, to reject any or all proposals received, to waive any submission requirements contained within this RFP, and to waive any irregularities in any submitted proposal.

### IV. LEGAL INFORMATION

The URA and the review committee shall have the right to verify the accuracy of all information submitted and to make such investigation as it deems necessary to determine the ability of a respondent(s) to perform the obligations in the response. The URA, in its sole discretion, reserves the right to reject any response when the available evidence or information does not satisfy the URA that the respondent(s) is qualified to carry out the proposed project; is a person or firm of good reputation or character for strict, complete and faithful performance of business obligations; or if the respondent(s) refuses to cooperate with and assist the URA in the making of such investigation.

1. **Disclaimer of Liability:** Respondents acknowledge that, by submitting information and proposals to the URA, the URA does not undertake any obligations, and shall have no liability with respect to any referenced property, this RFP, and/or responses thereto, nor with respect to any matters related to any submission by a respondent.
2. The respondent, for itself and its employees, contractors, and primary subcontractors, agrees not to discriminate against or segregate any person or group of persons on any unlawful basis, or on the basis of sexual orientation, gender identity, and/or gender expression, in the construction, sale, transfer, use, occupancy, tenure or enjoyment of the property or any improvements erected or to be erected thereon, or any part thereof.

To ensure receipt of any addenda to this RFP, please email Jessica Smith Perry ([jsmithperry@ura.org](mailto:jsmithperry@ura.org)) for inclusion on the list of recipients.

### **ATTACHED EXHIBIT**

[RFP Summary Page](#)