



METRO HRA

**REQUEST FOR PROPOSALS
for
Veterans Affairs Supportive Housing
and Mainstream
Project-Based Vouchers (PBV)
Rent Assistance**

Issue Date: March 27, 2023

Due Date: April 27, 2023 by 4:00 pm CST

Metro HRA Veterans Affairs Supportive Housing and Mainstream Project-Based Voucher Rent Assistance

Request for Proposals

The Metropolitan Council Housing and Redevelopment Authority (Metro HRA) announces the availability of up to forty (40) special purpose Project Based Vouchers as follows:

- Twenty (20) Veterans Affairs Supportive Housing Project-Based Vouchers (VASH PBV)
The VASH program combines U.S. Department of Housing and Urban Development (HUD) rent assistance for veterans experiencing homelessness with case management, clinical services and referrals provided by the Department of Veterans Affairs (VA).
- Twenty (20) Mainstream Project Based Vouchers (Mainstream PBV)
Mainstream Vouchers serve people between the ages of 18 and 61 who are experiencing or at risk of homelessness, transitioning out of institutional settings or at risk of institutionalization.

The minimum request that will be considered is for 5 PBVs. Requests for fewer than 5 PBVs will not be considered.

The Metro HRA reserves the right to cancel this RFP in writing or postpone the date and time for submitting proposals at any time prior to the proposal due date. No owner/applicant submitting a proposal shall have a right to make a claim against the Metro HRA if the Metro HRA accepts a proposal or does not accept any or all proposals or does not award all of the PBVs that may be available under this RFP. By issuing this RFP the Metro HRA does not promise or commit to accept any specific proposal and specifically reserves the right to reject any or all proposals, to waive any or all immaterial informalities or irregularities in the proposals received, to modify RFP contents, and to obtain new proposals.

Project Based Voucher Program Overview

The PBV program is a HUD-funded Section 8 housing subsidy program that ties the federal rental assistance directly to a specific unit rather than the traditional tenant-based Housing Choice Voucher (HCV) which is tied to a person. Metro HRA administers PBVs in Anoka, Carver, Hennepin, and Ramsey Counties, excluding the cities of St. Paul, Minneapolis, Plymouth, Richfield, St. Louis Park and Bloomington. The Metro HRA will prioritize PBV projects located in its own operating area prior to considering projects outside of its jurisdiction.

Eligible families receive rental assistance by agreeing to live in existing, newly constructed, or rehabilitated PBV units and continue to receive assistance as long as they maintain their program eligibility and reside in the specific project-based dwelling units. PBV participants' gross household income may not exceed 50% of area median income (AMI). After successful tenancy in a PBV unit for a minimum of twelve (12) months, a participant may request a tenant-based voucher to move to a unit of their choice on the open rental market, if the household is eligible and the Metro HRA has HCVs available. The PBV remains with the original unit.

Almost any type of newly constructed or existing structure may be used for PBV. Up to 25 percent of the units in a project (with 4 or more total units) can be assisted under the PBV program. Projects serving elderly or disabled households or households receiving supportive services can be up to 100% PBV-assisted. Owners must be willing to enter into a Housing Assistance Payments (HAP) Contract with the Metro HRA for not less than one year and no more than twenty (20) years.

Financing for construction or rehabilitation of units must be obtained independently by the owner and must be obtained prior to a formal PBV award.

VASH Program Requirements

The HUD VASH program operates in accordance with the Housing Choice Voucher and Project Based Voucher rental assistance regulations set forth at 24 CFR Part 982 and 983, with the following exceptions:

- VASH PBV units are filled with referrals from the Department of Veterans Affairs.
 - Eligibility determination and veteran selection is done by the VA.
- HUD-VASH eligible families consist of homeless veterans and their families.
- Case management and supportive services for the veterans are provided by the VA. Veterans must agree to participate in case management services in order to receive a HUD-VASH Voucher. These services are designed to help homeless veterans and their families find and sustain permanent housing and access the health care, mental health treatment, substance use counseling and other supports necessary to help them in their recovery process and with their ability to maintain housing in the community.
- VASH PBV occupants are not subject to the regular screening process and will only be denied assistance if they are over-income or subject to a lifetime registration requirement under a state sex offender registration program.
 - Owners must be willing to accept high-barrier veterans in order to be eligible for HUD VASH PBV.

Mainstream Program Requirements

Mainstream Vouchers provide rent assistance to non-elderly (ages 18-61) persons with disabilities who are:

- Homeless
- At risk of becoming homeless
- Transitioning out of institutional or other segregated setting; or
- At serious risk of institutionalization

Admission for the program will be made through referrals from Coordinated Entry or through direct referrals from community or county partners.

PBV Program Requirements

PBV Program Rules and Regulations. The HUD program rules and regulations governing the Section 8 Housing Choice and Project-Based Voucher programs are contained in Title 24 Code of Federal Regulations Part 983, available online at: [HUD PBV program](#) and Part 982, available online at [HUD HCV Program](#). . Proposers are encouraged to review the Metro HRA's Housing Choice Voucher Administrative

Plan for additional information on PBV policy and program requirements [2022 Housing Choice Voucher Administrative Plan](#). PBV program policies can be found in Chapter 17 of the Plan.

Eligibility and Occupancy. Families occupying PBV-assisted units must be eligible to participate in the federal Section 8 HCV Program and have a gross household income at or below 50% of area median income. Residents occupying PBV units will pay 30% of their adjusted income towards rent and utilities. The Metro HRA will pay the remainder directly to the owner.

New residents or vacancies in VASH PBV-assisted units must be filled with referrals from the VA. Owners must be willing to alter screening criteria to accept veterans with barriers. The only exception for denial of assistance are occupants who are over-income or applicants subject to a lifetime registration requirement under a state sex offender registration program.

New residents or vacancies in Mainstream PBV-assisted units must be filled with referrals through Coordinated Entry or through direct referrals from community or county partners. Applications must outline referral partnerships.

Rent to Owner

The Metro HRA utilizes Small Area Fair Market Rents (SAFMR) instead of traditional Fair Market Rents (FMR). SAFMRs are determined at the zip code level vs. one entire FMR for the entire metropolitan area. Current SAFMRs (Payment Standards) can be found [here](#).

Except for certain tax credit units, the rent to owner must not exceed the lowest of the following amounts:

- An amount determined by the PHA, not to exceed 110 percent of the applicable small area fair market rent for the unit bedroom size minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

For certain tax credit units, the rent limits are determined differently than for other PBV units.

Different limits apply to contract units that meet all of the following criteria:

- The contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986;
- The contract unit is not located in a qualified census tract;
- There are comparable tax credit units of the same bedroom size as the contract unit in the same project, and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds 110 percent of the small area fair market rent or any approved exception payment standard;

For contract units that meet all of these criteria, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

The current Utility Allowance Schedule can be found [here](#).

HAP Contracts and HQS Inspection. The owner of an eligible unit will be required to enter into a HUD-prescribed Housing Assistance Payments (HAP) contract with the Metro HRA. The term of the HAP contract will be between one (1) year and twenty (20) years. The Metro HRA typically offers twenty (20) year contracts. Prior to entering into a HAP contract for a proposed PBV unit, the unit will be inspected and must meet HUD’s Housing Quality Standards (HQS) regulations. The Metro HRA cannot enter into a HAP contract covering a unit until the unit fully complies with HQS, [HUD HQS](#). A copy of the standard Section 8 project-based HAP contract is available upon request.

Environmental Review

The PBV program is subject to HUD environmental regulations in [24 CFR Part 50](#) and [24 CFR Part 58](#). The proposer is required to coordinate the environmental review requirements.

Subsidy Layering Review

The Metro HRA may provide PBV assistance only in accordance with HUD subsidy layering review regulations, [24 CFR 983.55](#). Proposer is required to coordinate and ensure completion of a subsidy layering review.

Labor Standards

If the PBV award is a rehabilitation or new construction project that includes nine (9) or more PBV units, the owner and owner’s contractors and subcontractors must pay Davis-Bacon wages. The proposer is required to ensure compliance with the Davis-Bacon and Related Acts for monitoring prevailing wages. Davis-Bacon details can be found [here](#) and [here](#).

Required Lease Provisions. Owners will be required to use leases that incorporate a HUD-required tenancy addendum containing HUD-required lease provisions and otherwise must comply with HUD Section 8 program regulations. A copy of the HUD-required lease addendum can be found here: [PBV Tenancy Addendum](#).

Families’ Right to Move. Families assisted under the PBV program have the right to terminate the assisted lease after the first year of occupancy and move with a tenant-based HCV, if the Metro HRA determines that the household is eligible and a tenant-based HCV is available. Families moving prior to the first year will move unassisted.

Ineligible Housing Types. The following types of housing are **not eligible** for PBV assistance: owner-occupied units; units currently occupied by a family ineligible for participation in the PBV program; shared housing; units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution; nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care; units owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution; manufactured homes; cooperative housing; transitional housing; public housing dwelling units or units (or occupants) subsidized with any governmental subsidies; and units with any other duplicative federal, state, or local housing subsidy.

Application Procedures for the VASH or Mainstream PBV Programs

The Metro HRA invites interested owners to apply for VASH or Mainstream PBVs by submitting an application no later than **4:00 p.m. (CST) on April 27, 2023**. Applications must be emailed in pdf format to:

metrohra@metc.state.mn.us

Subject: PBV Proposal-Project Name

The minimum request that will be considered is for 5 PBVs. Requests for fewer than 5 PBVs will not be considered. Proposals that are incomplete or received after the submission deadline will not be considered or reviewed. Paper proposals will not be accepted.

Applications for the Metro HRA’s PBV program are available online at: [2023 PBV Application](#). All questions regarding this RFP and the application must be directed to metrohra@metc.state.mn.us. Questions must be received by 4:00 p.m. on April 15, 2023.

Open Office Hours

Metro HRA will hold 2 one-hour sessions to provide an opportunity for questions and answers.

Microsoft Teams Meetings

Thursday, April 6, 2023, 1:30 pm CST	Wednesday, April 12, 2023, 1:00 pm CST
<p>Join on your computer, mobile app Click here to join the meeting Meeting ID: 289 792 823 949 Passcode: D9qKxb Download Teams Join on the web</p> <p>Join with a video conferencing device metrocouncil@m.webex.com Video Conference ID: 117 541 804 2 Alternate VTC instructions</p> <p>Or call in (audio only) +1 763-600-8619,878344901# Phone Conference ID: 878 344 901# Find a local number Reset PIN</p>	<p>Join on your computer or mobile app Click here to join the meeting Meeting ID: 294 870 841 371 Passcode: 5TVD8C Download Teams Join on the web</p> <p>Join with a video conferencing device metrocouncil@m.webex.com Video Conference ID: 115 025 260 1 Alternate VTC instructions</p> <p>Or call in (audio only) +1 763-600-8619,62626122# Phone Conference ID: 626 261 22# Find a local number Reset PIN</p>

Selection Criteria for Project-Based Voucher (PBV) Proposals

Letter of Support Required

Requests for support should be submitted as soon as possible so the partnering agency has time to process and issue a letter prior to the application due date. Applications that do not include a letter of support will not be considered.

VASH PBVs

A letter of support must be included with the application from the U.S. Department of Veteran’s Affairs (VA). Requests for Letter of Support can be directed to Bridgette Gil, HUD-VASH Program Coordinator, Bridgette.gil@va.gov.

Mainstream PBVs

A letter of support must be included with the application from the applicable County where the project is located. The letter must include a plan for referrals. Requests for letters of support can be directed to:

- Hennepin County
 - Amy Donohue, amy.donohue@hennepin.us
- Ramsey County
 - Leigh Ann Ahmad, leigh.ahmad@co.ramsey.mn.us
- Anoka and Carver Counties (also includes Dakota, Scott and Washington Counties – outside Metro HRA service area)
 - Laquita Love-Limo, laquita@mesh-mn.org

Proposal Selection Criteria

PBV proposals will be reviewed and ranked in accordance with the following selection criteria:

Criteria	Possible Points
Project Readiness including system and regulatory conformance, financial readiness and status of funding commitments and applicant’s capacity to manage the project.	15
Extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices, the addition of or preservation of affordable units in an Area of Concentrated Poverty or improved affordable housing choice in an Area of Affluence.	20
The extent to which the project integrates housing and tenant services for specialized populations such as people experiencing homelessness, people living with disabilities, veterans or other specialized population.	25
The extent to which the project supports mixed income through providing a variety of units at different income levels.	5

The extent to which the project supports housing for larger families needing 3 or more bedrooms.	10
Extent to which the proposed project maximizes connections between housing, centers of employment, education, retail and recreation uses through location or design.	15
The extent of local support for the proposed housing including project teams that involve partnerships among government, private for-profit, and nonprofit sectors and the local community.	10
Total Points	100

Based on the evaluation, the Metro HRA may:

- Request further information from proposer
- Determine the proposal is non-responsive and/or incomplete
- Reject the proposal

Award Procedures for the PBV Program

Applications will be reviewed and scored within four weeks of submittal. The highest scoring applications for up to twenty (20) VASH PBVs and twenty (20) Mainstream PBVs will proceed as follows:

- **New Construction.** New construction projects will be provided with a Letter of Intent that commits VASH or Mainstream PBVs, contingent on a project receiving the necessary full funding in 2023 to become financially feasible.
 - If a project receives the necessary funding award through Minnesota Housing’s consolidated RFP or through other funding sources in 2023, the PBVs will be formally awarded by the Metropolitan Council through business action.
 - If a project does not receive the necessary funding in 2023, the project will not be awarded PBVs and the project owner must reapply for PBVs at a later date when PBVs are again offered.
- **Existing Housing.** Existing housing applications will be formally awarded VASH or Mainstream PBVs through formal Metropolitan Council action. The action will be taken along with other PBV action after Minnesota Housing has made its funding awards.

Metro HRA Veterans Affairs Supportive Housing and Mainstream Project-Based Voucher Rent Assistance Application Form

This application form is available at: [2023 PBV Application](#). Please be complete in your responses. Proposals that are incomplete will not be considered or reviewed. Attach up to five (5) additional sheets if they are needed to fully answer the questions. Applications that exceed the maximum number of pages may be rejected. **The deadline for submitting applications is April 27, 2023, 4:00 p.m. (CST).**

I. APPLICANT INFORMATION

Name:		
Address:		
City:	State:	Zip:
Phone:	Fax:	
Contact Person:		

II. CONTACT PERSON INFORMATION

Name:		
Address:		
City:	State:	Zip:
Phone:	Fax:	
E-mail Address:		

III. PROJECT INFORMATION

Project Name:		
Address:		
City:	State:	Zip:
Please describe the project, including the population to be served, the number of buildings in the project and the total number of dwelling units in each building.		

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IV. UNIT OWNERSHIP AND MANAGEMENT

Please provide the individual names and companies of all parties having a substantial interest in the Unit(s).	
Principal Owner/s or Partners:	1.
	2.
	3.
	4.
Management Agent/s:	1.
	2.
Others:	1.
	2.

V. PROJECT SCORING CRITERIA

Describe the project readiness including regulatory conformance, financial readiness and status of funding commitments and applicant's capacity to manage the project.

Describe the extent to which the project provides or preserves housing types that contribute to a full range of affordable housing choices, the addition of or preservation of affordable units in an Area of Concentrated Poverty or improved affordable housing choice in an Area of Affluence.

Describe the extent to which the project integrates housing and tenant services for specialized populations such as people experiencing homelessness, people living with disabilities, veterans or other specialized population.

Describe the extent to which the project supports mixed income through providing a variety of units at different income levels.

Describe the extent to which the project supports housing for larger families needing 3 or more bedrooms.

Describe the extent to which the proposed project maximizes connections between housing, centers of employment, education, retail and recreation uses through location or design.

Describe the extent of local support for the proposed housing including project teams that involve partnerships among government, private for-profit, and nonprofit sectors and the local community.

VI. UNIT DESCRIPTION DETAILS

Please indicate the number of Units by structure type.

Single Family (one to four units) _____	Duplex-Townhouse _____	Multi-Family (Four units or more) _____	Other _____
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Building Address	# of Units by BR Size						# of Requested PBV Units
	Eff	1	2	3	4	5	
Total # of Buildings = ____	Total # of Units by BR Size						Total # of PBV Units = ____

VII. PROPOSED RENTS AND UTILITIES

Please indicate below the proposed rent and the utilities and appliances included for each Unit type. Indicate what utility or appliance is included in the rent by “✓” checking the box below. Utilities not included in the rent will be calculated using the Metro HRA’s Utility Allowance Schedule, located [here](#).

Circle the type of fuel or energy source used where appropriate.

	Contract Rent	Heat Gas Electric Other	Water & Sewer	Water Heater Gas Electric Other	Trash Service	Cooking Fuel Gas Electric Other	Lighting and Cooling	Tenant Provided Range	Tenant Provided Refrig
1 BR		Gas Electric Other		Gas Electric Other		Gas Electric Other			
2 BR		Gas Electric Other		Gas Electric Other		Gas Electric Other			
3 BR		Gas Electric Other		Gas Electric Other		Gas Electric Other			
4 BR		Gas Electric Other		Gas Electric Other		Gas Electric Other			
Other		Gas Electric Other		Gas Electric Other		Gas Electric Other			

In the table below please indicate the gross rent (contract rent plus utilities) for each Unit by type. Please note that the gross rent may not exceed the HUD-approved maximum for the area in which a Unit is located. Payment Standards can be located [here](#).

Unit Type	Contract Rent +	Utility Allowance =	Gross Rent
1 BR			
2 BR			
3 BR			
4 BR			
Other			

VIII. CERTIFICATIONS

I the Owner/Applicant hereby certify that I have the legal capacity to submit this proposal and if approved, the legal capacity to enter into a Housing Assistance Payments contract with the Metropolitan Council HRA for Section 8 Project-Based Voucher assistance and;

That the information provided is true, accurate, and complete to the best of my knowledge and;

That no present or former member or officer of the Metropolitan Council, no employee of the Metropolitan Council who formulates policy or influences decisions with respect to the Section 8 program, and no public official or member of a governing body or state or local legislator who exercises functions or responsibilities with respect to the Section 8 program may have any direct or indirect interest during this person’s tenure or for one year thereafter, in the Unit(s) or in any proceeds or benefits arising from the resulting Housing Assistance Payments contract and;

The owner/applicant and no party having a substantial interest in the Unit(s) is on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.

Owner/Applicant Name (*printed*) and Title

Owner/Applicant Signature

Date