

Section 25.0 PROJECT-BASED VOUCHER PROGRAM

The Section 8 Project-Based Voucher (PBV) program is a component of the Statewide Section 8 Housing Choice Voucher (HCV) program and provides long-term project-based rental assistance contracts for very low and extremely low households. The PBV program allows HCR to contract up to 20 percent of its total HCV budget authority for the use of project-based voucher assistance by means of Housing Assistance Payments (HAP) contracts. Unlike the Tenant-Based Voucher (TBV) Program, PBV subsidies are attached to specific units in specific projects for the term of the Housing Assistance Payments (HAP) contract. They can be used for newly constructed properties or rehabilitated units or for units in existing buildings.

This section pertains to LAs with current project-based developments or LAs that have been approved for project-basing of vouchers. All LAs should fully familiarize themselves with Project-Based Voucher Program, Final Rule (24 CFR Part 983) issued October 13, 2005.

25.01 PBV Contract Selection

The primary responsibility for determining PBV contract awards lies within HCR's Office of Finance and Development. The decisions are made in the context of a competitive process. In order to be considered, HCR requires owners/developers to complete a Consolidated Funding Application (CFA) in response to the following: the publication of a NOFA/NOCA in the New York State Register, the release of an RFP on HCRs' website and through application workshops held in several locations throughout the State to inform developers of available program funding. HCR will evaluate investment of the resources made available using the following three criteria: fundamentals, leverage and outcomes. This framework accommodates all scoring criteria currently utilized by HCR. Considering geographic distribution of funding across the State, final selection will be based on housing needs and the ability for the selected projects to incorporate community development policies that emphasize the needs of their underserved communities while promoting expanding housing opportunities and the deconcentration of poverty.

Funding applications initially received in response to a previously issued competitive selection RFP may also be considered for project-based award as long as the proposed project's application was received within three years of the initial PBV proposal date, was selected in accordance with the competitive selection process and did not previously involve consideration to receive PBV assistance.

For questions received regarding the CFA process, please refer any prospective owner/developer to the following link to review HCR's available resources and application process: <http://nysdhcr.gov/Funding/>.

25.02 Deconcentration of Poverty/Expanding Housing Opportunities Standards

As part of the CFA application review process, all applications that include PBVs as a part of their request for funding are reviewed by the Office of Finance and Development for eligibility. The PBV eligibility reviews are conducted in accordance with Section 983.57(b)(1) of PBV regulations and this Administrative Plan to determine the extent to which a project supports the deconcentration of poverty and expanding housing and economic opportunities as part of their proposal.

The PBV eligibility review is conducted using data derived from local and census tract demographics and is performed on all PBV applications with consideration of the following: current poverty levels as well as changes in the level of poverty over the past five years in an application area; the availability of similarly assisted units in the project area, whether they are sufficient to support the current need and if their availability is likely to increase or decline in the future; the availability of professional, social and/or economic advancement opportunities within the census tract; and any additional public/private dollars currently invested (or to be invested) in the area for purposes of achieving the same goals.

HCR will not select a proposal for existing, newly constructed, or rehabilitated PBV housing or enter into an AHAP contract or HAP contract for PBV units unless HCR has determined that PBV assistance is consistent with these goals.

25.03 HAP Term

The term of the PBV HAP contract can be no less than one (1) year and no more than fifteen (15) years. While the term of all PBV HAP contracts will be reviewed on a case-by-case basis within HCR policy and HUD parameters, in most cases the initial term will be fifteen (15) years.

HCR will consider and may agree to enter into an extension of the HAP contract prior to expiration of the initial contract term if it is determined an extension is appropriate to continue providing eligible families needed affordable housing opportunities.

25.04 HAP Contract Amendments (Unit Substitution/Addition)

Since PBV assistance is assigned to specific units throughout the duration of a project's HAP contract term, HCR may consider unit substitutions by means of a contract amendment in situations where a reasonable accommodation is needed. In order to be considered, the substituted unit must be located within the same project, have the same number of bedrooms, be HQS compliant and meet the same PBV requirements as the previously covered contract unit. Should HCR approve the requested substitution, the LA must inspect and pass the proposed unit prior to assistance being transferred.

A request to amend the HAP contract by adding PBV units will only be considered during the three-year period following the execution date of a project's contract. HCR, at its sole discretion, will consider amending the HAP contract to accommodate additional PBV units under the following general circumstances: a sudden housing shortage caused by a disaster or other loss of housing units, an influx of displaced families, or if an inordinately high percentage of voucher-holders are unable to find housing prior to the expiration of their voucher (taking into consideration all approved extensions).

25.05 25% Project Cap

While there is currently no limitation on the number of PBV units contracted per project, should assistance for the number of units designated as PBV exceed 25% of the total number of units for that property, there must be an established agreement to provide supportive services in the form of Family Self-Sufficiency (FSS) to those families that exceed the 25% threshold cap.

It is the responsibility of project management to either directly provide and monitor Supportive Services requirements or contract with an entity acceptable to HCR who will be responsible for ensuring fulfillment of required supportive services.

PBV units will be excepted from the 25% per project cap if they are specifically earmarked for qualified families. Qualified families are elderly or disabled families, or families already receiving FSS supportive services.

If a family residing in a unit excepted because of FSS supportive services, and the family fails to comply with the supportive services requirements, the family's assistance will be terminated in accordance with HUD requirements.

25.06 Selection of Families from the Waiting List for Project-Based Units **(Formerly Section 1.17)**

Local Administrators who have Project-Based Voucher (PBV) developments in their operating areas are required to maintain individual waiting lists for each PBV development. PBV waiting lists will be established by canvassing the LA's current tenant-based waiting list, by accepting owner referrals, and by conducting community outreach as needed, taking into consideration the type of development (i.e., family, elderly/disabled) and/or bedroom sizes.

Applicants will be permitted to apply for any/all PBV waiting list(s) within the LA's jurisdiction, and can maintain positions on both the tenant-based and PBV waiting lists at the same time. Placement on a PBV waiting list will be based on the date and time the application/referral is received by the LA for each specific waiting list. HCR's automated Section 8 Housing Choice Voucher System (SHCVS) has been modified to allow for the implementation of multiple waiting lists.

As vacancies occur in a project-based development, it is the LA's responsibility to refer families to vacant units from the specific PBV waiting list for that project. **PBV regulations require that all persons selected for assistance must be selected from our site-specific waiting list.** Communication between the LA and project management should be maintained in order to facilitate the rental process.

25.07 Tenant Screening

As provided for in Section 983.255 of PBV regulations, HCR as PHA is authorized to establish a policy to engage in applicant screening as further defined in Section 1.08 of this Administrative Plan. Applicant screening for purposes of determining suitability for occupancy is the responsibility of the project owner and must be done in conjunction with the project's approved affirmative fair housing marketing plan and should not be confused with HCR's responsibility as PHA to determine PBV eligibility.

25.08 Appropriate Unit Size

In accordance with Section 983.259 of PBV regulations, a family in the Project-Based Voucher Program must occupy an appropriately sized unit as defined in Section 10 of this Administrative Plan. If a family is occupying a unit which the LA determines is either too small or too large per Administrative Plan Subsidy Standards, or which offers accessibility features that the family does not require, and the unit is needed by a family that does require the features, the LA will notify the family and the owner within 30 days of their determination of the family's need to move. The LA will offer the eligible family the following types of continued assistance in the following order, based on availability:

- 1) PBV assistance within the same or another project within the LA's jurisdiction (if applicable); or
- 2) Tenant-based Voucher assistance.

When the LA offers the family project assistance in either the same or a different project, the family will be given a reasonable timeframe to move however, not to exceed 60 days from the date the family is notified. The LA may grant extensions if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a member of the household or as a reasonable accommodation. The extension (and justification) must be documented and placed in the file.

If no PBV units in the LA's jurisdiction are available the family must be offered a tenant-based voucher. The housing assistance payments for the wrong-sized or accessible-needed unit will terminate at the expiration of the term of the family's voucher (including any extensions granted by the LA). Existing guidelines regarding voucher expiration/extensions as applicable in the tenant-based program apply in this situation.

Should the family refuse to move under the provisions outlined above within the applicable timeframe (including any extensions that may apply), the family will be determined ineligible and the HAP will subsequently be terminated. The family must be notified in writing of the determination accordingly. Since the unit will remain on the contract, once the unit becomes vacant the next occupant of that unit must be referred exclusively from the LA's site-specific waiting list.

25.09 Vacancy Payments

As provided for in Section 983.352 of PBV regulations, it is the sole election of the PHA whether or not vacancy payments will be provided. HCR's policy does NOT provide for allowing vacancy payments. This decision applies to all current and future PBV contracts and will be indicated by striking vacancy payment language within the HAP Contract.