

**Metropolitan Council Housing and  
Redevelopment Authority  
(Metro HRA)**

**Project-Based Voucher  
Rental Assistance**

**Program Guide**

**Metropolitan Council Housing and Redevelopment Authority (Metro HRA)**  
**Project-Based Voucher Rental Assistance**  
**Program Overview**

The Metro HRA (PHA) offers the availability of thirty (30) Project-Based Voucher (PBV) Program units, federally funded by the U.S. Department of Housing and Urban Development (HUD). The PBV program ties rental assistance directly to a specific unit rather than the traditional tenant-based Housing Choice Voucher (HCV) which is tied to a participant.

Eligible families receive rental assistance by agreeing to live in existing, newly constructed or rehabilitated units and continue to receive assistance as long as they reside in the specific project based dwelling unit. PBV participants must have incomes that do not exceed 50% of area median income. After living in a PBV unit for twelve (12) months, a participant is eligible for a tenant-based voucher to move to a unit of their choice on the open rental market, if the PHA has HCVs available. The PBV remains with the original unit.

Metro HRA administers the PBV in Anoka, Ramsey, Hennepin, and Carver Counties, excluding the cities of St. Paul, Minneapolis, Plymouth, Richfield, St. Louis Park and Bloomington. The Metro HRA will consider PBV applications from jurisdictions which are less served by their own HCV program size than Metro HRA as determined by the ratio of Housing Choice Vouchers to households at or below 50%AMI in the service jurisdiction of the PHA.

Almost any type of newly constructed or existing structure may be used for PBV. Up to 25 percent of the units in a project (4+ units) can be assisted under the PBV program, except for projects for elderly or disabled households or families receiving supportive services which can be up to 100% PBV assisted. 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 fifteen years.

PBV vacancies must be filled as follows:

Units designated for homeless, disabled or other specialized populations will be filled through applicant referrals from the Coordinated Entry System and/or their service providers in the applicable county, via the property owner or management agent.

General occupancy / non-supportive housing units will be marketed to applicants on the PHA's HCV waiting list. If the PHA is unable to provide enough eligible applicants to fill the PBV units, the PHA may allow the property owner to refer applicants to the PHA.

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

Inquiries may be directed to Terri Smith, Metro HRA Manager, (651) 602-1187 or via e-mail at [terri.smith@metc.state.mn.us](mailto:terri.smith@metc.state.mn.us).

**Metropolitan Council Housing and Redevelopment Authority (Metro HRA)**  
**Project-Based Voucher Rental Assistance**  
**Project Criteria**

**Federal Regulations**

The Project Based Voucher (PBV) program is governed by 24 CFR, Part 983.

**Eligible Projects**

Almost any type of newly constructed, rehabilitated or existing structures, including single-family housing and multifamily structures may be used for PBV. 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.

**Vacancies**

PBV vacancies must be filled as follows:

Units designated for homeless, disabled or other specialized populations will be filled through applicant referrals from the Coordinated Entry System and/or their service providers in the applicable county, via the property owner or management agent.

General occupancy / non-supportive housing units will be marketed to applicants on the PHA's HCV waiting list. If the PHA is unable to provide enough eligible applicants to fill the PBV units, the PHA may allow the property owner to refer applicants to the PHA.

**Application Process**

The PHA is accepting applications through the Minnesota Housing Finance Agency Consolidated RFP process, scheduled for release April 18, 2016. You can obtain more information by checking the Minnesota Housing web site at <http://www.mnhousing.gov> or by contacting Terri Smith, Metro HRA Manager, (651) 602-1187 or [terri.smith@metc.state.mn.us](mailto:terri.smith@metc.state.mn.us). Applications are due to Minnesota Housing no later than 4:00 p.m. on June 16, 2016.

**Selection Criteria**

Proposals for PBV will first be reviewed and ranked by Minnesota Housing and its collaborating partners irrespective of the project receiving PBV funding. Proposals ranked high enough to receive other requested funding needed to ensure financial viability will be forwarded to the PHA for ranking in accordance with the following criteria (100 points possible):

Owner experience and capability to build or rehabilitate housing as identified in the RFP;  
○ 10 points

To promote projects located outside of Areas of Concentrated Poverty (40% or more living below 185% of poverty level) where at least 50% of the residents are people of color (ACP50s); Extent to which the project furthers the PHA goal of deconcentrating poverty and expanding housing and economic opportunities;  
○ 25 points

To increase the supply and availability of affordable housing for very low and extremely low-income households in the metro area and to contribute to the upgrading and long-term viability of metro area housing stock;  
○ 5 Points

To integrate housing and tenant services such as education, job training and day care the encourage self sufficiency;  
○ 10 Points

To promote the provision of services for special needs tenants and to promote cooperative partnerships that link support services with affordable housing;  
○ 10 points

To encourage economic integration in housing development;

- 10 Points

To the extent possible, encourage the development of housing for larger families needing 3 or more bedrooms;

- 10 Points

Extent to which the proposed project promotes linkages among housing, jobs and transportation and/or promotes higher-density development along selected transportation corridors; and

- 15 Points

Extent of community support for the proposed housing.

- 5 Points

Proposals not financially feasible due to not being selected for other requested funding sources through the RFP process will not be considered for PBV. If a project owner submits an application through the RFP process that only requests PBVs, the PHA will consider the application and award.

### Financing

Financing for the construction or rehabilitation must be obtained independently by the owner. There may be funding opportunities available from sources through the RFP 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 be willing to enter into a Housing Assistance Payments (HAP) Contract with the PHA

For new construction projects, proposals should include detailed site and floor plans. For acquisition and/or rehabilitation projects, proposals should include detailed information related to tenant displacement and relocation assistance.

### 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. A PHA may not attach assistance 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. Nursing homes or 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 or controlled by an educational institution or its affiliate and are designated for occupancy by students;
  - f. Manufactured homes;
  - g. Transitional housing;
2. A PHA 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;
  - 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 Section 202 project for non-elderly persons with disabilities;
- g. Section 202 supportive housing for the elderly;
- h. Section 811 supportive housing for persons with disabilities;
- i. A Section 101 rent supplement project;
- j. A unit subsidized with any form of tenant-based rental assistance; or
- k. Any unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or the PHA.

3. Assistance may not be attached to a unit that is occupied by an owner.

### Other Federal Requirements

Participation in the PBV program requires compliance with all Equal Opportunity requirements (as specified in federal regulation 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

The PHA may not provide PBV assistance or commit to provide assistance until a subsidy layering review is completed. The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits.

The PHA must submit the necessary documentation to HUD or the allocating agency for a subsidy layering review. The PHA may not enter into an Agreement to Enter Into a HAP contract or a 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.

The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

### Environmental Requirements

The PHA activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The responsible entity is responsible for performing the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

In the case of existing housing, the responsible entity that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

The PHA may not enter into an AHAP contract or a HAP contract with an owner, and the PHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until the environmental review is completed.

The PHA must supply all available, relevant information necessary for the responsible entity to perform any required environmental review for any site. The PHA must require the owner to carry out mitigating measures required by the responsible entity (or HUD, if applicable) as a result of the environmental review.

### Inspection Requirements

The Housing Quality Standards (HQS) for the tenant-based Housing Choice Voucher program, apply to the PBV program. The PHA must examine the proposed site before the proposal selection date. The PHA must inspect each contract unit before execution of the HAP Contract. The PHA may not enter into a HAP contract until all the units fully comply with HQS.