

Request for Qualifications (RFQ)

FOR

Permanent Supportive Housing Partners

Wishing to Participate In The

DHA Delivers for Denver (“D3”)

Bond Program

Denver Housing Authority

**777 Grant Street
Denver, Colorado 80203**

SUBMISSION DEADLINE: MARCH 26, 2019 at 4:00pm

I. INTRODUCTION

The Denver Housing Authority (“DHA”) invites developers, owners and service providers committed to providing Permanent Supportive Housing (“PSH”) to submit a written proposal demonstrating their qualifications and interest in participating in an innovative partnership between DHA and the City and County of Denver (“CCD”). As part of the plan to double the city’s Affordable Housing Fund (“AHF”) and meet the priorities of the adopted Housing Plan (*Housing an Inclusive Denver*), CCD is working with DHA to enhance the permanent supportive housing pipeline in Denver with a land acquisition fund dedicated to expand opportunities for projects that will serve Denver’s most vulnerable residents. In an effort to harness and integrate additional resources across the housing continuum, DHA will commit at least 50% of the funds raised through the D3 Bond issuance, approximately \$50 million, to support 10 to 12 new PSH and special needs very-low income housing projects within the City and County of Denver.

II. DHA DELIVERS FOR DENVER (“D3”) BOND PROGRAM

DHA and CCD executed an Intergovernmental Agreement (“IGA”) in September 2018, which formalized this partnership and begins annual appropriations of the AHF’s property tax revenue in 2019. DHA expects to issue approximately \$105 million in Special Revenue Bonds by the 3Q of 2019, utilizing 20 years of the AHF’s property tax revenue committed to this initiative by City Council, subject to annual appropriations. DHA will dedicate at least 50% of the D3 Bond proceeds (approximately \$50 million) toward a land/property acquisition initiative. DHA intend to collaborate with multiple PSH partners selected under this RFQ to create a pipeline of Permanent Supportive Housing projects serving chronically homeless and other special needs households, in furtherance of the goals in the Five-Year Comprehensive Housing Plan.

The expected outcomes of this \$50 million dedicated PSH fund will be to develop the acquired properties and leverage other resources to produce approximately 1,200 new units of affordable housing, with a minimum of 50% set-aside for PSH and other special needs, very-low income households.

III. PERMANENT SUPPORTIVE HOUSING (“PSH”)

PSH is an intervention for people who need housing assistance and supportive services in order to live with stability and independence in their communities. The PSH projects should target individuals and families who are homeless and have addiction, mental illness or other complex disabilities.

The goal of PSH is to reduce homelessness, increase housing stability and increase positive health outcomes for families/individuals living without a home. Common approaches include Housing First, Harm Reduction and Trauma-Informed Care:

- **Housing First** is a homeless assistance approach that prioritizes providing people experiencing homelessness with permanent housing as quickly as possible, and then providing voluntary supportive services as needed.
- **Harm Reduction** is a public health strategy initially developed for adults with substance abuse challenges for whom abstinence was not feasible.
- **Trauma-Informed Care** is an approach to the delivery of behavioral health services that includes an understanding of trauma and an awareness of the impact it can have across settings, services and populations.

IV. D3 BOND PSH PROGRAM FRAMEWORK AND OBJECTIVES

The initial assumptions, objectives and framework of the PSH Development Pipeline program are as follows:

- Set aside at least 50% of bond fund net proceeds (issued and managed by DHA); with all investments reviewed and approved by DHA’s Board of Commissioners;

- Overall goal is to create a pipeline of 1,200 affordable housing units, distributed across 10-12 projects, with a minimum of 50% of units designated as PSH Units and/or restricted to 30% AMI to serve special needs residents.
- Assumes CDOH state gap funds (i.e. HOME, CDBG, and local State Funds) will not exceed historical trends for Denver;
- Assumes CDOH and/or other agencies will match DHA's Project-Based Voucher ("PBV") commitment of 300 HCV/Section 8 vouchers for PSH units;
- Requires PSH projects respond to CDOH's annual Request For Applications ("RFA") requesting state vouchers to be matched by DHA PBV vouchers.
- PSH Pipeline assumes historical 9% LIHTC allocation trends for Denver, with CHFA awarding at least one competitive PSH 9% and one competitive 4% State Tax Credit award annually;
- Priority may be given to feasible 4% PAB financed projects that can demonstrate readiness to proceed;
- Priority may be given to feasible projects with minimal debt burden to provide dependable property cash flow to fund adequate levels of supportive services;
- The program will utilize a joint-underwriting scheme to leverage existing application formats from CHFA's application workbook and CDOH/OED for underwriting supportive services and gap funds.
- The program will allocate resources equitably and transparently to ensure multiple development partners are selected annually to produce a diverse PSH pipeline for the program;
- The strategy gives preference to deals with an average size of 50 PSH units per site to minimize concentration of PSH in any given area and to allow for developer fee boost within 9% LIHTC program while distributing PBV HCV/Section 8 subsidy to support multiple projects.
- Based on the assumptions above, DHA will release an RFP for site acquisitions to the PSH teams selected via the RFQ process. The teams can respond with specific site/sites, development proposals, and funding models, or consider sites identified for acquisition by DHA. DHA and City owned land may also be made available for consideration by teams during this phase.

V. PSH ADVISORY GROUP

DHA will create a PSH Advisory Group to advise and guide the effective leveraging of the dedicated D3 funds through strategic partners, opportunistic land and property acquisitions, and coordinated underwriting with local and state funding partners. DHA will appoint members to the Advisor Group that will include local and state funding partners and representation from members involved in the City's homeless initiatives as well as supportive services.

The PSH Advisory Group will make recommendations and advise DHA on an overall PSH Land Acquisition and Development pipeline. The members of the Advisory Group will include, among other partners, designated representatives from:

- Denver Housing Authority
- City of Denver Office of Economic Development
- City of Denver Department of Human Services
- Colorado Housing and Finance Authority
- Colorado Division of Housing

- Metro Denver Homeless Initiative (MDHI)
- Corporation for Supportive Housing (CSH)

The Advisory Group will provide program recommendations; land acquisition criteria and leads; assist in RFP development and evaluations; and participate in overall program evaluation/corrections to meet target outcomes.

The overall goal of the Advisory Group is to determine how to best leverage the PBV vouchers, bond funds and service dollars to serve the greatest number of residents who are homeless or have special needs. The Advisory Group will assist in drafting the PSH RFP's released under the PSH program and recommend public process and communications strategy for this program as well.

VI. RESPONSE TO RFQ

Responses to Request for Qualifications ("RFQ") will be used to identify qualified developers and/or development teams to partner with DHA and CCD to develop PSH units in the City and County of Denver.

A. To be considered for selection, the lead developer itself or in partnership with other partners must provide evidence of the following minimum requirements:

- The developer (at least the principals of the development entity) must have a minimum of 10 years of experience in affordable housing development.
- Must demonstrate understanding of PSH and have experience working with supportive services providers, property management companies and other partners focused on ensuring high-quality housing and services for vulnerable populations.
- Must demonstrate mission-alignment and commitment to the work of ending homelessness;
- The respondent has developed, operated and/or provided supportive services for at least one PSH project(s) in the past five years for formerly homeless adults, families or youth, or those at risk of homelessness; one of which includes at least 50% of the units as permanent supportive housing;
- Experience with collaborative community outreach and planning efforts for the development of PSH projects;
- Must have capacity to complete complex multifamily project within established budget parameters and within constrained timeframes; and
- Have experience with Low Income Housing Tax Credits and other complex financing structures.

B. Respondents must discuss their qualifications as outlined above and/or demonstrate an understanding of the need to meet the requirements in the appropriate Sections below. Each section will scored as indicated:

- 1 Letter of Interest and Commitment to D3 Project Objectives (**Total 10 points**)
- 2 Owner/Development Experience (**Total 40 points**)
 - Summary of current portfolio of properties (10 points)
 - PSH development experience (20 points)
 - Resume of organization and lead team members (10 points)

- 3 Supportive Services and Management Experience (**Total 40 points**)
- Past or current collaborations with supportive service providers to provide on-site services to residents in a trauma-informed care/harm reduction model (10 points)
 - Experience working on issues around homelessness, particularly developing/owning/managing permanent supportive housing in a Housing First Model (10 points)
 - Demonstrated resident outcomes (10 points)
 - Management Experience with target populations (10 points)
- 4 Current Development Pipeline Projects (if any) and Team/Firm Capacity (**Total 10 points**)
- Provide general information for any PSH pipeline projects that may be eligible for the D3 PSH program, including property location, size, capacity studies, etc. (if available).
 - Please include details related to site control, expected development milestone or other relevant information to describe such project(s) at any point in pre-development.
 - Include Team/Firm members working on each project with evidence showing capacity in carrying out the project(s) program.

VII. SUBMISSION OF PROPOSALS

Proposals must be submitted as an electronic file on a flash drive and three (3) unbound copies of the proposal. All Proposals shall be clear, concise and shall be limited ten (10) pages single-spaced on letter size paper. All proposals shall be enclosed in a sealed envelope either mailed or hand-delivered as follows:

Denver Housing Authority
D3 Bond Program
777 Grant Street
Denver, CO 80203
Attention: Chris Spelke

Direct all questions in writing to both Chris Spelke (cspelke@denverhousing.org) and Deb Gray (dgray@denverhousing.org)

VIII. SELECTION SCHEDULE

- RFQ Solicitations: February 26, 2019
- Pre-Proposal Q & A: March 8, 2019
 - Held from 12:30 pm – 2:00 pm at
The People Center - 2617 W. Holden Place, Denver, CO 80204
- Deadline for Proposals: March 26, 2019, no later than 4pm
- Selected Proposals Notification: April 26, 2019