

CITY OF SANTA ROSA
HOUSING AUTHORITY

TO: HOUSING AUTHORITY COMMISSIONERS
FROM: REBECCA LANE, HOUSING AND COMMUNITY SERVICES
MANAGER
SUBJECT: REQUEST TO APPROVE THE RELEASE OF A PROJECT-
BASED VOUCHER REQUEST FOR PROPOSALS UNDER THE
HOUSING CHOICE VOUCHER PRORAM
AGENDA ACTION: RESOLUTION

RECOMMENDATION

It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, approve the release of a Request for Proposals for up to 100 Project-Based Housing Choice Vouchers.

EXECUTIVE SUMMARY

The Housing Choice Voucher program provides federally funded rental assistance to eligible families. Under the Project-Based Voucher program, the assistance is tied to housing units in specific projects. The funds are awarded through a competitive selection process. Up to 100 vouchers are currently available for project-basing under a Request for Proposals (RFP) that is proposed to open on September 5, 2018 and close on November 5, 2018. The release of the RFP, if approved by the Housing Authority, is subject to final approval from the Department of Housing and Urban Development (HUD). The RFP will give preference to projects that include units dedicated for families experiencing homelessness.

BACKGROUND

The PBV program is a component of the HCV Program in which Housing Authorities allocate tenant-based voucher funding for affordable housing projects through a competitive process. Under the PBV program, rental assistance is tied to a specific unit and a family must live in the project unit to receive assistance. The program is subject to regulations under 24 CFR Part 983 and was recently revised under the Housing Opportunity Through Modernization Act of 2016 (HOTMA) that were published on October 30, 2017 under PIH Notice 2017-21.

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Program Cap

Under the PBV program, a Public Housing Authority (PHA) can attach up to 20 percent of its vouchers to specific housing units. Any commitment of vouchers must be within the allowable program cap, and must not result in over-leasing, which is prohibited under the ACC.

As of July 2018, the Santa Rosa Housing Authority (SRHA) has 1,877 vouchers under Annual Contributions Contract (ACC) with HUD. SRHA has a current total of 189 PBV commitments. Under the 20 percent program cap, 375 would be the maximum number of PBVs allowed, leaving 186 vouchers potentially available to project-base. To prevent over-leasing, the Housing Authority must also consider the number of unused vouchers available to commit to this purpose. Staff has determined that 100 vouchers is the maximum number of vouchers available to commit to an RFP.

Eligible Unit Types

There are three categories of eligible housing types under the PBV program: existing units, substantially rehabilitated units and new construction. Releasing an RFP for any unit types can support existing affordable housing, and/or promote the development of additional affordable housing.

Project Cap

The PBV regulations cap the number of units that may be project-based in a project. Under enacted HOTMA changes, the maximum number of units that may be project-based is the greater of 25 units or 25 percent of the units in the project. There are two eligible project cap exceptions:

- Units exclusively serving elderly families
- Units housing individuals and families eligible for supportive services available to all families receiving PBV assistance in the project

In addition, units in projects that are located in a census tract with a poverty rate of 20 percent or less are subject to a 40% cap.

HOTMA provides that HUD may establish additional requirements for monitoring and oversight of projects in which more than 40 percent of dwelling units are assisted under a PBV HAP contract.

PRIOR HOUSING AUTHORITY REVIEW

SRHA released an RFP for Project-Based HUD-Veterans Affairs Supportive Housing (VASH) in June 2015 but has not previously established an RFP for non-VASH vouchers.

ANALYSIS

Since June of 2016, the voucher utilization rate in the Housing Choice Voucher (HCV) program has declined five percentage points from 97% to 93%. Over the same period, the Per Unit Cost (PUC) increased by \$149.00. Although the program is only obligated to lease up to the number of units for which it has available funding, decreasing utilization can eventually lead to negative HCV program growth.

Low voucher utilization is indicative of a challenging rental market and is common among Housing Authorities across the Bay Area and throughout the country's most expensive housing markets.

Offering voucher funding to developers for PBVs can address the challenges of the local rental market in two key ways: PBV units are set aside for people who qualify for the Housing Choice Voucher program, thereby increasing housing opportunities for voucher holders; in addition, the use of PBVs tends to increase development of affordable units overall because PBVs can be used to leverage additional affordable housing funds for larger projects.

PBVs are awarded through a competitive selection process, typically a Request for Proposals. The proposed RFP would be released on September 5, 2018, subject to HUD approval. The deadline for proposals will be November 5, 2018. Up to 100 vouchers will be made available under this RFP.

Consistent with SRHA goals, under this RFP preference will be given to proposals based on the following criteria:

- a) Projects with units specifically available made available for individuals and families who meet the definition of homeless under Section 103 of the McKinney-Vento Homeless Assistance Act;
- b) Commitment to providing long-term affordable housing, with highest preference given to projects that would create new affordable housing and maximize PBV resources by requiring fewer Project Based Vouchers per project;
- c) Site location;

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- d) Management and owner experience with similar projects;
- e) Design and amenities; and
- f) Project feasibility and readiness.

A subcommittee of the Housing Authority Board of Commissioners will review the applications received and work with staff to make funding recommendations to the full Board of Commissioners.

FISCAL IMPACT

None

ENVIRONMENTAL IMPACT

This action is exempt from the California Environmental Quality Act (CEQA) because it is not a project which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment, pursuant to CEQA Guideline section 15378.

COUNCIL/BOARD/COMMISSION/COMMITTEE REVIEW AND RECOMMENDATIONS

Not applicable.

NOTIFICATION

Not applicable.

ATTACHMENTS

- Resolution

CONTACT

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