

Request for Suggestions for Utilization of Site-based Affordable Housing Subsidy

By this notice, the City of Memphis (the City) on behalf of HUD is seeking suggestions for the use of approximately \$118,000 per month HUD subsidy for various projects. Suggestions are due close-of-business March 28, 2017.

Background: The City of Memphis negotiated with HUD to retain the site-based affordable housing subsidy (budget authority) resulting from the HUD ordered abatement at Warren and Tulane Apartments that were part of the Global Ministries (GMF) portfolio. The City has been granted authority to review and recommend to HUD the allocation of the site-based subsidy to other locations/properties in the city. The projects recommended by the City must be approved by HUD for 8(bb) subsidy transfer under the guidelines of HUD Notice H2015-03. The Use agreements attached to the properties, which were established under HUD's Mark-to-Market program, will also be transferred to the one or more recipients through a process authorized under Section 212/214.

The site-based subsidy of approximately \$118,000 per month will be transferred to various projects found suitable by HUD. Respondents may propose the use of all or portions of the above-mentioned budget authority. The City is looking for suggestions using at least 20% of the authority.

The target date for HUD approval of the projects for the site-based subsidy is August 31, 2017.

City of Memphis objectives:

- 1) The City desires that the allocation of the site-based subsidy address HUD's priority of Affirmatively Furthering Fair Housing and address strategic projects in the Downtown/Urban Core.
 - a. HUD will strongly favor projects located in communities of opportunity characterized by average and above incomes and racial diversity. If such communities are not adequately described by statistics for zip codes or Census geographies, such as tracts or block groups, applicants may submit survey or other data to demonstrate that this goal is addressed;
 - b. The City will favor suggestions in which subsidized units are interspersed with market rate units within the proposed project;
 - c. The City will favor suggestions that allow residents to access public transportation and/or have demonstrated walkable access to jobs and amenities;
 - d. The City will favor suggestions that reinforce its strategic investments and community planning efforts, such as: South City, South Bluffs, Downtown, Uptown, the Medical Center, The Edge, Crosstown and environs;
 - e. The City will favor suggestions showing successful experience administering work preference in tenant selection and minimizing the number of minimum rent tenants.
- 2) HUD will require applicants have a good record of previous participation with HUD, receiving clearance through the 2530 review, and to promptly negotiate the 8bb transfer protocol. The City requires the applicant or the applicant team to demonstrate ability to negotiate this or similar approval processes.

- 3) Applicants must complete the 8bb approval by August 31, 2017. Applicants may negotiate longer occupancy schedules with HUD directly and/or through the City, subject to constraints of related projects.

Proposals must include:

- 1) A complete description of the property or project, including:
 - a. Map showing location of the project;
 - b. Demographic information, either from published sources or from survey, supporting the requirements below;
 - c. Photographs, if built, or building plans, if proposed
- 2) A description of how the proposed subsidy will assist the project;
- 3) The number of units requested and their placement in the project;
- 4) A statement, with supporting documentation, of prior experience with HUD subsidized multifamily housing programs, direct experience with HUD multifamily staff and complex HUD approval processes;
- 5) Applicants are encouraged to engage partners to augment their experience provided a durable agreement is submitted with the proposal.

Please contact John Gemmill, john.gemmill@gmail.com, or 901-833-2315, with any questions.

Addendum to Request for Proposals

Fair Market Rents

FY 2017 Fair Market Rents (FMRs) By Unit Bedrooms. *Project rents will be set by HUD at a portion of these rents, depending on the condition and location of the project.* (Source:

<https://www.huduser.gov/portal/datasets/il/il16/Section8-IncomeLimits-FY16.pdf>)

	Effic	1-BR	2-BR	3-BR	4-BR
FY 2017 FMR	\$631	\$707	\$835	\$1,137	\$1,331
Final FY 2016 FMR	\$602	\$700	\$827	\$1,128	\$1,309

Definitions of Income

Income statistics for Memphis. *Generally, most Section 8 tenants will be from families described below as Very Low Income or Extra Low Income.*

Memphis, TN-MS-AR MSA

(Source: https://www.huduser.gov/portal/datasets/il.html#2016_data)

FY 2016 MFI: 60100

Family size	1	2	3	4	5	6	7	8
EXTR LOW INCOME	12650	16020	20160	24300	28440	32580	36730	39700
VERY LOW INCOME	21050	24050	27050	30050	32500	34900	37300	39700
LOW-INCOME		33700	38500	43300	48100	51950	55800	59650 63500

HUD Policies

HUD policies on tenant selection, desired income mix, and other issues are addressed in the HUD Occupancy Handbook (4350.3 REV-1.)