



SAINT PAUL PUBLIC HOUSING AGENCY

SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE

PROGRAM GUIDE

The PHA is offering 125 Project-Based Vouchers in this 2019 RFP.

- **50** PBV Opportunities dedicated to Mixed Income Properties
- **50** PBV Opportunities dedicated to Supportive Housing for the Homeless
- **25** PBV Opportunities dedicated to Veteran Affairs Supportive Housing (VASH)



SAINT PAUL PUBLIC HOUSING AGENCY (PHA) SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE Program Overview

The Saint Paul Public Housing Agency (PHA) offers the availability of federal rent subsidies under its Section 8 Project-Based Voucher (PBV) Rental Assistance Program.

Project-Based Vouchers (PBVs) are vouchers from the regular tenant-based Section 8 Housing Choice Voucher (HCV) Program that the PHA dedicates to specific units in a project. Eligible families receive rental assistance by agreeing to live in the existing, newly constructed or rehabilitated units, and they continue to receive assistance as long as they reside in the specific project-based dwelling unit. Under current federal law, a family can move with a tenant-based HCV after living in a PBV unit for more than twelve months, but only if the PHA has HCVs available. The PBV remains with the original unit, and the PHA will be administering these PBVs for any project that is within the City of Saint Paul.

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 locational choice for very low income households; integrate housing and supportive services such as education, case management, job training, and day care to help families and individuals achieve stability and self-reliance; promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions; to support the City of St. Paul's affordable housing goals; and to assist the State of Minnesota, Ramsey County, and City of St. Paul with their plans to end homelessness by providing rental subsidies to supportive housing and other projects designed to house persons experiencing homelessness.

Almost any type of newly constructed or existing structure may be used for PBV, though new construction projects could be eligible for more points, as explained later. Up to 25 percent of the units in a building, or 25 units in a building (whichever is greater) can be assisted under the PBV program, except for buildings for elderly households or those households where supportive services are available, which can be up to 100% PBV assisted. Each project must apply for a minimum of ten (10) project-based-vouchers per project. Extra points are awarded for projects that create non-PBV affordable housing within the project. Owners must be willing to enter into a *Housing Assistance Payments (HAP) Contract* with the PHA for not less than one year, and no more than twenty years.

Vacancies in PBV units must be filled by eligible families currently on the PHA Section 8 waiting list, except for supportive housing PBV units. For supportive housing PBV units, the PHA permits the housing manager/administrator to select and refer applicants to the PHA. Those applicants must meet Minnesota Housing's definition of homeless and the requirements included therein. If the referred applicant meets Section 8 eligibility requirements, the PHA will then approve the person or family to live in the PBV unit. VASH (Veteran Affairs Supportive Housing) PBV units will be filled by veterans experiencing homelessness, in partnership with the local Veteran Affairs Medical Center.

Financing for the construction or rehabilitation of units to be project-based must be obtained independently by the owner.

Direct inquiries to Dominic Mitchell, Housing Choice Voucher Programs Director, at 651-292-6191, or by e-mail at dominic.mitchell@stpha.org.

SAINT PAUL PUBLIC HOUSING AGENCY (PHA)
SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE
Project Criteria

Eligible Projects

Almost any type of newly constructed or existing structures, including single-family housing and multifamily structures may be used for PBV. For the proposed project to qualify as rehabilitation under PBV program, existing structures must require a minimum expenditure of \$3,000 per assisted unit, including the unit's prorated share of work to be accomplished on common areas or systems. Units must meet Housing Quality Standards as specified in *24 CFR Section 982.401*. Both new construction and rehabilitation sites must meet site and neighborhood standards as specified in *24 CFR Section 983.57*, and the Environmental Review requirements in *24 CFR Section 983.58*. Construction work is subject to Section 3 requirements. *24 CFR Section 135*

Up to 25 percent of the units in a building, or 25 units in a building (whichever is greater) can be assisted under the PBV program, except for buildings for elderly households or those households where supportive services are available, which can be up to 100% PBV assisted. Typically, this will mean that mixed-income projects, as defined by below, will have the required cap. Projects meeting the criteria for supportive services and VASH will typically not be operating under this cap if they meet the criteria noted below.

Vacancies

Vacancies in PBV units must be filled by eligible families currently on the PHA Section 8 waiting list, except for supportive housing PBV units. For supportive housing PBV units, the PHA will accept applicant referrals from the supportive housing manager or administrator, who must be working with Coordinated Entry to refer units to eligible homeless families. If the referred applicant meets Section 8 eligibility requirements, the PHA will approve the person or family to live in the PBV unit. VASH PBV units will be filled by veterans experiencing homelessness, in partnership with the local Veteran Affairs Medical Center.

Application Process

The PHA is accepting all applications through the Minnesota Housing Finance Agency (Minnesota Housing) Consolidated RFP process, scheduled for release April 4, 2019. You can obtain more information and an application and guidebook by contacting the Minnesota Housing Multi-Family Division at 651-297-3294 or 1-800-657-3701, checking the Minnesota Housing web site at www.mnhousing.gov, or by contacting Dominic Mitchell, PHA HCV Programs Director, at 651-292-6191 or at dominic.mitchell@stpha.org. Applications are due to MHFA no later than 5:00 p.m. on June 3, 2019.

Selection Criteria

Proposals for PBVs will be reviewed in accordance with the selection policy requirements as set forth in *24 CFR Section 983.51* and in accordance with the PHA Board-approved proposal review criteria below. Each PBV proposal will be reviewed by PHA staff for compliance with HUD regulations and program criteria under *24 CFR Part 983- Section 8 Project-Based Voucher Program*. The financial feasibility of a proposal will be determined by the Minnesota Housing review process, but cannot include consideration that the project will get PBV assistance. After Minnesota Housing has completed their review, the PHA will rank the projects according to the criteria below. If a project applies for PBV only (with no separate review needed by Minnesota Housing), that application will be passed along to the PHA for review along with any other applications. The PHA staff will then make a recommendation to the PHA Board of Commissioners for approval to project base the Section 8 assistance in the development. Contingent upon formal PHA Board and HUD approval, and compliance with all project-based regulations, PHA 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.

Proposal Review Criteria (100 Points Total, per category)

Selection Criteria: If an application requesting PBVs has gone through Minnesota Housing’s SuperRFP as indicated above, the PHA will review the application based on the following selection criteria. All proposed projects will be evaluated first under the General Criteria for All Projects (30 Points). The applicant will select which of the remaining four categories they wish to be evaluated under (70 Points), depending on what has been made available in the SuperRFP (Mixed Income, Supportive Housing for Persons Experiencing Homeless, VASH).

- a. **General Criteria for All Projects (30 Points Maximum):** All projects submitted for consideration will be evaluated under these three criteria.
 - i. **Prior extensive experience** of the applicant in developing and managing similar residential housing with project-based voucher subsidies and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal. 10 Points.
 - ii. **Additional PBVs for Current PBV Projects:** Extent to which more PBV vouchers would help stabilize a current PBV project. 10 Points
 - iii. **Leveraging:** Extent to which PBV voucher proposal is created in a project that has additional affordable housing beyond what is provided by the PBV units. 10 Points.
 - iv. **Minimum Size:** In order to be considered eligible for Project-Based Vouchers, any project must be applying for at least ten (10) units for Project-Based assistance, or all units in the project, whichever is less.
- b. **Mixed-Income Affordable Housing:** Projects that are applying for Project-Based Vouchers with the intent of creating mixed-income or mixed-finance projects will be selected in accordance with the following additional criteria. (70 Point Maximum.)
 - i. A project that is New Construction at the time of application. 35 points
 - ii. A project that is located in a low-poverty census tract, which is defined as “one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 35 points.
- c. **Supportive Housing for the Homeless:** Projects that are applying for Project-Based Vouchers with the intent of creating affordable housing options with supportive services on-site to assist homeless clients will be selected in accordance with the following additional criteria. (70 Point Maximum.)
 - i. Requirement for all of the following (45 points):
 1. Serve homeless individuals and families, as defined in Minnesota Housing’s SuperRFP. 15 points.
 2. Provide (or contract for) on-site supportive services appropriate for population served. 15 points.
 3. Process referrals from Ramsey County’s Coordinated Entry, in accordance with their processes. 15 points.

- ii. Extra points for the following (25 Point Maximum):
 - 1. Projects where the PBV units will serve individuals and families who meet the definition of homeless under section (103 of the McKinney-Vento Homeless Assistance Act). 15 points.
 - 2. A project that is New Construction at the time of application. 10 points.
 - 3. A project that is located in a low-poverty census tract, which is defined as “one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 10 points.

- d. **HUD-Veterans Affairs Supportive Housing (VASH):** Projects that are applying for PBV with the intent of creating affordable housing units specifically designed to house veterans referred and served by the local VA Office will be selected in accordance with the following additional criteria. (70 Point Maximum.)
 - i. Requirement for all of the following (40 Points):
 - 1. Obtain letter of support from local VA. 20 points.
 - 2. Accept referrals from VA to fill all vacancies. 10 points.
 - 3. Have supportive services available on-site, as approved and accepted by VA. 10 points.

 - ii. Extra points for the following (30 Point Maximum):
 - 1. A project that is New Construction at the time of application, as it is defined in the federal regulations. 15 points.
 - 2. A project that is located in a low-poverty census tract, which is defined as “one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 15 points.

Financing

Financing for the construction or rehabilitation must be obtained independently by the owner. There may be funding opportunities available from sources other than the PHA through the Minnesota Housing Consolidated RFP process.

For all approved proposals, the PHA may not provide PBV assistance or commit to provide assistance until a subsidy layering review is completed. The subsidy layering review is required by HUD and is intended to prevent excessive public assistance for the housing by reviewing all governmental housing assistance received on the particular project. Once the subsidy layering review is completed and approved by HUD, the owner must certify that no additional public assistance will be used in the project other than what was originally disclosed in the subsidy layering review process.

Other Requirements for Rehabilitation and New Construction Projects

All proposals must meet final approval before construction or rehabilitation may begin. In addition, 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 enter into a *Housing Assistance Payments (HAP) Contract* with PHA for a minimum term of one year to a maximum of twenty years. Please see lower for additional details.

Eligible and Ineligible Properties

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

1. Subpart H of Part 982 of this chapter of federal regulations does not apply. Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under Part 983, including single-family housing and multifamily structures.
2. An HA may not attach assistance under Part 983 to units in the following types of housing:
 - a. Housing for which the construction is started before Agreement execution;
 - b. Housing for which the rehabilitation is started before Agreement execution;
 - c. Shared housing; nursing homes; and facilities providing continual psychiatric, medical, nursing services, board and care or intermediate care;
 - d. Units within the grounds of penal, reformatory, medical, mental, and similar public or private institutions;
 - e. Units that are owned and controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
 - f. Manufactured homes;
 - g. the Homeownership Option; or
 - h. Transitional housing.
3. An HA may not attach or pay PBV assistance to units in any of the following types of subsidized housing:
 - a. Public housing;
 - b. A unit subsidized by any other form of Section 8 assistance (tenant based or project based);
 - c. A unit subsidized with any governmental rent subsidy;
 - d. A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
 - e. A unit subsidized with Section 236 rental assistance payments, however, assistance can be provided to a unit subsidized with Section 236 interest reductions payments;
 - f. A unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949;
 - g. A project with a Section 202 loan;
 - h. A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
 - i. Section 202 supportive housing for the elderly;
 - j. Section 811 supportive housing for persons with disabilities;
 - k. A Section 101 rent supplement project;
 - l. A unit subsidized with tenant-based assistance under the HOME program; or

- m. Any unit with any other duplicative Federal State, or local housing subsidy, as determined by HUD. For this purpose, "housing subsidy" does not include the housing component of a welfare payment, a social security payment received by the family, or a federal, state, or local tax concession.
4. Assistance may not be attached to a unit that is occupied by an owner.
 5. The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8.
 6. For all units, the site selection standards in 24 CFR Part 983.57 apply, as described therein.
 7. HA-owned unit means a unit (other than public housing) that is owned by the HA which administers the assistance under this part 983 pursuant to an ACC between HUD and the HA (including a unit owned by an entity substantially controlled by the HA).
 - a. An HA-owned unit may only be assisted under the project-based voucher program if:
 - (i) The HA-owned unit is not ineligible housing under this section.
 - (ii) The selection of PHA owned units was done in accordance with 983.51.
 - (iii) The HUD field office has approved an independent entity that determines reasonable rents both for initial and annual rent determinations and conducts inspections on the PHA owned units.
 - b. As owner of a HA-owned unit, the HA is subject to all of the same program requirements that apply to other owners in the program.
 - c. HUD may pay a lower administrative fee for PHA owned units.
 - d. 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 Federal Requirements

Participation in the PBV program requires compliance with various other federal requirements, noted at 24 C.F.R. 983.4, including all Equal Opportunity requirements (as specified in 24 C.F.R. 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 107);
5. Section 504 of the Rehabilitation Act of 1973, 29 U.S.C. 794 (implementing regulations at 24 CFR part 8); and
6. Title II of the American with Disabilities Act, 42 U.S.C. 12101, *et seq.*
7. For the application of equal opportunity requirements at an Indian Housing Authority, *see* 24 CFR 950.115.
8. 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.

Subsidy Layering Review requirements

For all approved proposals, the PHA may not provide PBV assistance or commit to provide assistance until a subsidy layering review is completed. The subsidy layering review is required by HUD and is intended to prevent excessive public assistance for the housing by reviewing all governmental housing assistance received on the particular project. Once the subsidy layering review is completed and approved by HUD, the owner must certify that no additional public assistance will be used in the project other than what was originally disclosed in the subsidy layering review process.

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.

In formulating this Guide, the PHA relied upon 24 CFR Part 983, recent HUD guidance in PIH 2017-07, and its own policy. To the extent there are conflicts between any provisions in those sources and the language in this guide, the provisions in those sources shall control.

The PHA's Admission and Occupancy Policies (AOP), including an Appendix for Project-Based-Vouchers, can be referenced at www.stpha.org.

If your questions are not answered in this Guide or in the AOP, please contact Dominic Mitchell at 651-292-6191, or at dominic.mitchell@stpha.org, for additional information.