PIMA COUNTY
COMMUNITY DEVELOPMENT

# Pima County Community Development and Neighborhood Conservation Department

## Public Notice Number: CDNC-11-9-18-PBV

## Pima County Project Based Voucher Program

## NOTICE OF REQUEST FOR LETTERS OF INTEREST

**NOTICE DATE: November 9, 2018**

**Pre-submittal Meeting: Monday December 3, 2018**

**Public Notice:** Pima County is announcing policy changes to the Pima County Housing Choice Voucher Program and will convert up to 50 of Pima County's available Tenant-Based Vouchers (TBV's) to Project-Based Vouchers (PBV's) as a strategy to create new affordable housing units in unincorporated Pima County and Pima County target areas.

The Community Development and Neighborhood Conservation Department (CDNC) is issuing this public notice to announce the County's intent to initiate a competitive selection process to recommend an award of Pima County PBV's to eligible properties in Pima County.

To be eligible, proposed properties/developments must be located in un-incorporated Pima County, Town of Marana, Town of Sahuarita or Town of Oro Valley. Preference will be given to Pima County Target Areas (except City of South Tucson) identified in the County's 2015-2019 Consolidated Plan (see website link in Referenced Resources in appendix A).

Prohibited housing types and minimum criteria are attached in Appendix A. Federal Site and Housing Standards are listed in Appendix B. County PBV policy and draft application checklist are attached in Appendix C.

In order to qualify for the competitive selection, the project owner/developer must first submit a Letter of Interest (LOI) on or before December 28, 2018. The LOI must contain the following information:

1. Developer/Owner Name; location of headquarters; experience developing and operating affordable housing developments including a list (and location) of current affordable housing developments and units serving low-income households.
2. Location of the proposed development for the PBV award; if the site is not owned by the applicant or a partnership of the applicant, please provide a fully executed purchase option agreement with the ownership entity.
3. Project Description: Existing, Renovation or New Construction; number and type of housing units, number of PBV's to be requested; construction year, unit and project amenities, targeted populations (i.e. Elderly, Families w/children, formerly homeless) and supportive services provided or to be provided.
4. If new construction or renovation is proposed – please include a preliminary development schedule, along with funding sources identified for the construction/renovation and whether or not these sources are pending or committed.

5. Existing housing developments – should include annual income/expense reports and vacancy rates for the past three years.

**Proposed LOI and Application review timeline:**

- **A pre-submittal meeting will be held at 1:30pm on Monday December 3, 2018, at the Pima County Housing Center, 801 W. Congress St, Tucson AZ 85745.**
- **LOI submittal deadline – no later than 4pm on December 28, 2018**
- **Pima County CDNC staff will evaluate the LOI for minimum threshold criteria and the capacity of the organization to successfully complete the project (if new construction/renovation) and to successfully operate and maintain the affordable housing development and proposed PBV units.**
- **County staff will notify eligible projects of their eligibility status within 10 working days of LOI submittal deadline.**
- **Projects determined eligible will be invited to submit an application for Pima County PBV's on or about January 15th, 2019, at which time applications will be made available and an application meeting will be scheduled and noticed.**
- **The tentative application deadline will be February 28, 2019.**
- **Conditional award recommendations will be announced tentatively on March 25, 2019.**

**You may download a copy of this Notice and the referenced Appendices (A, B & C), at the following website address/link**:

http://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=24903

**LOI Submittal Instructions:**

Please deliver or mail one hard copy and one electronic copy to the Pima County Housing Center, at 801 W. Congress Street, Tucson AZ 85745, by or before 4pm on December 28, 2018. Electronic copies can be sent via E-mail to: marcos.ysmael@pima.gov.

For more information, direct questions to Marcos Ysmael at (520) 724-2462 or by email at marcos.ysmael@pima.gov.

**Published Notice:**

Daily Territorial - November 15th, 16th and 19th, 2018

Attachments

# Appendix A

**A. Prohibited Housing Types - In the PBV program, the Public Housing Authority (PHA) may not provide assistance for the following housing types:**

1. Shared housing;
2. Units on the grounds of a correctional, medical, mental or similar public or private institution;
3. Nursing homes or facilities providing continuous psychiatric, medical nursing services, board or care, or intermediate care. However the PHA may attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services for the residents of the housing;
4. Student Housing - Units owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
5. Manufactured homes; and
6. Transitional Housing
7. Owner occupied units
8. Subsidized housing

**B. Cap on number of PBV units in each Project**

1. 25% cap per project, except as provided in number B.2. below;
2. Cap for projects in census tract with a poverty rate of 20% or less is increased from 25 to 40%.

**C. Site Standards**

1. New, Existing and Rehabilitated Housing sites must meet HUD site selection standard at 24 CFR Part 983.57 (listed in Appendix B), and in the Tucson/Pima County PHA Administrative Plan and PHA Annual Action Plan, all of which are available on line as noted below.
2. Must Meet HUD Environmental Review requirements at noted in in 24 CFR part 983.58 as well as 24 CFR parts 50 and 58.

**D. Housing Standards**

1. Housing Quality Standards for PBV units are detailed at 24 CFR 983.101 and 983.102 (listed in Appendix B); and
2. Housing units must comply with any additional local standards listed in the Tucson/Pima County PHA Administrative Plan.

**Referenced Resources**

24 CFR Part 983 – Project Based Voucher Program (PBV)
https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr983_main_02.tpl

City of Tucson/Pima County PHA Administrative Plan and Annual Action Plan
https://www.tucsonaz.gov/hcd/plans

Pima County's 2015-2019 Consolidated Plan and 2018-19 Annual Action Plan:
http://webcms.pima.gov/cms/one.aspx?portalId=169&pageId=12301

## APPENDIX B

## 24 CFR Part 983 Site Selection and Housing Standards

### §983.57 Site selection standards.

(a) *Applicability.* The site selection requirements in paragraph (d) of this section apply only to site selection for existing housing and rehabilitated PBV housing. The site selection requirements in paragraph (e) of this section apply only to site selection for newly constructed PBV housing. Other provisions of this section apply to selection of a site for any form of PBV housing, including existing housing, newly constructed housing, and rehabilitated housing.
(b) *Compliance with PBV goals, civil rights requirements, and HQS.* The PHA may not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless the PHA has determined that:
(1) Project-based assistance for housing at the selected site is consistent with the goal of deconcentrating poverty and expanding housing and economic opportunities. The standard for deconcentrating poverty and expanding housing and economic opportunities must be consistent with the PHA Plan under 24 CFR part 903 and the PHA Administrative Plan. In developing the standards to apply in determining whether a proposed PBV development will be selected, a PHA must consider the following:
(i) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
(ii) 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;
(iii) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
(iv) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
(v) 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;
(vi) 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;
(vii) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.
(2) The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629); and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).
(3) The site meets the HQS site standards at 24 CFR 982.401(l).
(c) *PHA PBV site selection policy.* (1) The PHA administrative plan must establish the PHA's policy for selection of PBV sites in accordance with this section.
(2) The site selection policy must explain how the PHA's site selection procedures promote the PBV goals.
(3) The PHA must select PBV sites in accordance with the PHA's site selection policy in the PHA administrative plan.
(d) *Existing and rehabilitated housing site and neighborhood standards.* A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

(1) Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)
(2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
(3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
(4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.
(e) *New construction site and neighborhood standards.* A site for newly constructed housing must meet the following site and neighborhood standards:
(1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.
(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (e)(3) of this section, and 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.
(3) A project may be located in an area of minority concentration only if:
(i) 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 (see paragraph (e)(3)(iii), (iv), and (v) of this section for further guidance on this criterion); or
(ii) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi)) of this section for further guidance on this criterion).
(iii) As used in paragraph (e)(3)(i) of this section, “sufficient” does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.
(iv) Units may be considered “comparable opportunities,” as used in paragraph (e)(3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.
(v) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:
(A) A significant number of assisted housing units are available outside areas of minority concentration.
(B) There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.

(C) There are racially integrated neighborhoods in the locality.
(D) Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
(E) Minority families have benefited from local activities (*e.g.*, acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
(F) A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
(G) Comparable housing opportunities have been made available outside areas of minority concentration through other programs.
(vi) Application of the "overriding housing needs" criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a "revitalizing area"). An "overriding housing need," however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.
(4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.
(5) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.
(6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.
(7) Except for new construction, housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

**§983.101 Housing quality standards.**

(a) *HQS applicability.* Except as otherwise provided in this section, 24 CFR 982.401 (housing quality standards) applies to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.
(b) *HQS for special housing types.* For special housing types assisted under the PBV program, HQS in 24 CFR part 982 apply to the PBV program. (Shared housing, manufactured home space rental, and the homeownership option are not assisted under the PBV program.) HQS contained within 24 CFR part 982 that are inapplicable to the PBV program pursuant to §983.2 are also inapplicable to special housing types under the PBV program.
(c) *Lead-based paint requirements.* (1) The lead-based paint requirements at §982.401(j) of this chapter do not apply to the PBV program.
(2) The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.
(d) *HQS enforcement.* Parts 982 and 983 of this chapter do not create any right of the family or any party, other than HUD or the PHA, to require enforcement of the HQS requirements or to

assert any claim against HUD or the PHA for damages, injunction, or other relief for alleged failure to enforce the HQS.

(e) *Additional PHA quality and design requirements.* This section establishes the minimum federal housing quality standards for PBV housing. However, the PHA may elect to establish additional requirements for quality, architecture, or design of PBV housing, and any such additional requirements must be specified in the Agreement.

[70 FR 59913, Oct. 13, 2005, as amended at 79 FR 36167, June 25, 2014]

**§983.102 Housing accessibility for persons with disabilities.**

(a) *Program accessibility.* The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. The PHA shall ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR part 8, subpart C.

(b) *Design and construction.* Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable.

APPENDIX C

PIMA COUNTY
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# Pima County Project Based Voucher Policy Change

## Background

CDNC initiated a community planning process to seek input regarding proposed County participation in a Project Based Voucher Program. Three community forums were conducted, one by invitation and two publicly noticed. CDNC staff maintained a written summary of all comments, questions, and responses as part of a plan to convert TBV's to PBV's in the 2018 City of Tucson PHA Administrative Plan submittal. CDNC proceeded in establishing a PBV Program review committee, comprised of public, private and non-profit housing services providers, to evaluate existing PBV models, best practices, and to make suggestions for required policy changes. Listed below are the initial policy changes that will establish a Pima County Project Based Voucher Program and guide developer / owner selection process.

### 1. Convert Tenant-Based Vouchers to Project-Based Vouchers.

The conversion of TBV's to PBV's will effectively create a Pima County Project-Based Voucher Program. The availability of Project-Based Vouchers provides operators and owners of affordable, supportive, housing a significant rental subsidy resource to underwrite their projects and directly assist tenants. An additional benefit of PBV's is the HUD financial resource remains in Pima County, whereas, a TBV is attached to a household and can be "ported" to other communities should they relocate. HUD allows the PBV conversion up to 20%; however, Pima County has a very limited number of available TBV's. Taking into consideration community and stakeholder input, an initial policy to convert up to 50 vouchers, made available to affordable housing facilities is determined reasonable and appropriate. Finally, the County can reserve the right not program or award any of the current TBV's to PBV status; and conversely we reserve the right to program additional vouchers in the next fiscal year.

### 2. Adopt City of Tucson approval process to make PBV's competitively available.

The City of Tucson PHA has previously established its own PBV Program and HUD approved project/developer selection process that the County can immediately implement. In addition, the City of Tucson currently administers Pima County TBV's and can incorporate awarded PBV's into its PHA process infrastructure. Pima County will accept proposals for PBV assistance through this HUD approved competitive selection process. Pima County can also accept proposals for PBV assistance as recommended from a recognized competitive selection process administered by a local government agency, or other appropriate public or private entity, which has experience reviewing and awarding contracts.

**3. Limit County PBV's to less than 25 percent of total dwelling units per project.**

Again, due to the limited number of proposed PBV's (50), it is in the County's best interest to diversify, leverage and make available these HUD resources to various projects or developments, countywide. A County PBV selection process can give preference to existing housing facilities or developments that request less than 25 percent of the total number of dwelling units (assisted or unassisted) in the project. This action will ensure more equitable distribution and availability of resources.

**4. Deconcentrate pockets of poverty.**

A primary HUD goal and requirement to convert TBV's to PBV's is "de-concentrating poverty and expanding housing and economic opportunities." The County will preference approval of PBV rental housing subsidies to eligible projects or proposed developments in census tracts that have poverty concentrations of 20 percent or less. The County will consider exceptions to this preference for projects that complement and incorporate other local community and economic development plans and identified leveraged resources, e.g. federally recognized Neighborhood Revitalization Strategy Areas and Opportunity Zones.

**5. Address County identified housing issues.**

As identified during community and stakeholder meetings, the County will take into consideration preference to PBV projects that address one or more of the following housing issues:

a. Mitigate the loss of existing housing;

b. Support individuals and families who experience significant housing cost burden; reside in substandard housing; and, incur additional housing challenges due to shifts in federal policies;

c. Support families and children at immediate risk of homelessness.

d. Support households with family members living with disabilities which have significantly affected in their ability to obtain/maintain housing and support services to maintain independent living.

e. Support individuals and families, who, without appropriate supportive services, will not be able to obtain / maintain appropriate housing.

f. Support PBV programs and projects within identified Pima County Community Development Target Areas.

## 6. Pima County PBV developer/subrecipient contract considerations:

The following contractual provisions will be considered when executing agreements with PBV recipients:

a. Should an entity have significant experience in developing PBV programs and demonstrate sufficient capacity to executed a contract, the County will consider a 15-year term, with an option to renew for an additional 15 years.

b. Should an entity have a limited experience in developing PBV programs and demonstrate adequate capacity to comply with all terms of the contract, the County will consider an initial 5-year term, with renewable periods up to fifteen years, not to exceed a total of 30 years.

c. Should an entity receive significant funding through another source, which specifies required terms and conditions for contract compliance, the County will defer to those terms to secure PBV investment if appropriate.

## 7. Transfer of awarded PBV's from one project to another:

In order to accommodate residents' changing needs, Pima County will support, review and reasonably approve requests to transfer PBV's from one housing facility to another eligible unit located at a different location on a case-by-case basis. Initial PBV transfer guidelines include:

a. Resident must be a current renter in a housing facility receiving Project-Based Voucher's administered by the City of Tucson PHA;

b. Resident must be in good standing with applicable PHA rules and regulations; and

c. Transfer requests to address documented medical needs or family status changes will be given priority.

## Summary:

Pima County works cooperatively with the City of Tucson Public Housing Authority to effectively administer its allocation of HUD Housing Choice Vouchers. For program year 2018-2019, Pima County included an option to convert a portion of its Tenant-Based Vouchers to Project-Based Vouchers in the PHA plan submittal to HUD as a strategy to create more affordable, supportive, housing opportunities. CDNC staff conducted a community planning process and organized a stakeholder review committee to seek input for the planned adaption of a County Project Based Voucher Program. The policy changes included herein provide the framework to establish the program.

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# Pima County Project Based Voucher Application Review Checklist

Project Name: _____

Project Address: _____

Census Tract: _____ %Poverty _____

# of Units ___ # of PBV Requested _____ %PBV requested _____

# of exception units _____ Exception category(ies) _____

If % of PBV is >25% without unit exceptions deny application for PBV

It is the PHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal the PHA will preference sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.

However, other circumstances that supersede the 20 percent standard are where the PHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in: A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Promise Zone, or Renewal Community; YES or NO _____

A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment;

YES or NO _____

A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area; YES or NO

_____

A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area; YES or NO

_____

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A census tract where there has been an overall decline in the poverty rate within the past five years; or
YES or NO

A census tract where there are meaningful opportunities for educational and economic advancement.
YES or NO

If poverty level is >20% and all answers above are NO – deny application for PBV

- The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed; YES or NO

- The site must have adequate utilities and streets available to service the site; YES or NO

- The site must not be located in an area of minority concentration unless the PHA 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;

  YES or NO

- 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. YES or NO

- 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;

  YES or NO

- The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate; YES or NO

- 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 YES or NO

- 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. YES or NO

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If NO for any of the eight criteria above, deny application for PBV

| **Criteria** | **Max Points Available** | **Proposal Score** |
|---|---|---|
| Site Location | 10 | |
| Design | 20 | |
| Owner Experience | 15 | |
| Management Experience | 15 | |
| Project Feasibility/Readiness to begin construction | 20 | |
| Public Purpose | 20 | |
| **Total Points Available** | **100** | |

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