



District of Columbia Housing Authority

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202-535-1000

Tyrone Garrett, Executive Director

ADDENDUM

ADDENDUM NO. 2

ISSUE: April 27, 2018

SOLICITATION NO.: 0013-2018 LOCAL RENT SUPPLEMENT PROJECT AND SPONSOR-BASED ASSISTANCE FOR EXISTING UNITS

All respondents shall acknowledge receipt of this addendum, sign below and return it with your proposal. **Failure to acknowledge receipt of this addendum may be cause for rejection of your proposal.** Respondents are informed that the above named solicitation is modified as follows:

The District of Columbia Housing Authority submits its responses to all questions received related to the subject solicitation. Please reference **“Attachment A”**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

End of Addendum No. 2

Cheryl Moore
Contracting Officer

Acknowledgement of Receipt:

Respondent: _____

Name: _____ Title: _____

ATTACHMENT A

Local Rent Supplement Program Project and Sponsor Based Assistance for Existing Units DCHA #0013-2018

Inquiries/Questions and Responses

QUESTION 1: What social services will follow the tenants who occupy the units under the Long Term Subsidy Contract (LTSC)? With consideration given to the constructs of the HAP contract agreement, between DCHA and the voucher recipient, each tenant that receives a voucher is managed by a “Housing Program Specialist”. Will an equivalent be afforded to tenants who occupy LTSC units?

DCHA RESPONSE: The District of Columbia Housing Authority is not required to assign supportive services providers; however DCHA will review and approve the services to be provided. Supportive Services is necessary to assist program participants obtain and maintain housing. Supportive Services can help participants with employment and job training, education, housing search and counseling, mental health and substance abuse treatment, etc. DCHA has partnered with following providers Community of Hope, SOME, Pathways, and Green Door.

The subsidy provided under the Long Term Subsidy Contract (LTSC) Agreement is called project based voucher; which is tied to the actual units. If a tenant based participant accepts a project based unit their voucher must be relinquished prior to lease execution. All LRSP participants will be assigned a Housing Program Coordinator (Housing Program Specialist equivalent) to handle daily program administration.

QUESTION 2: Will units under LTSC be subject to any inspections after the initial grounds and unit inspections conducted prior to awarding the proposal? If so, who will/may perform the inspections? How often will/nay inspections be conducted? What are/will/ may be the guidelines/rules/statues govern the criteria used as the rubric for the inspections?

DCHA RESPONSE: All LRSP contract units are subjected to a Housing Quality Standards Inspection for initial lease up and biennial terms. DCHA must conduct these inspections to continue issuance of subsidy payments. The Housing Quality Standards Inspection federal and local regulations can be viewed at 24CRF 952.24, DCMR Title 14-5321 through DCMR Title 14-5328.

QUESTION 3: Section B-3 suggests that if we are awarded, the funding is still dependent on DC's budget, correct? If at any point, the DC Council decides to pull funding, we could lose it? Is the \$1,000,000 allocated every year, or is it just that the winner of the RFP is allocated the \$1,000,000 for the 15 year term?

DCHA RESPONSE: The LRSP funding is subjected to availability. The LRSP program operation is subjected to Availability.

QUESTION 4: Section B-4 regarding setting the voucher amounts. Is the rent paid 100% by the voucher or do people pay over top of the voucher, for example, DC pays \$2,500 through voucher program and resident pays \$250? Can you talk to me about potential scenarios?

DCHA RESPONSE: The landlord will receive 100% of their approved contract rent. The tenant is responsible for paying 30% of their adjusted income towards rent and the DC Housing Authority (DCHA) is responsible for paying 70%. However, there are calculations when the DCHA is responsible for paying the full 100% of the contract rent. The DCHA always notify both the landlord and tenant whenever there is a change in the rental portions.

QUESTION 5: Rent Reasonableness- (the lesser of 175% of (HUD or Rent Reasonableness). I just want to clarify that this means that the same levels used by the HCVP or 175% of HUD are the levels.

DCHA RESPONSE: The DCHA Payment Standard Fair Market Rent (FMR) is currently at 175%. Whenever computation of the rent reasonableness analysis is conducted, DCHA must determine the rent to owner is reasonable rent in comparison to rent for other unassisted units. When conducting rent reasonable the unit's location, size, utilities are taken in to consideration. The lesser of the Payment Standard 175% FMR and area submarket rent will be the approved rent level.

QUESTION 6: Funding date: FY18 or FY19? – not clear when the funding starts

DCHA RESPONSE: Funding will be available effective October 1, 2018.

QUESTION 7: No transitional housing at all! – what's rationale? Any flexibility?

DCHA RESPONSE: Transitional Housing is funded through the Housing and Urban Development to provide temporary housing. The LRSP is fixed funding provided for permanent housing; therefore flexibility is prohibited

QUESTION 8: Use for DCHA waitlist only? – this is a big deal; you have to house from the DCHA list, meaning you can't use your site based waiting list. Any Flexibility with this?

DCHA RESPONSE: Units approved under the Local Rent Supplement – Local Project Based Contracts will receive an eligible referred applicant from DCHA's waiting list. All referred applicants must be approved to receive subsidy by the Eligibility and Continued Occupancy Division (ECOD). Owners/Landlords have the flexibility to maintain a site based list, shall DCHA notifies that there are no referrals or fail to identify an applicant within 30 days of vacancy notification. The owner/landlord referred applicants takes about 30 days for ECOD processing. Owners with Sponsored Based Contracts should maintain a sponsored waiting list to refer all applicants to DCHA for eligibility screening. If a sponsor's applicant is unavailable then DCHA will provide the Sponsor with an eligible applicant from the agency's waiting list.

QUESTION 9: When are funds going to be applied to contracts awarded in FY18: October 1, 2018 or October 1, 2019? (Unsure what to say)

DCHA RESPONSE: Funding is awarded effective October 1, 2018

QUESTION 10: What are the obligations of DCHA regarding the filling of vacant units approved under an LTSC: timeliness, applicant eligibility, etc.? If reasonable timeframes are not met, is the LTSC holder permitted to secure their own eligible tenant?

DCHA RESPONSE: A referral can take at least 30 days to be processed whether it is a agency or landlord applicant; however this timeframe can increase should the housing applicant is pending supportive documentation.

QUESTION 11: Will the agency award units at a lesser amount than the bidder is proposing, or will only the number offered be considered (no less, no more)?

DCHA RESPONSE: Yes, depending on the rent reasonable analysis for the submarket your property is located. DCHA will review all proposals and determine the number of units cut off after the bidding cost amount has been reached.

QUESTION 12: If a project is still seeking ownership proceeding during proposal submission, how long will they owner has to show proof of ownership to be considered?

DCHA RESPONSE: Ownership must be established by October 1, 2018.

QUESTION 13: Can the number of units within a project review 25% or 100% of subsidy for their contract units?

DCHA RESPONSE: Projects that will provide supportive services may place 100% of their units under a Long Term Subsidy Contract and those without supportive services are subjected to the 25%.

QUESTION 14: Is there a possibility to waive any or all the 504 ADA requirements within a project?

DCHA RESPONSE: This requirement is not applicable to existing units.

QUESTION 15: Please confirm whether the proposal should indicate 130% or 175% of the FMR.

DCHA RESPONSE: 175% FMR

QUESTION 16: Please confirm if the Outline of Scoring Criteria is on a sliding scale.

DCHA RESPONSE: The scoring criteria sliding scale is not applicable. The award will give preference to the project's need, bedroom size, location, and the providing of social services.

QUESTION 17: Please confirm if the LRSP units are subjected to rent control.

DCHA RESPONSE: Participating project units under the LRSP are not subjected to rent control.

QUESTION 18: Confirm if these LRSP subsidies are restricted to households with income below 30% of the AMI?

DCHA RESPONSE: Yes

QUESTION 19: For existing buildings that don't have any Section 504 compliant/UFAS units, is it possible to request a waiver from this requirement? Can an existing building with 0 handicap-accessible units receive an award under this LRSP solicitation?

DCHA RESPONSE: Yes. Because these are existing units (not substantially rehab or new construction) we can award projects/units that are non-UFAS.

QUESTION 20: Can an LSRP contract be layered on top of an existing ACC contract. For example, if a mixed-finance project that is privately owned has an ACC contract that pays \$544 PUPM, can the LSRP also be used for this unit in order to cover increased operating expenses and/or additional required replacement reserves?

DCHA RESPONSE: Not under this RFP because it is intended to allow subsidy to begin to flow to the unit(s) starting October 1, 2018. Subsidy layering process requires HUD approval and the timeline for that approval will not permit units to come online by the October 1st deadline.

QUESTION 21: If an awardee has an eligible existing tenant in an approved unit with an existing rent payment that is less than the "30% of income provision", how will that be handled under the LTSC? Will the existing rent amount be retained, or adjusted upward? If adjusted upward, will the LTSC landlord be permitted to supplement the rent to avoid a large rent increase on the part of the tenant?

DCHA RESPONSE: LRSP guidelines require families meet the homeless definition as well as the income threshold (30% of AMI) in order to be considered as eligible for subsidy assistance. If the family occupying the unit does not meet the LRSP eligibility requirements, when they vacate the unit DCHA will refer an eligible family to the owner for tenancy in the unit.