

Program Overview

DFS will operate a project-based voucher program (PBV) utilizing up to 10 percent of its Housing Choice Voucher Program budget authority for project-based assistance. PBV assistance may be attached to newly constructed or rehabilitated housing [24 CFR 983.52]. PBV will be provided to affordable housing projects that address special housing needs such as providing fully accessible, 504 compliant housing units, and/or studio, and 1 bedroom units for persons with disabilities. DFS is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC [24 CFR 983.6].

DFS may attach PBV assistance for units in either existing housing or for newly constructed rehabilitated housing developed under and in accordance with an agreement to enter into a housing assistance payments contract that is executed prior to the start of construction. A housing unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of DFS selection, the units substantially comply with HQS. Units for which new construction or rehabilitation was started in accordance with PBV program requirements do not qualify as existing housing. The RFP will identify whether newly constructed or existing housing is being solicited.

Housing Units and/or projects that are **NOT** eligible for PBV assistance include:

- Shared housing units;
- Units on the grounds of a penal reformatory, medical, mental, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care (except that assistance may be provided in assisted living facilities);
- Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students;
- Manufactured homes;
- Transitional housing;
- Owner Occupied housing;
- Units occupied by ineligible family;
- Subsidized housing types determined ineligible in accordance with HUD regulations.

DFS may provide assistance only in accordance with HUD subsidy layering regulations [24 CFR 4.13] and other requirements. Selected applications will be reviewed by HUD to ensure that they meet HUD subsidy regulations. 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.

DFS activities under the PBV program are subject to HUD environmental regulations [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. 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. DFS may not enter into an agreement or HAP contract on PBV projects until all completed environmental and subsidy layering reviews have been approved by HUD.

DFS may not enter into an agreement or HAP contract for existing or rehabilitated housing until it has been determined that the site complies with HUD required site and neighborhood standards. The site must:

- Be adequate in size, exposure, and contour to accommodate the number and type of units proposed;
- Have adequate utilities and streets available to service the site;
- Promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

In order to be selected for PBV assistance, a site for newly constructed housing must meet the following HUD required site and neighborhood standards:

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed
- The site must have adequate utilities and streets available to service the site;
- The site must be located in an area of minority concentration unless DFS determines that sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration or that the project is necessary to meet overriding housing needs that cannot be met in that housing market area;
- The site must not be located in a racially mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area;
- The site must promote a greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons;
- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate;
- The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services equivalent to those found in neighborhoods consisting largely of unassisted similar units; and
- Except for housing designed for elderly persons, the housing must be located so that travel time and cost via public transportation or private automobile from the neighborhood to places of employment is not excessive.

Housing Assistance Payments Contract (HAP)

DFS must enter into a HAP contract with an owner for units that are receiving PBV assistance. The purpose of the HAP contract is to provide housing assistance payments for eligible families. Housing assistance is paid for contract units leased and occupied by eligible families during the HAP contract term. The HAP contract must be in the form required by HUD [24 CFR 983.202].

The HAP contract must specify the following information:

- The total number of contract units by number of bedrooms;
- The project's name, street address, city or county, state and zip code, block and lot number, and any information necessary to clearly identify the site and the building;
- The number of contract units in each building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit;
- Services, maintenance, and equipment to be supplied by the owner and included in the rent to owner;
- Utilities available to the contract units, including a specification of utility services to be paid by the owner (included in rent) and utility services to be paid by the tenant;
- Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR part 8;
- The number of units in any project that will exceed the 25 percent per project cap, which will be set aside for occupancy by qualifying families; and
- The initial rent to owner for the first 12 months of the HAP contract term.

DFS will not conduct screening to determine a PBV applicant family's suitability for tenancy. DFS must provide the owner with an applicant family's current and prior address (as shown in DFS records) and the name and address (if known by DFS) of the family's current landlord and any prior landlords.

DFS will inform owners of the responsibility to screen prospective tenants, and will provide owners with the required known name and address information, at the time of the turnover HQS inspection or before. DFS will not provide any additional information to the owner, such as tenancy history, criminal history, etc.

The owner is responsible for screening and selection of the family to occupy the owner's unit. When screening families the owner may consider a family's background with respect to the following factors:

- Payment of rent and utility bills
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug- related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy.