



Legislation Details (With Text)

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Date	Ver.	Action By	Action	Result
3/21/2018	1	Housing Commission	Approved by the Commission	Pass

Resolution to Approve Amendment to the Administrative Plan regarding Project Based Vouchers

HUD provides the primary source of Housing Authority policy through federal regulations, HUD Notices and Handbooks. Compliance with federal regulations, current HUD Notices and HUD Handbooks is mandatory and HUD also allows local programs the flexibility to adopt policies in specified areas. HUD requires all Housing Authorities to adopt an Administrative Plan for the Voucher Program which includes all of the required and optional program policies.

On October 27, 2017, HUD issued a Federal Registration Notice (PIH 2017-21) with implementation requirements for the Housing Opportunity Through Modernization Act of 2016 (HOTMA) for the housing choice voucher program. The PIH Notice was attached to a board resolution from January 2018 that the board approved, which approved implementation of the regulations related to the PBV program. This resolution provides an update to the January 2018 resolution related to the PBV program wherever the AAHC has the option of adopting a policy related to the PBV program.

**Definition of a project.**

The PHA may define a project as a single building, multiple contiguous buildings and/or as multiple buildings on contiguous parcels of land. The Administrative Plan currently does not include a definition of a project.

PHA Policy

The PHA defines a project as a single building, multiple contiguous buildings and multiple buildings on contiguous parcels of land.

**Additional Project-Based Units**

### PHA Policy

The PHA will set aside units an additional 10 percent above the 20 percent program limit if:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).
- Are specifically made available to house families that are comprised of or include a veteran.
  - *Veteran* means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

### **PBV Units Selected Non-Competitively**

PBV assistance may be attached to certain public housing projects without using a competitive process, where the PHA has an ownership interest or control and must be engaged in an initiative to improve, develop, or replace a public housing property or site. An ownership interest means that the PHA or its officers, employees, or agents are in an entity that holds any direct or indirect interest in the project in which the units are located, including, but not limited to, an interest such as: titleholder; lessee; stockholder; member, or general or limited partner; or member of a limited liability corporation. For purposes of this authority, a PHA ownership interest also includes a scenario in which the PHA is the lessor of the ground lease for the land upon which the PBV project to improve, develop, or replace the public housing property is located or will be constructed.

In order to be eligible for this non-competitive exception the following conditions must be met:

- 1) The PHA must be engaged in an initiative to improve, develop, or replace the public housing properties or sites. The public housing properties or sites may be in the public housing inventory or they may have been removed from the public housing inventory through any available legal removal tool (which may include but is not limited to disposition or demolition under Section 18 of the Act, voluntary conversion under Section 22 of the Act, or required conversion under Section 33 of the Act) within 5 years of the date the unit/s were removed from IMS/PIC and the date on which the PHA entered into the AHAP or HAP pursuant to the non-competitive selection.
- 2) If the PHA plans rehabilitation or new construction, a minimum threshold of \$25,000 in hard costs per-unit is required.
- 3) Or, if a PHA plans to replace public housing by attaching project-based assistance to existing housing in which the PHA has an ownership interest or over which the PHA has control, then the \$25,000 per-unit minimum threshold does not apply as long as the existing housing substantially complies with HUD's housing quality standards. The PHA's Administrative Plan must describe what it means to "substantially comply with HUD's housing quality standards."
- 4) The PHA must explain in its Administrative Plan the work it plans to do on the property or site and how many units of PBV it plans to add.

This particular definition of PHA-owned is only applicable to this section on exception to the competitive process.

In order to be non-competitively selected under this provision, the units must be eligible for PBV assistance in accordance with 24 CFR 983.5, and the selection of the units must satisfy all other statutory and regulatory requirements of the PBV program. Unless otherwise exempt, units non-competitively selected under this section are subject to the program cap and income-mixing requirements and exceptions.

#### PHA Policy

The Ann Arbor Housing Commission plans to project-base vouchers without using a competitive process at the following projects that it is converting from public housing under the RAD program as de minimis units: West Washington, Oakwood, and Broadway. W. Washington has 2 units and the units were completely renovated in 2016 due to a fire. The AAHC does not plan on completing any renovations at W. Washington. Oakwood has 3 units and the units were completely renovated in 2015. The AAHC plans on re-grading the site and adding rain gardens and better drainage but does not plan on renovating any units at Oakwood. Broadway has 20 units and will require renovations which will include siding, windows, flooring, fixtures, insulation, cabinets, countertops, doors, re-paving the driveway, drainage, painting (including lead-based paint removal and remediation) and lighting. All of these units will fully comply with HUD's housing quality standards.

In addition, the AAHC will be project-basing vouchers without using a competitive process at the following projects that it is converting from public housing under the RAD program: White/State/Henry and Lower Platt. Both of these projects will be demolished and redeveloped with additional project-based voucher units for the purpose of improving the projects and adding affordable housing in a high cost, low poverty community. White/State/Henry has 28 units and 4 units will be added. Lower Platt has 4 units and 28 units will be added. All of these units will fully comply with HUD's housing quality standards.

Under 24 CFR 983.207(b) a HAP contract can be amended to add new units at any time during the term of the HAP contract without being subject to competitive selection procedures. The amendment is subject to all other PBV requirements including percentage limitation, income mixing requirement, rent reasonableness. The PHA may amend a PHV HAP contract to add units without competitive selection during the term of the initial contract or during the term of any extension of that contract. The amendment may also occur at the point of initial contract extension or at the point of any subsequent extension. However, the anniversary and expiration dates of the HAP contract term for the PBV units originally in place under the HAP contract. 24 CFR 983.58(c) [environmental review] does not apply when PBV units are added to a current PBV HAP contract.

#### PHA Policy

The AAHC will allow the following PBV HAP contracts to be amended and units added at any time that the AAHC has available funding by mutual agreement of the AAHC and the owner of the projects, because the AAHC was not able to award PBV units to all of the units in these projects that the owners applied for in 2015 when the AAHC previously issued a PBV Request for Proposal:

518-522 S. Division  
211 E. Davis  
610 W. Summit  
800 Stimson

201 W. William  
100-102 Glendale  
112-114 Glendale  
1911-1913 Dexter  
1675 Broadway  
819 Third  
701 Miller  
31 Carrot Way  
1500 Pauline  
3033-3055 Valencia  
1217 W Huron  
532 N Main  
115 & 119 Glendale  
125 & 127 Allen  
1010-1030 Arbordale 2837-2855 Burton 3335  
-3337 Platt 2176 Hemlock 2 Kilbrennan 9  
Rockland 1504 - 1508 Broadway 805 - 807 W  
Washington 3565 -3585 Oakwood 1521 State,  
701 Henry, 1514 & 1520 White 3401 - 3461  
Platt 900 S. Maple

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## Organization of the PBV Waiting List

The PHA may establish a separate waiting list for PBV units or it may use the same waiting list for both tenant-based and PBV assistance. The PHA may also merge the PBV waiting list with a waiting list for other assisted housing programs offered by the PHA. If the PHA chooses to offer a separate waiting list for PBV assistance, the PHA must offer to place applicants who are listed on the tenant-based waiting list on the waiting list for PBV assistance.

If a PHA decides to establish a separate PBV waiting list, the PHA may use a single waiting list for the PHA's whole PBV program, or it may establish separate waiting lists for PBV units in particular projects or buildings or for sets of such units.

### PHA Policy

The PHA will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance if requested by the owner. The PHA currently has waiting lists for several PBV projects.

## Refusal of PBV Offer [24 CFR 983.251(e)(3)]

The PHA is prohibited from taking any of the following actions against a family who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the waiting list for tenant-based voucher assistance;
- Deny any admission preference for which the applicant qualifies;
- Change the applicant's place on the tenant-based waiting list based on preference, date, and time of application, or other factors affecting selection under the PHA's selection

policy;

- Remove the applicant from the tenant-based voucher waiting list.

#### PHA Policy

If a family refuses an offer of PBV assistance, the family will only be removed from the PBV waitlist from which the family is pulled. The family will not be removed from any other waitlists.

#### **Utility Reimbursements for PBV units**

If the amount of the utility allowance exceeds the total tenant payment, the PHA must pay the amount of such excess to the tenant as a reimbursement for tenant-paid utilities, and the tenant rent to the owner must be zero.

The PHA may pay the utility reimbursement directly to the family or to the utility supplier on behalf of the family. If the PHA chooses to pay the utility supplier directly, the PHA must notify the family of the amount paid to the utility supplier.

#### PHA Policy - TO BE DELETED to enable payments to family or utility supplier

~~The PHA will make utility reimbursements to the family.~~

Prepared by by Jennifer Hall, Executive Director

WHEREAS, On October 30, 2017, HUD issued a Federal Registration Notice (PIH 2017-21) implementing the Housing Opportunity through Modernization Act of 2016 (HOTMA) for the housing choice voucher in project-based program. The mandatory changes were adopted by the AAHC board in January 2018; and

WHEREAS, The following policies related to the PBV program are optional and recommended for approval:

#### PHA Policy

The PHA defines a project as a single building, multiple contiguous buildings and multiple buildings on contiguous parcels of land.

#### PHA Policy

The PHA will set aside units an additional 10 percent above the 20 percent program limit if:

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  - *Veteran* means an individual who has served in the United States Armed Forces.
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24 CFR 5.403.

- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

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In addition, the AAHC will be project-basing vouchers without using a competitive process at the following projects that it is converting from public housing under the RAD program: White/State/Henry and Lower Platt. Both of these projects will be demolished and redeveloped with additional project-based voucher units for the purpose of improving the projects and adding affordable housing in a high cost, low poverty community. White/State/Henry has 28 units and 4 units will be added. Lower Platt has 4 units and 28 units will be added. All of these units will fully comply with HUD's housing quality standards.

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211 E. Davis  
610 W. Summit  
800 Stimson  
201 W. William  
100-102 Glendale  
112-114 Glendale  
1911-1913 Dexter  
1675 Broadway  
819 Third  
701 Miller  
31 Carrot Way  
1500 Pauline  
3033-3055 Valencia

1217 W Huron  
532 N Main  
115 & 119 Glendale  
125 & 127 Allen  
1010-1030 Arbordale 2837-2855 Burton 3335  
-3337 Platt 2176 Hemlock 2 Kilbrennan 9  
Rockland 1504 - 1508 Broadway 805 - 807 W  
Washington 3565 -3585 Oakwood 1521 State,  
701 Henry, 1514 & 1520 White 3401 - 3461  
Platt 900 S. Maple

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PHA Policy

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WHEREAS, The following policy related to the PBV program is optional and is recommended for removal:

PHA Policy - TO BE DELETED to enable payments to family or utility supplier

~~The PHA will make utility reimbursements to the family.~~

RESOLVED, that the Ann Arbor Housing Commission Board approve the Administrative Plan to incorporate the policy changes recommended above, related to the Project-Based Voucher program, which will be effective April 1, 2018.