

PROJECT-BASED VOUCHER PROGRAM

Project-Based Voucher Program [24 CFR 983]

The Biloxi Housing Authority will, from time to time, enter into projects utilizing Project Based Vouchers. The following text explains the rules and regulations the Authority will follow regarding the application of Project Based Vouchers.

Project-based Voucher (PBV) Program

In accordance with the final rule on the Project-Based Voucher (PBV) Program, published October 13, 2005, the Housing Authority of the City of Biloxi (BHA) may select owner proposals to provide project-based voucher assistance for up to 20 percent of the amount of budget authority allocated to the BHA in the voucher program. All PBV units for which the BHA has issued a notice of proposal selection or which are under an Agreement to Enter into a HAP Contract (AHAP) or HAP contract are counted against this 20 percent maximum. Policies dealing with the selection of proposals and other PBV policies may be found later in this section, **Selection of Proposals under a BHA administered competition**, of this Administrative Plan.

Intention to Project Based Vouchers Statement:

The Housing Authority of the City of Biloxi, subject to approval by its Board of Commissioners, may project base up to 140 tenant based vouchers. The location of project-based assistance will be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities in accordance with HUD regulations and the Section 8 Administrative Plan. Project basing is consistent with the Housing Authority's Agency Plan and its stated goals to increase the availability of decent, safe and affordable housing, to increase housing choices, and to improve community quality of life and economic vitality, and is also consistent with the Housing Authority's strategies for addressing community needs.

PROJECT-BASED VOUCHER (PBV) ASSISTANCE

Overview

The Housing Authority of the City of Biloxi (BHA) may administer a Project-Based Voucher (PBV) program and may determine from time to time that circumstances exist that indicate that project basing of the units, rather than tenant basing of the same subsidy assistance, is an appropriate option. The regulations at 24 Code of Federal Regulations (CFR) part 983 apply to Section 8 PBV assistance units. The proposed location of any PBV units must comply with the goals of deconcentrating poverty and expanding housing opportunities. Under the PBV program, the BHA may use up to 20 percent of Housing Choice Voucher program subsidy funds for project based assistance. This is known as project-basing" what are otherwise tenant-based vouchers. When BHA project-bases Section 8 Housing Choice Voucher program vouchers it allows owners to leverage the voucher subsidy. Thus, the BHA can use project-based vouchers to encourage new construction or rehabilitation or to attach assistance to existing units to promote voucher utilization, expand housing choices, increase supportive housing options, and deconcentrate poverty.

(a) Tenant Selection

In general, the BHA's tenant selection procedures for its tenant-based programs apply for units assisted under the PBV Program. Except for units which are occupied by eligible tenants upon the

Commencement of the project based contract term, when a vacancy exists at a PBV site, the BHA will notify the next families on the appropriate BHA PBV waiting list. BHA's letter to the applicants will also state that if the applicant is interested in residing in the vacant PBV unit that the applicant will not lose his/her place on the BHA's Section 8 waiting list until that person has been leased in the PBV unit. All applicants indicating interest in the PBV units will be selected from the appropriate PBV waiting list in chronological order and prescreened for Section 8 eligibility. If the BHA referrals do not provide the owner with a suitable tenant for the unit within 30 days, the owner may refer a Section 8 eligible individual or family from the owner's waiting list to the PBV waiting list. The referred family must meet the BHA's waiting list priority criteria.

BHA has project – based Seashore Oaks Assisted Living Facility (ALF), an Elderly Designated Development, of which applicants must meet specific criteria to be eligible to reside in this community. The following procedures will be utilized to determine an applicant which is on the wait list, final eligibility.

1. Applicants which self-certify and score between 0 and 200 points on the ALF wait list will be contacted by BHA and assessed using the Wait List Assessment Document.
2. Applicants will be considered eligible at this stage if they meet the
 - a) Near Elderly, 50 year old and older requirement
 - b) Residency Requirement, eligibility to reside in ALF per #1.
3. If it is determined by BHA Intake Department the applicant is not eligible, they will be notified in writing and will be removed from the wait list.
4. The applicants that are determined eligible (meet (a) and (b) aforementioned) will receive further assessment by Pavilion Health Care (ALF contract management) to determine if they meet the Medical Evaluation, performed by Pavilion Health Care, to reside in ALF.
5. If the Medical Evaluation is met, the determination is submitted to the BHA Intake Department by email from Pavilion Health Care and the applicant receives an adjusted score of 450 points. The applicant will then be maintained on the wait list by order of date and time their original application was received.
6. The applicants that do not meet the Medical Evaluation requirements will also be submitted to the BHA Intake Department by email from Pavilion Health Care and removed from the wait list and notified in writing.
7. The applicants that receive the 450 point adjusted score will then be determined if they are income eligible according to HUD regulations by the BHA Intake Department.
8. If determined income eligible by the BHA Intake Department their score will then be adjusted to 850 points for referral to Pavilion Health Care for occupancy of a vacant unit as they reach the top of the wait list.

9. The applicants determined ineligible at this time will be removed from the wait list and notified in writing.

The above procedures must be documented for SEMAP purposes.

For VASH PBV, applicants referred by the VA indicating interest in the PBV units will be prescreened by the BHA for Section 8 eligibility and referred to the owner in chronological order. For Rehabilitation or Existing projects, eligible in-place families (families currently residing in the PBV site) will be given an absolute preference on the appropriate PBV waiting list for units that become available. In-place families must be eligible on the proposal's selection date. In place families must be determined eligible by the BHA and referred to the owner by the BHA. The owner chooses a tenant for occupancy based on their written tenant selection policy. The BHA must approve the owner's tenant selection procedures. When a family is approved by the owner, they will execute a lease with the owner.

(b) Unit / Site Selection Policy

Limit on Number of Units Assisted per Building - Project based assistance may be attached to up to 100% of the total number of units in a building provided at least 50% of the units at the project qualify for exceptions. Units occupied by the disabled, elderly, or families receiving supportive services are exempt from this cap. The types of services that the BHA will deem eligible to qualify a project to meet HUD's definition of families receiving supportive services include, but are not limited to:

- 1) Household Training (e.g.: homemaking, parenting skills, money management);
- 2) Job Training (preparation and counseling, job development and placement, follow-up assistance after job placement, completion of FSS "Contract of Family Participation);
- 3) Self Sufficiency Services and Resources (appropriate to assist families to achieve economic independence and self-sufficiency);
- 4) Remedial Education (education for the completion of Secondary or post-secondary education); and
- 5) Substance Abuse Treatment (counseling and treatment for substance abuse).

It is not necessary that the services be provided at or by the project, if they are approved services. Units where the family is receiving qualified supportive services are exempt from the 25% cap. The BHA will require owners of such projects to submit an Annual Progress Report to ensure compliance with the supportive service exemption on the number of units per building. Failure to submit Annual Progress Reports may result in abatement of the HAP payment. Prior to contracting, unit owners are responsible for selecting tenants that the BHA refers from its waiting list. When selected from the PBV waiting list, applicants must satisfy all BHA and HUD income limits and eligibility requirements. Project-based tenants pay 30% percent of their adjusted income for rent subject to exceptions. The BHA will consider a PBV site if it is consistent with the following deconcentration goals:

The housing site must be located in BHA's jurisdiction and be consistent with the deconcentration goals already established in BHA's PHA plan and with civil rights laws and regulations, including HUD's rules on accessibility;

- The BHA will evaluate each proposal based on site location (ie. whether the site is in an Enterprise Zone, Economic Community or Renewal Community (EZ/EC/RC));
- Whether the concentration of assisted units will or has decreased as a result of public housing demolition;
- Whether the census tract is undergoing significant revitalization;
- Whether government funding has been invested in the area;
- Whether new market rate units are being developed in the area which are likely to positively impact the poverty rate in the area;
- If the poverty rate in the area is greater than 20% whether in the past five years there has been an overall decline in the poverty rate, and
- Whether there are meaningful opportunities for educational and economic advancement in the area.

The BHA will not limit proposals to a single site or impose restrictions that explicitly or practically exclude owners from submitting project-based proposals. The BHA may restrict proposals to those that have a certain number of bedrooms based on waiting list or community need. The BHA will select PBV proposals based on an BHA administered public competition, or select proposals that were awarded housing assistance in the last three years under a federal state or local competition that did not consider the receipt of PBV assistance. The BHA may attach project-based assistance to an existing structure which it owns based on the competitive proposals. If BHA elects to do this, HUD or a HUD-approved independent entity must review the selection process in this case to confirm that the HA-owned units were appropriately selected based on the selection procedures specified herein. The BHA must determine that the proposed site meets all HUD "Site and Neighborhood" standards. For the selection based on a public competition, the BHA will issue a broad public notice in local newspapers and on the internet of the opportunity for developer/owners to apply/respond to the Request for Proposals to attach project based assistance. Once the selection process is completed BHA will promptly notify all bidders of results and publish a public notice of the award on the BHA website. The selection criteria will be available at the Housing Authority for public viewing. The BHA may opt not to conduct a separate competition if proposals presented to the BHA were accepted as part of a different competition for federal funds (HOME, HOPE VI, and Tax Credit) within 3 years of the PBV proposal selection date. The original competition however cannot have considered the possibility of future PBV assistance, but the selection must be based on the project's merits at the time of the competition.

(c) Submission of Proposals under a BHA administered competition.

Owner proposals will be requested in an advertisement with a reasonable deadline. Owners will be sent an RFP application and information packet, which will contain the following:

- A description of the PBV program;
- Project selection criteria;
- Sample program documents including payment standard schedule, utility allowance schedule and sample HAP agreement;
- An application / proposal form; and
- Information about application due date. A Bidders Conference may be provided for owners who would like additional information about the program.

Selection of Proposals under a BHA administered competition.

Initial Review and Screening of Proposals - the BHA will review only proposals submitted in response to the Request for Proposals advertisement and submitted by the stated deadline. The BHA will review proposals for completeness and compliance with RFP requirements. Proposals must include the following information (threshold requirements):

- Property description, including unit sizes, number of vacancies, eligible occupants.
- Evidence that property is eligible housing;
- Evidence that property complies with the cap on the number of PBV units per building, if applicable
- Evidence that property meets the site selection standards;
- Owner certification indicating understanding and agreement to abide by all BHA and HUD rules and regulations governing the PBV program;
- Description of previous management experience and participation in HUD subsidized housing programs;
- Written tenant selection policy and procedures;
- Proposed rent levels accompanied by rent comparables for similar unassisted units in the area;
- Information on how the site is consistent with the deconcentration goals already established in the BHA's PHA plan and with civil rights laws and regulations, including HUD's rules on accessibility; and
- Owner's agreement to select tenants from the BHA waiting list.

Also for New Construction:

- Description of project including work plans;
- Zoning permits and evidence of site control;
- Disclosure of Low Income Tax Credit use or lien;
- Statement of Sources and Uses for Funds to develop the project;
- Operating proforma;
- Descriptions of historic and environmental review status; and
- Owner's plan to manage and maintain property.

After this initial threshold review, the following action will be taken:

- 1) Incomplete proposals will not be processed. If the owner fails to provide the needed information within a reasonable time, the proposal will be rejected. Proposals, which would require permanent displacement of tenants, will be rejected. Proposals where there is not site control will be rejected. Proposals where the property has liens attached and these liens are a result of the current owner's negligence will be rejected.
- 2) Owners of rejected proposals will be notified in writing of the reasons for rejection and will be offered an opportunity to discuss the rejection in person with BHA proposal evaluators.
- 3) The BHA will schedule initial inspections of all projects selected prior to award.
- 4) Based on this inspection, the BHA will review the general work and cost estimate and determine that the project qualifies as a New Construction, Rehabilitation or Existing housing project. In the case of new construction and rehabilitation projects, specific work items needed to meet the \$1,000 per unit rehab requirement will be documented by the BHA. In the case of an existing project, the BHA will ensure that the minimum HQS standards are met using Federal Housing Quality Standards. Included in this report will be a statement on the need for temporary relocation of tenants and an estimate of the time needed to complete construction.
- 5) Upon receipt of the above review, the BHA will conduct a feasibility analysis for each project. The BHA will review the requested rents and supporting rent reasonableness information to determine if the rents are permissible under the PBV program. The BHA will determine that the rents approved are reasonable and comparable to private unassisted units.
- 6) Feasible proposals will be scored according to the RFP.
- 7) Notification of Owners

Owners whose proposals have been approved will be promptly notified in writing of their acceptance and the number and size of the units which will be assisted. In each selection phase, letters to owners whose proposals have been selected will state that they have 30 days in which to complete any incomplete or deficient aspects of the proposal. For New Construction and Rehabilitation projects, the owners will within a reasonable time:

- Submit final specifications for construction/rehab;
- Determine a contractor;
- Secure general financial commitment letters; and
- Sign an agreement with the BHA stating willingness to participate in program and to agree to long term leasing covenants.

8) Agreement to Enter into a Housing Assistance Payments (AHAP) Contract -

All New Construction / Rehab PBV units require the owner/project sponsor to enter into an AHAP contract with the BHA prior to any demolition and/or construction. An AHAP contract will not be necessary for an Existing project. An AHAP contract cannot be executed until the following actions are completed and approved by HUD, where applicable:

- In accordance with regulations, a subsidy layering review (SLR) has been performed when necessary for any project that has any other government assistance from federal, state or local agencies, including tax concessions and tax credits. The SLR must be performed by HUD, or an agency acceptable to HUD.
- An environmental review (ER) performed by the “responsible entity” (RE) designated by the city/town or state, or, a certification by the RE that a review is not required.

9) Housing Assistance Payments (HAP) Contract Execution:

The BHA may enter into an initial Housing Assistance Payments (HAP) Contract for a maximum of fifteen (15) years contingent upon annual appropriations. Further, the BHA may extend contract periods to achieve long-term housing affordability or increased housing opportunities up to an aggregate total term of 15 years. Extensions will be granted within one year before HAP expiration. The BHA will pay the difference between the tenant rent (roughly 30% of gross income) and the approved rent for the unit directly to the owner on a monthly basis. The Section 8 project based contract rent may not exceed rents charged for comparable units in the private unassisted market, and will *be consistent with HUD regulations* and will be approved by the BHA.

(e) Selection of PHA Owned units

PHA Owned units may be selected under either Selection method as long as HUD or an independent entity approved by HUD determines that the PHA owned units were appropriately selected. An Independent entity must inspect units for compliance with HQS and conduct rent reasonableness determinations. An independent entity will establish rents based on program

requirements to ensure rents are set appropriately. BHA may only compensate the independent entity from administrative fees.

(f) Summary of Other Important Project-based Assistance Program Regulations

- PBV vouchers remain “mobile”: After one-year families have the option to leave the PBV unit and receive a tenant-based voucher. The BHA will supply the owner with a referral for a new PBV tenant. Families who wish to relocate with continued assistance must inform the owner and the BHA in writing not less than 30 days prior to the date they plan to vacate the unit. The BHA will then place the family on a Choice Mobility PBV Voucher Waiting list according to the date and time of receipt by the BHA of written notification of the family’s 30 day notice of intent to vacate. The BHA will issue the next available tenant based voucher to families on the Choice Mobility PBV voucher waiting list before proceeding to its regular section 8 waiting list. Families from the regular Section 8 waiting list who have been notified of an eligibility appointment for a tenant based voucher will not be delayed from receiving their voucher.
- Inspections: Inspections for the entire building will occur at the same time annually.
- Rent: The voucher rent may never be set higher than what is reasonable in comparison to the unassisted market. The maximum rent is the same as the maximum payment standard approved for the Section 8 tenant-based voucher program or any other HUD approved exception rent.
- Rent Increases: Rent Increases during the term of the contract may be approved by the BHA so long as the increased rents do not exceed the maximum and are reasonable.
- Vacancy Payments: The BHA may pay the owner vacancy payments for up to 60 days.
- High Rise Elevator: If the project is a high-rise elevated building that will house families with children, HUD must approve the site, based on criteria that indicate that “there is no practical alternative” for family housing in the community.
- Davis Bacon Wage Rates: If PBV assistance will be attached to nine or more units in a project the Davis-Bacon (D-B) Wage Rate Schedule, available online at <http://www.access.gpo.gov/davisbacon> will apply.