



Public Housing Repositioning
Wednesday Webinar Series:
Project-Based Voucher Program

December 2, 2020



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Why are we here?

- The goal of this webinar series is to help explain and discuss common issues in the repositioning process.
- Today's call will focus on:

Tenant Protection and Project-Based Vouchers

- ✓ Understand Tenant Protection Vouchers (TPVs)
- ✓ Understand the Project-Based Voucher Program (PBV) and common PBV repositioning issues



Webinar Topics	Dates
<u>Developing a Repositioning Strategy</u>	May 13, 2020
<u>Options for Scattered-Site Units</u>	June 3, 2020
<u>Options for 50-and-Under PHAs</u>	June 24, 2020
<u>RAD and Section 18 Blends</u>	July 22, 2020
<u>Resident Considerations</u>	August 12, 2020
<u>Streamlined Voluntary Conversion</u>	September 2, 2020
<u>Proceeds Notice</u>	October 14, 2020
<u>Common PHA Board Questions</u>	October 28, 2020
<u>Public Housing Program Closeout</u>	November 18, 2020
<u>Project-Based Voucher Program Overview</u>	December 2, 2020



All webinars will be recorded and posted at www.hudexchange.info



Overview



What is PBV?

- Discretionary component of a Public Housing Agency's (PHA) HCV program
- PHA executes a long-term Housing Assistance Payment (HAP) contract with a project owner
- Rental assistance tied to specific housing units
- Specific PBV requirements apply, most HCV requirements also apply
 - Waivers of certain PBV requirements exist for Rental Assistance Demonstration (RAD)



PBV Benefits

- Specifically vis-à-vis public housing:
 - Long-term, “extendable” contract, with funding based on market rents – predictability
 - Typically, PBV contract rents are higher than public housing formula funding
 - No Declaration of Trust
- Generally:
 - Can be used to improve or increase the supply of housing
 - May be used to address unmet housing needs
 - In tight markets, increases housing supply for voucher-eligible families and helps improve utilization rates



RAD Conversions to PBV

- PHA applies and must be approved for conversion
- HUD converts Public Housing (PH) funding to RAD-PBVs, no incremental funding
- RAD PBV HAP contract executed at closing; Rehab Assistance Payments possible
- RAD/Section 18 blends: PH property repositioned through a combination of RAD and Section 18. See RAD/Section 18 Blends Wednesday Webinar for more information: <https://www.hudexchange.info/trainings/courses/2020-public-housing-repositioning-wednesday-webinar-series-rad-and-section-18-blends/3318/>

For more info on RAD, check out www.hud.gov/RAD



Converting through Section 18, 22, or 33

- Not a direct conversion of subsidy like in RAD
- After PIH approval of the PH action, PHA requests TPV funding to HUD or uses its existing HCV allocation
- TPV funding may be used as tenant-based or project-based assistance (with certain caveats depending on the action and type of TPV)
- Use restriction and transfer to new owner entity may be required by PIH approval of PH action



Tenant Protection Vouchers

For more info on TPVs:

www.hud.gov/program_offices/public_indian_housing/programs/hcv/tenant_protection_vouchers



TPV – Eligible PH Actions and Project-Basing

Section 18 (Demo/Dispo)	RAD Component 1	Section 33 (Required Conversions)	Section 22 (Voluntary Conversion)	2 CFR 200 Retentions
Eligible for TPVs	Not eligible for TPV	Eligible for TPVs	Eligible for TPVs	Not eligible for TPVs
Can project-base replacement TPVs	PH funding converts to PBV or PBRA	Can project-base on the same site <ul style="list-style-type: none"> • Only if current buildings are demolished and new housing is constructed 	Can project-base replacement TPVs <ul style="list-style-type: none"> • Written tenant consent required if project used as rental housing after conversion 	N/A



General TPV Provisions

- PHA must identify TPV as the replacement/comparable housing
- Relocation TPV only for impacted family/occupied unit; no project-basing
- Replacement TPV for unit occupied by HUD-assisted family within previous 24 months from PIH approval
 - Section 18: 25 percent TPV limit if approved under “more efficient/effective low-income housing” or under a 75/25 RAD-Sec 18 blend



General TPV Provisions Cont'd

- TPV must be offered to impacted family
- Family must be eligible for the TPV under voucher requirements
 - Must be very low-income or low-income (if continuously assisted)
 - Must meet all other voucher eligibility requirements, including any conditions for admission established by the PHA
- TPVs issued to impacted families are special admissions vouchers (no waiting list) and not subject to income targeting requirements



How to Apply

- With a limited exception, cannot apply until after approval of PH action
- Must submit TPV application when voucher needed to relocate family (generally no sooner than 30-60 days before the planned start of relocation with the TPV)
- Required documentation: leasing schedule, funding form (HUD-52515), cover letter, and PIH approval of PH action



Public Housing–Only Agency

- Must partner (i.e., have a written agreement) with a voucher agency:
 - The voucher agency will apply for TPVs
 - The voucher agency will award the TPVs to the project for project-basing
- The voucher agency must:
 - Be authorized under state law to administer voucher assistance in the geographic location in which the former public housing project is located
 - Either have or establish a PBV program



SVC: Tenant Consent to PBV

- PHA must conduct family briefing before tenant may consent
- Tenant must be given at least 30 days from briefing to make their decision
- PHA must obtain tenant's written voluntary consent
 - If family does not respond, affirmatively withholds consent, or informs PHA that they wish to retain HCV assistance, PHA may not PBV the unit
- See Appendix A of PIH Notice 2019-05 for more information

For more info on SVC, check out the SVC Wednesday Webinar recording at

<https://www.hudexchange.info/trainings/courses/2020-public-housing-repositioning-wednesday-webinar-series-streamlined-voluntary-conversion/3320/>



SVC: Tenant Consent to PBV Cont'd

- If a tenant moves with tenant-based TPV at the time of the conversion, the PHA can project-base that unit using its existing HCV resources
- If a tenant remains in unit with tenant-based TPV, the PHA must exclude that unit from the PBV HAP contract; the PHA may later amend PBV HAP contract to add that unit if the tenant leaves, provided PBV requirements are met



PBV - Planning Considerations



Establishing a PBV Program

- Must be a voucher agency
- Must adopt policies where discretion to do so exists (see Notice [PIH 2017–21](#), Appendix II). Sample policies:
 - Whether and for how long to make vacancy payments
 - Options that will be offered to families who, after initial occupancy, come to occupy a wrong-size unit or a unit with accessibility features that the family does not need
 - Must include PBV plans in the PHA's Annual Plan



Considering Choice Mobility Impacts

- Families can move with the next available tenant-based assistance after one year residing in PBV
 - RAD projects: turnover cap may apply if RAD causes the PHA's PBVs to exceed 20% of ACC units
- Where PBVs are a large percentage of a PHA's authorized vouchers, the PHA should consider:
 - Impacts on regular waiting list admissions
 - Whether future funding proration or shortfalls could increase the percentage of budget authority (ABA) committed to PBV projects



Location of PBV Units

Preserve PH project as PBV

- Typically exempt from program/project caps
- Possible relocation to rehab or redevelop, RAD offers advantages
- Section 22 families generally have a right to remain with tenant-based assistance

Locate PBVs in a different project

- Typically subject to program/project caps, except RAD
- Relocation, RAD offers advantages
- If former PH units used as rental housing, Section 22 families generally have a right to remain with tenant-based assistance

For more info on RAD, check out the RAD relocation notice: [Notice PIH 2016-17](#)



Timing of Contract Execution

- Project-basing TPVs in former PH units:
 - Newly constructed or rehabilitated housing: PHA and owner cannot execute AHAP until units are removed from the PH program, then HAP contract when units meet HQS (may be done in stages)
 - Existing housing: No AHAP; PHA and owner cannot execute HAP contract until units are removed from the PH program
- RAD HAP contract: executed at closing (prior to rehab)



Planned Owner Entity

- Voucher PHA ownership
 - Typically eligible for noncompetitive selection if the Voucher PHA has an ownership interest at the time of selection
 - If the project is “PHA-owned:” requires independent entity (IE) to perform some PHA functions (at least until the project is no longer PHA-owned)
- PH-only PHAs
 - Typically ineligible for noncompetitive selection while the units are PH
 - Project is not PHA-owned (unless and until ownership is transferred to Voucher PHA)
- RAD generally requires ownership or control by a public or non-profit entity

See Notice [PIH 2017–21](#), Attachment A, for the definition of “PHA-owned,” and Attachment B for tasks that must be performed by an IE when units are PHA-owned



PBV HAP Contract Signatories

- When PHA-owned, the voucher agency must sign as the contract administrator and a separate legal entity must sign as the owner
 - The voucher agency may enter into an agreement with a separate entity that has the authority under state law to lease the project's units; that separate entity may then sign as the owner
- The same person (for example, Bob Smith) may sign for both the contract administrator and the owner if the criteria below are met:
 - Bob Smith has signing authority for the contract administrator
 - Bob Smith has signing authority for the owner
 - The contract administrator and the owner are two distinct legal entities

See [Notice PIH 2017-21](#), Attachment A, for examples of separate legal entities that can serve as owner

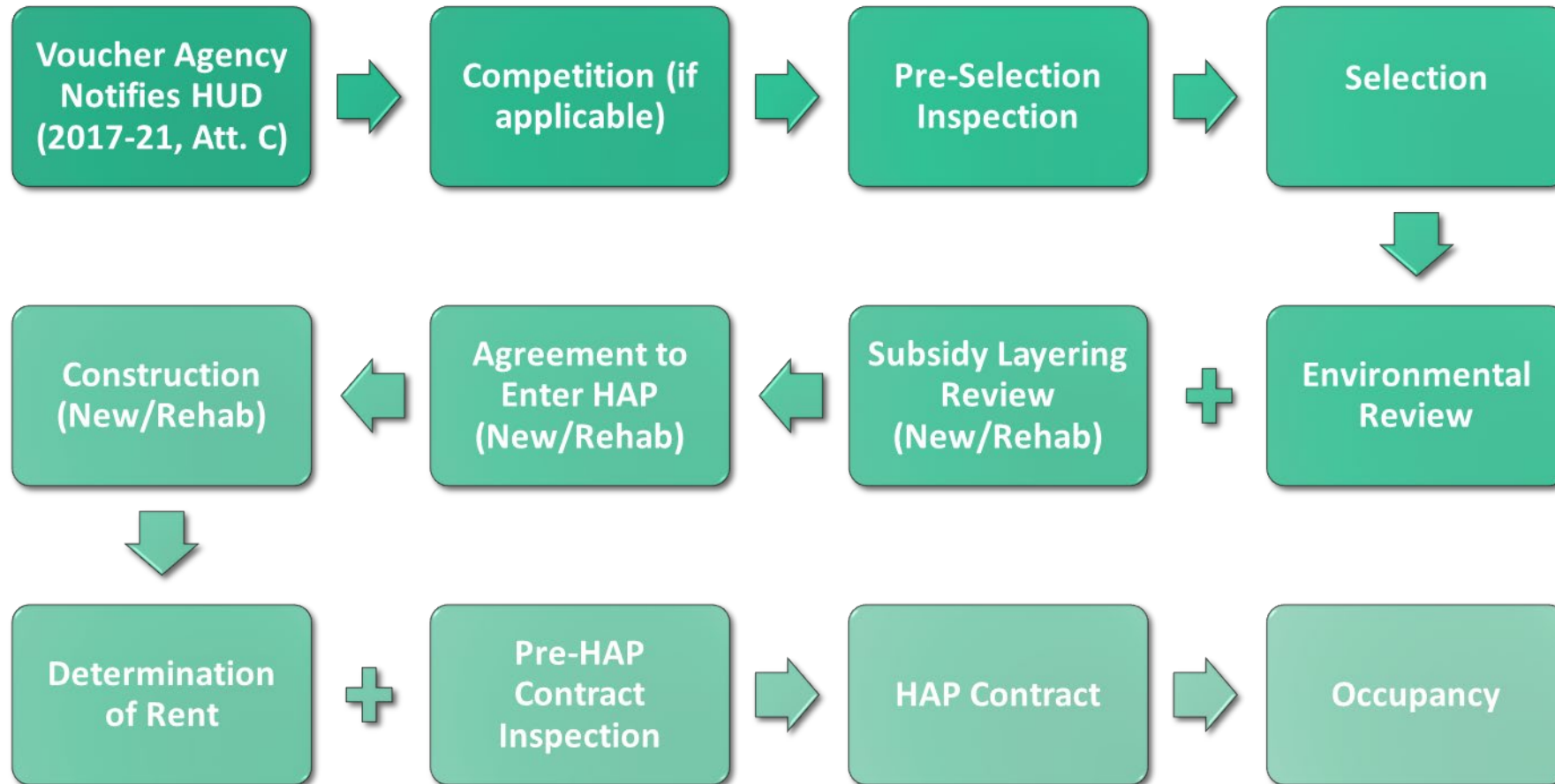


PBV Requirements

COMMON REPOSITIONING ISSUES



Non-RAD PBV Process (Simplified)



Percentage Limitation (Program Cap)

- Generally, a PHA may project-base up to 20 percent of its authorized voucher units; an additional 10 percent of specific types of units may be project-based
 - Units serving the homeless, veterans, or that provide supportive housing to persons with disabilities or elderly persons
 - Units located in a Census tract with a poverty rate that does not exceed 20%
- Former PH units that are project-based are generally exempt from the program cap if they meet the criteria in Notice PIH 2017–21, Attachment F



Income-Mixing Requirement (Project Cap)

- Generally, the greater of 25 units or 25% of units in a project may be project-based
- Certain units are excepted, meaning that they do not count toward the income-mixing limit:
 - Units serving elderly families
 - Units housing families who are eligible for supportive services
- Up to 40% of units in a project may be project-based if the project is located in a Census tract with a poverty rate that does not exceed 20%
- Former PH units that are project-based are generally exempt from the project cap if they meet the criteria in [Notice PIH 2017–21](#), Attachment F



Exemption from Both PBV Caps

1. Units previously received HUD assistance or were subject to certain federal rent restrictions
2. PBV HAP contract first went into effect on or after 4/18/17
3. For existing/rehabilitated units:
 - Unit met standard 1, above, within 5 years of date of selection or of request for proposal (RFP) issuance if there was an RFP
4. For newly constructed units:
 - Unit being replaced met standard 1, above, within 5 years of date of selection or of RFP issuance if there was an RFP
 - Unit is on same site as unit being replaced (some flexibility here)
 - One of primary purposes of new unit is to provide replacement housing
5. See Notice PIH 2017-21, Attachment F for **additional** criteria and RAD exemption



Award of PBVs

General rule: request for proposals (RFP)

Exception: previous competition

Exception: no competition

PBVs not considered in previous competition

Prior selection occurred within 3 years of PBV selection

HCV PHA has any ownership interest

Improve, develop, or replace public housing property/site (\$25k cost threshold if new/rehab)

Note: RAD PBVs are always exempt from competitive selection requirements



PBV Contract Rent Caps

- The contract rent may not exceed the lowest of:
 - Reasonable rent
 - Owner-requested rent
 - PHA-determined amount (up to 110 percent of applicable FMR or approved Exception Payment Standard, minus utility allowance)
- Caps for LIHTC-financed projects are slightly different, depending on whether the project is located in a Qualified Census Tract (i.e., an area of relatively high poverty)
- RAD rents: subject to the above, but cannot exceed the PH subsidy amount determined by HUD, and increases are via an Operating Cost Adjustment Factor



PBV - Resident Considerations



Over-Housed

- Family must occupy an appropriately-sized PBV unit as determined by PHA subsidy standards
- If over-housed, family may not stay in unit and receive PBV assistance

*RAD exception: families may remain until right-size unit is available



Over-Housed: PHA Options

- PHA may move family to an appropriately-sized PBV unit in the project and PBV original unit with TPV; or
 - Section 18: family may be relocated using another form of comparable housing; TPV may be used to project-base the unit. If no other comparable housing family may stay in unit at a comparable rental rate (unit stays off contract, TPV may be used for HCV waiting list)
 - Section 22: family must be offered TPV as tenant-based assistance (may be used in unit if it meets HCV requirements or to move from current unit)



Over-Income Family

- Family is not eligible to receive PBV assistance
- PHA still responsible for meeting Section 18 relocation requirements
- Family may be relocated using a form of comparable housing other than TPV
 - TPV may be used to project-base the unit; or
 - If family stays in unit at a comparable rental rate unit stays off contract and TPV may be used for HCV waiting list

*RAD exception: over-income families may remain (no re-screening)



Zero-HAP Family

- Zero-HAP family (total tenant payment exceeds the PBV contract rent)→ineligible for PBV assistance
- Family must be offered tenant-based TPV, which the family may use to relocate or to remain in the unit if allowable under HCV program requirements
 - If the family is also zero-HAP in the tenant-based voucher program, the family must be provided another form of comparable housing

*RAD exception: zero-HAP families may remain (no re-screening)



Flat Rent and Earned Income Disregard (EID)

- Flat rent families will be required to pay an income-based rent under PBV (the Total Tenant Payment)
 - *RAD exception: rents will phase-in
- PHAs must offer the TPV to the family; if family refuses, PHA may provide an alternative form of housing
- Voucher program EID rules apply, and current EID ends when family moves to PBV

*RAD exception: EID carries over



Other Resident Considerations

- Impact on community and supportive services (ROSS, Jobs Plus, FSS)
- RAD resident protections (RAD/Section 18 blends)
- Check out the Resident Considerations and the RAD/Section 18 Blends Wednesday Webinars:
 - <https://www.hudexchange.info/trainings/courses/2020-public-housing-repositioning-wednesday-webinar-series-resident-considerations/3319/>
 - <https://www.hudexchange.info/trainings/courses/2020-public-housing-repositioning-wednesday-webinar-series-rad-and-section-18-blends/3318/>



Still want more?

- Check out the PBV Website
https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/project
- Check out the Public Housing Repositioning Website
https://www.hud.gov/program_offices/public_indian_housing/repositioning
- Contact your Local Public Housing Field Office
PIH Field Offices can help you complete your RAD application, and provide additional assistance explaining the conversion options.
- Email Repositioning@hud.gov



Questions?

