

**Request for Qualifications
Blue Earth County
Developer /Owner of Supportive Housing and Shelter project
in the City of Mankato**

Blue Earth County is requesting submittal of qualifications for the development a supportive housing and shelter project in the city of Mankato. This project could be either new construction or an acquisition/ rehabilitation. The County intends to partner with a Developer/Owner to work with local project management team for the creation of an affordable, supportive housing and emergency shelter project with supportive services to address local response to homelessness. Site options are being considered but will be finalized once a Developer/Owner has been determined. The goal is for the developer to apply to the MHFA Super RFP for financing in the summer of 2023.

Developer should submit a statement of qualification mailed, emailed, or delivered to the County on or before March 15, 2023 at 4:00 p.m.

Blue Earth County
Attention: Nancy Bokelmann, Associate Director of Housing & Economic Development
10 Civic Center Plaza
Mankato, MN 56001
Email: nbokelmann@mankatomn.gov

Statements submitted after this time will not be accepted. Proposals should be marked “Response to the Blue Earth County Request for Qualifications” and must conform to the submission requirements. The County reserves the right to reject any or all proposals or to cancel this Request for Qualifications if it is deemed in the best interest of the County.

The County makes no representations or warranties, expressed, or implied as to the accuracy and/or completeness of the information provided in this RFQ. This RFQ (including all attachments) is made subject to errors, omissions, prior sale, lease or financing and withdrawal without prior notice, and changes to, additional, and different interpretations of laws and regulations.

All inquiries regarding this RFQ should be submitted via e-mail and directed to:

Nancy Bokelmann, Associate Director of Housing & Economic Development
nbokelmann@mankatomn.gov

The following is a schedule for key dates:

Release of Request for Qualifications:	Wednesday, February 22, 2023
Qualifications Submission Deadline:	Wednesday, March 15, 2023, by 4:00 p.m.
Recommendation to County:	Tuesday, March 21, 2023

I. Development Guidelines

The Blue Earth County has allocated development funding through the American Rescue Plan funding to support capital funding for affordable housing development in the city of Mankato, MN and seeks to obtain a developer to develop and own this affordable, supportive housing and emergency shelter project in coordination the local project management team. Ideally, this developer/owner will also be the property manager and service provider coordinating case management for the tenants.

The project will target singles who are homeless and facing multiple barriers with shelter and include congregate and non-congregate shelter space to stabilize and transition individuals into supportive housing. Connections Shelter, a local shelter provider, or another partner will be the operator of the shelter and assist with the fundraising for that part of the development.

Ideally, one site would be identified to develop congregate shelter beds, non-congregate privacy units, and affordable supportive housing.

Strategies include providing a housing- first, client-centered, trauma informed approach with 24/7 sheltering, affordable housing, and space for supportive services that include but are not limited to health, mental health, housing, employment, transportation, navigation, and case management. The supportive housing component will include the use of project-based housing vouchers to subsidized rent.

Key elements that should be taken into consideration by Developer:

1. **ARP Funding**
An estimated \$2 million in American Rescue Plan funds will be made available to support the capital costs to acquire and construct the supportive housing/shelter project to be spent by December 2024
2. **Affordability**
The County's priority for this project will be to serve singles who are homeless, dealing with multiple barriers to shelter and housing, with income under 50% area median income. Supportive housing units will serve singles and families processed through the local coordinated entry homeless response system. The units should be restricted for affordable housing purposes in perpetuity or for the longest period allowed by law.
3. **Project-Based Housing Choice Vouchers**
The County will work with the developer to secure project-based rental assistance for the maximum allowable number of units approved by the US Department of Housing and Urban Development that are administered by the Blue Earth County EDA and the Mankato EDA.
4. **Supportive Housing Affordable units**
Approximately 40 supportive housing units made up of 1-, 2-, and 3-bedroom units will support singles and families transitioning from all community emergency shelters. Include a service provider to provide intensive case management and access to mainstream supportive resources.
5. **Emergency Shelter**
The project will provide 24/7 sheltering to 20 congregate shelter beds and 30 non-congregate privacy units. The congregate option will support the needs with warming shelter and short-term sheltering. Non-congregate units will support individuals needing 30-90 days to stabilize and transition into supportive housing. Sheltering will provide navigation services through the CES and mainstream resources.
6. **Management and Maintenance Plan**
The management plan should include 24/7 staffing to manage and provide intensive case management as a component of supportive housing and access to mainstream supportive resources for both shelter and housing. These mainstream resources must include but are not limited to health, mental health, housing, employment, transportation, navigation, and case management. If a property manager and service provider have not been selected, please explain how the developer/owner plans on procuring these services.
7. **Project Financing and Financial Analysis**
An Operating Performa with replacement reserves will be required under a development agreement. The Operating Performa will include all projected sources to be used to secure the necessary permits and approvals for the construction and operation of the development and include a detailed sources and uses, including capitalization of a capital replacement fund for building improvements/systems replacements.

II. Submission Requirements:

1. **The Developer and Development Team**
 - A. The submission must include a description of the development team, the individuals and organizations to be involved in the development, in particular the project manager and service provider, and their experience. The development team shall include, without limitation, the developer, architect, engineers, and consultants, and may include the contractor, property

manager, service provider, lenders and investors. Background information, including firm resumes and resumes for principals and employees expected to be assigned to the project, shall be provided.

- B. The name, address and telephone number of the Developer, the name of any representative authorized to act on his/her behalf, the name of the contact to which all correspondence should be addressed, and the names and primary responsibilities of each individual on the development team. The lead project manager should be specifically identified.
- C. If the Developer is not an individual doing business under his/her name, a description of the firm and status of the organization (e.g. whether a for profit, not-for-profit or charitable institution, a general or limited partnership, a corporation, LLC, LLP, business association, or joint venture) and the jurisdictions in which it is registered to do business. If the Developer is a non-profit; please include a list of the organization's Board of Directors and areas of expertise they represent.
- D. The nature of the entity to enter the purchase for the property and the borrower and guarantors of debt, if any.
- E. Identification of all principals, partners, co-venturers, or sub-developers participating in the transaction, and the nature and share of participants' ownership in and compensation from the project.
- F. If the property manager and/or service provider has not already been selected and identified above, a discussion of what the process will be for securing these services from an outside entity. Include consideration for experience with specific populations and barriers are required.
- G. Description of the organizational structure of the development team and a plan to ensure effective communication between the County, local project management team, and the development team during all phases of the project.
- H. Description of the engagement with Communities Most Impacted (CMI) by housing disparities for the proposed development and success of previous project engagement with neighborhoods, communities, and stakeholders in the development process.
- I. Provide intent to use project-based Housing Choice Vouchers rental assistance in proposed project and demonstrate previous experience using project-based vouchers and a commitment to comply with project-based criteria identified in the attachment.
- J. A summary of first, the developer's and secondly, the development team's experience collectively and individually, and with similar projects. Particular attention should be given to demonstrate experience with projects of a similar scale and complexity of site conditions, permitting an affordable housing development, design and financing and operating supportive housing projects. Developer should demonstrate the ability to perform as stated and to complete the project in a competent and timely manner, including the ability to pursue and carry out permitting, financing, marketing, design and construction.

The following format should be used to submit the information for each project presented:

- Project name,
- project location,
- project type and description,
- project scope,
- start date,
- projected completion date and actual date of completion,
- total development costs,
- sources of financing,

- total number of units and bedroom sizes.
- a. Narrative on why the project is similar and why your experience is relevant to the proposed development project.
- b. Information regarding any legal or administrative actions past, pending or threatened that could relate to the conduct of the developer, its principals, or any affiliates.
- c. Confirmation that no local, state or federal taxes are due and outstanding for the development team or any constituent thereof.
- d. List of current projects under development and at what stage these projects are in (pre-development, pending funding, construction, etc.)
- e. Provision of at least three (3) references with contact names, title and current telephone numbers and e-mail addresses, who can provide information to the housing authority concerning the Developer's experience in similar projects.

2. Implementation Plan and Timetable

The qualifications must include a description of how the development concept will be implemented, including but not limited to:

- a. Anticipated Financing applications.
- b. Anticipated Closing and Construction timeline.
- c. Anticipated opening of development and lease-up.

IV. SELECTION PROCESS

All information contained in the qualifications is public. The County will review and evaluate all qualifications that have been received by the submission deadline based on the criteria outlined herein. Evaluation of the qualifications will be based on the information provided in the Developer's submission in accordance with the submission requirements of this RFQ and any interviews, references, and additional information requested by the County. The County will notify all Developers in writing of its decision.

Selection Criteria

1. Qualifications of the Developer, development team, the individuals and organizations to be involved in the development, in particular the project management and service provider. (10 points)
2. Ability to serve individuals who are homeless and have many barriers to housing. (10 points)
3. Experience with comparable projects completed and your track record with different funders. (10 points)
4. Project Based rental assistance to be provided as set forth in 24 CFR Section 983, City of Mankato Planning and Zoning standards, and local comprehensive plan. (10 points)
5. Knowledge of the complexities of this affordable, supportive housing and shelter project, the challenges posed and the feasibility of the proposed project. (10 points)
6. Extent to which the project engages Communities Most Impacted and identifies and integrates tenant support services. (10 points)
7. Favorable References of similar size and scope. (10 points)

V. EXECUTION OF AGREEMENTS

Once the qualifications are reviewed, they will be presented to the County at the at the March 21, 2023 board meeting for approval. The pre - development agreement will be negotiated after the selection process and will reflect the selected project program. It is anticipated that a development agreement will be entered within 30 days of the award. This will allow for the developer/owner to coordinate with the project development team to determine site location, complete the development agreement, and allow for funding application requests to begin this spring and summer.

ATTACHMENTS

1. HUD Project-Based Voucher Criteria

Project Based Voucher Criteria

The Project-Based Rental Assistance (PBRA) program is a HUD housing subsidy program that ties rental assistance directly to a specific unit or project. Eligible families receive rental assistance by agreeing to live in existing, newly constructed, or rehabilitated units and continue to receive assistance if they reside in the specific project-based dwelling unit. The EDA administers the PBRA program in the city of Mankato, and Blue Earth County.

The goals and objectives of the program are to contribute to the upgrading and long-term viability of the city's housing stock; increase the supply of affordable housing and location choice for very low-income households; integrate housing and supportive services such as case management, to help families and individuals achieve stability and self-reliance; and promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions.

Most any type of newly constructed or existing housing may be used for PBRA. All the units in a building do not have to be assisted; partially assisted buildings are acceptable for the PBRA program. Owners must be willing to enter a *Housing Assistance Payments (HAP) Contract* with the EDA for not less than one year and no more than fifteen years.

All vacancies in units that have been project-based must be filled by eligible families currently on the EDA Housing Choice Voucher waiting list or holding a Housing Choice Voucher. If the EDA does not refer enough interested applicants on its waiting list to the owner within 30 days of the owner's notification to the EDA of a vacancy, the owner may advertise for or solicit applications from eligible very low-income families, or if authorized by the EDA in accordance with HUD requirements, low-income families. The owner must refer these families to the EDA to determine eligibility.

Projects

Almost any type of new construction or rehabilitation may be used for PBRA Units must meet Housing Quality Standards as specified in *24 CFR Section 982.401*. New construction sites must meet site and neighborhood standards as specified in *24 CFR Section 983.6* and must conform to City of Mankato Planning and Zoning standards and the City's Comprehensive Plan".

Vacancies

All vacancies in units that have been project-based must be filled by eligible families currently on the EDA waiting list or holding a Housing Choice Voucher. If the EDA does not refer enough interested applicants on the EDA waiting list to the owner within 30 days of the owner's notification to the EDA of a vacancy, the owner may advertise for or solicit applications from eligible very low-income families, or if authorized by the EDA in accordance with HUD requirements, low-income families. The owner must refer these families to the EDA to determine eligibility.

Selection Criteria

Proposals for PBRA will be reviewed in accordance with the selection policy requirements as set forth in *24 CFR Section 983.51*. Each PBRA proposal will be initially reviewed by EDA staff for apparent compliance with HUD regulations and program criteria under *24 CFR Part 983- Section 8 Project-Based Program*, as well compliance with the City of Mankato Planning and Zoning standards and the City's Comprehensive Plan. After the EDA has ranked acceptable proposals and a determination has been made that there is sufficient funding available for project basing, the proposal will be prioritized. EDA staff will make a recommendation to the EDA Board of Commissioners for approval to project base the development. Contingent upon formal EDA Board and HUD approval, and compliance with all project-based regulations, EDA will offer the owner or developer the opportunity for an *Agreement to Enter into a Housing Assistance Contract* and subsequently issue authorization to proceed with construction or rehabilitation project.

Financing

Financing for the construction or rehabilitation must be obtained independently by the owner.

Other Requirements

All proposals must meet final approval before construction may begin and the owner must also sign the *Agreement to Enter into a Housing Assistance Payments Contract*, prior to the start of construction or rehabilitation. After such work is completed, owners must be willing to enter a *Housing Assistance Payments (HAP) Contract* with EDA for a minimum term of one year to a maximum of fifteen years.

For new construction projects, proposals should include detailed site and floor plans.

Eligible and Ineligible Properties

The EDA cannot select units that do not meet basic program requirements. HUD development regulations specify ineligible units for the PBRA Program. Applications for ineligible units will be disapproved and not ranked or selected.

(a) Section 982.352 of this chapter of federal regulations, Eligible Housing, does not apply. Newly constructed structures of various types may be appropriate for attaching assistance to the units under part 983, including single-family housing and multifamily structures.

(b) An HA may not attach assistance under part 983 to units in the following types of housing:

- (1) Housing for which the construction is started before Agreement execution.
- (2) Housing for which the rehabilitation is started before Agreement execution.
- (3) Shared housing; nursing homes; and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care.
- (4) Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
- (5) Housing located in the Coastal Barrier Resources Systems designated under the Coastal Barrier Resources Act; or
- (6) Housing located in an area that has been identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless:
 - (i)(A) The community in which the area is situated is participating in the National Flood Insurance Program (see 44 CFR parts 59 through 79); or
 - (B) Less than a year has passed since FEMA notification regarding such hazards; and
 - (ii) The HA will ensure that flood insurance on the structure is obtained in compliance with section

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(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4001 *et seq.*).

(7) A public housing or Indian housing unit.

(c) An HA may attach assistance under part 983 to a high-rise elevator project for families with children only if HUD determines there is no practical alternative. HUD may make this determination for an HA's project-based assistance, in whole or in part, and need not review each project on a case-by-case basis.

(d) An HA may attach assistance to units under part 983 for use as single room occupancy (SRO) housing only if:

- (1) The property is located in an area in which there is a significant demand for these units, as determined by the HUD field office;
- (2) The HA and the unit of general local government in which the property is located approve the attaching of assistance to these units; and
- (3) The HA and the unit of general local government certify to HUD that the property meets applicable local health and safety standards.

(e) Assistance may not be attached to a unit that is occupied by an owner; however, cooperatives are considered to be rental housing for purposes of part 983.

(f) In no event may any occupant of a unit with project-based assistance under part 983 receive the benefit on any of the following: any other form of Section 8 assistance, rent supplement, Section 23 housing assistance, or Section 236 "deep subsidy" rental assistance payments.

(g)(1) *HA-owned unit* means a unit (other than public housing) that is owned by the HA which administers the assistance under part 983 pursuant to an ACC between HUD and the HA (including a unit owned by an entity substantially controlled by the HA).

(2) An HA-owned unit may only be assisted under the project-based certificate program if:

- (i) The HA-owned unit is not ineligible housing under this section.

- (ii) The HUD field office selects the HA-owned unit pursuant to the competitive ranking and rating process specified in the HA's HUD-approved unit selection policy (see 983.51).
 - (iii) The HUD field office establishes the initial contract rents.
 - (iv) The HUD field office has conducted all HA reviews required under this part before execution of the Agreement.
- (3) Any adjustment of the contract rent for an HA-owned unit must be approved in advance by the HUD field office.
- (4) As owner of an HA-owned unit, the HA is subject to all the same program requirements that apply to other owners in the program.
- (5) HUD headquarters establishes the amount of the administrative fee for an HA-owned unit. The HA will earn a lower ongoing administrative fee for an HA-owned unit. The HA will earn a lower ongoing administrative fee for an HA-owned unit than for a unit not owned by the HA, and no fee for the cost to help a family experiencing difficulty in renting appropriate housing.
- (6) HA-owned units are subject to the same requirements as units that are not HA-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with proposals that are accessible to the elderly/handicapped and/or which provide amenities or services for special needs tenants; and proposals for projects to be located in areas with little or no subsidized housing.
- Other assistance under the U.S. Housing Act of 1937.

Other Federal Requirements

Participation in the PBR

A program requires compliance with all Equal Opportunity requirements (as specified in federal regulation 982.53) imposed by contract or federal law, including applicable requirements under:

- (1) The Fair Housing Act, 42 U.S.C. 3610-3619 (implementing regulations at 24 CFR parts 100, *et seq.*);
- (2) Title VI of the Civil Rights Act of 1964, 42 U.S.C. 2000d (implementing regulations at 24 CFR par 1);
- (3) The Age Discrimination Act of 1975, 42 U.S.C. 6101-6107 (implementing regulations at 24 CFR part 146);
- (4) Executive Order 11063, Equal Opportunity in Housing (1962), as amended, Executive Order 12259, 46 FR 1253 (1980), as amended, Executive Order 12892, 59 FR 2939 (1994) (implementing regulations at 24 CFR part 07);
- (5) Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8);
- (6) Title II of the American with Disabilities Act, 42 U.S.C. 12101, *et seq.*
 - (a) For the application of equal opportunity requirements at an Indian Housing Authority, *see* 24 CFR 950.115.
 - (b) The HA must submit a signed certification to HUD of the HA's intention to comply with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act.

Environmental requirements

- (1) The unit of general local government within which the project is located that exercises land use responsibility or, as determined by HUD, the county or State has completed the environmental review required by 24 CFR part 58 and provided to the HA for submission to HUD the completed request for release of funds and certification; and
- (2) HUD has approved the request for release of funds.

Where applicable, the following requirements must be met:

- 1. Clean Air Act and Federal Water Pollution Control Act.
- 2. Flood Disaster Protection Act of 1973.
- 3. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the regulations in 24 CFR part 135.
- 4. Executive Order 11246, Equal Employment Opportunity (for construction contracts over \$10,000).
- 5. Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises.
- 6. Executive Orders 12432, Minority Business Enterprises and Development, and 12138, Creating a National Women's Business Enterprise Policy.
- 7. Payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, to all laborers and mechanics employed in the construction or rehabilitation of the project under an Agreement covering nine (9) or more assisted units, and compliance with the Contract Work Hours and

Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other Federal laws and regulations pertaining to labor standards applicable to such an agreement.

8. The provisions of part 24 of this title relating to the employment, engagement of services, awarding contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.