



## Legislation Text

---

**File #: 23-1652, Version: 1**

---

Health and Human Services Agency (HHS) recommending the Board, acting as the Governing Board of the El Dorado County Public Housing Authority (PHA):

1) Award eight proposals identified as qualified by the evaluation panel, received in response to Request for Proposal (RFP) Number 23-952-029, for dedicated project-based housing units for PHA referred clients eligible to receive housing vouchers, for a total award of 50 Project Based Vouchers (PBV), six of which are existing housing units and 44 of which are new construction housing units to be developed in the County, with the following specified number and type of PBVs by successful Proposers:

- a) Award 15 PBVs to Jamboree Housing Corporation, for assignment to new construction apartment units being developed in the County's Western Slope (212 Armory Drive, Placerville, CA 95667);
- b) Award 10 PBVs to Middletown Apartments Limited Partnership (LP), for assignment to new construction apartment units being developed in the County's Western Slope (Southeast corner of Cold Springs Road, Placerville, CA 95667);
- c) Award seven PBVs to The Related Companies of California, Limited Liability Corporation (LLC) (TRCC), for the Sugar Pine Village Phase 1B development, for assignment to new construction apartment units being developed in the County's Eastern Slope (1860 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150);
- d) Award seven PBVs to TRCC, for the Sugar Pine Village Phase 2B development, for assignment to new construction apartment units being developed in the County's Eastern Slope (1860 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150);
- e) Award two PBVs to TRCC, for the Sugar Pine Village 2A (Phase 3) development, for assignment to new apartment construction units being developed in the County's Eastern Slope (1860 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150);
- f) Award three PBVs to Mallard Apartments LP, for assignment to new construction apartment units being developed in the County's Western Slope (Southwest Corner of Mallard Lane and McIntosh Drive, Placerville, CA 95667);
- g) Award three PBVs to Tahoe Coalition for the Homeless (TCH), for existing apartment units in the Bird's Nest property located in the County's Eastern Slope (2215 Lake Tahoe Boulevard, South Lake Tahoe, CA 96150); and
- h) Award three PBVs to TCH, for existing apartment units in the Red Lodge property located in the County's Eastern Slope (1137 Emerald Bay Road, South Lake Tahoe, CA 96150).

2) Authorize HHS to negotiate and enter into the six Agreements for the 44 PBVs awarded through this RFP for new construction units, with the selected Proposers utilizing the "Agreement to Enter into a Housing Assistance Payment (AHAP)" contract template attached, provided by the United States Department of Housing and Urban Development (HUD) for new construction units, which has been approved by County Counsel, and has no compensation:

- a) Authorize HHS to negotiate an AHAP with the Jamboree Housing Corporation, for the 15 new project-based construction units, consistent with United States Department of Housing and Urban Development (HUD) requirements;
- b) Authorize HHS to negotiate an AHAP with Middletown Apartments LP, for the 10 new project-based construction units, consistent with HUD requirements;

- c) Authorize HHSa to negotiate an AHAP with TRCC, for the seven new project-based for the Sugar Pine Village Phase 1B construction units, consistent with HUD requirements;
  - d) Authorize HHSa to negotiate an AHAP with TRCC, for the seven new project-based for the Sugar Pine Village Phase 2B construction units, consistent with HUD requirements;
  - e) Authorize HHSa to negotiate an AHAP with TRCC, for the two new project-based Sugar Pine Village 2A (Phase 3) construction units, consistent with HUD requirements;
  - f) Authorize HHSa to negotiate an AHAP with Mallard Apartments LP, for the three new project-based construction units, consistent with HUD requirements;
- 3) Authorize HHSa to negotiate and enter into two Agreements for the six PBVs awarded through this RFP for existing housing units, with TCH, utilizing the "Housing Assistance Payment (HAP)" contract template attached, provided by HUD for existing housing units, which has been approved by County Counsel, for a term upon execution for up to 20 years:
- a) Authorize HHSa to negotiate an AHAP with TCH, for the three existing project-based units in the Bird's Nest property in South Lake Tahoe, consistent with HUD requirements;
  - b) Authorize HHSa to negotiate an AHAP with TCH, for the three existing project-based units in the Red Lodge property in South Lake Tahoe, consistent with HUD requirements;
- 4) Authorize HHSa to enter into the six "Housing Assistance Payment (HAP)" contracts with the Proposers for the new construction units, contingent upon completion of the units and PHA acceptance of the units, indicating the units have been completed in accordance with the agreement and all evidence of completion has been submitted to HUD/PHA, with the Proposers listed in Item 2 above;
- 5) Delegate authority to the Purchasing Agent to execute the finalized agreements resulting from items 2-4 above, for a term upon execution for up to 20 years, consistent with the templates required by HUD for the AHAP contract for new construction units and HAP contract for either completed new construction units or existing housing units (as applicable based on housing type), and to execute amendments relating to these Agreements, which do not increase the term of the Agreements, contingent upon approval by County Counsel and Risk Management; and
- 6) Authorize the HHSa Director, or the Chief Assistant Director, to execute programmatic, administrative, and fiscal documents relating to these Agreements.

**FUNDING:** 100% Federal HUD funded project-based housing subsidies. The PBVs act as subsidies to property owners for rent costs, supplementing the difference between a qualifying individual's income and established fair market rents for the housing units.

**DISCUSSION / BACKGROUND:**

The El Dorado County PHA operates under federal guidelines from HUD to provide a rental subsidy assistance program called the Housing Choice Voucher (HCV) Program (formerly known as Section 8 housing). The HCV Program provides eligible participants throughout El Dorado County with rental assistance vouchers to offset their rental housing costs. As a means of encouraging the development of affordable housing to households earning at or below 50% of the median income, the PHA can elect to reserve "project-based" vouchers for a specific development selected through a competitive RFP process. Project-Based Vouchers (PBV) are attached to specific housing units whose landlord contracts with the PHA to rent those PBV assisted units to low-income families. If a family in a PBV assisted housing unit moves out of that unit, another low-income family assisted under the PBV Program can move into that unit and benefit from the rent subsidy it provides.

As required by HUD for participation in the PBV Program, a local PHA shall competitively solicit proposers to award PBVs within their jurisdictions. Accordingly, on March 6, 2023, on behalf of the PHA, the Chief Administrative Office (CAO) Procurement and Contracts Division released RFP

Number 23-952-029, to solicit property owners and/or property developers (proposers) to submit proposals to make County-located affordable rental housing available to lower income individuals and their families through their participation in the PBV Program. Within the RFP, the County outlined that as a result of this RFP competitive selection process, the PHA may award up to 50 housing subsidies as PBVs, where the rental subsidy will be directly tied to specified housing units located within the County. The primary purpose of issuing this RFP was to create and/or expand affordable housing units on both the West Slope (City of Placerville and unincorporated areas in El Dorado County) and the East Slope (South Lake Tahoe Basin). As stated in the RFP, eligible projects must be located within either County Slopes, with at least 16%, eight, of the 50 PBVs prioritized for award to properties/units located in the Tahoe Basin, based on the current population distribution of El Dorado County.

Eleven proposals were received and evaluated by a panel of three raters who scored the proposals competitively to determine how to allocate the PBVs. As a result of the evaluative process, eight proposals were deemed most qualified to receive PBVs; six of which are existing housing units located in South Lake Tahoe, and 44 which are new construction units under development in the County (16 of which will be constructed in South Lake Tahoe and the remaining 28 units to be constructed in the County's Western Slope). The Federal PBV Program requires that PBVs be prioritized for Census Tracts with a poverty level of 20% or less. None of the chosen proposals are located within high-poverty Census Tracts.

In adherence with HUD regulations, proposers selected to receive PBVs in support of a new construction project must execute an agreement to enter into a Housing Assistance Payment (AHAP) contract with the PHA prior to the start of construction of those units. Under the AHAP contract, a proposer does not receive any funding from the participating PHA and agrees to the applicable conditions and timeframes to complete the development of those units and to enter into the Housing Assistance Payment (HAP) contract. If the Housing has not been completed in accordance with the agreement or within the agreed upon timeframes, then the PHA would not be required to enter a HAP contract. These vouchers would either revert to Housing Choice Vouchers or be eligible to be included in a future competitive RFQ or RFP process.

Once the new construction housing units are completed and ready for occupancy, the proposer must then execute a HAP contract with the PHA for those units to be project-based. The HAP contract includes all terms and conditions between the owner and PHA to include the term of the agreement, rent amount paid to property owner, unit address, and utilities and amenities provided at the project-based unit. The HAP contract also includes the Tenant's Lease and Tenancy Addendums (attachment D to this item). Proposers selected to receive PBVs for existing housing units must execute a HAP contract for existing housing units. The HAP contract for existing units establishes the conditions for occupancy of the project-based housing unit(s) by a family with housing assistance payments under a HAP contract between the property owner and the PHA.

HHSA recommends that the Board approve these RFP awards and authorize HHSA to enter into agreements with these successful proposers, utilizing the HUD AHAP contract template for new construction units, and the HUD HAP contracts for completed new construction units or existing housing units, and authorize the Purchasing Agent to execute the finalized agreements, contingent upon County Counsel and Risk Management approval. These HUD AHAP and HAP contract templates and Lease Addendums have been approved by County Counsel. Upon Counsel approval of the finalized HAP Agreements, HHSA will provide copies of the HAP Agreements to the Auditor in

accordance with Policy B-12.

Approval of this agenda item will allow the County to increase affordable housing units offered through the PHA Project-Based Voucher Program to extremely low, very low, and low-income populations seeking housing in El Dorado County. Further, 50 additional affordable housing units will be delivered across a broad continuum of housing types and locations within the incorporated and unincorporated areas of El Dorado County, making a wide variety of housing choices available to qualified low-income households.

**ALTERNATIVES:**

Should the Board decline to award the proposals in response to RFP 23-952-029 or decline to allow the agreements to be negotiated, HHSA will continue to provide housing vouchers through existing contracts; however, there will continue to be a shortage of affordable housing units in the County and the PHA will be unable to offer the 50 identified project-based affordable housing units to eligible clients in the County. Disapproval of this item will lead to persons with housing vouchers to experience longer search times for units, and increased housing insecurity.

**PRIOR BOARD ACTION:**

- 1) 03/20/07, 07-290, Award Bid #07-918-080 for Project-Based Voucher Program
- 2) 04/29/08, 08-0499, DHS, 04-29-08, PBV AHAP
- 3) 03/03/15, 15-0140, HHSA Housing Assistance Payment Amd 41, Mercy Housing
- 4) 05/21/19, 19-0573, HHSA PBV HAP Tahoe Senior Housing II
- 5) 09/21/21, 21-1407, HHSA PBV VASH Voucher RFP 21-918-009 Award

**OTHER DEPARTMENT / AGENCY INVOLVEMENT:**

CAO Procurement and Contracts Division, County Counsel approved the HUD contract templates.

**CAO RECOMMENDATION:**

Approve as recommended.

**FINANCIAL IMPACT:**

There is no Net County Cost associated with this Agenda item. Federal funding for PBVs is provided by HUD for payments to landlords on behalf of program participants and is included in the annual HHSA budget for the Housing Choice Voucher Program. The administrative funding HHSA receives from HUD is based in part on the utilization rate of housing vouchers. Should the County not use the housing vouchers available, the lack of utilization could adversely impact the administrative funding for this program.

**CLERK OF THE BOARD FOLLOW UP ACTIONS:**

N/A

**STRATEGIC PLAN COMPONENT:**

Improved Health, Well-being, and Self-sufficiency of El Dorado County communities

**CONTACT**

Olivia Byron-Cooper, MPH, Director

