



ADDENDUM NUMBER ONE

September 29, 2015

**REQUEST FOR PROPOSALS FOR
PROJECT BASED VOUCHER PROGRAM
RFP #15-914-44**

THE ADDENDUM IS BEING ISSUED TO INCORPORATE THE FOLLOWING IN THE REFERENCED REQUEST FOR PROPOSALS

**ITEM #1 QUESTIONS FROM THE PRE CONFERENCE HELD WEDNESDAY,
SEPTEMBER 02, 2015 @ 10:00 AM, AND RECEIVED IN WRITING**

Q1: As it relates to the RFP out requesting Developers for the Development of Bywater, can we utilize the Project Based Voucher for our source of submission?

A1. Yes.

Q2. Is there an additional ceiling cap on the number of PBV units that can be located in a project if the units are exclusively for disabled elderly persons? For instance, if 25% of the units are for multifamily standard and I propose a scattered site for exclusively for elderly persons 62 and older?

A2. PBV units are not counted against the 25 percent per project cap in the following cases:

- (i) Units in a single-family building;
- (ii) Excepted units in a multifamily project.

“Excepted units” means units in a multifamily project that are specifically made available for qualifying families.

(ii) “Qualifying families” means:

(A) Elderly and/or disabled families; and/or

(B) Families receiving supportive services. The application should define the special needs population with supportive services attached.

Q3. The RFP states a 20% limit to the number of PBV HANO will issue. If we propose a project with 50 housing units for elderly persons and each unit is ADA compliant, the entire project is 100%. Will the limit still apply?

A3. The limit refers to HANO's budgetary commitment of vouchers issued. The cap on PBV is 25% of the number of units that qualify for PBV assistance. The cap does not apply if you plan to develop housing for low-income families, the elderly and persons with disabilities, and provide supportive services.

Q4. Can we utilize the Project Based Voucher as leverage to purchase a home?

A4. No. Project Based Vouchers are for rental units.

Q5. Can we make provisions for purchasing in our contract with a resident, can PBV be utilized for purchasing a home?

A5. No. At this time the Department of Housing and Urban Development (HUD) does not provide guidance on applying PBV toward the purchase of a home.

However, a resident who resides in a unit for at least 12 months may qualify to receive a Tenant Based Voucher and use that voucher to purchase a home through the Housing Choice Voucher Homeownership Program. That resident may purchase a home you have for sale, if they so choose.

Q6. So you don't use that slot in the PBV if that person decides to take their tenant based voucher and move on?

A6. You may rent the vacated PBV unit to another qualifying household referred to you from HANO's waiting list, or you may choose to remove that unit from your contract.

Q7. What is HANO's definition of elderly housing? Is it 55 and older or it is 62 and older?

A7. The Housing for Older Persons Act (HOPA), signed into law by President Clinton on December 28, 1995, modified the statutory definition of *housing for older persons* as housing intended and operated for occupancy by at least one person 55 years of age or older per unit.

However, HANO (and HUD) defines an elderly person as 62 years of age or older, or a household composed of one or more persons at least one of whom is 62 years of age or more at the time of initial occupancy. This definition is used expressly for the purpose of applying a special income deduction when determining household income.

Q8. Can you talk more about existing homes, how you qualify for PBV?

A8. A housing unit is considered an existing unit for purposes of the PBV program if, at the time of notice of selection, the units substantially comply with Section 8 Housing Quality Standards (HQS). Units submitted for PBV consideration as existing housing must be inspected prior to an award. If the units do not substantially comply with HQS, the application may be rejected. (See 24 CFR 983.52 and 982.103)

Added:What is HUD's definition of substantial rehabilitation?

Answer: The improvement of a unit in substandard condition to a decent, safe and sanitary level. Units are in substandard condition when, while they may be structurally sound, they do not provide safe and adequate shelter, and in their present condition endanger the health, safety, or well-being of the occupants. Such housing has one or more defects, or a combination of potential defects in sufficient number or extent to require considerable repair or rebuilding, or is of inadequate original construction. The defects are either so critical or so widespread that the structure should be extensively repaired. The estimated cost of the rehabilitation should normally not be less than 25 percent of the value of the property (including land) after rehabilitation. The rehabilitation should be of such scope that, when completed, all the components in the house are operable and should not be anticipated to require any work or major expense over and above normal maintenance for the first one-fourth to one-third of the HAP contract term.

Q9. I have quite a few units that have been purchased and rehabbed since Katrina. What advantage is it to me to submit a response to this RFP to get the 15 year contract instead of a one year contract and go month to month thereafter?

A9. HANO cannot determine the advantage to you based on your circumstances. That is a decision you will have to make.

Q10. Once a tenant moves into as unit, can they can remain in the unit for 15 years, or will that unit be available for 15 years?

A10. The unit will be under contract for 15 years, to provide a rental subsidy to eligible occupants.

If a tenant moves in and stays for 12 months and then wishes to qualify for a Tenant Based Voucher, they could move out of the Project-based unit into any unit in the open market. Under the Tenant Based Voucher Program, subsidy is provided to the tenant and moves with the tenant.

Q11. Should I base my calculation on the amount of rent for one, two and three bedroom units that are listed the RFP?

A11. Yes. These are gross rent rates. HANO calculates the utility allowance which is deducted. The remaining amount is the contract rent. Rent amounts in the RFP are based on current HUD Fair Market Rent rates. HANO performs a rent reasonableness test to assure rent rates do not exceed rent rates for comparable units in the marketplace.

Q12. In the market or in the area?

A12. In the area of your development.

Q13. For clarification, are PBV made available for studio apartments if they are for the elderly?

A13. HANO is not limited to one, two and three bedroom units, we may consider efficiency and studio apartments as well.

Q14. You stated earlier that there was an environmental review, an SLR, and then an agreement for terms and conditions. Can I assume that the third part is AHAP and then a HAP contract?

A14. Yes. The AHAP sets forth the terms and conditions for the proposed development, and identifies the timeline for completion. After the units are inspected for compliance with HQS, HANO will enter into a HAP contract.

Q15. As in most contracts, will they be identified and unit-specific?

A15. Yes.

Q16. In HAP contracts, I believe under section 2, there is a discretionary clause which either opts HANO in or out of paying for vacancies. Will HANO pay for vacancies under this RFP?

A16. No. HANO does not pay for vacancy loss.

Q17. Is the environmental review a cost to the property owner? Will the review be in the form of an environmental restrictions checklist, an independent third party phase one, phase two?

A17. Yes. The report is an environmental assessment that the City of New Orleans will conduct. Any costs associated with this review are the responsibility of the project developer. If the city finds that the project is categorically excluded or exempt, then there is no other cost that you have to bear for the environmental review. However, you may be required to carry out any mitigating measures identified through the review.

Q18. If the owner can provide a phase one assessment that shows a clean bill of health, would that positively impact the review?

A18. Yes.

Q19. Is a 15-year contract renewable?

A19. Yes. It is renewable in one to five year increments, pending HUD funding, up to an additional maximum 15 year term (30-year maximum term)

Q20. What happens if the goal to provide up to a thousand vouchers is not reached?

A20. HANO will review the applications received under this RFP. If the Agency's goal is not reached, future action will be determined at that time.

Q21. Are there areas of the city where HANO would refer these vouchers to be placed, or is that up to the developer?

A21. HANO does not have a preference.

Q22. Are you going to conduct market studies overall?

A22. No.

Q23. Has HANO ever done a PBV previously?

A23. Yes. HANO currently has over 1400 units under PBV contracts.

Q24. Do you foresee doing this again with leftover PBV's?

A24. HANO will determine if it will be necessary to issue additional PBV at a later date.

Q25. Is there an automatic referral from the waiting list?

A25. Families eligible for the PBV program are placed on a waiting list, and will be referred by HANO.

Q26. Is there a possibility that HANO will provide a support letter stating that we are applying for the 9 percent tax credit and will be using project based vouchers?

A26. Yes. The letter will be supportive and will not obligate HANO.

Q27. Is the letter of support contingent on receiving an award?

A27. Yes.

Q28. The new deadline for tax credits is September 30. Can we get a letter of support before the 30th?

A28. The letter will indicate that HANO has issued a Request for Proposals to receive applications for the PBV Program. HANO will not obligate an award to any respondent prior to the deadline for proposal submission.

Q29. If HANO made a commitment to PBV units before a developer receives a tax credit award, and tax credit was based on the assumption that the project will receive PBV units, then that nullifies the competitive award. So would the developer still be eligible for PBV's if HANO had already committed to it?

A29. HANO may select, *without competition*, a proposal for housing assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, and units for which competitively awarded low-income housing tax credits (LIHTCs) have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

However, submission of a proposal under this RFP is a competitive process, and your application for tax credits may include the fact that you have applied for PBV's.

Q30. Will HANO begin reviewing the proposals before the October deadline?

A30. Proposals will be evaluated after the proposal due date.

Q31. Who should questions be submitted to?

A31. Questions must be submitted in writing to Dianne Wiltz-Hunley, Contract Administrator, via email to dwiltz@hano.org, or via fax to 504-286-8224.

Q32. How do you make a determination of which neighborhood has such concentration(s) of poverty?

A32. Poverty concentration data in Orleans Parish, by neighborhood, must be determined by utilizing the United States Census Bureau website, and will be verified and approved by HANO.

Q33. Will HANO consider applications from property owners for less than 15 PBV units? The RFP currently states that HANO will consider applications with a minimum of 15 PBV units and a max of 100 PBVs. Not sure if that meant that it will only consider, or if it meant that maximum consideration will be given to such applicants.

A33. No applications for less than 15 units will be accepted.

Q34. I have attempted to secure the compliance letter with the city's consolidated plan and have been informed they do not issue such a letter, rather HANO must make that determination. Please let me know where to acquire the compliance letter.

A34. HANO will accept a self-certification from applicants.

Q35. Will HANO consider extending the proposal due date?

A35. No. However, there could be another solicitation for proposals in the near future.

Proposals must be received by the Housing Authority of New Orleans (HANO) in the Department of Procurement and Contracts no later than 2:00 p.m., CST on Monday, October 19, 2015. All terms and conditions shall remain as stated in the original Request for Proposals. All addenda must be acknowledged.

END OF ADDENDUM NUMBER ONE