Background
The Kansas Housing Resources Corporation (KHRC) has an Annual Contributions Contract (ACC) with the U.S. Department of Housing and Urban Development (HUD) to serve as Contract Administrator (CA) for certain Section 8 properties throughout the State of Kansas.

The ACC that KHRC has with HUD is for approximately 250 Section 8 contracts, roughly 11,000 units, throughout the State of Kansas. A key component to the administration of these project-based Section 8 contracts is the Contract Renewal process. There are six (6) options from which project owners may choose at the end of a contract period; and depending on the option chosen, owners may be required to submit a Rent Comparability Study (RCS) to determine the level of rent for the new contract period. Since owners can choose their option for contract renewal, there is no method for determining the number of RCS’s that owners will submit for review within the next year.

HUD requires the CA to have the RCS reviewed by a state certified general appraiser before a final determination is made on the amount of rent allowed for the new contract period. KHRC is in the process of developing a pool of state-certified real estate appraisers to review RCS’s as required.

Scope of Work
The review appraiser must determine if the RCS appraiser’s selection of comparables, adjustments, and rent conclusions are reasonable, consistent with facts and standard appraisal practice, and complies with the guidance provided in Section 9-9 through 9-13 of the HUD Section 8 Policy Renewal Guide. The tools and checklists provided under Appendix 9-5-2 through 9-5-6 must be provided to KHRC with the appraisal review. The review appraiser is not required to agree with every detail of the RCS, but only be convinced that the suggested market rents are reasonably supported by market facts.

Note: The review appraiser should be concerned about the RCS’s compliance with Uniform Standards of Professional Appraisal Practice USPAP only if they find significant problems in the research, facts, reasoning or conclusions noted in the report. The review appraiser should not check for completeness of USPAP clauses for the sake of doing so.

A. Listed below are key questions the review appraiser should answer. The review appraiser should document any concerns or conclusions.

   1. Do the facts presented in the appraiser’s narratives and grid accurately depict the subject? Note: Section 9-16B of the HUD Section 8 Policy Renewal Guidebook (The required guidebook can be found on HUD’s website at
The guidebook requires the owner to certify to the accuracy of these facts.

2. Does the review appraiser have any data on comparables that differs significantly from data the RCS appraiser presented on comparables? If an appraiser has submitted incorrect facts on other reports or the review appraiser questions the facts, the review appraiser may wish to verify the facts with the contact person identified by the owner of the property.

3. Is the appraiser’s definition of the market area reasonable?

4. Does the appraiser’s explanation of how comparables were selected cover all points required by Section 9-10 of the Section 8 Policy Renewal Guidebook? If applicable, is justification for using fewer than five comparables, rent restricted units, units outside of subject’s market area or units significantly dissimilar to the subject (e.g., different number of bedrooms, structure type or level of services) convincing? Is justification for not using similar unassisted units in the subject as a comparable convincing?

5. If comparables were selected from outside the subject’s market, did the appraiser adequately describe how the two markets’ rent levels compare? If the rent levels differ, did the appraiser make a reasonable adjustment in Part B of the Rent Grid?

6. Are other adjustments in Part A through E of the Rent Grid reasonable – i.e., consistent with the facts, standard appraisal practice, and Section 9-12 of the Section 8 Policy Renewal Guidebook? (The appraiser should pay special attention to extremely large adjustments and adjustments in Part A and B of the Rent Grids).
   a. The review appraiser should not challenge minor differences between the RCS adjustments and values that HUD / CA appraiser would assign if they were doing the RCS. Appraisal is not a science and two reasonable, informed estimates may differ slightly.
   b. The review appraiser should not spend significant time reviewing and challenging adjustments if correcting the perceived flaws would not affect the rent an owner will receive (now or in the next few years) or the estimated market rent shown on the grid. Example – Current rent is $450, the owner is seeking a $20 increase and it’s clear the market rent will be well above the $20 even if adjustments were revised. In this case, it would not be cost effective to spend extensive time analyzing or challenging adjustments that are reasonably close.

7. If the facts indicate an adjustment is needed but no adjustment is shown, did the RCS appraiser adequately explain why an adjustment was not made?
8. Is the estimated market rent for each primary unit type within the range of adjusted rents? Did the appraiser adequately explain why an adjustment was not made?

9. If the appraiser adjusted the market rent of a primary unit type to arrive at the market rent for a secondary unit type, is the appraiser’s explanation of the adjustment reasonable?

B. Field visits - **Must Have Prior KHRC approval.** RCS reviews usually only require a desk review. However, the review appraiser may request to conduct a field review if they believe a site visit is warranted to accurately assess the RCS. Appraisers may wish to consider site visits when:

1. The desk review raises major questions.

2. The review appraiser is not familiar with the market area, the subject property, or the comparables.

3. The review appraiser is considering challenging adjustments for condition, appeal, neighborhood or other factors that can change quickly and that appraiser has not visited the property recently.

C. Communicating Results of Appraiser Reviews. The review appraiser must submit in writing either an approval or a rejection of the RCS within **10 calendar days** after receiving a complete package from KHRC. Rejections are decision letters that either: 1) tell the owner the study must be redone and resubmitted; or 2) challenge the study’s rent conclusions and suggest an alternate rent.

**Appraiser Qualifications**

KHRC requires an appraiser to have, at minimum, the following qualifications and provide documentation where required:

1. Be a **Certified General Appraiser**, licensed and in good standing in the state where the property is located. The license may be temporary or permanent. Appraiser must supply a copy of current state approved license.

2. Be currently active and regularly engaged in performing Rent Comparability Studies or appraisals of multifamily housing.

3. Meet all the requirements of the Competency Provision in the **USPAP** and have read all of Chapter 9 of the **HUD Section 8 Policy Renewal Guidebook and HUD Notice 00-12**. (This chapter of the guidebook can be found on HUD’s website at [https://www.hud.gov/program_offices/housing/mfh/mhsec8](https://www.hud.gov/program_offices/housing/mfh/mhsec8)

4. Have no prospective or present financial interest in a Section 8 property, its ownership or management entity, or the principals of those entities.
5. Not be an employee of the owner, the management agent, or the principals of those entities or have a business or close personal/family relationship with those parties that would commonly be perceived to create bias or a conflict-of-interest.

6. Not be debarred or suspended from doing business with the Federal Government and not be under a Limited Denial of Participation (LDP) imposed by HUD or Program Center having jurisdiction over the Section 8 projects.

7. Contractor warrants that it is currently not debarred from participation in any State funded-programs and that it shall immediately provide notice to KHRC in the event it becomes debarred during the term of this Agreement.

Responses to this Request for Qualification and Bid Submittal should be received by KHRC no later than **5:00 p.m., March 31, 2020**. Please use Attachment A as a cover sheet.

Responses should be mailed to:

**Kansas Housing Resources Corporation**
Attn: Sara Hall
611 S. Kansas Avenue, Suite 300
Topeka, KS  66603-3803

Questions regarding this solicitation should be directed to:

Jacqueline Rathbun, Division Director
Kansas Housing Resources Corporation
611 S. Kansas Avenue, Suite 300
Topeka, KS  66603-3803
Phone: (785) 217-2001 / TTY (800) 766-3777 Fax: (785) 232-8074
E-mail: section8finance@kshousingcorp.org

Appraisers meeting the qualifications required by this solicitation will be notified in writing by **May 1, 2020**.
All bid prices will be in effect from 7/1/2020 – 6/30/2021 with the option to renew for two (2) additional one (1) year periods.
Any changes in the bid price must be received prior to the beginning of the State of Kansas fiscal year of July 1.
## Attachment A - Responder Information

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<thead>
<tr>
<th>Date</th>
<th>Company Name</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
<th>E-mail</th>
<th>Contact</th>
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### Bid Submittal:

- **Section 8 Property with 1 floor plan:** $__________  First Re-Review: $__________
- **Section 8 Property with 2 floor plans:** $__________  First Re-Review: $__________
- **Section 8 Property with 3 floor plans:** $__________  First Re-Review: $__________
- **Section 8 Property with 4 floor plans:** $__________  First Re-Review: $__________

*Please Note that Bid Prices will remain in effect from: July 1, 2020 - June 30, 2021 with the option to renew for two (2) additional one (1) year periods (See Agreement for Services, Section II. Compensation and Billing).*

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<thead>
<tr>
<th>Name and Title of Person Signing</th>
<th>Signature</th>
<th>Date</th>
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