

Addendum A

City of Mesquite Housing Choice Voucher Program Administrative Plan

Project-based Voucher Program Policy

24 CFR 983

PIH Notice 2011-54

Introduction

The U.S. Department of Housing & Urban Development (HUD) has authorized agencies administering a Housing Choice Voucher Program (HCV) to designate a portion of their available tenant-based voucher funds for project-based rental assistance (42 U.S.C. 1473 f(o)(13)). The regulations that the City of Mesquite Housing Division may, at its option, choose to provide project-based rental assistance are listed in 24 CFR 983. In the Project-based Rental Assistance Voucher Program (PBV), the rental assistance is attached to the structure. The PBV program is funded with a portion of the Housing Division's budget authority and the Housing Division does not receive any special funding or additional vouchers for the PBV program. HUD approval is not required to operate a PBV program.

The Housing Division may use up to 20 percent of the voucher funding (budget authority) for project-based rental assistance. Except for units designated as elderly/disabled or receiving supportive services, no more than 25% of units in a building may have project-based assistance (24 CFR 983.56). The Housing Division is not required to reduce the number of PBV units selected under an Agreement or HAP contract if the amount of budget authority is subsequently reduced (24 CFR 983.6).

The Housing Division may provide project-based assistance for existing housing that does not need rehabilitation, as well as for newly constructed or rehabilitated housing.

Project-based assistance must be consistent with the Five Year and Annual PHA Plan as well as the Consolidated Plan for the City of Mesquite. The PBV program must be consistent with the statutory goals of "de-concentrating poverty and expanding housing and economic opportunities." In accordance with the Consolidated Plan and goals of the City's Comprehensive Plan, the Housing Division will seek to support the creation of walkable infill developments that contribute to sustainable urbanism; continue efforts to support the creation of new multigenerational housing developments within a variety of price ranges; and improve and preserve the city's housing stock, including housing for special needs populations.

The Housing Division will enter Housing Assistance Payment (HAP) contracts for a minimum of two (2) years and a maximum of ten (10) years for selected units with selected owners.

Section 1: Governance of the Housing Choice Voucher Administrative Plan

The City of Mesquite's HCV Administrative Plan, as adopted by the City Council, provides operational directives that are applicable to participants in the PBV Program. This PBV addendum should be considered a part of the HCV Administrative Plan, addressing program rules specific to the PBV program, and should not be looked upon as independent from the HCV Administrative Plan.

Section II. Equal Opportunity Requirements

The Housing Division will comply with all equal opportunity and nondiscrimination requirements and the Five Year and Annual Plan's certification to comply with civil rights laws and to affirmatively further fair housing as required by CFR 983.8.

The Housing Division will ensure that all PBV projects meet the program accessibility requirements of 24 CFR 983.102.

Additional policies related to equal opportunity and affirmatively furthering fair housing requirements are outlined in Chapter 1 of the HCV Administrative Plan.

Section III. Selection of PBV Owner Proposals & Site Selection Standards

- A. The Housing Division will request PBV owner proposals and will specify any special objectives and requirements in the Request for Proposal (RFP) that owners must complete in order to be considered responsive for consideration as a vendor. The Housing Division will use competitive selection procedures when noncompetitive selection is not applicable.
- B. The Housing Division will publish public notice of the opportunity to offer PBV proposals and will specify the submission deadlines. The Housing Division will give prompt notice of owner selection to the owner and by publishing public notice. The Housing Division will also make available for public inspection the documentation regarding the basis for selection of a PBV proposal. (24 CFR 983.51)
- C. The Housing Division will not select proposals that include ineligible units, such as subsidized housing. (24 CFR 983.53, 54)
- D. The Housing Division will not enter an agreement or HAP contract until HUD or an independent entity approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements (24 CFR 983.55). The subsidy layering requirement is required for new construction and rehabilitation only and can be conducted by either the Texas Department of Housing & Community Affairs or HUD.
- E. The Housing Division will not enter an agreement or HAP contract unless the site selection requirements in 24 CFR 983.57 are met.
- F. Activities under the PBV program are subject to HUD environmental regulations and require an environmental review for all PBV units, including existing units. An environmental review will be conducted by the City of Mesquite, which is the local unit of government on behalf of the

Housing Division (24 CFR 983.56). An environmental review must be conducted prior to execution of any agreement for rehabilitated or new units or HAP contract for existing units.

Section III. Requirements for Newly Constructed and Rehabilitated Units (24 CFR 983 Subpart D)

- A. The Housing Division will enter an Agreement with the owner who has agreed to develop the contract units in compliance with Housing Quality Standards (HQS). The Agreement, or AHAP, will provide a description of the housing to be developed, including site, location of units on site, number of contract units by bedroom size, services to be supplied by owner, utilities, estimated initial rents, and description of work under the AHAP.
- B. The AHAP is executed after notice of proposal selection to the owner, the subsidy layering review, and the environmental review have been completed and approved.
- C. The owner must perform the development work in accordance with 24 CFR 983.154, including disclosing any conflicts of interest and certifying that the owner and other project principals are not excluded from federal procurement and nonfederal procurement programs.
- D. The Agreement must specify the deadlines for completion of the housing units and submit the required evidence of completion in accordance with 24 CFR 983.155.
- E. The Housing Division will determine compliance with HQS and review the required evidence of completion. The Housing Division will execute a HAP contract when all conditions of the AHAP have been met.

Section IV. Housing Assistance Payments Contract (24 CFR 983 Subpart E)

The Housing Division will enter a HAP contract with the owner in order to provide housing assistance payments for eligible families. Housing assistance will only be paid for contract units leased and occupied by eligible families during the HAP contract term.

- A. The HAP contract must specify the number of units by number of bedrooms.
- B. The HAP contract must identify the specific contract units in each building(s).
- C. The Housing Division may amend the HAP contract to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract.
- D. The Housing Division may renew the HAP contract subject to available funds.

Section V. Selection, Occupancy, Termination

- A. The Housing Division will determine eligibility of families for selection into the PBV program in accordance with policies outlined in Chapter 2 of the HCV Administrative Plan. The Housing Division will not screen applicants for family behavior or suitability for tenancy. The Owner is responsible for screening of families on the basis of their tenant history.
- B. The Owner is responsible for adopting a written tenant selection procedure that is consistent with the purpose of improving housing opportunities for very low income families. The Tenant selection procedure should be reasonably related to program eligibility and an applicant's ability to perform the lease obligations. (24 CFR 983.253)

- C. In order to minimize displacement of a family that is eligible in a proposed contract unit on the proposal selection date, the Housing Division will place the family on the HCV waiting list. Once the eligibility of the family is established, the family will be given an absolute selection preference. The in-place families will be given priority admission to the PBV program and are not subject to income targeting requirements.
- D. The Housing Division will not use a separate waiting list for the PBV program and will select families for participation from the existing tenant-based waiting list. A family that refuses an offer of PBV assistance will not have any impact to the family's position on the tenant-based waiting list.
- E. The tenant and the owner must enter a written lease agreement. The lease must include the HUD required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.
- F. The owner may collect a security deposit from the tenant as described in Chapter 7 of the HCV Administrative Plan. The Housing Division has no liability or responsibility for payment of any amount owed by the family to the owner.
- G. The Housing Division may offer continued assistance in another unit when the family is occupying a wrong size unit or unit with accessibility features that the family does not require and is needed by a family that requires the accessibility feature. In both of these cases, the Housing Division will offer the family the opportunity to continue receiving housing assistance in another unit or, if available, a tenant-based voucher. If a family refuses the offer of continued assistance, the Housing Division will notify the owner and the family that the housing assistance payments will be terminated within a reasonable period but no more than 90 days from the date the offer for continued assistance was made.
- H. The family may choose to terminate the assisted lease after the first year of occupancy. The family must give the owner a written notice to vacate in accordance with the lease. If the family is in good standing and eligible for a move with continued assistance as described in Chapter 10 of the HCV Administrative Plan, the Housing Division will offer them a tenant-based voucher, if funding is available. If funding is not available, the Housing Division will offer them the next available opportunity for continued tenant-based rental assistance.
- I. If the Housing Division terminates the HAP contract for any reason that is not the fault of the family, the family will be offered continued tenant-based assistance.
- J. If the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity to move with continued tenant-based assistance.
- K. The rules governing other terminations of assistance and tenancy are found in Chapter 11 of the HCV Administrative Plan. PBV program applicants and participants are also eligible for informal reviews and informal hearings as outlined in Chapter 12 of the HCV Administrative Plan.

Section VI. Rent to Owners and Payments

The amounts of the initial and re-determined rents are determined in accordance with 24 CFR 983.301 and 302. The Housing Division and owner will establish the initial rent at the beginning of the HAP contract term. The Agreement states the estimated rent amount only. The Housing Division will re-

determine rents if it is requested by the owner or where there is a decrease of five percent (5%) or greater in the published Fair Market Rents. The owner may only request any increases in rent at the annual anniversary of the HAP contract. In all cases, the rent must be determined rent reasonable as outlined in Chapter 7 of the HCV Administrative Plan and must be HQS compliant as outlined in Chapter 8 of the HCV Administrative Plan.

The Housing Division will not make vacancy payments to the owner.