



SAINT PAUL PUBLIC HOUSING AGENCY

SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE

PROGRAM GUIDE

The PHA is offering up to 125 Project-Based Vouchers through Minnesota Housing's 2023 Multifamily Consolidated Request For Proposals, with an additional 25 Project-Based Vouchers specifically for VASH, competitively selected among the following categories:

- Mixed Income Affordable Housing
- Affordable Housing for the Elderly
- Supportive Housing for the Homeless
- Family Unification Program
- Veteran Affairs Supportive Housing (VASH)



SAINT PAUL PUBLIC HOUSING AGENCY (PHA) SECTION 8 PROJECT-BASED VOUCHER RENTAL ASSISTANCE Program Overview

The Saint Paul Public Housing Agency (PHA) is offering federal rent subsidies under its Section 8 Project-Based Voucher (PBV) Rental Assistance Program. As in years past, the PHA is offering these through Minnesota Housing's Consolidated Request For Proposals.

Project-Based Vouchers (PBVs) are vouchers from the regular tenant-based Section 8 Housing Choice Voucher (HCV) Program, which the PHA dedicates to specific units in a project. Eligible families receive rental assistance by agreeing to live in the existing, newly constructed, or rehabilitated units, and they continue to receive assistance as long as they reside in the specific project-based dwelling unit. The PBV remains with the original unit, and the PHA administers these PBVs for any project that is within the City of Saint Paul.

The goals and objectives of the program are to contribute to the upgrading and long-term viability of the city's housing stock; increase the supply of affordable housing and locational choice for very low income households; integrate housing and supportive services to help families and individuals achieve stability and self-reliance; promote the coordination and leveraging of resources of public, semi-public, or non-profit agencies with compatible missions; support the City of St. Paul's affordable housing goals; and assist the State of Minnesota, Ramsey County, and City of St. Paul with their plans to end homelessness by providing rental subsidies to supportive housing and other projects designed to house persons experiencing homelessness.

Almost any type of newly constructed or existing structure may be used for PBV, though new construction projects could be eligible for more points, as explained lower. Up to 25 percent of the units in a building, or 25 units in a building (whichever is greater) can be assisted under the PBV program, except for buildings for elderly households or those households where supportive services are available, which can be up to 100% PBV assisted. Each project must apply for a minimum of ten (10) project-based-vouchers per project. The minimum of ten (10) project-based-vouchers per project can be a mix of different project-based-voucher programs. Extra points are awarded for projects that use the PBV to create non-PBV affordable housing within the project. Owners must be willing to enter into a *Housing Assistance Payments (HAP) Contract* with the PHA for up to twenty years.

Application Process

The PHA is accepting all applications through the Minnesota Housing Finance Agency (Minnesota Housing). Visit [Minnesota Housing](#) to find the 2023 Multifamily Consolidated RFP information and how to apply through the Multifamily Customer Portal. Select the "2023 Saint Paul PHA PBV Application" to create the application checklist. For information on Project Based Vouchers, contact Corina Serrano, PHA HCV Programs Assistant Director, at 651-292-6129 or at corina.serrano@stpha.org. For information or technical assistance regarding

Minnesota Housing's website or the Multifamily Customer Portal, email mhfa.app@state.mn.us. Applications are due **Thursday, July 13, 2023 at noon**, at which time the Portal will be closed for submissions.

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Project Criteria

Eligible Projects

Almost any type of newly constructed or existing structures, including single-family housing and multifamily structures may be used for PBV. For the proposed project to qualify as rehabilitation under PBV program, existing structures must require a minimum expenditure of \$3,000 per assisted unit, including the unit's prorated share of work to be accomplished on common areas or systems. 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*, and the Environmental Review requirements in *24 CFR Section 983.58*. Construction work is subject to Section 3 requirements. *24 CFR Section 135*

Up to 25 percent of the units in a building, or 25 units in a building (whichever is greater) can be assisted under the PBV program, except for buildings for elderly households or those households where supportive services are available, which can be up to 100% PBV assisted. Typically, this will mean that mixed-income projects, as defined by below, will have the required cap. Projects meeting the criteria for elderly, supportive services, and VASH will typically not be operating under this cap if they meet the criteria noted below.

Vacancies

Vacancies in PBV units must be filled by eligible families currently on the PHA Section 8 waiting list. For supportive housing PBV units, the PHA may accept applicant referrals from the supportive housing manager or administrator, who must be working with Coordinated Entry to refer units to eligible homeless families. If the referred applicant meets Section 8 eligibility requirements, the PHA will approve the person or family to live in the PBV unit. VASH PBV units will be filled by veterans experiencing homelessness, in partnership with the local Veteran Affairs Medical Center.

Selection Criteria

Proposals for PBVs will be reviewed in accordance with the selection policy requirements as set forth under *24 CFR Part 983- Section 8 Project-Based Voucher Program*, and in accordance with the PHA Board-approved proposal review criteria below. The financial feasibility of a proposal will be determined by the Minnesota Housing review process, but cannot include consideration that the project will get PBV assistance. After Minnesota Housing has completed their review, the PHA will rank the projects according to the criteria below. If a project applies for PBV only (with no separate review needed by Minnesota Housing), that application will be passed along to the PHA for review along with any other applications. Any recommendations will then go to the PHA Board of Commissioners for approval to project base the Section 8 assistance in the development. Contingent upon formal PHA Board and HUD approval, and compliance with all project-based regulations, PHA will offer the owner or developer the opportunity for an *Agreement to Enter into a Housing Assistance Contract*

(or Housing Assistance Payments Contract) and subsequently issue authorization to proceed with construction or rehabilitation project.

Proposal Review Criteria (100 Points Total, per category)

Selection Criteria: All applicants must apply for Project-Based-Vouchers through Minnesota Housing's Consolidated RFP. If a project has applied for separate funding through Minnesota Housing, they must receive a portion of that funding in order to be considered for Project-Based-Vouchers.

All remaining projects will then be evaluated under the General Criteria for All Projects (30 Points). The applicant will select which of the remaining four categories they wish to be evaluated under (70 Points), depending on what has been made available in the Consolidated RFP (Mixed Income, Affordable Housing for the Elderly, Supportive Housing for Persons Experiencing Homeless, Family Unification Program (FUP), VASH).

- a. **General Criteria for All Projects (30 Points Maximum):** All projects submitted for consideration will be evaluated under these three criteria.
 - i. **Prior extensive experience** of the applicant in developing and managing similar residential housing with project-based voucher subsidies and demonstrated ability and capacity of the applicant to proceed expeditiously with the proposal. 10 Points.
 - ii. **Leveraging:** Extent to which PBV voucher proposal is created in a project that has additional affordable housing beyond what is provided by the PBV units. 20 Points.
 - iii. **Minimum Size:** In order to be considered eligible for Project-Based Vouchers, any project must be applying for at least ten (10) units for Project-Based assistance, or all units in the project, whichever is less.
- b. **Mixed-Income Affordable Housing:** Projects that are applying for Project-Based Vouchers with the intent of creating mixed-income or mixed-finance projects will be selected in accordance with the following additional criteria. (70 Point Maximum.)
 - i. A project that is New Construction at the time of application. 35 points
 - ii. A project that is located in a low-poverty census tract, which is defined as "one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 35 points.
- c. **Affordable Housing for the Elderly:** Projects that are applying for Project-Based Vouchers with the intent of creating affordable housing units specifically designed to house elderly families. (70 Point Maximum.)
 - i. A project that is New Construction at the time of application. 30 points
 - ii. A project that is located in a low-poverty census tract, which is defined as "one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 30 points.
 - iii. Provide (or contract for) supportive services appropriate for the population served. 10 points.

- d. **Supportive Housing for the Homeless:** Projects that are applying for Project-Based Vouchers with the intent of creating affordable housing options with supportive services on-site to assist homeless clients will be selected in accordance with the following additional criteria. (70 Point Maximum.)
- i. Requirement for all of the following (45 points):
 - 1. Serve homeless individuals and families, as defined in Minnesota Housing’s Consolidated RFP. 15 points.
 - 2. Provide (or contract for) on-site supportive services appropriate for population served. 15 points.
 - 3. Process referrals from Ramsey County’s Coordinated Entry, in accordance with their processes. 15 points.
 - ii. Extra points for the following (25 Point Maximum):
 - 1. Projects where the PBV units will serve individuals and families who meet the definition of homeless under section (103 of the McKinney-Vento Homeless Assistance Act). 15 points.
 - 2. A project that is New Construction at the time of application. 10 points.
 - 3. A project that is located in a low-poverty census tract, which is defined as “one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 10 points.
- e. **Family Unification Program (FUP):** Projects that are applying for PBV with the intent of creating affordable housing units specifically designed to house families referred by partnering agencies for Family Unification Program vouchers will be selected in accordance with the following additional criteria. (70 Point Maximum.)
- i. Requirement for all of the following (45 points):
 - 1. Accept referrals from Ramsey County Child Protection to fill all PBV vacancies. 15 points.
 - 2. Obtain letter of support from Ramsey County Health and Human Services (partner/referring agency for Family FUP vouchers). 15 points.
 - 3. Provide (or contract for) on-site supportive services appropriate for population served. 15 points.
 - ii. Extra points for the following (25 Point Maximum):
 - 1. PBV units are all 3BR or larger. 15 points.
 - 2. A project that is New Construction at the time of application. 10 points.
 - 3. A project that is located in a low-poverty census tract, as defined in this policy. 10 points.

- f. **HUD-Veterans Affairs Supportive Housing (VASH):** Projects that are applying for PBV with the intent of creating affordable housing units specifically designed to house veterans referred and served by the local VA Office will be selected in accordance with the following additional criteria. (70 Point Maximum.)
- i. Requirement for all of the following (40 Points):
 - 1. Obtain letter of support from local VA. 20 points.
 - 2. Accept referrals from VA to fill all vacancies. 10 points.
 - 3. Have supportive services available on-site, as approved and accepted by VA. 10 points.
 - ii. Extra points for the following (30 Point Maximum):
 - 1. A project that is New Construction at the time of application, as it is defined in the federal regulations. 15 points.
 - 2. A project that is located in a low-poverty census tract, which is defined as “one where the poverty rate is 20% or less, as defined by the most recent American Community Survey 5-Year Estimates. (A project that qualifies for this exception at the time of the HAP Contract Execution continues to qualify for the exception for the length of the contract, regardless of future changes in the poverty rate.) 15 points.

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Additional Information

Financing

Financing for the construction or rehabilitation must be obtained independently by the owner. There may be funding opportunities available from sources other than the PHA through the Minnesota Housing Consolidated RFP process. If a project separately applies for funding offered by Minnesota Housing, they must be awarded some of their sought funding in order for the application for PBVs to be considered.

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. Subpart H of Part 982 of this chapter of federal regulations does not apply. Newly constructed and existing structures of various types may be appropriate for attaching assistance to the units under Part 983, including single-family housing and multifamily structures.
2. An HA may not attach assistance under Part 983 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. Shared housing; nursing homes; and 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 and controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
 - f. Manufactured homes;
 - g. the Homeownership Option; or
 - h. Transitional housing.
3. An HA 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 (tenant based or project based);
 - 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 unit subsidized with rental assistance payments under Section 521 of the Housing Act of 1949;

- g. A project with a Section 202 loan;
 - h. A Section 202 project for non-elderly persons with disabilities (Section 162 assistance);
 - i. Section 202 supportive housing for the elderly;
 - j. Section 811 supportive housing for persons with disabilities;
 - k. A Section 101 rent supplement project;
 - l. A unit subsidized with tenant-based assistance under the HOME program; or
 - m. Any unit with any other duplicative Federal State, or local housing subsidy, as determined by HUD. For this purpose, “housing subsidy” does not include the housing component of a welfare payment, a social security payment received by the family, or a federal, state, or local tax concession.
4. Assistance may not be attached to a unit that is occupied by an owner.
 5. The housing must comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 and implementing regulations at 24 CFR Part 8.
 6. For all units, the site selection standards in 24 CFR Part 983.57 apply, as described therein.
 7. *HA-owned unit* means a unit (other than public housing) that is owned by the HA which administers the assistance under this part 983 pursuant to an ACC between HUD and the HA (including a unit owned by an entity substantially controlled by the HA).
 - a. An HA-owned unit may only be assisted under the project-based voucher program if:
 - (i) The HA-owned unit is not ineligible housing under this section.
 - (ii) The selection of PHA owned units was done in accordance with 983.51.
 - (iii) The HUD field office has approved an independent entity that determines reasonable rents both for initial and annual rent determinations and conducts inspections on the PHA owned units.
 - b. As owner of a HA-owned unit, the HA is subject to all of the same program requirements that apply to other owners in the program.
 - c. HUD may pay a lower administrative fee for PHA owned units.
 - d. HA-owned units are subject to the same requirements as units that are not HA-owned, including the ineligibility of units that are currently public or Indian housing and units constructed or rehabilitated with proposals that are accessible to the elderly/handicapped and/or which provide amenities or services for special needs tenants; and proposals for projects to be located in areas with little or no subsidized housing.

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 enter into a *Housing Assistance Payments (HAP) Contract* with PHA for a minimum term of one year to a maximum of twenty years. Please see lower for additional details.

Subsidy Layering Review requirements

For all approved proposals, the PHA may not provide PBV assistance or commit to provide assistance until a subsidy layering review is completed. The subsidy layering review is required by HUD and is intended to prevent excessive public assistance for the housing by reviewing all governmental housing assistance received on the particular project. Once the subsidy layering review is completed and approved by HUD, the owner must certify that no additional public assistance will be used in the project other than what was originally disclosed in the subsidy layering review process.

Environmental requirements

Any applicant who is awarded Project-Based-Vouchers must work with the Responsible Entity to have an Environmental Review completed before the PHA is able to formally commit any Project-Based-Vouchers for a project.

The “Responsibility Entity” is the unit of general local government within which the project is located that exercises land use responsibility or, as determined by HUD, the county or State has completed the environmental review required by 24 CFR part 58 and provided to the HA for submission to HUD the completed request for release of funds and certification.

Other requirements

Where applicable, the following requirements must be met:

1. Clean Air Act and Federal Water Pollution Control Act.
2. Flood Disaster Protection Act of 1973.
3. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the regulations in 24 CFR part 135.
4. Executive Order 11246, Equal Employment Opportunity (for construction contracts over \$10,000).
5. Executive Order 11625, Prescribing Additional Arrangements for Developing and Coordinating a National Program for Minority Business Enterprises.
6. Executive Orders 12432, Minority Business Enterprises and Development, and 12138, Creating a National Women's Business Enterprise Policy.
7. Payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act, to all laborers and mechanics employed in the construction or rehabilitation of the project under an Agreement covering nine (9) or more assisted units, and compliance with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other Federal laws and regulations pertaining to labor standards applicable to such an agreement.
8. The provisions of part 24 of this title relating to the employment, engagement of services, awarding contracts, or funding of any contractors or subcontractors during any period of debarment, suspension, or placement in ineligibility status.

Other Federal Requirements

Participation in the PBV program requires compliance with various other federal requirements, noted at 24 C.F.R. 983.4, including all Equal Opportunity requirements (as specified in 24 C.F.R. 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.
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In formulating this Guide, the PHA relied upon 24 CFR Part 983, recent HUD guidance in PIH 2017-21, and its own policy. To the extent there are conflicts between any provisions in those sources and the language in this guide, the provisions in those sources shall control.

The PHA's Admission and Occupancy Policies (AOP), including an Appendix for Project-Based-Vouchers, can be referenced at www.stpha.org.

If your questions are not answered in this Guide or in the AOP, please contact Corina Serrano at 651-292-6129, or at corina.serrano@stpha.org, for additional information.