



Oakland Housing
Authority

RFQ # 16-011

Award of MTW Local Housing Assistance Program Funding to Existing Units

Addendum #1

Date issued and released, August 25, 2016

Responses to Questions:

The following questions were submitted by the deadline and are answered in this addendum.

Question #1: Does Section 3 apply to volunteer construction workers doing renovations?

Answer #1: No, since volunteers are not considered "new hires," the Section 3 hiring goals do not apply to them.

A new hire means a full-time employee for a new permanent, temporary, or seasonal position that is created as a direct result of the expenditure of Section 3 covered financial assistance.

Question #2: If a property receives 9 or more project based Section 8 units, are we subject to Davis Bacon Wages for the entire term of the contract or only for rehabs that begin within a certain period of time?

Answer#2: In the March 9, 2015, Federal Register (p.12512) HUD states: *"The scope and timing of the contemplated development work are important measures in determining whether Davis Bacon requirements apply to existing housing under the PBV program."*

HUD also states the following on page 12513 of the March 9, 2015, Federal Register: *"HUD has determined that any development initiated on existing units within 18 months after the effective date of the HAP Contract on projects consisting of 9 or more units assisted under a PBV HAP Contract is considered development for purposes of Davis-Bacon wage rate applicability and such wages must be paid to laborers and mechanics employed to perform development work in connection with this initial placement of the project under a Section 8 contract"*.

Thus, rehabilitation/development work performed within 18 months after the effective date of the HAP Contract on projects consisting of 9 or more units assisted under a HAP PBV contract is subject to Davis-Bacon wage rates.

Question #3: My agency will demonstrate that it is categorically exempt. Does that have to happen prior to the application being submitted or prior to the contract being signed?

Answer #3: A project must be determined to be Categorically Excluded from review under the National Environmental Policy Act (NEPA) prior to entering into a Project Based Voucher – Housing Assistance Payments or Local Housing Assistance Program Agreement contract. This does not preclude you from submitting an application. For more information on the Environmental Review requirement see Section 4.3 in RFQ #16-008 and Section 6 in RFQ #16-011.

Question #4: Is the applicant the sponsor or the actual owner of the property?

Answer #4: The applicant must demonstrate site control and may be either the sponsor or the owner (RFQ Section 2.4).

Question #5: Is routine maintenance, such as carpet replacements, subject to Davis Bacon Wages?

Answer #5: In the March 9, 2015, Federal Register (p.12512) HUD states: *“The scope and timing of the contemplated development work are important measures in determining whether Davis Bacon requirements apply to existing housing under the PBV program.”*

HUD also states the following on page 12513 of the March 9, 2015, Federal Register: *“Development activity on a PBV project does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind.”*

Thus, routine maintenance, such as carpet replacements, are not subject to Davis Bacon wage rates.

Question #6: Would the Oakland Housing Authority (OHA) be open to accepting proposals that propose tenants pay less than 25%?

Answer #6: Yes, a project may charge tenants less than 25% but it will have no impact on the per unit operating subsidy a project will receive. The operating subsidy will be determined based on the assumption that tenants are responsible for 25% of the agreed upon contract rent. Owners that charge tenants less than 25% may qualify for the 5-point “affordability of tenant rent” bonus (see Section 5.6 Evaluation Criteria).

Please note that if your intent is to charge/collect less than 25% of contract rent, it must be done in accordance with Management Plan approved by OHA and in a manner that does not violate tenant rights to Fair Housing, Nondiscrimination and Equal Opportunity.

Question #7: If we are currently rehabbing our Single Room Occupancy (SRO) units into one-bedroom units, which RFQ should we apply for?

Answer #7: Both RFQ’s are open to “existing housing units” only. Existing housing units are those units that already exist on the proposal application date, and that substantially comply with the Housing Quality Standards (HQS) on that date. Funding for SRO units is only available through RFQ #16-011 and completed 1-Bedroom units may qualify for Project-Based Voucher funding available through RFQ #16-008. Please note, a unit

undergoing rehabilitation on the proposal application date, would not qualify as an “existing” housing unit.

Question #8: What is the amount of subsidy for the Single Room Occupancy units?

Answer #8: The operating subsidy is 75% of the approved rent amount for a unit. The approved rent is the lower of the rent requested by the owner or reasonable rent based on a rent comparability analysis for the unit/unit type.

Question #9: What will the payment standard be for Transitional Housing (TH)?

Answer #9: Transitional housing units are only eligible to apply in RFQ #16-011. Local Housing Assistance Program funding is allocated to the project in the form of an operating subsidy (see also the answer to Question #8 above). Payment Standards do not apply.

Question #10: What are the differences in the payment standards for each RFQ?

Answer #10: The Voucher Payment Standard (VPS) is applicable to proposals submitted in **RFQ #16-008**, for the award of Section 8 Project- Based Vouchers to Existing Housing Units. The VPS table (Exhibit D) is used to determine the maximum rent subsidy that a PBV assisted family would qualify for by bedroom size. OHA will not approve a gross rent (rent plus utilities) above the VPS in the PBV program. Please note, approved rents are also subject to rent reasonableness based on a comparability analysis using at least three comparable units (Exhibit F).

RFQ #16-011 is for the award MTW Local Housing Assistance funding. OHA’s Local Housing Assistance Program should not be confused with Section 8 and is not similar to a Section 8 program in any way. In the Local Housing Assistance Program, selected projects enter into an agreement with OHA to receive long term operating subsidy for units identified in the agreement. The amount of the operating subsidy is based solely on the agreed upon rent for the unit and is the lower of the rent requested by the owner or reasonable rent based on a rent comparability analysis for or the unit/unit type. The operating subsidy is not based on tenant income and OHA will not monitor tenant income throughout the course of the tenancy. Voucher Payment Standards do not apply.

Question #11: Are scattered sites master leased units considered site control?

Answer #11: An owner may submit a request for scattered (non-contiguous) sites which may be combined under one Project-Based Voucher program HAP contract. Please note, a master lease is generally not accepted as site control but OHA would be open to consider proposals for units under a master lease serving special needs population. Please provide detailed information about your program, the population served and master lease terms and conditions in your proposal.

Question #12: Does site control mean that you have a 15 year term?

Answer #12: OHA seeks to attached assistance for a 15 year initial term but will consider a shorter initial term if requested. If you intend to request a term less than 15 years, please explain why in your proposal.

Question #13: Can you combine shared housing and Single Room Occupancy units to be considered non-contiguous units or do you have to apply for both RFQ's for each?

Answer #13: You may combine non-contiguous units within each RFQ proposal but may not combine units where you are applying for funding under two different RFQ's. Examples: You may combine five SRO units with five shared housing unit in RFQ# 16-011. You may NOT combine five SRO units under RFQ# 16-011 with five PBV units in RFQ #16-008.

Question #14: Can you transfer a contract if there is a new owner?

Answer #14: Yes, the contract may be transferred to a new owner subject to OHA providing advanced written consent.

Question #15: For the Single Room Occupancy (SRO) subsidy, can you do multi sites on one application?

Answer #15: Yes, there is a 10 unit minimum for SRO's and units may be at non-continuous sites (see RFQ #16-011 Section 3)

Question #16: What is the unit minimum for Transitional Housing?

Answer #16: There is no unit minimum for Transitional Housing (see RFQ #16-011 Section 3).

Question #17: In regards to evaluation criteria, are there additional guidelines or a checklist for what you are looking for?

Answer #17: OHA's intent is to preserve affordable housing units that will be available to both current and future occupants. The criteria detailed in the "Overarching Goals" section of the Development Policy will be used to evaluate, score and rank proposals. In the project selection process, OHA will also take into consideration the populations served, the extent to which services are available to meet the needs of residents at a particular project, and the community benefit or neighborhood impact of a proposal.

Question #18: Will OHA share the results of the rent comparability study?

Answer #18: Yes, OHA will share the results of a "rent comparability analysis" with the project owner.

Question #19: In regards to the findings of the rent comparability study, if we are proposing for Single Room Occupancy would you be using comps for SROs?

Answer #19: Yes.

Question #20: Is OHA planning to post fillable forms?

Answer #20: No.

Question #21: For a property where we are requesting less than 100% of units to have vouchers, will the Housing Authority hold us to the particular units listed in the application as the actual subsidized units or can these units be switched after the application but prior to the execution of the agreement as long as the total or type of units do not change?

Answer #21: Yes, a project may request to switch (or exchange) units before a contract is executed and throughout the term of a contract. A request to switch must be submitted in writing and is subject to OHA approval.

Question #22: Would the Housing Authority consider nontraditional Single Room Occupancy (SRO) units, such as a 3 bedroom apartment, but each room is set up as a Single Room Occupancy subsidy?

Answer #22: OHA would be open to reviewing your proposal as Shared Housing. The proposal must meet the Shared Housing criteria as detailed in RFQ #16-011 Section 2.2. Please note, Shared Housing proposals are being considered for units that will house Veterans, Emancipated Youth or other Special Needs Programs

Question #23: Can you clarify what information you are looking for in the Quality of Service section of the application and how that is different from the Experience section?

Answer #23: “Quality of Service” refers to a projects capacity and ability to deliver services to target population(s) identified in a proposal. Criteria may include but is not limited to, the number of staff/staff time the project has dedicated to services, the extent to which services are available that meet the needs of residents at a specific project, agreements/contracts that are already in-place with providers, or the proximity of services to the actual housing unit.

“Experience” refers the proposer past history in managing affordable housing and working with special needs populations at the proposed or other site locations.

Question #24: The RFQ mentions access to high quality amenities and you have a property on the boarder of Oakland and Emeryville, if for example the grocery store is in Emeryville would that qualify as an amenity?

Answer #24: Yes, access to amenities is not restricted by city boundaries.

Question #25: If we were interested in applying for RFQ #16-011 to replace current HUD transitional funding, would we need to explain in our application why we would be interested in contracting with OHA, given we currently have HUD funding?

Answer #25: Yes, OHA would be open to reviewing your proposal. Please provide detailed information about the program you are attempting to exit, applicable regulatory restrictions, opt out requirements, your conversion strategy, a timeline and why you are requesting to convert units to Project Based Voucher assistance.

Please note, this RFQ is for existing units that substantially comply with the Housing Quality Standards (HQS) on the proposal application date. In-place families may not be displaced and the project may not undertake substantial rehabilitation or unit reconfigurations after accepting an award and before entering into a HAP contract.

Question #26: I have a question about Section 5.6 (5) on page 18 of the RFQ. Can you give us some information about the question “Affordability of tenant rent based on a 25% contribution”? I thought that the program was structured so that the tenant paid 25% of the total unit rent, based on the Local Housing Assistance Program Agreement, and that OHA will pay the operating subsidy up to 75% of the total rent. I am confused about what information we are supposed to provide in Question 5 of Section 5.6.

Answer #26: In the Local Housing Assistance Program, selected projects enter into an agreement with OHA to receive long term operating subsidy for units identified in the agreement. The amount of the operating subsidy is based on a 75/25% proration of the agreed upon (contract) rent for these unit/unit types. Since the contract rent will be the

lower of the rent that is requested by the owner or the reasonable rent based on a rent comparability analysis, and the tenant's share is proportionate, lower contract rents means units that are more affordable for the tenants. Maintaining affordable tenant rents may qualify a project for the 5-point bonus in the Section 5.6 Evaluation Criteria.

Alternatively, a project may also propose to charge tenants less than 25% of the agreed upon rent at a project (see also the answer to Question #6) but the operating subsidy amount will not be affected. The operating subsidy will still be determined based on the assumption that tenants are responsible for 25% of the contract rent. Owners that charge tenants less than 25% may also qualify for the 5-point "affordability of tenant rent" bonus.

Question #27: Do we need to submit an application in the first round in order to be able to submit an application in the second round?

Answer #27: You may submit a proposal in Round 1 OR in Round 2. If you submit in Round 1 and your proposal did not meet minimum standards, you may modify and resubmit in Round 2.

Question #28: Is there more or less funding available between the two rounds?

Answer #28: The amount of funding has not yet been determined.

Question #29: The Single Room Occupancy (SRO) RFQ states that OHA will pay 75% of the contract rent and the tenant is responsible for 25% of the contract rent, regardless of tenant income. If a project serves extremely low income households, would it be acceptable for the owner to charge/collect less than 25% of the contract rent from tenants, in order to avoid rent burden? Would OHA consider increasing the OHA contribution in this scenario?

Answer #29: You may allow tenants to pay less than 25% but it will have no impact on the amount of per unit operating subsidy the project will receive. The operating subsidy will be based on the assumption that the tenant is responsible for 25% of the agreed upon rent.

Please note that if your intent is to charge/collect less than 25% of contract rent, it must be done in accordance with Management Plan approved by OHA and in a manner that does not violate tenant rights to Fair Housing, Nondiscrimination and Equal Opportunity. Owners that charge tenants less than 25% may qualify for the 5-point "affordability of tenant rent" bonus (see Section 5.6 Evaluation Criteria).

Question #30: Are you willing to fund another government entity who applies under this RFQ? Can a government entity partner with a non-profit and apply collaboratively and, if so, do you have a preference for who is the lead applicant?

Answer #30: Yes, OHA would be open to reviewing a proposal where another government entity has ownership interest and may approve if there is no conflict of interest or duplicative federal, state, or local housing subsidy attached to the proposed units. Eligible owner requirements are detailed in Section 2.4 of the RFQ.

Question #31: I am interested in applying for Transitional Housing funding for a building that is composed of The Single Room Occupancy (SRO) type units – a bedroom and bathroom shared by two people. Are two people allowed to share a unit like this in Transitional Housing and what would the payment standard / rent reasonableness be based on?

Answer #31: OHA would be open to reviewing your proposal for SRO type Transitional Housing units. The occupancy standard for an SRO unit is “one person only” however we may consider an exception for a Transitional Housing unit, subject to inspection. Please also see the answers to Questions #10 and Question #32.

Question #32: I am interested in applying for Transitional Housing funding for a building that is composed of multiple units – each with two or three bedrooms and a bathroom but no kitchen. Each unit is occupied by only one (1) family and each bedroom could be occupied by one (1) or more family members. Is this configuration allowable under the Transitional Housing application and what would the payment standard / rent reasonableness be based on?

Answer #32: In RFQ #16-011, Local Housing Assistance Program assistance is paid to the owner in the form of an operating subsidy. Payment Standards do not apply and rent reasonableness is based on a rent comparability analysis using at least three comparable units in the area. Since your units are not traditional 2 and 3 bedroom configurations, a rent offer would be subject to inspection. OHA would be open to reviewing your proposal. Please provide any Transitional Housing guidance along with your application.

Question #33: I am interested in applying for Transitional Housing funding for multiple scattered site apartments, of which we have site control. Each apartment is occupied by one family. Would the payment standard be based on rent reasonableness of comparable sized units in the community?

Answer #33: In RFQ #16-011, Local Housing Assistance Program assistance is paid to the owner in the form of an operating subsidy. Payment Standards do not apply. Yes, rent reasonableness would be based on a rent comparability analysis using at least three comparable units in the area. See also the answer to Questions 10.

Question #34: Is there a possibility of accessing Housing Choice Voucher (HCV) for people ready to move on from an OHA funded TH programs that would be within our portfolio?

Answer #34: At this time OHA does not have a policy in place or an authorization that would allow us to provide tenant-based Housing Choice Voucher (HCV) assistance to a family ready to move on from a Transitional Housing unit funded under this RFQ.

Question #35: Can you please provide the insurance requirements for this RFQ?

Answer #35: No insurance is required for this procurement.



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Addendum #1

Date issued and released, August 25, 2016

Bidder hereby acknowledges this addendum:

Name of Firm: _____

Authorized Signature: _____

Date: _____

Acknowledgement of this Addendum must be included with your bid.