

COMMUNITY BASED RENTAL ASSISTANCE POLICY

Revised ~~August, 2016~~October, 2015

Overview

The CHA's Community Based Rental Assistance (CBRA) program (also known as the project-based voucher program) encompasses traditional project-based voucher units, Special Needs units (elderly, disabled, supportive housing, supportive service, and homeless), and pilot local rental subsidy programs. The CHA will determine the percentage of housing choice voucher assistance that is project-based under the CBRA program based on organizational strategic goals and public housing authority and/or City/County revitalization efforts.

Simplification of the Process to Project-Base Units

The CHA will utilize a simplified owner proposal selection process to project-base vouchers. The CHA will select CBRA proposals by any of the following methods:

Units Owned by CHA. The CHA is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency, subject to HUD's requirements regarding subsidy layering. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any assessments for voluntary conversion. Direct or indirect ownership interest includes, but is not limited to:

- CHA participation as a member in a tax credit or other LLC;
- Direct or indirect ownership interest through a CHA subsidiary;
- CHA ownership of the land on which the community has been or is to be developed; or
- The CHA is funding a portion of the construction costs of the community and subsidizing the operating costs or rents of the community for low income families.

Request for Proposals. The CHA may solicit proposals by using a request for proposals (RFP) process. The RFP process will select proposals on a competitive basis. The CHA will not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for project-based housing on different sites.

Proposals that were Previously Selected Based on Competition. The CHA may consider an application and select a proposal for housing assisted under a federal, state, or local government housing assistance, community development, or supportive services program (e.g. Low Income Housing Tax Credit (LIHTC), HOME, Housing Trust Fund, Affordable Housing Program, etc.) that included a competitive process. The CHA may consider such applications only if housing was competitively selected within three years of the proposal selection date and where

the earlier competitive proposal did not involve any consideration that the project would receive project-based voucher assistance.

Joint Requests for Proposals with the City and State. The CHA may award project-based voucher assistance via competitive process for other affordable housing funds to maximize the impact of its project-based vouchers and to minimize the number of application processes developers face.

Solicitation and Selection of Proposals

CHA will accept proposals on an ongoing basis. CHA may periodically advertise its request for proposals (RFP) for the target categories in The Charlotte Observer. In addition to, or in place of advertising, CHA may also directly contact specific owners that have already been selected through one of the competitive processes above to inform them of available project based assistance.

In order for the proposal to be considered, the proposal must respond to all requirements as outlined in the RFP. Incomplete proposals will not be reviewed.

The CHA will rate and rank proposals for in the target categories using the following

criteria: Family Units

1. Must be located in a permissible area which meet CHA's goals and objectives including but not limited to deconcentrating poverty, expanding housing and economic opportunities
2. Families must have one member either working or participating in a work support program.
3. *No more than 25% of the units in a family development will be project-based unless the development is providing some level of supportive services. (This does not apply to senior and special needs housing).*
4. Developments in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail, will be given second priority.

Special Needs Units

1. Category includes units for homeless, disabled, domestic violence, transitional youth and other special needs.
2. Services must be being provided onsite or in coordination with the housing. Higher levels of service provision will be given first priority.
4. Must be located in a permissible area which meet CHA's goals and objectives including but not limited to deconcentrating poverty, expanding housing and economic opportunities, Developments in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail, will be given second priority.

Senior Units

1. Must be located in a permissible area which meet CHA's goals and objectives including but not limited to deconcentrating poverty, expanding housing and economic opportunities
2. Developments in Uptown Charlotte or in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail, will be given second priority.
3. Services must be provided onsite or in coordination with the housing. Higher levels of service provision will be given priority if the locational criteria rank equally.

In addition to meeting the above criteria, each deal must meet HUD Site Selection Standards set forth in CFR 983.57. Each deal must also be in compliance with HUD subsidy layering rules, the Fair Housing Act, Davis-Bacon regulations for new construction and all other applicable HUD regulations.

Priority will be given to proposals in any target category that complement other local activities such as the redevelopment of a public housing site under the HOPE VI program, the HOME program, CDBG activities, other development activities in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community.

Prohibition of Assistance for Certain Units

The CHA will determine property eligibility criteria and may provide project-based assistance for transitional housing and other innovative housing types to address Charlotte's affordable housing needs.

Cap on the Number of Project-Based Units

The CHA will provide project-based assistance for excepted units in multifamily buildings that are specifically made available for elderly or disabled families or families receiving supportive services on a project-by-project basis with MTW and/or HUD approval.

In Supportive Housing developments (homeless, disabled, domestic violence, transitional youth, and/or special needs) with less than 20 units, the CHA will provide project-based assistance up to 100% of the units in the project. In supportive housing developments (homeless, disabled, domestic violence, transitional youth, and/or special needs) with more than 20 units, CHA will provide project-based assistance up to 60% of the units in the project. Services must be provided in the coordination of housing for supportive housing developments. The types of services offered to families for a project to qualify for the exception will be determined on a project-by-project basis depending on the target population. Supportive Housing developments may use the McKinney Act definition of disabled for the purposes of determining eligibility for exempted units.

The CHA will require reports to be submitted at least quarterly for supportive housing developments (excluding elderly and disabled developments) to ensure proper monitoring of excepted units.

In family developments or transitional housing programs, families must be receiving FSS supportive services or other self-sufficiency services to qualify for an excepted unit. The CHA, contract service provider, and/or supportive service partner will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. The CHA will require reports to be submitted at least quarterly for family developments to ensure proper monitoring of excepted units.

Site Selection Standards

Per CHA's MTW Agreement, the Authority is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57, the agency will comply with the following requirements:

- a. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
- b. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the City of Charlotte and/or Mecklenburg County, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with a HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area or (6) relocating units to an area with a lower concentration of public housing units.
- c. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
- d. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan and (2) certify to HUD in its MTW Annual Report that the comments from residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its MTW Annual Report.

It is the goal of CHA to select sites for CBRA housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal, the CHA will limit approval of sites for project-based housing in census tracts that have poverty concentrations of 20 percent or less.

However, the CHA will grant exceptions to the 20 percent standard where the CHA determines that the project-based 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 development will be located in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- 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;
- A census tract in which the proposed development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area;
- 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;
- A census tract where there has been an overall decline in the poverty rate within the past five years; or
- A census tract where there are meaningful opportunities for educational and economic advancement.

Additionally, the CHA will strive to get as many CBRA units as possible in stable Charlotte neighborhoods, neighborhoods where there is an active neighborhood revitalization plan and/or neighborhoods along Charlotte's new transportation corridors, including the light rail. Priority will be given to developments that meet one or more of the following goals:

- Located in an area of low crime as determined by local law enforcement;
- Located in an area with access to high-performing public schools; or
- Located in neighborhoods within a mile of one of Charlotte's new transportation corridors, including light rail.

Inspecting Units

The CHA will waive the requirement for an initial HQS inspection on newly constructed project-based units and utilize a Certificate of Occupancy (CO) in lieu of an initial inspection.

Site-Based Administration

CHA's CBRA program will utilize simplified property management practices based on private management/private sector models instead of the traditional public housing authority managed project-based voucher model in order to simplify, streamline and enhance the delivery of management services to CBRA communities. The CHA will delegate to the Owner Entities' professional management companies the full responsibility of administering all aspects of the CBRA program. This includes:ing waiting list selection and administration, eligibility, admissions, and functions related to continued occupancy to include but not limited to regularly scheduled recertifications, interim recertifications and transfer moves, at the property level based on the community's approved tenant selection plan and the CHA's Administrative Plan. The Owner Entities' property management is also authorized to administer grievance processes provided that no-cause evictions are not permitted and all policies and practices comply with fair housing and other related requirements.

Lease

The CHA may waive the initial one year lease requirement in Supportive Housing development/programs.

Family Right to Move

CHA has received a waiver of 24 CFR 983.260 Family Right to Move, so that a family will not be offered the opportunity for continued tenant-based rental assistance if they terminate the lease at any time after one year of occupancy. Exceptions to the waiver may be made for:

- Occupancy of a wrong size unit due to change in family composition and property does not have an available unit that meets occupancy standards for the family's size;
- Reasonable accommodation;
- Victims of domestic violence, dating violence, or stalking; and
- Owner refusal to renew the lease without good cause.

Determining Rent to Owner

The CHA has an approved -waiver of 24 CFR 983.301 in order to implement a more market competitive determination of rent to owner process for the Community Based Rental Assistance (CBRA) Program in order to:

- Create affordable housing developments through public/private partnerships using market principles that maximize the economic viability and sustainability of CHA's mix-income communities.
- Meet CHA's goals and objectives including but not limited to deconcentrating poverty, expanding housing and economic opportunities
- Facilitate self-sufficiency among low-income families by increasing access to community resources and amenities that improve quality of life.

CHA's determination of rent to owner process may determine contract rents on a project-by-project basis up to 120% of HUDs fair market rents (FMRs) based on independent market study and analysis. Exceptions to the CHA Payment Standards may be granted with Administration approval based on the following factors:

- The quality of the housing regardless of the submarket.
- The location of the housing with respect to its proximity to revitalization/transformation activities and other public development initiatives.
- CHA's de-concentration efforts
- CHA's RAD portfolio conversion