

**MANKATO AND BLUE EARTH COUNTY EDAS  
HOUSING CHOICE  
PROJECT-BASED VOUCHER (PBV) PROGRAM**

**I. OVERVIEW**

**A. Purpose of Program:** The program goals for the Project-Based Voucher (PBV) Program are:

1. To contribute to the upgrading and long-term viability of the area's housing stock.
2. To increase the supply of affordable housing and location choice for very low-income households.
3. To integrate housing and supportive services such as education, case management, job training, and daycare to help families and individuals achieve stability and self-reliance.
4. To promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions.
5. To assist the State of Minnesota's "Business Plan to End Long-Term Homelessness" and City of Mankato Consolidated and PHA Plans, by providing rental subsidies to supportive housing and other programs that are designed to house homeless persons.

**B. Program Elements:**

1. An EDA may attach up to 20 percent of its voucher budget authority to PBV units.
2. The units may be new construction, rehabilitated or existing units.
3. Not more than 25 percent of the units in any building may be assisted with PBV. The exceptions to this limitation are for single-family properties (defined as 1-4 units in a building) and "excepted units" in a multi-family building. Excepted units are those that are specifically made available for elderly or disabled families or families receiving supportive services.
4. The location of PBV units must be consistent with the goals of de-concentrating poverty and expanding housing and economic opportunities.

**C. Requirements for Participation:**

1. Competitive Selection Process: The EDA must follow a competitive selection process as described in the regulations at 24 CRF §983.51.
2. Developers/Owners Proposal: Developers/owners must submit a proposal for PBV either in response to a Request for Proposals (RFP) issued directly by the EDA or through another public agency's competitive selection process, such as the "Super RFP" administered by the Minnesota Housing Finance Agency ("Minnesota Housing").
3. Selection Criteria: The EDA will review proposals requesting PBV's based on the following selection criteria (100 points possible):
  - a. Ending Homelessness: Projects that meet the goals of the State of Minnesota's "Business Plan to End Long-Term Homelessness" and similar Ramsey County and City of St. Paul plans, by providing rental subsidies to supportive housing and other projects that are designed to house homeless persons. 20 points for (a) or (b) or both.
  - b. Supportive Housing: Projects that identify and integrate tenant support and self-sufficiency services (i.e. education, job training, employment, daycare); or special accessibility for physically handicapped; or amenities or services for elderly, handicapped, or special need tenants. 20 points for (a) or (b) or both.

NOTE: A project that meets the criteria in both (a) and (b) above will receive 20 points, not 40 points, plus additional points based on the criteria stated below.

- c. Documented need for the proposed type of residential housing in the proposed geographic area. Projects that serve families with children (specifically 2+ bedroom units) will receive highest priority in this category. 15 points.
- d. Prior extensive experience of the applicant in developing and managing similar residential housing and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal. 15 points.
- e. Location: Extent to which the project contributes to the geographic distribution of affordable housing throughout the city of Saint Paul, promotes de-concentration of poverty, and furthers fair housing objectives. 10 points.

- f. Accessibility: Relationship of the proposed development to public facilities, sources of employment and services, including public transportation, health, education, and recreational facilities. 5 points.
  - g. Support: Extent of community and constituency support for the proposed type of housing. 5 points.
  - h. Partnerships: Extent to which the proposed project has been developed as a result of a cooperative agreement or arrangement among public, semi-public or non-profit agencies or organizations 5 points.
  - i. WBC/MBE/DBE: Extent to which women-owned, minority-owned and disabled-owned business enterprises (WBE/MBE/DBE) or Section 3-qualified businesses (as defined in 24 CFR Part 135 are represented in the development, ownership, administrative and/or management process. 5 points.
  - J. Additional PBVs for current PBV projects: Extent to which more PBV vouchers would help stabilize a current PBV project that is jeopardized by changing circumstances; for example, loss of another comparable rent subsidy. 5 points.
  - K. If using a selection process such as the Super RFP through MN Housing; the selection criteria specified in the Super RFP will supersede the above listed criteria.
- 4. Before the PHA will provide voucher rent assistance, all developments must have PHA Board approval, HUD approval, meet Housing Quality Standards and have an executed Housing Assistance Payments Contract.
  - 5. Before committing to offer more HCV's for PBV use, the PHA will consider the need for vouchers to renew or extend HAP contracts with existing PBV projects.

## II. ELIGIBLE UNITS

### A. **Eligible Units:**

- 1. All PBV selected sites must be in compliance with PBV goals, Civil Rights requirements and Housing Quality Standards. The EDA will review the applications to determine if the location is consistent with the goal of de-concentrating poverty and expanding housing and

economic opportunities and must take into consideration the site selection standards listed in 24 CFR §983.57 and the PBV program goals.

2. To define a PBV unit as a unit in rehabilitated housing, each unit must require a minimum of \$3,000 rehab costs.
3. For units requesting an exception to the 25 percent cap in a building, and that exception is based providing supportive services, the services must be designed as services essential for maintaining or achieving independent living such as, but not limited to, counseling, education, job training, health care, mental health services, alcohol and other substance abuse services, childcare services and or case management services. These services may be defined as being a participant in an EDA's FSS program.

**B. Ineligible Units:** The EDA may not attach PBV assistance for units if the following types of housing:

- 1, Shared housing.
2. Units on the grounds of a penal, reformatory, medical, mental or similar public or private institution.
3. Nursing homes or facilities providing continuous psychiatric medical, nursing service, board and care or intermediate care.
4. Units that are owned or controlled by an educational institution and are designated for occupancy by students of the institution.
5. Manufactured homes.
6. Cooperative housing.
7. Transitional housing.
8. High rise elevator units for families with children.
9. Owner occupied units.
10. Units occupied by an ineligible family.
11. Units subsidized with any governmental rent subsidy or any governmental subsidy that covers all or any part of the operating costs of the housing. (24 CFR 983.54 (c)-(d))

### **III. APPLICANT ELIGIBILITY FOR PARTICIPATION**

- A. They must meet the eligibility requirements for tenant-based Housing Choice Voucher Program.
- B. Persons who will reside in PBV units may come from the EDA waiting list or be referred by the owners.
  - 1. For supportive housing PBV units, the EDA will accept applicant referrals from the supportive housing manager or administrator. The referred applicant will be processed to determine eligibility.
  - 2. The EDA will survey its regular waiting list no less than once a year for each bedroom size for vacancies in non-supportive housing PBV developments. If the EDA is unable to provide enough eligible applicants from its waiting list to fill PBV units, the owner may refer applicants to the EDA.
- C. The EDA will not screen applicants for family behavior. This will remain the responsibility of the owner. The EDA will provide owners of PBV units the applicant's current and prior address (as show on EDA records) and the name and address (if known) of the landlord at the family's current and any prior address. The EDA will inform the applicant that this information is being provided to the owner of the PBV unit.
- D. If the owner of a PBV unit denies a PBV applicant that has come from the EDA waiting list, that denial does not affect their place on the waiting list for tenant-based assistance.
- E. If the EDA's waiting list is closed and the owner refers an applicant (because the EDA was unable to provide interested, eligible applicants) that applicant will be placed on the waiting list as a special admission for PBV program. The applicant must still meet all tenant-based Housing Choice Voucher eligibility requirements.
- F. If an applicant from the EDA waiting list has been approved by the owner and is in verification status with the EDA and their name comes to the top of the waiting list to receive tenant-based assistance (TBA; that is, a Housing Choice Voucher/HCV), the applicant will be given the option to continue to be processed for the PBV unit or to be processed for a TBA voucher. The applicant will sign a statement declaring their choice.

### **IV. LEASES AND HOUSING ASSISTANCE PAYMENTS CONTRACTS**

- A. If the owner uses a standard lease form for rental to unassisted tenants, the lease for a voucher-assisted tenant must be in such standard form but it must be for a one-year initial term and it must include the HUD tenancy

addendum. The lease must specify the name(s) of the owner(s) and the tenant, the address of the unit rented, the term of the lease including any provision for renewal, the amount of the tenant rent to owner, a listing of what services, maintenance, equipment and utilities to be provided by the owner and the amount of any charges that are for food, furniture or supportive services.

- B. The initial term and any renewal terms of a PBV Housing Assistance Payments (HAP) contract between the owner and the EDA shall not exceed the limits established by federal law and regulations. The length of the initial term and any extensions will be negotiated with the owner and the form will be subject to any HUD-prescribed conditions at the time of the extension.
- C. An owner may request an increase to the rent at the annual anniversary of the HAP contract by a 60 day written notice to the EDA.
- D. The EDA will not include the vacancy loss clause in a new, renewing or extended PBV contract.
- E. If a PBV unit remains vacant for six months, the EDA will consider removing the unit from the Housing Assistance Payment Contract, thus permanently reducing the number of units under the contract in that project.

## **V. CONTINUED PARTICIPATION**

- A. A family may choose to move out of a PBV unit with continued assistance any time after 12 months, except as stated in Section VII. Cost-Saving Measures below.
- B. If a PBV tenant is determined no longer eligible for the PBV program, they will be given a minimum of 30 days to vacate a unit. If the family does not vacate the unit, the EDA must remove that PBV unit from the HAP contract or substitute a similar unit in the building. A PBV tenant who is terminated from the PBV program will be given a minimum of a 30 day notice of the termination and must vacate the unit on or before the effective date of the termination.
- C. If the family receives no rent assistance because the family's income has reached a level where their TTP is equal to or exceeds the gross rent for the unit, the family will be required to vacate the unit. If the family does not vacate the unit, the EDA must remove the unit from the HAP contract or substitute a similar unit in the same complex.
- D. If the EDA determines, at annual recertification, that the family is occupying a wrong size unit or determines anytime that the family is

occupying a unit with accessibility features that the family does not require but another family does require, the EDA will offer continued assistance in the following order:

1. An appropriate unit in another PBV unit either in the same building or another PBV assisted building.
2. Tenant-based assistance if the family has been a PBV participant for 12 months.
3. Other project based assistance (public housing unit).

If the tenant accepts tenant-based assistance, the EDA will terminate the housing assistance payments for the wrong-sized unit or accessible unit at the expiration of the term of the family's voucher.

If the EDA offers option 1, 2, or 3 above and the family does not accept the offer, and does not move out of the unit within 60 days or any EDA approved extension, the EDA will terminate housing assistance payments for the wrong sized unit or accessible unit.

- E. If a family resides in an excepted unit, that is a unit that provides FSS services or other supportive services and the family fails without good cause to complete its FSS contract or supportive services requirement, then the EDA will give the family a 60 day notice that the housing assistance payment will terminate and the family must vacate the unit in 60 days.

The EDA will monitor these required supportive services at least annually, by having the participant complete a supportive services survey form.

- F. If the tenant is absent from the unit for longer than 180 days, the EDA will terminate assistance to the unit. Provisions regarding substituting a similar unit in the same building apply or the EDA may amend the HAP contract to reduce the number of units assisted if the tenant has not vacated the unit.
- G. If a family occupying a PBV unit in the first 12 months of tenancy chooses to move to another PBV unit, they will be required to live in the new unit for 12 months before being eligible for a tenant-based voucher. If the family is asked to move to another unit because they over- or under-occupy their current unit or because the unit is needed by a family needing handicapped accessibility features, that family will still need to sign a 12 month lease on the new unit, but should they request and be granted a mutual lease termination by the owner, and providing that their cumulative time in a PBV unit has been 12 months or more, they will be give a Housing Choice Voucher.

**VI. RECORDS RETENTION**

The “project file” for any new PBV project must contain the inspection reports demonstrating that every subsidized unit passed an HQS inspection before the EDA executed the Housing Assistance Payments Contract with the property owner. The inspection reports must be retained in the project file throughout the duration of the contract and for at least three years thereafter.

The project file must also contain documentation that the required Subsidy Layering Review and Environmental Review were conducted and approved by HUD.

**VII. COST SAVINGS MEASURERS: See Part 6 Section XIII**

If voucher utilization or subsidy spending is anticipated to exceed authorized limits, the EDA may temporarily suspend issuing tenant-based vouchers to families moving out of PBV units. The EDA may also temporarily stop approving new families moving into vacant units in PBV projects.