

Massachusetts Department of Housing and Community Development (DHCD)

**Neighborhood Rental Initiative
Application for DHCD Project Based Vouchers**

October 2009 In Accordance With PBV Regulations Published October 13, 2005

The Neighborhood Rental Initiative (NRI) is a program developed and funded by the Massachusetts Housing Partnership in coordination with the Department of Housing and Community Development (DHCD) to support small scale, affordable, multi-family rental development in suburban and rural communities where there exists a shortage of affordable family rental development. Projects developed through the NRI may be developed by Local Housing Authorities (LHA) or for-profit or non-profit developers. **To be eligible for DHCD Section 8 Project Based Vouchers under the NRI, applicants must submit the following additional documentation::**

- For LHA sponsored projects, the applicant must submit documentation that the project has been approved for an Initial Planning Grant by the Massachusetts Housing Partnership (MHP).
- For Non-LHA projects, the applicant must submit documentation that the project has been approved for funding under a DHCD One Stop Affordable Housing Funding Round.

1. General Project Information

Date: _____

Project Name: _____

Owner Name & Address: _____

2. Number of Units; Total Units & PBV Units

Note: refer to Allowable Number of PBV Units per Project in the Definitions Attachment.

Unit Distribution per Building- if multi-building project, provide information per building:

Building Address	Total # of Units	Total # PBV Units Requested	% of Total to receive PBV
Project Totals			

Bedroom Distribution for the Requested PBV Units:

2BR	3BR	4BR	5BR	Total

Handicapped Accessible Units

How many total units in the project are ADA handicapped accessible? _____
 How many total units in the project are for the sensory impaired? _____

How many will be PBV? _____
 How many will be PBV? _____

3. Unit/Community Amenities

Unit Amenities

Check off any amenities that will be provided.

Add others if not included on this list.

- stove/oven
- refrigerator
- Features adapted/adaptable for persons with disabilities
- Air conditioning
- Off street parking
- Laundry facilities
- Porches and/or decks
- Play area for children
- Recreational facilities
- Common area function room(s)
- School bus stops

Community Amenities

Distance To:	Less than .5 Mile	Approximately 1 Mile	More Than 1 Mile
Shopping..groceries, pharmacy, other everyday type of needs			
Public Transportation			
Medical facilities			
Public Schools			
Parks, civic facilities			

4. Other Section 8 PBV Assistance

Has applicant applied to another public housing agency for Section 8 PBV units? Yes No

If Yes, which agency? _____

Was application approved? Yes No

If Yes, what is the number and bedroom distribution of approved PBV units? _____

If No, what was the reason for non-approval? _____

5. Proposed Project Financing

List each source and amount of proposed project financing:

Source

Amount

Total

6. Projected Project Schedule

- Finance Closing _____
- Construction Start Date _____
- Construction Completion Date _____
- Occupancy Date _____

7. Intended Resident Population

Check All That Apply:

- Single Persons Families Elderly (over 62 years) Disabled
- Disabled/eligibility contingent upon demonstrating need for services Grandparents caring for grandchildren
- "Qualifying" family requiring participation in a program of supportive services Eligible for Assisted Living
- Homeless At risk of homelessness Living in an institution or at risk of living in an institution
- Other (please define) _____

8. Tenant Selection Criteria and Plan

Prior to entering into a Housing Assistance Payment Contract (HAP), the applicant must submit a tenant selection plan to DHCD for review and approval. The plan must include a statement that applicants for the PBV units will be selected in accordance with all applicable HUD requirements and regulations. At a minimum, the plan must address the following:

- Eligibility requirements/preference categories
- Income requirements
- Procedures for accepting applications and selecting from the waiting list
- Occupancy standards (unit size needed based on family size/composition)
- Unit transfer policies
- Compliance with Section 504 of the Rehabilitation Act of 1973, Fair Housing Act and relevant civil rights laws & statutes

9. Project's Consistency with Statutory Requirement for Deconcentration of Poverty and Expanding Housing and Economic Opportunities

Project's census tract: _____ Poverty Rate: _____

N.B. See "Definition of Key Terms" for information on how to locate the project's census tract and poverty rate.

Every PBV applicant must demonstrate to DHCD that their project is consistent with HUD's statutory goal of "deconcentrating poverty and expanding housing and economic opportunities", regardless of the project's poverty rate as defined by the most recent census data. DHCD will make its assessment of an applicant's project's compliance with achieving these goals based on the totality of the applicant's response, taking into consideration the target population to be served (i.e. family, elderly, disabled, populations needing supportive services).

Provide responses to each the criteria noted below on a separate sheet of paper and attach to this application:

1. **HUD Designated Zone** Whether the census tract in which the proposal will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.
2. **Public Housing Demolition** Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition.
3. **Significant Revitalization** Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization.
4. **Public Investment** Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement.
5. **New Market Rate Units** Whether new market-rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market-rate units will positively impact the poverty rate in the area.
6. **Decline in Poverty Rate** If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, the PHA should consider whether in the past five years there has been an overall decline in the poverty rate.
7. **Education and Economic Opportunities** Whether there are meaningful opportunities for educational and economic advancements in the census tract where the proposed PBV development will be located.

10. Requested Contract Term

The initial HAP contract term can be for a maximum term of 15 years.

- ◆ Length of HAP contract term requested: _____
- ◆ Would you be willing to accept an extension of the contract if it were approved by the housing agency Yes No
- ◆ If **yes**, the applicant should attach a letter indicating willingness to accept an offer of a contract extension beyond the initial term if offered by DHCD. The letter should specify the length of the additional term the applicant would accept (not to exceed 15 years per extension).

11. Identity of Interest

Provide the required information on a separate sheet of paper and attach to this application:

1. The identity of the owner and other project principals and the names of officers and principal members, shareholders, investors, and other parties having a substantial interest in the project ,and information on the qualification and experience of the principal participants ;
2. A certification stating that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs;
3. A disclosure of any possible conflict of interest by any of these parties that would be a violation of the PBV Housing Assistance Payments (HAP) contract.

I, _____, attest and certify that all of the information herein contained is true and accurate to the best of my knowledge. I understand that by submitting this Section 8 project-based assistance application there is no promise or guarantee from the Massachusetts Department of Housing and Community Development that my proposal will be accepted. I understand that in-place existing tenants must be certified as eligible to receive project-based assistance, and if they are not eligible, I may not displace them in order to qualify their unit for PBV. I understand and agree to abide by all federal Section 8 requirements found at 24 CFR Part 983 and DHCD’s PBV requirements found in its PBV Administrative Plan.

Signature of Owner	Phone Number	Date
Name of Primary Contact Person	Phone Number	Email Address
Signature and Title of Project Sponsor (Where Applicable)	Phone Number	

Note: Prior to executing the Agreement to Enter into a Housing Assistance Payments Contract (AHAP), the applicant must comply with the following:

12. Environmental Review Requirement

All PBV projects are subject to HUD environmental regulations found at 24 CFR parts 50 and 58. For projects that will be developed using DHCD HOME funds, DHCD must complete the environmental review. The PBV units must be included in the public notice and the RROF or a separate environmental review will be required by HUD.

For all other projects, the applicant must provide written documentation from the community’s “responsible entity” that the building either complies with all environmental requirements as stated in the National Environmental Policy Act (NEPA) or is categorically excluded from a federal environmental review under NEPA. The “responsible entity” is generally an official from city or town hall or the local community development office. A copy of he complete ER file that includes the review, the public notice, the request for release of funds (RROF) and HUD’s letter approving the RROF must be submitted to DHCD.

13. Subsidy Layering Review (SLR)

SLRs must be completed and approved by HUD for all PBV projects that utilize other publicly supported housing funds. The SLR is “intended to prevent excessive public assistance for the housing by combining (layering) housing assistance 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” (24 CFR 983.55). The SLR submission process is as follows:

1. DHCD will schedule a Pre-AHAP meeting with the developer/project sponsor to review the specific documentation requirements that must be met for the SLR.
2. The applicant must submit to DHCD all the information required by the HUD mandated SLR checklist that can be found in DHCD’s PBV Administrative Plan available on DHCD’s website at: www.mass.gov/dhcd; >Public Housing & Rental Assistance; >Rental Assistance Management; >Project Based Voucher Plan.
3. DHCD must review the SLR package prepared by the applicant for completeness and consistency with program requirements.
4. If it appears complete and acceptable, DHCD must forward the SLR package to HUD’s Boston office. This office will also review the material, and if found acceptable, submit it to HUD Headquarters for final review and approval.

5. Because of the multiple reviews involved in completing an SLR review (DHCD, HUD Boston and HUD Headquarters) DHCD advises owners not to plan on closing in less than 90 days from submission of SLR package to HUD.

Definition of **Key Terms** for MA DHCD's PBV Initiative

All of DHCD's PBV program requirements can be found in its PBV Administrative Plan located on DHCD's website at: www.mass.gov/dhcd; >Public Housing & Rental Assistance; >Rental Assistance Management; >Project Based Voucher Plan.

ADA: Americans with Disabilities Act.

Affordable Housing Deed Restriction: A legal document, generally referenced in and recorded with the deed for the affected units, which requires that the units be rented or sold to households at or below a particular income level for a specific period of time.

Assisted Living Projects: Generally, efficiency or one-bedroom units for individuals who can live independently, but need some assistance with certain activities of daily living, where assistance is provided on site by qualified care providers not related to the residents. All facilities must be licensed by the MA Executive Office of Elder Affairs or demonstrate equivalent oversight standards of service and care.

Allowable Number of PBV Units per Project: No more than 25% of the units in a project can receive PBV assistance. There are two exceptions to the 25% cap rule;

(1) "Excepted" units are not counted towards the 25% cap. An excepted unit must be used exclusively throughout the term of the HAP contract for (a) the elderly, (b) the disabled, or (c) a "qualifying" family defined by HUD as a household where at least one member will receive at least one supportive service. See Section 31.2.8 of DHCD's PBV Administrative Plan for a complete discussion of the requirements for "excepted units."

(2) In multi-building projects, the 25% cap rule can apply to each building, **IF** the buildings qualify as "single-family" buildings. A single family building consists of 1-4 units.

NOTE: If more than one housing agency contributes PBVs, the **combined** total of PBV units in the project must comply with the 25% cap rule.

Census Tract Locator: Census tracts and their poverty rate can be found at:

<http://factfinder.census.gov/servlet/BasicFactsServlet> by typing in the complete address and **correct** zip code.

Efficiency Units: 0 Bedroom units that have a combination living/sleeping room with a full bath and kitchen. Rents generally are established at no more than 110% of the 0 bedroom HUD published fair market rent (FMR).

ESRO: Enhanced single room occupancy unit is a single person occupancy room (see SRO below) but with private bath and/or kitchenette rather than sharing both facilities. Rents generally are established at no more than 82.5% of the 0 bedroom FMR).

Existing Housing: These are rental units that may be occupied or ready for occupancy *and* substantially comply with HUD and DHCD housing quality standards (HQS).

HAP Contract: The Housing Assistance Payments (HAP) contract is an agreement between the owner and DHCD's regional administering agency (RAA) that sets forth both parties' responsibilities and obligations to each other and commits DHCD to provide PBV subsidy for the approved units during the term of the HAP contract.

Homeless: A household that has no permanent residence, including those living in a temporary shelter for the homeless, leaving a transitional housing program, leaving an institution where they have been a resident for more than 30 days with no home to go to, living on the street or in a car. **At Risk of Being Homeless:** extremely low income (income 30% or less than area median income) and unable to locate affordable housing; under a court ordered eviction for reasons beyond the control of the tenant (includes non-payment of rent where gross rent is 50% or more of adjusted monthly income) or currently paying more than 50% of adjusted monthly income for rent and utilities.

HQS: HUD's and DHCD's housing quality standards for the tenant-based Section 8 Housing Choice Voucher Program (HCVP) and the Project-Based Voucher (PBV) program. All HQS requirements for both the HCVP and the PBV programs can be found in DHCD's Section 8 Administrative Plan, Chapter 16, which can be found on DHCD's website at: www.mass.gov/dhcd Click on >Public Housing & Rental Assistance; >Rental Assistance Management;> Section 8 Plans.

Lead Paint Compliance: Except for SROs, ESROs, or units in a building that have been designated *exclusively* for occupancy by the elderly and/or persons with a disability, *all* units receiving PBV assistance must be in compliance with the Massachusetts Lead Law during the term of the contract, *regardless of the age of the occupants*. Applicants must provide a current valid Letter of Compliance issued by a Massachusetts licensed lead paint inspector, or a building permit that verifies construction after December, 31, 1977. Due to changes in Massachusetts Lead Regulations, Letters of Compliance issued prior to July 1, 1988 do not satisfy current Federal Lead Regulations and are not acceptable for participation in the PBV program.

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Project-Based Vouchers/PBV Assistance: Section 8 tenant-based vouchers (from its Housing Choice Voucher Program portfolio) that are committed to a building under a PBV Housing Assistance Payments (HAP) contract for a specific period of time. Unlike the tenant-based voucher program, project-based vouchers are *not* mobile. When the tenant vacates the unit, the unit will continue to receive PBV subsidy, provided the PBV contract has not been terminated or expired.

RAA: Regional administering agencies that have contractual authority to administer DHCD's portfolio of Section 8 tenant-based and project-based vouchers in specific communities in MA on DHCD's behalf.

Site-Specific Waiting List: A waiting list for each individual PBV project, maintained by the applicable RAA, for applicants who have self selected to apply to this PBV project. Owners are expected to make referrals of applicants to this list, to supplement any outreach done by the RAA. An application for all

PBV site-specific waiting lists, listed by region, can be found on DHCD's web site at: www.mass.gov/dhcd; >Divisions; >Public Housing and Rental Assistance; >Bureau of Federal Rental Assistance.

SRO: A single person occupancy room in a building that must meet local code standards for SROs. In the absence of local codes the following minimum HQS provisions apply: There must be a private full bath for use by six rooms or fewer, and such baths must be located not more than one floor above or below the room. The room must measure at least 110 sq. feet and have a closet space of at least four sq. feet with an unobstructed height of at least five feet. If there is less closet space, there must be enough habitable space above the 110 sq. feet to meet the deficiency. Additionally, HQS requires that the building have two means of egress and a sprinkler system that protects all major spaces. (See 24 CFR 982.605.) (Will generally rent for not more than 75% of the O bedroom FMR.)

SECTION 504 of the Rehabilitation Act of 1973: Section 504 prohibits discrimination based upon disability in all programs or activities operated by recipients of federal financial assistance. Although Section 504 often overlaps with the disability discrimination prohibitions of the Fair Housing Act, it differs in that it also imposes broader affirmative obligations on owners to make their programs as a whole, accessible to persons with disabilities. Furthermore, the Section 504 regulations establish affirmative accessibility requirements for newly constructed or rehabilitated housing, including providing a minimum percentage of accessible units. For further information refer to 24 CFR Part 8.