

MINNEAPOLIS PUBLIC HOUSING AUTHORITY
OPEN COMPETITIVE SOLICITATION:
MOVING TO WORK PROJECT-BASED VOUCHER ASSISTANCE -2021

I. Introduction

The Minneapolis Public Housing Authority (MPHA) is soliciting proposals from property owners and developers for Moving to Work Program Project Based Voucher (MTW-PBV) rental assistance. The requirements and timetable for submission of proposals, and the proposal selection process and criteria, are described in this document.

II. Program Objectives

The MTW-PBV program is designed to promote the preservation and expansion of the supply of affordable rental housing in Minneapolis, with a strong emphasis on new or existing rental housing developments that:

- Are located in “high opportunity” areas that have low poverty rates and good access to public transportation, employment and educational opportunities and health care and other supportive services;
- Provide Permanent Supportive Housing and/or outcome-oriented, comprehensive case management and other supportive services on-site for special needs populations including, but not limited to, homeless and at-risk families and individuals, youth aging out of foster care, and persons with disabilities;
- Provide units in otherwise market rate developments that would be unavailable to voucher holders because of payment standards.
- Leverage and build on housing and/or other investments made or planned by the City of Minneapolis or MPHA; and/or,
- Incorporate energy conservation, sustainability and excellence in design.
- Address equity and serve traditionally underserved BIPOC communities.
- Provide creative ideas to address homelessness.
- Provide transitional housing for families experiencing homelessness.
- Leverage other housing support dollars to enhance MPHA subsidies.

MPHA is seeking proposals that reflect innovative approaches to addressing the community’s housing needs. Selected proposals must be consistent with and supportive of the City of Minneapolis’ housing priorities, MPHA’s mission and the goals established for this program initiative.

III. Moving to Work (MTW) Program

MPHA is a participant in the MTW Demonstration program. MTW designation provides MPHA with substantial regulatory and funding flexibility, including the ability to establish a locally-determined project-based rental assistance program such as the MTW-PBV Program. Utilizing its MTW flexibility, MPHA has waived certain elements of the regulations for the Project Based Voucher (PBV) program promulgated by the US Department of Housing and Urban Development (HUD) at 24 CFR 983. However, all projects selected by MPHA under the MTW-PBV competitive solicitation must conform to the following HUD regulatory requirements:

- All housing units must meet HUD Housing Quality Standards. See 24 CFR 982, Subpart I.
- Davis-Bacon wage rates. See 24 CFR 983.154.
- Environmental review regulations at 24 CFR parts 50 and 58. See also 24 CFR 983.58.
- Subsidy layering review regulations at 24 CFR 983.55. Note that this does not apply to existing housing.

While the above HUD requirements may not be waived, MPHA may elect to pursue other MTW waivers above and beyond those reflected in its current policies in response to innovative, feasible program designs proposed for MTW-PBV assistance. For example, MPHA will give serious consideration to proposals that have alternative rent and/or subsidy structures and may authorize rent levels above 110% of applicable Fair Market Rents in individual buildings that provide opportunity to participants in otherwise inaccessible locations.

IV. Significant Program Policies and Requirements

Proposers are encouraged to review MPHA's Housing Choice Voucher Program Statement of Corporate Policies and HCV Operating Procedures for additional information on MTW-PBV policy and program requirements. See <http://mphaonline.org/about/pr-policies-and-publications/>. Significant MTW-PBV program policies include the following:

Eligible Owners include non-profit and for-profits entities including MPHA and its affiliates. Neither the owner nor any other project principal or officer can be: 1) Listed on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs; 2) Sanctioned, debarred or otherwise prohibited or limited from performing work on HUD-funded projects; or, 3) Prohibited from working on MPHA-funded projects.

Eligible Units include existing, new construction or substantial rehabilitation units in multifamily or single-family buildings that meet or exceed HUD Housing Quality Standards. The prohibition of assistance for ineligible units described in federal regulations at 24 CFR 983.53(a),(c) and (d) does not apply to the MTW-PBV program.

Standard HUD contracts and forms generally used in the traditional PBV program are not utilized for the MTW-PBV program, including the Agreement to Enter into A Housing Assistance Payments Contract (AHAP), PBV Housing Assistance Payments Contract (HAP) and PBV Tenancy Addendum. MPHA will issue an MTW-PBV Conditional Award Notice for new construction or substantial rehabilitation projects selected under this program. Prior to lease up, all owners selected for MTW-PBV assistance will enter into an MTW-PBV Housing Assistance Payments Contract for the subject properties. All leases with tenants must include the MTW-PBV Tenancy Addendum.

Maximum subsidy levels and form of subsidy may vary among projects. Based on an analysis of owner submissions and a determination of the public benefits associated with each project, MPHA may negotiate and agree to rent levels that exceed 110% of FMR, to deeper or shallower subsidy levels, and/or to other alternative forms of subsidy.

The Maximum Number of Units for which MTW-PBV assistance can be requested in a single project is 100 units. There is no cap on the percentage of MTW-PBV assisted units in a project but projects where more than 25% of the units would be project-based may require that services be available.

No displacement of current tenants is allowable.

V. Timetable

MPHA will accept proposals under this solicitation beginning on May 24th, 2021. Proposals will be accepted for an indefinite period of time. MPHA will post a notice on its website at the point when no further proposals will be accepted.

At the end of each calendar month, initial proposals will be referred to the MPHA Evaluation Committee. The Evaluation Committee will use best efforts to review and respond to each proposal within sixty days of the last day of the month when the proposal is received by MPHA. For example, proposals received on April 7 will be evaluated by June 29 (60 days from April 30).

Based on the evaluation, MPHA may:

- Request further information from proposer;
- Determine the proposal is non-responsive and/or incomplete;
- Negotiate changes to the proposal including project finances and subsidies;
- Reject the proposal;
- Recommend issuance of a commitment letter and/or an award of vouchers for the proposal to the MPHA Board of Commissioners with or without conditions; or
- Issue a commitment letter and/or an award of vouchers for the proposal

VI. Solicitation

MPHA reserves the right in its sole discretion to:

- Reject, in whole or in part, any or all proposals received in response to this solicitation;
- Cancel, terminate or re-issue this solicitation;
- Modify the selection and evaluation procedures, the scope of the proposed program and/or the format for required responses;
- Request amendments and/or additional information to supplement or clarify proposal submissions; and/or,
- Negotiate modifications to proposal submissions that are deemed by MPHA to be in the best interests of MPHA.

VII. Evaluation Process

An Evaluation Committee to review all proposals received. The Evaluation Committee will first review proposals to determine if the proposal includes all required proposal elements as specified herein. MPHA may request additional information or determine that the proposal is incomplete and/or non-responsive without conducting any further evaluation.

Proposals determined to include all required proposal elements will be evaluated using the following evaluation criteria in a two-step process. In the first step, the Evaluation Committee will review and evaluate the proposal against the Financial Feasibility, Previous Experience and Project Design criteria. Projects that are determined to be feasible in the first step will move on to the second step of the evaluation process, in which the remaining criteria will be evaluated.

Scoring helps to identify the level to which a project meets the objectives and goals adopted by MPHA. MPHA does not make awards based on scores alone. Additional factors are taken into consideration including but not limited to, timeliness, significance of funding gaps, comprehensive plan guidance, anti-displacement policies, geographic location and distribution, and emerging developer status.

FACTORS	MAXIMUM POINTS
A. Financial Feasibility (Evaluated for all projects)	20
B. Previous Experience of Applicant in Development and Property Management of Projects of Similar Scale for Similar Target Population (Evaluated for all projects)	20
C. Project Design (Evaluated for all projects)	20+5 bonus points
D. Supportive Services Plan and Capacity (Evaluated for PSH, TAY and non-elderly/disabled projects for which more than 25% of units are proposed for PBV assistance)	20
E. Development Serves the Homeless, Chronic Homeless and/or TAY populations (Evaluated for all projects)	20+5 bonus points
F. High Opportunity or City-Designated Revitalization Area (Evaluated for all projects)	20
Total Maximum Point:	130 (with bonus points) (minimum points required:70)

A. FINANCIAL FEASIBILITY

For new construction or rehabilitated housing, 10 of 20 points will be assigned based on the extent to which the proposal demonstrates that:

- A comprehensive and realistic construction and permanent financing budget has been prepared; and,
- Construction and permanent funding are firmly committed including documentation from all funding sources.

MPHA will assign points by reviewing the construction and permanent financing committed at the time of application – or deemed by MPHA to be highly likely to be committed within a reasonable period of time after proposal submission - and specifics on the plan to secure remaining funding. At its sole discretion, MPHA may defer final approval of a proposal pending receipt of financing commitments from other funding sources from which the developer has requested funding, or MPHA may issue a conditional award letter subject to receipt of further financing approvals and/or other conditions.

All projects (whether new construction, rehab or existing) must provide a 10-15-year operating proforma with line-item detail sufficient for a knowledgeable reviewer to evaluate the feasibility and completeness of the budget. For new construction and rehabilitation projects, the operating proforma will constitute 10 of the 20 points for this rating factor. For existing housing, the operating proforma will constitute 20 of 20 points for this rating factor. The operating proforma must include line-item detail including, but not limited to:

- Estimated revenue by all sources; and,
- Estimated expenses for all categories including maintenance, utilities, capital reserves, security, resident supportive services, insurance, taxes, etc.

Footnotes or other narratives must be presented where necessary to clarify assumptions about sources and uses. MPHA will review budgets to assess whether realistic and appropriate assumptions have been made regarding the cost and level of on-site staffing, security, and other costs.

B. PREVIOUS EXPERIENCE OF APPLICANT IN DEVELOPMENT AND PROPERTY MANAGEMENT

For new construction and rehabilitation projects, a high scoring proposal must demonstrate that the applicant has either directly or through its team assembled all of the personnel, skills and other resources needed to complete the development project described in the proposal.

This can be evidenced by reference projects of similar scale, budget, and complexity.

For all proposals (new construction, rehab, existing), a high scoring proposal must demonstrate that the applicant has a track record of successfully leasing up and managing projects of similar scale, complexity, and resident populations, and has developed a responsive and comprehensive management plan:

- Information on the portfolio currently managed by the property management team must be presented including number of units, population housed, and location. For PSH proposals, experience managing properties of comparable scale that house chronically homeless of other PSH populations must be identified.
- The management/maintenance plan presented in the proposal should not be a boilerplate example. A high scoring proposal will include a management plan that reflects the specific considerations of the site and the resident population including site/occupancy rules where applicable.

Include a detailed management and maintenance staffing plan that provides sufficient information for MPHA reviewers to determine the level of staffing that will be present on-site during business and non-business hours, the approach to off-hours emergencies and other relevant property management information.

C. PROJECT DESIGN

A high scoring proposal will demonstrate that the project incorporates good design, especially utilizing “green,” environmentally sustainable building principles. Five (5) bonus points may be awarded for developments that provide evidence of LEED or equivalent certifications.

Good design also incorporates site, unit and common area features and amenities that are responsive to the needs of the resident population. In evaluating this rating factor, MPHA will consider information presented in the proposal including:

- The extent to which the project design incorporates “best practices” for the resident population. For example, projects that house chronically homeless must incorporate a range of design considerations related to safety, durability, the need to encourage socialization, and the need for on-site services.
- The extent to which the project incorporates single family dwellings and/or lower density.
- LEED or other similar designations that provide evidence of environmentally sustainable design.
- Other energy efficiency features and improvements.
- Treatment of common areas and building grounds.
- Availability of other on-site amenities.

D. SUPPORTIVE SERVICES PLAN AND CAPACITY

A high scoring Supportive Services Plan must demonstrate that the proposer:

- Has planned and documented a high-quality supportive services program that is results/outcome oriented and responsive to projected needs of the resident population including both adults and youth. It should include narrative and a matrix that lists the types of supportive services, the eligible target population for each type of service, the number of persons to be served for each type of service, where the service will be provided, who will provide each service, the number of staff and number of hours for each staff member, the amount budgeted for each service, and the projected outcomes of each service;
- Has identified and secured the resources, partnerships and staffing needed to effectively execute the plan. This must include specific funding amounts by service type and provider including information on the duration of the funding. General or conditional support letters are not adequate; and,
- Has assembled and obtained firm commitments from a team with documented track record(s) of effectively providing such services in residential locations to comparable populations. This must be demonstrated by providing reference projects of similar scale and scope.

With respect to PSH programs, the Supportive Services Plan must include:

- A comprehensive case management component with reasonable staff to case manager ratios identified; and,
- A discussion of issues and proposed strategies to address the specific supportive service needs related to housing of chronically homeless households.

E. DEVELOPMENT SERVES HOMELESS, CHRONIC HOMELESS AND/OR FAMILIES WITH CHILDREN

Development serves Chronic Homeless, or the project will serve Transition Age Youth (TAY): **15 points**

Development serves Homeless families or individuals: **10 points**

Development serves families with children: **5 points**

Does not serve Homeless, TAY, Chronic Homeless or families with children: **0 points**

Five (5) additional bonus points may be awarded for developments that have 3+ bedroom units for larger families and that are located in opportunity areas.

F. HIGH OPPORTUNITY OR CITY-DESIGNATED REVITALIZATION AREA

A high scoring proposal will be located in a high opportunity area that provides improved educational and economic opportunities for residents and that has a poverty rate that is at least 10% lower than the citywide average. A midpoint scoring proposal will be located in either an area that has been designated for revitalization by MPHA or the City of Minneapolis (applies to new construction or substantial rehab only) or in a census tract with a poverty rate lower than the citywide average. In evaluating this factor, MPHA will consider information provided in the proposal including information presented relative to conformance with HUD's Site and Neighborhood Standards. While 20 points is the maximum points to be earned under this criterion, MPHA shall have discretion to assign point scores that are higher or lower than those listed below based on Site and Neighborhood-related information presented in the proposal:

Development located in a census tract with a poverty rate > 10% below the citywide average:
20 points

Development located in a census tract that has been designated as a revitalization area by MPHA or the City of Minneapolis (new construction or substantial rehab only) and/or that has a poverty rate lower than the citywide average: **10 points**

Development located in census tracts that are not designated as a revitalization area by the City of Rehabilitation or that have poverty rates equal to or greater than the citywide average: **0 points**

VIII. Proposal Submission Requirements

PLEASE CAREFULLY READ THIS SECTION. NOT FOLLOWING THESE GUIDELINES WILL RESULT IN A RETURNED APPLICATION.

The applicant will need to provide concise but complete and specific responses to Factors A. through E. and include all applicable supporting documentation for each Factor in the final application. Do not submit pages from other funding applications as a way to provide a response to each Factor. The cover sheet, noted below, will need to be included with the application in addition to a maximum one-page General Project Summary that must indicate the number of vouchers being requested and the bedroom size of the units for which they will be applied. All materials should be submitted in one single PDF. Multiple documents will not be accepted. Please use an online tool such as Dropbox or Google Drive to submit large documents.

MPHA will charge a 2500.00 Application Fee to be submitted at the time of application. Applications will not be reviewed and scored until after the Application Fee is received. It should be paid by check to MPHA. The check memo should state: PBV APPLICATION FEE.

A separate submission is required for each project for which MTW-PBV assistance is requested.

Submit required proposal materials using the online forms to: PBVRFP@mplspha.org

Questions about this Open Competitive Solicitation may be directed to: bcrow@mplspha.org

Specific questions about completing the application should be directed to: averiga@mplspha.org.

IX. Award Recapture

Projects awarded vouchers that are not actively moving towards the execution of an Agreement to Enter into a Housing Assistance Payment Contract (i.e., environmental review in progress, subsidy layering review in progress, etc.) within one year of the award must provide an update and timetable for successfully entering into a contract within an additional 6 months, or the award may be rescinded.

Projects provided a letter of commitment reflecting MPHA's interest in supporting a particular project that has not yet submitted or had a fully reviewed application must have submitted an application that has resulted in an award within 6 months, or the commitment may be rescinded.

COVER SHEET

Minneapolis Public Housing Authority - Application for MTW-PBV

Assistance Owner Information

Submission Date:	
Owner Name:	
Corporate Status (e.g., 501(c)3, Corp., LP, LLC, Other:	
Address:	
Contact Person:	
Phone Number:	
Email Address:	

General Project Information

Proposed MTW-PBV Project Name:			
Total Units Proposed for MTW-PBV Assistant:		Current Occupied:	
Legal Name of Project Owner:			
Proposed Project Address:			
Management Company/Agent for Proposed Project:			
Project Type (Existing, New, or Rehabilitation):			
Number of Buildings in Project		Total Acreage of Project Site:	
Number of Units in Project that are Single Family Home:			