

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Watertown Housing Authority PHA Plan Update
Annual Plan for Fiscal Year: 2003

**NOTE: THIS PHA PLANS TEMPLATE (HUD 50075) IS TO BE COMPLETED IN
ACCORDANCE WITH INSTRUCTIONS LOCATED IN APPLICABLE PIH NOTICES**

PHA Plan Agency Identification

PHA Name: Watertown Housing Authority

PHA Number: MA093

PHA Fiscal Year Beginning: (mm/yyyy) 01/2002

PHA Plan Contact Information:

Name: Thomas Wade

Phone: 617-923-3950

TDD: 800-545-1833 x 369

Email (if available): WatertownH@aol.com

Public Access to Information

Information regarding any activities outlined in this plan can be obtained by contacting:
(select all that apply)

- Main administrative office of the PHA
- PHA development management offices

Display Locations For PHA Plans and Supporting Documents

The PHA Plans (including attachments) are available for public inspection at: (select all that apply)

- Main administrative office of the PHA
- PHA development management offices
- Main administrative office of the local, county or State government
- Public library
- PHA website
- Other (list below)

PHA Plan Supporting Documents are available for inspection at: (select all that apply)

- Main business office of the PHA
- PHA development management offices
- Other (list below)

PHA Programs Administered:

- Public Housing and Section 8 Section 8 Only Public Housing Only

Annual PHA Plan Fiscal Year 2002

[24 CFR Part 903.7]

i. Table of Contents

Provide a table of contents for the Plan, including attachments, and a list of supporting documents available for public inspection. For Attachments, indicate which attachments are provided by selecting all that apply. Provide the attachment's name (A, B, etc.) in the space to the left of the name of the attachment. If the attachment is provided as a **SEPARATE** file submission from the PHA Plans file, provide the file name in parentheses in the space to the right of the title.

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<input type="checkbox"/> Attachment : Public Housing Drug Elimination Program (PHDEP) Plan	
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ii. Executive Summary

[24 CFR Part 903.7 9 (r)]

At PHA option, provide a brief overview of the information in the Annual Plan

The Watertown Housing Authority continues to strive to provide shelter with dignity to those in need.

1. Summary of Policy or Program Changes for the Upcoming Year

In this section, briefly describe changes in policies or programs discussed in last year's PHA Plan that are not covered in other sections of this Update.

Pursuant to the comments received from the Resident Advisory Board (RAB) for the Section 8 Voucher Program and the Board of Commissioners for the Watertown Housing Authority the following changes and/or additions to the Section 8 Program will be proposed:

- A.
- B. Establish a first time home buyer program
- C. Project base Section 8 Vouchers within the community for the elderly and disabled

2. Capital Improvement Needs

[24 CFR Part 903.7 9 (g)]

Exemptions: Section 8 only PHAs are not required to complete this component.

- A. X Yes No: Is the PHA eligible to participate in the CFP in the fiscal year covered by this PHA Plan?
- B. What is the amount of the PHA's estimated or actual (if known) Capital Fund Program grant for the upcoming year? \$135,471.00
- C. X Yes No Does the PHA plan to participate in the Capital Fund Program in the upcoming year? If yes, complete the rest of Component 7. If no, skip to next component.

D. Capital Fund Program Grant Submissions

(1) Capital Fund Program 5-Year Action Plan

The Capital Fund Program 5-Year Action Plan is provided as Attachment

(2) Capital Fund Program Annual Statement

The Capital Fund Program Annual Statement is provided as Attachment

3. Demolition and Disposition

[24 CFR Part 903.7 9 (h)]

Applicability: Section 8 only PHAs are not required to complete this section.

1. Yes No: Does the PHA plan to conduct any demolition or disposition activities (pursuant to section 18 of the U.S. Housing Act of 1937 (42 U.S.C. 1437p)) in the plan Fiscal Year? (If “No”, skip to next component ; if “yes”, complete one activity description for each development.)

2. Activity Description

Demolition/Disposition Activity Description (Not including Activities Associated with HOPE VI or Conversion Activities)
1a. Development name: 1b. Development (project) number:
2. Activity type: Demolition <input type="checkbox"/> Disposition <input type="checkbox"/>
3. Application status (select one) Approved <input type="checkbox"/> Submitted, pending approval <input type="checkbox"/> Planned application <input type="checkbox"/>
4. Date application approved, submitted, or planned for submission: <u>(DD/MM/YY)</u>
5. Number of units affected: 6. Coverage of action (select one) <input type="checkbox"/> Part of the development <input type="checkbox"/> Total development
7. Relocation resources (select all that apply) <input type="checkbox"/> Section 8 for units <input type="checkbox"/> Public housing for units <input type="checkbox"/> Preference for admission to other public housing or section 8 <input type="checkbox"/> Other housing for units (describe below)
8. Timeline for activity: a. Actual or projected start date of activity: b. Actual or projected start date of relocation activities: c. Projected end date of activity:

4. Voucher Homeownership Program

[24 CFR Part 903.7 9 (k)]

- A. Yes No: Does the PHA plan to administer a Section 8 Homeownership program pursuant to Section 8(y) of the U.S.H.A. of 1937, as implemented by 24 CFR part 982 ? (If “No”, skip to next component; if “yes”, describe each program using the table below (copy and complete questions for each program identified.)

B. Capacity of the PHA to Administer a Section 8 Homeownership Program

The PHA has demonstrated its capacity to administer the program by (select all that apply):

- Establishing a minimum homeowner downpayment requirement of at least 3 percent and requiring that at least 1 percent of the downpayment comes from the family's resources
- Requiring that financing for purchase of a home under its section 8 homeownership will be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards
- Demonstrating that it has or will acquire other relevant experience (list PHA experience, or any other organization to be involved and its experience, below):

The Watertown Housing Authority (WHA) intends to partner with Watertown Community Housing (WCH), a local housing non-profit. WCH had administered a first-time homebuyer program, funded with HOME Funds, for nearly five (5) years with numerous successes. The experience which this organization has garnered will serve the purpose of the Section 8 Home Buyer Program very well. WCH has over the years provided first time buyer classes for well over 200 families along with counseling and had-holding throughout the process. They are well educated on the administrative requirements of lending institutions and HUD.

5. Safety and Crime Prevention: PHDEP Plan

[24 CFR Part 903.7 (m)]

Exemptions Section 8 Only PHAs may skip to the next component PHAs eligible for PHDEP funds must provide a PHDEP Plan meeting specified requirements prior to receipt of PHDEP funds.

A. Yes No: Is the PHA eligible to participate in the PHDEP in the fiscal year covered by this PHA Plan?

B. What is the amount of the PHA's estimated or actual (if known) PHDEP grant for the upcoming year? \$ _____

C. Yes No Does the PHA plan to participate in the PHDEP in the upcoming year? If yes, answer question D. If no, skip to next component.

D. Yes No: The PHDEP Plan is attached at Attachment _____

6. Other Information

[24 CFR Part 903.7 9 (r)]

A. Resident Advisory Board (RAB) Recommendations and PHA Response

1. X Yes No: Did the PHA receive any comments on the PHA Plan from the Resident Advisory Board/s?
2. If yes, the comments are Attached at Attachment (File name)
3. In what manner did the PHA address those comments? (select all that apply)
 - The PHA changed portions of the PHA Plan in response to comments
A list of these changes is included
 - Yes No: below or
 - Yes No: at the end of the RAB Comments in Attachment ____.
 - Considered comments, but determined that no changes to the PHA Plan were necessary. An explanation of the PHA's consideration is included at the at the end of the RAB Comments in Attachment ____.
 - X Other: (list below)

The comments and wishes of the RAB are in agreement with the thoughts of the Authority and and are included in the context of this plan.

B. Statement of Consistency with the Consolidated Plan

For each applicable Consolidated Plan, make the following statement (copy questions as many times as necessary).

- 1..Consolidated Plan jurisdiction: (provide name here) The Town of Watertown
2. The PHA has taken the following steps to ensure consistency of this PHA Plan with the Consolidated Plan for the jurisdiction: (select all that apply)
 - X The PHA has based its statement of needs of families in the jurisdiction on the needs expressed in the Consolidated Plan/s.
 - X The PHA has participated in any consultation process organized and offered by the Consolidated Plan agency in the development of the Consolidated Plan.
 - X The PHA has consulted with the Consolidated Plan agency during the development of this PHA Plan.
 - X Activities to be undertaken by the PHA in the coming year are consistent with specific initiatives contained in the Consolidated Plan. (list such initiatives below)
 - Other: (list below)
3. PHA Requests for support from the Consolidated Plan Agency
 - Yes X No: Does the PHA request financial or other support from the State or local government agency in order to meet the needs of its public housing residents or inventory? If yes, please list the 5 most important requests below:

4. The Consolidated Plan of the jurisdiction supports the PHA Plan with the following actions and commitments: (describe below)

C. Criteria for Substantial Deviation and Significant Amendments

1. Amendment and Deviation Definitions

24 CFR Part 903.7(r)

PHAs are required to define and adopt their own standards of substantial deviation from the 5-year Plan and Significant Amendment to the Annual Plan. The definition of significant amendment is important because it defines when the PHA will subject a change to the policies or activities described in the Annual Plan to full public hearing and HUD review before implementation.

A. Substantial Deviation from the 5-year Plan:

B. Significant Amendment or Modification to the Annual Plan:

The Watertown Housing Authority intends to implement the project basing of up to 20% of its Section 8 Vouchers for the purpose of addressing the needs of elderly and disabled. Attached to this plan is a copy of the proposed program and policy.

Attachment A
Supporting Documents Available for Review

PHAs are to indicate which documents are available for public review by placing a mark in the “Applicable & On Display” column in the appropriate rows. All listed documents must be on display if applicable to the program activities conducted by the PHA.

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	5 Year and Annual Plans
X	State/Local Government Certification of Consistency with the Consolidated Plan (not required for this update)	5 Year and Annual Plans
X	Fair Housing Documentation Supporting Fair Housing Certifications: Records reflecting that the PHA has examined its programs or proposed programs, identified any impediments to fair housing choice in those programs, addressed or is addressing those impediments in a reasonable fashion in view of the resources available, and worked or is working with local jurisdictions to implement any of the jurisdictions’ initiatives to affirmatively further fair housing that require the PHA’s involvement.	5 Year and Annual Plans
X	Housing Needs Statement of the Consolidated Plan for the jurisdiction/s in which the PHA is located and any additional backup data to support statement of housing needs in the jurisdiction	Annual Plan: Housing Needs
X	Most recent board-approved operating budget for the public housing program	Annual Plan: Financial Resources
X	Public Housing Admissions and (Continued) Occupancy Policy (A&O/ACOP), which includes the Tenant Selection and Assignment Plan [TSAP]	Annual Plan: Eligibility, Selection, and Admissions Policies
N/A	Any policy governing occupancy of Police Officers in Public Housing <input type="checkbox"/> check here if included in the public housing A&O Policy	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Section 8 Administrative Plan	Annual Plan: Eligibility, Selection, and Admissions Policies
X	Public housing rent determination policies, including the method for setting public housing flat rents <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	Schedule of flat rents offered at each public housing development <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Rent Determination
X	Section 8 rent determination (payment standard) policies x <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Rent Determination
X	Public housing management and maintenance policy documents, including policies for the prevention or eradication of pest infestation (including cockroach infestation)	Annual Plan: Operations and Maintenance
X	Results of latest binding Public Housing Assessment System (PHAS) Assessment	Annual Plan: Management and Operations
X	Follow-up Plan to Results of the PHAS Resident Satisfaction Survey (if necessary)	Annual Plan: Operations and Maintenance and Community Service & Self-Sufficiency
X	Results of latest Section 8 Management Assessment System (SEMAP)	Annual Plan: Management and Operations
N/A	Any required policies governing any Section 8 special housing types <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Operations and Maintenance
X	Public housing grievance procedures <input type="checkbox"/> check here if included in the public housing A & O Policy	Annual Plan: Grievance Procedures
X	Section 8 informal review and hearing procedures <input type="checkbox"/> check here if included in Section 8 Administrative Plan	Annual Plan: Grievance Procedures
X	The HUD-approved Capital Fund/Comprehensive Grant Program Annual Statement (HUD 52837) for any active grant year	Annual Plan: Capital Needs
X	Most recent CIAP Budget/Progress Report (HUD 52825) for any active CIAP grants	Annual Plan: Capital Needs
N/A	Approved HOPE VI applications or, if more recent, approved or submitted HOPE VI Revitalization Plans, or any other approved proposal for development of public housing	Annual Plan: Capital Needs
X	Self-evaluation, Needs Assessment and Transition Plan required by regulations implementing §504 of the Rehabilitation Act and the Americans with Disabilities Act. See, PIH 99-52 (HA).	Annual Plan: Capital Needs
N/a	Approved or submitted applications for demolition and/or disposition of public housing	Annual Plan: Demolition and Disposition
N/A	Approved or submitted applications for designation of public housing (Designated Housing Plans)	Annual Plan: Designation of Public Housing

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
N/A	Approved or submitted assessments of reasonable revitalization of public housing and approved or submitted conversion plans prepared pursuant to section 202 of the 1996 HUD Appropriations Act, Section 22 of the US Housing Act of 1937, or Section 33 of the US Housing Act of 1937	Annual Plan: Conversion of Public Housing
N/A	Approved or submitted public housing homeownership programs/plans	Annual Plan: Homeownership
To be presented	Policies governing any Section 8 Homeownership program (section _____ of the Section 8 Administrative Plan)	Annual Plan: Homeownership
N/A	Cooperation agreement between the PHA and the TANF agency and between the PHA and local employment and training service agencies	Annual Plan: Community Service & Self-Sufficiency
N/A	FSS Action Plan/s for public housing and/or Section 8	Annual Plan: Community Service & Self-Sufficiency
N/A	Section 3 documentation required by 24 CFR Part 135, Subpart E	Annual Plan: Community Service & Self-Sufficiency
N/A	Most recent self-sufficiency (ED/SS, TOP or ROSS or other resident services grant) grant program reports	Annual Plan: Community Service & Self-Sufficiency
N/A	The most recent Public Housing Drug Elimination Program (PHDEP) semi-annual performance report	Annual Plan: Safety and Crime Prevention
N/A	PHDEP-related documentation: <ul style="list-style-type: none"> · Baseline law enforcement services for public housing developments assisted under the PHDEP plan; · Consortium agreement/s between the PHAs participating in the consortium and a copy of the payment agreement between the consortium and HUD (applicable only to PHAs participating in a consortium as specified under 24 CFR 761.15); · Partnership agreements (indicating specific leveraged support) with agencies/organizations providing funding, services or other in-kind resources for PHDEP-funded activities; · Coordination with other law enforcement efforts; · Written agreement(s) with local law enforcement agencies (receiving any PHDEP funds); and · All crime statistics and other relevant data (including Part I and specified Part II crimes) that establish need for the public housing sites assisted under the PHDEP Plan. 	Annual Plan: Safety and Crime Prevention
X	Policy on Ownership of Pets in Public Housing Family Developments (as required by regulation at 24 CFR Part 960, Subpart G) <input type="checkbox"/> check here if included in the public housing A & O Policy	Pet Policy

List of Supporting Documents Available for Review		
Applicable & On Display	Supporting Document	Related Plan Component
X	The results of the most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the U.S. Housing Act of 1937 (42 U. S.C. 1437c(h)), the results of that audit and the PHA's response to any findings	Annual Plan: Annual Audit
N/A	Troubled PHAs: MOA/Recovery Plan	Troubled PHAs
	Other supporting documents (optional) (list individually; use as many lines as necessary)	(specify as needed)

Annual Statement/Performance and Evaluation Report					
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary					
PHA Name: Watertown Housing Authority		Grant Type and Number MA06P093501-00 Capital Fund Program: CFP Capital Fund Program Replacement Housing Factor Grant No:			Federal FY of Grant: 2000
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/ Emergencies			<input type="checkbox"/> Revised Annual Statement (revision no:)
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/01		<input checked="" type="checkbox"/> Final Performance and Evaluation Report			
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
1	Total non-CFP Funds				
2	1406 Operations		67091	67091	67091
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 liquidated Damages				
7	1430 Fees and Costs	7380		0	0
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures	59711		0	0
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				
17	1495.1 Relocation Costs				
18	1498 Mod Used for Development				
19	1502 Contingency				
20	Amount of Annual Grant: (sum of lines 2-19)	67091	67091	67091	67091
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Compliance				
23	Amount of line 20 Related to Security				

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary				
PHA Name: Watertown Housing Authority		Grant Type and Number MA06P093501-00 Capital Fund Program: CFP Capital Fund Program Replacement Housing Factor Grant No:		Federal FY of Grant: 2000
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)				
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/01 x <input checked="" type="checkbox"/> Final Performance and Evaluation Report				
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost
24	Amount of line 20 Related to Energy Conservation Measures			

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part II: Supporting Pages									
PHA Name: Watertown Housing Authority			Grant Type and Number MA06P093501-00 Capital Fund Program #: CFP Capital Fund Program Replacement Housing Factor #:				Federal FY of Grant: 2000		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work	
				Original	Revised	Funds Obligated	Funds Expended		
MA93-1		1406		67091	67091	67091	67091	completed	

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part III: Implementation Schedule							
PHA Name: Watertown Housing Authority		Grant Type and Number MA06PO093501-00 Capital Fund Program #: CFP Capital Fund Program Replacement Housing Factor #:				Federal FY of Grant: 2000	
Development Number Name/HA-Wide Activities	All Fund Obligated (Quart Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
MA93-1	09/02		09/02	09/02		09/02	

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary						
PHA Name: Watertown Housing Authority		Grant Type and Number: MA06P093501-01 Capital Fund Program: Comp. Imp. Capital Fund Program Replacement Housing Factor Grant No:			Federal FY of Grant: 2001	
<input type="checkbox"/> Original Annual Statement		<input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)				
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/01		<input checked="" type="checkbox"/> Final Performance and Evaluation Report				
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost		
		Original	Revised	Obligated	Expended	
1	Total non-CFP Funds					
2	1406 Operations	0	68380	68380	68380	
3	1408 Management Improvements					
4	1410 Administration					
5	1411 Audit					
6	1415 liquidated Damages					
7	1430 Fees and Costs					
8	1440 Site Acquisition					
9	1450 Site Improvement					
10	1460 Dwelling Structures	68380				
11	1465.1 Dwelling Equipment—Nonexpendable					
12	1470 Nondwelling Structures					
13	1475 Nondwelling Equipment					
14	1485 Demolition					
15	1490 Replacement Reserve					
16	1492 Moving to Work Demonstration					
17	1495.1 Relocation Costs					
18	1498 Mod Used for Development					
19	1502 Contingency					
20	Amount of Annual Grant: (sum of lines 2-19)	68380	68380	68380	68380	
21	Amount of line 20 Related to LBP Activities					
22	Amount of line 20 Related to Section 504 Compliance					

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part 1: Summary				
PHA Name: Watertown Housing Authority		Grant Type and Number MA06P093501-01 Capital Fund Program: Comp. Imp. Capital Fund Program Replacement Housing Factor Grant No:		Federal FY of Grant: 2001
<input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Reserve for Disasters/ Emergencies <input type="checkbox"/> Revised Annual Statement (revision no:)				
<input type="checkbox"/> Performance and Evaluation Report for Period Ending: 09/30/01 x <input checked="" type="checkbox"/> Final Performance and Evaluation Report				
Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost
23	Amount of line 20 Related to Security			
24	Amount of line 20 Related to Energy Conservation Measures			

Annual Statement/Performance and Evaluation Report Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part II: Supporting Pages								
PHA Name: Watertown Housing Authority		Grant Type and Number MA06PO09350101 Capital Fund Program #: Comp. Imp. Capital Fund Program Replacement Housing Factor #:				Federal FY of Grant: 2001		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Proposed Work
				Original	Revised	Funds Obligated	Funds Expended	
MA93-1		1406		68380		68380	68380	completed

**Annual Statement/Performance and Evaluation Report
 Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
 Part III: Implementation Schedule**

PHA Name: Watertown Housing Authority			Grant Type and Number MA06PO09350101 Capital Fund Program #: Comp. Imp. Capital Fund Program Replacement Housing Factor #:				Federal FY of Grant: 2001
Development Number Name/HA-Wide Activities	All Fund Obligated (Quart Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	
MA93-1	09/03		09/02	09/03		09/02	

Capital Fund Program 5-Year Action Plan

Complete one table for each development in which work is planned in the next 5 PHA fiscal years. Complete a table for any PHA-wide physical or management improvements planned in the next 5 PHA fiscal year. Copy this table as many times as necessary. Note: PHAs need not include information from Year One of the 5-Year cycle, because this information is included in the Capital Fund Program Annual Statement.

CFP 5-Year Action Plan		
<input type="checkbox"/> Original statement <input checked="" type="checkbox"/> Revised statement		
Development Number	Development Name (or indicate PHA wide)	
MA093-1	100 Warren Street	
Description of Needed Physical Improvements or Management Improvements	Estimated Cost	Planned Start Date (HA Fiscal Year)
1. Flat Rood Replacement	150,000	As funding is available
2. Balcony Flooring Repair	20,000	
3. Elevator Upgrade	50,000	
4. Oil Tank Removal	15,000	
5. Appliance Replacement	15,000	
Total estimated cost over next 5 years	250,000	

PHA Public Housing Drug Elimination Program Plan

Note: THIS PHDEP Plan template (HUD 50075-PHDEP Plan) is to be completed in accordance with Instructions located in applicable PIH Notices.

Section 1: General Information/History

A. Amount of PHDEP Grant \$ _____

B. Eligibility type (Indicate with an "x") **N1**_____ **N2**_____ **R**_____

C. FFY in which funding is requested _____

D. Executive Summary of Annual PHDEP Plan

In the space below, provide a brief overview of the PHDEP Plan, including highlights of major initiatives or activities undertaken. It may include a description of the expected outcomes. The summary must not be more than five (5) sentences long

E. Target Areas

Complete the following table by indicating each PHDEP Target Area (development or site where activities will be conducted), the total number of units in each PHDEP Target Area, and the total number of individuals expected to participate in PHDEP sponsored activities in each Target Area. Unit count information should be consistent with that available in PIC.

PHDEP Target Areas (Name of development(s) or site)	Total # of Units within the PHDEP Target Area(s)	Total Population to be Served within the PHDEP Target Area(s)

F. Duration of Program

Indicate the duration (number of months funds will be required) of the PHDEP Program proposed under this Plan (place an "x" to indicate the length of program by # of months. For "Other", identify the # of months).

12 Months_____ **18 Months**_____ **24 Months**_____

G. PHDEP Program History

Indicate each FY that funding has been received under the PHDEP Program (place an “x” by each applicable Year) and provide amount of funding received. If previously funded programs have not been closed out at the time of this submission, indicate the fund balance and anticipated completion date. The Fund Balances should reflect the balance as of Date of Submission of the PHDEP Plan. The Grant Term End Date should include any HUD-approved extensions or waivers. For grant extensions received, place “GE” in column or “W” for waivers.

Fiscal Year of Funding	PHDEP Funding Received	Grant #	Fund Balance as of Date of this Submission	Grant Extensions or Waivers	Grant Start Date	Grant Term End Date
FY 1995						
FY 1996						
FY 1997						
FY1998						
FY 1999						

Section 2: PHDEP Plan Goals and Budget

A. PHDEP Plan Summary

In the space below, summarize the PHDEP strategy to address the needs of the target population/target area(s). Your summary should briefly identify: the broad goals and objectives, the role of plan partners, and your system or process for monitoring and evaluating PHDEP-funded activities. This summary should not exceed 5-10 sentences.

B. PHDEP Budget Summary

Enter the total amount of PHDEP funding allocated to each line item.

FFY _____ PHDEP Budget Summary	
Original statement	
Revised statement dated:	
Budget Line Item	Total Funding
9110 – Reimbursement of Law Enforcement	
9115 - Special Initiative	
9116 - Gun Buyback TA Match	
9120 - Security Personnel	
9130 - Employment of Investigators	
9140 - Voluntary Tenant Patrol	
9150 - Physical Improvements	
9160 - Drug Prevention	
9170 - Drug Intervention	
9180 - Drug Treatment	
9190 - Other Program Costs	
TOTAL PHDEP FUNDING	

C. PHDEP Plan Goals and Activities

In the tables below, provide information on the PHDEP strategy summarized above by budget line item. Each goal and objective should be numbered sequentially for each budget line item (where applicable). Use as many rows as necessary to list proposed activities (additional rows may be inserted in the tables). PHAs are not required to provide information in shaded boxes. Information provided must be concise—not to exceed two sentences in any column. Tables for line items in which the PHA has no planned goals or activities may be deleted.

9110 – Reimbursement of Law Enforcement	Total PHDEP Funding: \$
Goal(s)	
Objectives	

Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDE P Funding	Other Funding (Amount/ Source)	Performance Indicators
1.							
2.							
3.							

9115 - Special Initiative					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount/ Source)	Performance Indicators
1.							
2.							
3.							

9116 - Gun Buyback TA Match					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9120 - Security Personnel					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9130 – Employment of Investigators					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9140 – Voluntary Tenant Patrol					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9150 - Physical Improvements					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9160 - Drug Prevention					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHEDEP Funding	Other Funding (Amount /Source)	Performance Indicators

1.							
2.							
3.							

9170 - Drug Intervention					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9180 - Drug Treatment					Total PHDEP Funding: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

9190 - Other Program Costs					Total PHDEP Funds: \$		
Goal(s)							
Objectives							
Proposed Activities	# of Persons Served	Target Population	Start Date	Expected Complete Date	PHDEP Funding	Other Funding (Amount /Source)	Performance Indicators
1.							
2.							
3.							

Required Attachment ____: Resident Member on the PHA Governing Board

1. Yes No: Does the PHA governing board include at least one member who is directly assisted by the PHA this year? (if no, skip to #2)

A. Name of resident member(s) on the governing board:

Linda Lilley

B. How was the resident board member selected: (select one)?

- Elected
- Appointed

C. The term of appointment is (include the date term expires):
5 year term expiring 05/2003

2. A. If the PHA governing board does not have at least one member who is directly assisted by the PHA, why not?

- the PHA is located in a State that requires the members of a governing board to be salaried and serve on a full time basis
- the PHA has less than 300 public housing units, has provided reasonable notice to the resident advisory board of the opportunity to serve on the governing board, and has not been notified by any resident of their interest to participate in the Board.
- Other (explain):

Due to a misunderstanding of the HUD regulation, pursuant to tenant participation, the Watertown Housing Authority neglected to properly notify the RABs of their participation opportunity. This lapse has now been completed with an offer of opportunity made to the RABs of both our conventional housing program for the elderly and the Section 8 Program.

The above listed Tenant Board Member is an appointed member through the local town government, however, she is a participant in one of the Authority's State funded programs, which foolishly does not qualify as a tenant under HUD regulations.

B. Date of next term expiration of a governing board member: May 2003

C. Name and title of appointing official(s) for governing board (indicate appointing official for the next position):

Michael Driscoll
Town Manager
Town of Watertown Housing Authority

Required Attachment _____: Membership of the Resident Advisory Board or Boards

List members of the Resident Advisory Board or Boards: (If the list would be unreasonably long, list organizations represented or otherwise provide a description sufficient to identify how members are chosen.)

(1) Conventional Housing Program

The tenant association representing residents of our fifty (50) unit elderly housing development was asked to appoint a representative committee to serve as the R.A.B.

June Norton
Norman Eldridge
Walter Brown
Eileen Sinclair
Elizabeth Merritt

(2) Participants in the Section 8 Program were approached through a solicitation by the Authority respondents who conveyed an interest were included in the RAB for Section 8

Diana Conti
Dorothy Jacoppo
Maria Sanchez
Inna Mkrtycheva
Marylin Gairachty
Valerie Fox
Susan Overton

Watertown Housing Authority (WHA)

Information regarding its intent to operate a Section 8 Project-Based Assistance (PBA) Program

In expressing its intent to operate a Section 8 PBA Program, the WHA has attached the following documents:

- (1) The Draft Legal Notice for Section 8 PBA (page 2);
- (2) The Section 8 PBA Application Kit (pages 3-7); and
- (3) The WHA's Section 8 PBA Addendum to its Section 8 Admin Plan (pages 8-20).

Legal Notice

The Watertown Housing Authority (WHA) is requesting applications from qualified owners for Section 8 Project-Based Assistance (PBA) for existing housing serving the elderly and/or the disabled within the Town of Watertown. The WHA intends to offer up to 31 units of Section 8 PBA to one or more successful applicants. For qualified and successful applicants, the WHA may project-base up to 100% of the units in any one development. Interested respondents should submit one (1) original and two (2) complete copies of their entire application to the WHA no later than 3:00 PM on [insert date]. Applications received after this time will NOT be accepted. Applications should be clearly marked on the outside "Section 8 PBA Application for Existing Elderly and Disabled Housing" and submitted to:

Thomas Wade, Executive Director
Watertown Housing Authority
55 Waverley Avenue
Watertown, Massachusetts 02472-3613

The complete Request for Applications package is available at the WHA address listed above or by calling (617) 923-3950. All interested respondents should attend the applicant briefing session scheduled for [insert time] on [insert date] at [insert location]. Only applications submitted in response to this advertisement and the WHA's Request for Applications will be considered.

November 2, 2001 Rough Draft

Request for Applications

*Section 8 Project-Based Assistance
for Existing Housing
serving the Elderly and/or Disabled*

Watertown Housing Authority
55 Waverley Avenue
Watertown, Massachusetts 02472-3613

Tel (617) 923-3950
Fax (617) 923-2466

TDD (800) 545-1833 Ext. 569

A. INTRODUCTION

The Watertown Housing Authority (WHA) is requesting applications from qualified owners for Section 8 Project-Based Assistance (PBA) for existing housing serving the elderly and/or the disabled within the Town of Watertown. **The WHA intends to offer up to 31 units of Section 8 PBA to one or more successful applicants. For qualified and successful applicants, the WHA may project-base up to 100% of the units in any one development.**

B. WHA AND HUD REQUIREMENTS

Successful applicants shall meet the requirements of both the WHA and the U.S. Department of Housing and Urban Development (HUD) for receiving Section 8 PBA. The WHA's Section 8 PBA Program requirements and HUD's requirements are more fully described in **Attachment 1**. Applicants should familiarize themselves with these requirements prior to submitting an application.

Some of the key WHA and HUD requirements for successful applicants are as follows:

- 1. Existing Housing:** In order to qualify under the *existing housing* requirement, successful applicants will be required to demonstrate that at the time of selection that the Section 8 PBA units require a maximum expenditure of less than \$1,000 (including the unit's prorated share of any common area or systems' work) to comply with federal Housing Quality Standards (HQS).
- 2. Deconcentration of Poverty:** At this time, HUD requires that Section 8 PBA be provided only in census tracts with poverty rates of less than 20%, unless HUD specifically approves an exception.
- 3. Income Eligibility:** In order to receive Section 8 PBA in existing housing, the current occupant of the unit must meet Section 8 low-income eligibility standards. The current FY 2001 income limits for the Boston Area, including Watertown, are provided in **Attachment 2**.
- 4. Rent Limits:** The WHA's current HUD approved payment standard is 110% of Fair Market Rent (FMR). The current FMRs for the Boston Area, including Watertown, are provided in **Attachment 3**.
- 5. HAP Contract Term:** Under its Section 8 PBA Program and as allowed by HUD, the WHA may issue Section 8 Housing Assistance Payment (HAP) Contracts for an initial term of up to 10 years, with renewal provisions for longer terms, subject to the future availability of sufficient appropriated funds under the WHA's Consolidated Annual Contributions Contract (ACC) with HUD.

C. OWNER APPLICATION REQUIREMENTS

The owner's application submitted to the WHA must contain the following:

- (1) A statement indicating the applicant's willingness to abide by the terms and conditions of the WHA and HUD requirements as more fully described in Attachment 1 and B. 1.-5. above.
- (2) A description of the housing and population served, including the number of units by size (square footage), bedroom count, bathroom count, floor plans, and a listing of amenities and services.
- (3) Evidence of site control and a description of the site and neighborhood.
- (4) The number of Section 8 PBA units being requested and the proposed contract rent per unit, including an indication of which utilities, services, and equipment are included in the rent and which are not included. For those utilities that are not included in the rent, an estimate of the average monthly cost for each unit type for the first year of Section 8 PBA.
- (5) The number of persons (families, individuals, businesses and nonprofit organizations) occupying the property on the date of the submission of the application.
- (6) A statement indicating that persons will not be displaced, temporarily relocated, or moved permanently from the building or complex as a result of receiving Section 8 PBA and that there will be no relocation required.
- (7) The identity of the owner and other project principals and the names of officers and principal members, shareholders, investors, and other parties having a substantial interest; certification showing that the above-mentioned parties are not on the U.S. General Services Administration list of parties excluded from Federal procurement and nonprocurement programs; a disclosure of any possible conflict of interest by any of these parties that would be a violation of the Agreement or the HAP contract; and information on the qualifications and experience of the principal participants. Information concerning any participant who is not known at the time of the owner's submission must be provided to the WHA as soon as the participant is known.
- (8) The owner's plan for managing and maintaining the units.
- (9) A statement of the current financial condition of the property.
- (10) The proposed term of the HAP contract.
- (11) A legal opinion stating that the owner can accept the Section 8 PBA and that no conflict exists with other financing and/or funding arrangements that may preclude accepting this assistance.
- (12) Any other information that the owner believes will enhance its application.

D. SELECTION CRITERIA

Selection of successful applicants will be determined by the WHA Board of Commissioners and may be subject to HUD approval. Applications for Section 8 PBA will be weighted according to the following criteria with a maximum of 100 points:

Completeness of Application: 30 Points

Applications that address all required components in C. 1.-12. above will receive a maximum of **30 Points**. **Three to Five (3-5) Points will be deducted** for each item not addressed or not fully addressed.

Deconcentration of Poverty: 20 Points

20 Points will be provided to properties in census tracts with poverty rates of less than 20%. **No Points** will be awarded to properties located in census tracts with poverty rates greater than 20%.

Income Eligibility: 20 Points

Properties where 100% of the current occupants meet Section 8 low-income eligibility standards will be awarded the full **20 Points**. Points will be proportionately awarded for all properties where less than 100% of the current occupants meet Section 8 low-income eligibility standards (i.e. for a property where only 50% of the current occupants meet Section 8 low-income eligibility standards, 10 points would be awarded).

Rent Limits: 20 Points

Points will be awarded as follows:

Required Rents at or under 100% FMR: **20 Points**

Required Rents between 100%-110% FMR: **15 Points**

Required Rents between 110%-120% FMR: **10 Points**

Required Rents over 120% FMR: **0 Points**

Other Factors: 10 Points

The WHA will award up to **10 Points** for applicants who provide other compelling information that supports their Section 8 PBA Application.

E. SELECTION POLICY

Applications will be scored by the WHA's Executive Director and Leased Housing Administrator and will be submitted to the WHA Board of Commissioners, who will consider the following factors in making the final selections:

Points Awarded for Application (Maximum of 100 Points)

Number of Section 8 PBA units being requested versus the maximum of 31 units available. Ideally, the WHA would like to award Section 8 PBA to more than one existing elderly or disabled project.

The projects selected by the WHA for Section 8 PBA may be subject to review and approval by HUD.

F. POST SELECTION PROCESS

Successful candidates should understand that there will be required processes involved prior to the execution of a Housing Assistance Payment (HAP) Contract. In addition to the possibility that the project may be subject to review and approval by HUD, successful candidates should plan for the following steps to occur:

Step 1: Required WHA HQS Inspection and Rent Reasonableness Determination

Step 2: Agreement to Enter into Housing Assistance Payment (AHAP) Contract
[Will spell out conditions to be addressed before HAP can be signed]

Step 3: Housing Assistance Payment (HAP) Contract

G. APPLICANT BRIEFING SESSION

All interested respondents should attend the applicant briefing session scheduled for **[insert time]** on **[insert date]** at **[insert location]**.

H. SUBMISSION REQUIREMENTS

Interested respondents should submit one (1) original and two (2) complete copies of their entire application to the WHA no later than 3:00 PM on **[insert date]**. Applications received after this time will NOT be accepted.

Applications should be clearly marked on the outside **“Section 8 PBA Application for Existing Elderly and Disabled Housing”** and submitted to:

Thomas Wade, Executive Director
Watertown Housing Authority
55 Waverley Avenue
Watertown, Massachusetts 02472-3613

The WHA's Section 8 PBA Addendum to its Section 8 Administrative Plan, including HUD guidance and requirements, is attached.

The current FY 2001 income limits for the Boston Area, including Watertown, are attached.

The current FMRs for the Boston Area, including Watertown, are attached.

I. INTRODUCTION

On October 27, 2000, the President signed into law the Fiscal Year 2001 Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act (Pub. Law 106-377, 114 Stat. 1441) (“Appropriations Act”). Section 232 of the Appropriations Act substantially revises the provisions of the U.S. Housing Act of 1937 that govern the authority of a PHA to designate a portion of its available tenant-based voucher funds for project-based assistance (see 42 U.S.C. 1473f(o)(13) (as amended by “Section 232” of the Appropriations Act). The Conference Report on the Appropriations Act stated that the statutory changes to the project-based voucher program are intended to make project-basing of voucher assistance more flexible.

This Addendum to the Watertown Housing Authority’s (WHA’s) Section 8 Administrative Plan is a statement of its intent to operate a Project-Based Assistance Program (hereinafter referred to as PBA) and to provide information on how it intends to operate the PBA under the requirements of the new law. This Addendum also provides information to eligible families, owners, and other interested members of the public.

This Addendum is based on Section 232 and HUD’s Initial Guidance Notice, dated January 8, 2001, identifying which elements of the new project-basing law are effective immediately, and states how the law is to be implemented pending issuance of revised program regulations. In the event of changes required to this addendum because of future rulemaking concerning the project-based voucher program, the WHA will take all reasonable steps to comply with new rules without jeopardizing actions previously taken that are consistent with HUD’s Initial Guidance and Section 232.

II. PROVISIONS OF THE WHA’S PBA PROGRAM

The following provisions of the WHA’s PBA Program are effective on _____, 2001 as adopted by the Board of Commissioners.

Except where this section specifies otherwise, the present project-based regulations at 24 CFR part 983 continue to apply to newly constructed and substantially rehabilitated housing and now also apply to existing housing. Upon determination of good cause and subject to statutory limitations, the WHA may seek a waiver from HUD for any provision of the applicable project-based regulations in accordance with 5 CFR 5.110.

A. Authorization To Provide Project-Based Vouchers For Existing Housing

Consistent with Section 232 and HUD Guidance, the WHA from time-to-time may enter into HAP contracts that attach project-based voucher assistance to existing housing units that fully meet the housing choice voucher program HQS (see 24 CFR 982.401) but that would not have qualified for project-basing as newly constructed or rehabilitated units.

A housing unit will be considered an “existing unit” for purposes of the project-based voucher program if, at the time of the WHA’s written notice of selection of the project for project-based assistance, the units require a maximum expenditure of less than \$1,000 per assisted unit (including the unit’s prorated share of any work to be accomplished on common areas or systems) to comply with the HQS.

B. Unit Selection Policy, Advertising, And Owner Application Requirements For Existing Housing With Assistance Attached To 25 Percent Or Fewer Of The Units In A Building

For existing housing developments in the project-based voucher program, which have assistance attached to no more than 25 percent of the development’s units, the WHA shall advertise the availability of the project-based assistance. Such advertisements must meet standards comparable to those in 24 CFR 983.51(b); otherwise, section 983.51 does not apply to these projects.

Specifically, the WHA will advertise in a newspaper of general circulation that the WHA will accept applications for assistance for existing housing projects. The advertisement will be published once a week for three consecutive weeks; specify an application deadline of at least 30 days after the date the advertisement is last published; specify the number of units the WHA estimates that it will be able to assist under the funding the WHA is making available for this purpose; and state that only applications submitted in response to the advertisement will be considered. The WHA advertisement will also state the WHA's selection policies. In all cases, the WHA will maintain documentation of responses to advertisements or competitive proposals received in response to the WHA notice.

C. For Existing Housing Developments With More Than 25 Percent Project-Based Units (I.E., At This Time, For The Elderly And Special Populations Only, Since The Supportive Services Exception To The 25% Cap Is Not Implemented As Of Yet), And For Newly Constructed Or Rehabilitated Units

The WHA will establish policies for public advertisement and competitive selection of units to be assisted with project-based voucher assistance. 24 CFR 983.51 is applicable. Specifically, in accordance with 24 CFR 983.51, the WHA will advertise in a newspaper of general circulation that the it will accept applications for assistance under part 983 for specific projects. The advertisement must be approved by the HUD field office and may not be published until after the later of HUD authorization to implement a project-based program or ACC execution. The advertisement must: be published once a week for three consecutive weeks; specify an application deadline of at least 30 days after the date the advertisement is last published; specify the number of units the WHA estimates it will be able to assist under the funding it is making available for this purpose; and state that only applications submitted in response to the advertisement will be considered.

D. 20 Percent Limit

The total cumulative number of project-based units will not exceed 20 percent of the baseline number of units in the WHA's voucher program.

E. Consistency With PHA Plan

The WHA will submit as a required attachment to the PHA Plan template, or as an amendment to the PHA Plan, depending on the circumstances, a statement of the projected number of project-based units and general locations and how project basing would be consistent with their PHA Plans.

As with all programs that are covered by the PHA Plan, the PBA will be carried out in conformity with the nondiscrimination requirements specified in the PHA Plan regulations, and will affirmatively further fair housing as required by the PHA Plan regulations.

F. Consistency With The Goals Of Deconcentrating Poverty And Expanding Housing And Economic Opportunities

The WHA's PBA Program will be consistent with the goals of deconcentrating poverty and expanding housing opportunities. Until HUD issues further instructions, the WHA will implement the deconcentration of poverty requirements in Section 232 by requiring that all new project-based assistance agreements or HAP contracts be for units in census tracts with poverty rates of less than 20 percent, unless HUD specifically approves an exception.

G. Partially Assisted Building Requirement

The WHA will not enter into an agreement or HAP contract or other binding commitment to provide project-based voucher assistance for more than 25 percent of the units in any one building, except for single-

family dwellings and projects for elderly families and disabled families. In accordance with existing program usage, single family dwellings refer to 1-4 family dwellings. For the purpose of the single family dwelling requirement, a dwelling may be part of an overall development as long as the dwelling consists of 4 units or fewer.

H. Family Choice to Move With Continued Assistance

The new law provides that assisted families may move from the assisted building, and retain federal housing assistance. For the continued assistance option, Section 232, similar to existing 24 CFR 983.206(d)(2), requires for new HAP contracts that the owner permit the assisted tenants to move from the housing at any time after the family has occupied the dwelling unit with project-based voucher assistance for 12 months.

Consistent with the law, the WHA will provide the family with housing choice voucher assistance or such other tenant-based rental assistance that is subject to comparable income, assistance, rent contribution, affordability and other requirements. HUD will set the standards as to what may qualify as comparable assistance by regulation, but, for new HAP contracts incorporating this requirement, the WHA will use voucher assistance available under the ACC to provide tenant-based assistance for the family. If no such assistance is available at the time the family moves, the WHA will give the family priority to receive the next available tenant-based voucher.

Vouchers under funding allocations targeted by HUD for special purposes (e.g., family unification, mainstream disabled) are not available for this purpose, since they are required to be used only for the targeted purpose.

I. HAP Contract Term

Consistent with the law, a HAP contract between the WHA and an owner of housing under this program may have a duration of up to 10 years (as determined by the WHA), subject to the future availability of sufficient appropriated funds under the WHA's consolidated ACC with HUD.

Upon expiration of the HAP contract term and consistent with the law, the WHA may agree with the project-based housing owner to extend the HAP contract for such period as the WHA determines appropriate to expand housing opportunities (as well as an extension to assure long-term affordability of the housing, as provided under prior law). All HAP contract extensions must be contingent upon the future availability of appropriated funds.

J. Rent Limits

The new law provides that the HAP contract shall establish gross rents (rent to owner plus the allowance for tenant-paid utilities) that do not exceed 110 percent of the established Fair Market Rent ("FMR"), or any HUD-approved "exception payment standard" (i.e., a payment standard amount that exceeds 110 percent of the published FMR) for the area where the housing is located.

As of _____ (insert effective date), the WHA's payment standard is 110% of FMR.

If a unit has been allocated a low-income housing tax credit under the Internal Revenue Code of 1986 at 26 U.S.C. 42, but is not located in a "qualified census tract" as defined in the law, the rent to owner may be established at any level that does not exceed the rent charged for comparable units in the same building that receive the tax credit but do not have additional rental assistance.

Within the limitations mentioned above, the initial rent to the owner may differ from payment standard amounts in the payment standard schedule adopted for the WHA's tenant-based voucher

program. However, just as in the regular tenant-based program and the project-based program under prior law, the initial and adjusted rent to owner must be reasonable in relation to rents charged in the private market for comparable unassisted units (see 42 U.S.C. 1437(f)(o)(10)(A)).

K. Rent Adjustments During The Term Of The HAP Contract

Section 232 provides that a housing assistance payments contract for project-based voucher assistance shall provide for rent adjustments and that the adjusted rent for any assisted unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market and may not exceed the maximum rent limits permitted under the statutory limitations summarized above. Determination of whether rent is reasonable in relation to comparable units shall be governed by 24 CFR 983.256.

The annual rent adjustment provisions at 983.254 and the special rent adjustment provisions at 983.255 shall only be applicable if the AHAP with the owner was executed before the effective date of this notice. These annual and special adjustment regulatory provisions do not apply to project-based assistance for existing housing pursuant to this notice, and do not apply if the Agreement for newly constructed or rehabilitated housing was executed on or after the effective date of this notice.

L. Family Share Of Rent And Housing Assistance Payment

The housing assistance payment is calculated in accordance with 24 CFR 983.260 as the gross rent minus the total tenant payment. The family share is calculated in accordance with 24 CFR 983.261 by subtracting the amount of the HAP from the gross rent.

M. Tenant Selection

The WHA selection system for project-based units will comply with the requirements specified below, which in most respects (except for the income targeting provision) are a codification of present regulatory and contractual requirements.

Income Targeting: The requirements of 42 U.S.C. 1437n(b) and 24 CFR 982.201(b)(2) govern the selection of eligible families for this program, and generally provide that not less than 75 percent of families admitted annually to the WHA's combined tenant-based and project-based voucher program shall be families whose incomes do not exceed 30 percent of the area median, as determined by HUD.

Applicants may only be selected from the WHA waiting list. The WHA will only maintain a separate project-based waiting list if all WHA tenant-based assistance applicants who seek project-based housing can be placed on this list upon request and without penalty to any other application for assisted housing they may have pending. Subject to its waiting list policies and selection preferences specified in the WHA administrative plan, the WHA may place a family referred by an owner of project-based voucher units on its waiting list.

If the WHA chooses to establish a separate waiting list for project-based assistance, the WHA will give all applicants currently on its waiting list for tenant-based assistance the opportunity to also have their names placed on the waiting list for project-based assistance in accordance with the WHA's established selection policies.

As required in HUD's project-based program regulations, the WHA will refer families to housing units from the waiting list according to its regular applicant selection policies. If an applicant does not rent a unit with project-based assistance, or the owner turns an applicant down for admission to a project-based unit, the applicant will not be removed from the WHA's tenant-based assistance waiting list for that reason but must maintain its position on the list as

though no offer of housing had been made.

Vacant units: *The HAP contract will be in a form prescribed by HUD. The WHA may enter into such a contract that agrees to provide vacancy payments up to 60 days after a unit becomes vacant, in an amount not to exceed the rent to the owner as provided by the HAP contract on the day the family vacated. [[Page 3610]]*

The PHA may only make such payments for a vacant unit if:

1. The vacancy was not the owner's fault, and
2. The PHA and owner take action to minimize the likelihood and length of any vacancy.

Reduction Of Contract Units After Vacancy: *Except for units for which an AHAP was executed before the effective date of this notice, the new law supersedes 24 CFR 983.152(b) and (c). Instead, the following provisions apply:*

If no eligible family rents a vacant unit within 120 days (commencing on the first day of the month when the vacancy occurs), the WHA may terminate its commitment to make any additional housing assistance payments for the unit for the balance of the HAP contract term. The WHA may use the amounts so saved to provide other voucher assistance.

N. Future Modifications To This Addendum

The WHA's PBA Addendum remains in effect until the new project-based voucher changes in law have been fully implemented through a new regulation.

In the event of changes required to this addendum because of future rulemaking concerning the project-based voucher program, the WHA will take all reasonable steps to comply with new rules without jeopardizing actions previously taken that are consistent with HUD's Initial Guidance and Section 232.

APPENDIX 1

HUD GUIDANCE: CHANGES TO PBA AUTHORIZED BY SECTION 232

The important changes made by section 232 of the Appropriations Act to the project-based program include:

A. Existing Housing

Prior law granted a PHA authority to project-base a portion of its available tenant-based funding only for (1) newly constructed units; or (2) rehabilitated units. Section 232 provides that a PHA may also use tenant-based funding to attach assistance to existing units.

B. Percent Limit

Under prior law, the number of units that a PHA could project-base was capped at the number supported by 15 percent of the total funding available to the PHA under its consolidated Annual Contributions Contract (ACC) for tenant-based assistance. The new law raises this cap to 20 percent of the funding available, and consequently to 20 percent of the baseline number of units in the PHA's voucher program. A PHA may now utilize funding for project-basing up to this new percent limit.

C. PHA Plan and Deconcentration Goals

The new law integrates the project-based voucher option with the PHA Plan requirements. A PHA may enter into a housing assistance payments (HAP) contract to provide project-based voucher assistance only if the HAP contract is consistent with the PHA Plan (see 42 U.S.C. 1437c-1, implemented at 24 CFR part 903). Consistency with the PHA Plan means that there are circumstances indicating that project-basing of the units, rather than tenant-basing of the same amount of assistance, is an appropriate option. In addition, project-basing must be consistent with the statutory goals of "deconcentrating poverty and expanding housing and economic opportunities."

D. Partially Assisted Buildings

The new law places a new cap of 25 percent on the number of dwelling units in any one building that may have project-based voucher assistance. However, the following types of housing are exempt from this cap:

- 1. Project-based dwelling units in single family properties; and*
- 2. Dwelling units specifically for elderly families, disabled families (as defined in 5 CFR 5.403(b)), or families receiving supportive services.*

E. Family Choice To Move With Continued Assistance

The family choice requirement has two components, a "mobility" component and a "continued assistance" component.

- 1. Mobility: The HAP contract must provide that a family may move out of a project-based unit after 12 months.*
- 2. Continued assistance: If a family moves out of its project-based unit at any time after the first year of assisted occupancy, the PHA must offer the family available tenant-based rental assistance, either under the voucher program or under another comparable form of tenant-based assistance as will be defined in HUD regulations. Such alternative tenant-based assistance must be comparable to assistance under the voucher program in terms of income, assistance, rent contribution, affordability and other requirements.*

F. Contract Term

HUD's present regulations only permit a PHA to provide project-based assistance within funding currently available under the ACC. Since voucher funding has recently been provided in one-year increments, PHAs have been permitted to enter into HAP contracts for the same period. Section 232 provides that the HAP contract between the PHA and the owner may be for a term of up to 10 years, although payments under that contract are subject to the future availability of appropriations and future availability of funding under the ACC.

G. Extension Of Contract Term

Section 232 revised the former statutory provision on extension of the HAP contract term (former 42 U.S.C. 1437f(o)(13)(B)). The new law provides that the PHA may contract with the owner of a project-based unit to extend the term of the HAP contract for such period as the PHA determines appropriate to achieve long-term affordability of the housing or to expand housing opportunities. All HAP contract extensions, however, must be contingent upon the future availability of appropriated funds.

H. Maximum Initial Gross Rent, Rent To Owner And Rent Adjustments

The new law provides that the HAP contract shall establish gross rents that do not exceed 110 percent of the established Fair Market Rent ("FMR"), or any HUD-approved "exception payment standard" (i.e., a payment standard amount (for the PHA's tenant-based voucher program) that exceeds 110 percent of the published FMR) for the area where the project is located. In addition, if a unit has been allocated a low-income housing tax credit under the Internal Revenue Code of 1986 at 26 U.S.C. 42, but is not located in a "qualified census tract" under that law, the rent to owner may be established at any level that does not exceed the rent charged for comparable units in the same building that receive the tax credit but do not have additional rental assistance.

The new law provides that a HAP contract between the PHA and an owner must provide for adjustments of rent to owner during the contract term, and the adjusted rents must be reasonable in comparison with rents charged for comparable units in the private, unassisted local market.

The statutory maximum rent limits apply both to the establishment of the initial rent to owner (as defined in 24 CFR 982.4) at [[Page 3607]] the beginning of the HAP contract term, and to adjustments of rent to owner during the HAP contract term.

Within the limitations mentioned above, the initial gross rent to owner may differ from payment standard amounts for the PHA's tenant-based voucher program. However, just as in the regular tenant-based program, and in the project-based program under prior law, the initial and adjusted rent to owner must be reasonable in relation to rents charged in the private market for comparable unassisted units (see 42 U.S.C. 1437(f)(o)(10)(A), 24 CFR 982.507, and the "reasonable rent" element of SEMAP, 24 CFR 985.3(b)).

I. Tenant Selection

Section 232 revises and substantially codifies the tenant selection process for project-based voucher units. The new law states that the PHAs may place applicants referred by owners on the PHA's waiting list in accordance with the PHA's local waiting list policies and selection preferences.

As under the current program regulations, a PHA may not penalize applicants who reject an offer of a project-based unit or who are rejected by the owner of the housing. The PHA must maintain such applicant in the same position on the tenant-based assistance list as if an offer had not been made. In accordance with existing admission requirements, PHAs may establish selection preferences for project-based units that are consistent with the selection preferences in the PHA Plan.

As under the current program regulations, the PHA may elect to establish a separate waiting list for project-based voucher assistance, or to use a single common list for admission to the PHA's tenant-based and project-based assistance programs. If the PHA chooses to maintain a separate waiting list for project-based units, all PHA tenant-based assistance waiting list families who want project-based units must be permitted to place their names on the separate list.

The new law provides that admission to the project-based voucher program is subject to the same statutory income targeting requirement as the tenant-based program (42 U.S.C. 1437n(b)), instead of the individual project income targeting requirement that applies to other Section 8 project-based assistance (42 U.S.C. 1437n(c)(3)). The income targeting requirement provides, in general, that in any PHA fiscal year, at least 75% of the families admitted to a PHA's voucher program (which would include project-based voucher assistance) must be families whose annual income does not exceed 30 percent of median income for the area, as determined by HUD (see HUD definition of "extremely low income families" at 24 CFR 5.603).

J. Unit Inspection And Housing Quality Standards

Units assisted with tenant-based or project-based voucher assistance must meet or exceed housing quality standards (HQS) established by HUD (42 U.S.C. 1437f(o)(8)). Section 232 states that the same HUD-prescribed HQS standards apply to project-based voucher assistance as apply to tenant-based voucher assistance (42 U.S.C. 1437f(o)(13)(F)).

Before and during the term of assistance, units are inspected for compliance with the HQS. In general, the same statutory PHA inspection requirements apply to project-based voucher assistance as to the tenant-based voucher program (42 U.S.C. 1437f(o)(8) and 1437f(o)(13)(F)). As in the tenant-based voucher program, a PHA must inspect 100 percent of project-based voucher units before entering into the HAP contract, and may only enter into a HAP contract for units that fully comply with the HQS. There is, however, a change in the annual HQS inspection requirements for the project-based voucher program. In the tenant-based program—where each unit is assisted under a separate HAP contract for each individual assisted family—the PHA must inspect each assisted unit annually. The new law provides that in the project-based voucher program, a PHA is not required to inspect each assisted unit in a project annually, thus allowing annual inspection of a representative sample of the project-based voucher units in a project.

K. Vacant Units

The new law permits a PHA, at its discretion, to continue providing assistance for a unit that becomes vacant (after commencement of assisted occupancy by a family) for up to a maximum of 60 days. Such payments may only be made if the vacancy is not the fault of the owner, and the owner takes "every reasonable action" to minimize the likelihood and extent of vacancies.

APPENDIX 2

HUD GUIDANCE: NEW STATUTORY PROVISIONS EFFECTIVE IMMEDIATELY

This section provides guidance regarding implementation of provisions on project-basing in Section 232 of the Appropriations Act that are immediately effective. Except where this section specifies otherwise, the present project-based regulations at 24 CFR part 983 continue to apply to newly constructed and substantially rehabilitated housing and now also apply to existing housing. Upon determination of good cause and subject to statutory limitations, HUD may waive any provision of the applicable project-based regulations in accordance with 5 CFR 5.110. Nothing in this addendum affects the rights of owners and participants under existing contracts in HUD's Section 8 project-based certificate program.

In the event of changes required to this addendum because of future rulemaking concerning the project-based voucher program, the WHA will take all reasonable steps to comply with new rules without jeopardizing actions previously taken that are consistent with HUD's Initial Guidance and Section 232.

Authorization To Provide Project-Based Vouchers For Existing Housing: *Consistent with the project-based statute before amendment by Section 232, present regulations at 24 CFR part 983 only authorize project-based voucher assistance for newly constructed or rehabilitated units. Section 232 now also authorizes project-based assistance for existing housing. In accordance with the new law, a PHA may now enter HAP contracts that attach project-based voucher assistance to existing housing units that fully meet the housing choice voucher program HQS (see 24 CFR 982.401) but that would not have qualified for project-basing as newly constructed or rehabilitated units.*

A housing unit will be considered an "existing unit" for purposes of the project-based voucher program if, at the time of the PHA's written notice of selection of the project for project-based assistance, the units require a maximum expenditure of less than \$1,000 per assisted unit (including the unit's prorated share of any work to be accomplished on common areas or systems) to comply with the HQS.

A. Inapplicability of Certain Current Part 983 Regulations to New Commitments of Project-Based Vouchers

1. 24 CFR 983.3 © and (d) of the present regulation, which are designed to assure that commitments of project-based assistance do not exceed amounts currently appropriated and available under the ACC, are inapplicable because the new law authorizes PHAs to enter into project-based HAP contracts for up to ten years, subject to the future availability of appropriations. In addition, the maximum percentage limit for project-based assistance has been raised to twenty percent of the baseline number of units in the PHA's voucher program.
2. 24 CFR 983.4, HUD review of PHA plans to attach assistance to units, is inapplicable.
3. 24 CFR 983.9(a) implemented the prior statutory prohibition of project-based assistance for units to be [[Page 3608]] constructed or rehabilitated with U.S. Housing Act funds. This requirement is eliminated in the new law. Consequently section 983.9(a) is no longer applicable.
4. 24 CFR 983.151(b) and (c), on term and renewal of HAP contracts, have been modified as described in this notice. The maximum potential term is now 10 years, subject to the future availability of appropriations and future availability of funding under the PHA's ACC. The PHA will determine the initial HAP contract term. The new law allows PHAs to determine the appropriate period for an extension, whereas previously (within the constraints imposed by available funding under a current ACC), HUD decided whether and for what period to approve renewals of expiring HAP contracts.

5. 24 CFR 983.203(a)(6) is inapplicable, and 983.203(d)(3)'s declaration that a family that moves does not have any right to continued assistance is inapplicable.

B. Inapplicability Of Certain Current Regulations To Project-Based Assistance For Housing In Existing Structures

The provisions of the present regulation that restrict assistance to newly constructed or rehabilitated units (see 24 CFR 983.7(b)(1) and (2)) do not apply to project-based voucher assistance for housing in an existing structure in accordance with Section 232 and this notice. In addition, the following regulatory provisions of 24 CFR part 983 do not apply to project-based assistance for housing in an existing structure:

1. Site and neighborhood standards at Sec. 983.6;
2. Rehabilitation requirements at section 983.8;
3. Requirements for minimizing displacement because of rehabilitation in section 983.10(a); Subpart B—Owner Application Submission to Agreement, except 24 CFR 983.51, which is discussed further below; and
4. Subpart C—Agreement and New Construction or Rehabilitation Period, except the provisions of paragraphs 983.103(d) regarding notification of vacancies and 983.104© regarding inspection to meet HQS.

Unit Selection Policy, Advertising, And Owner Application Requirements For Existing Housing With Assistance Attached To 25 Percent Or Fewer Of The Units In A Building: For existing housing developments in the project-based voucher program, which have assistance attached to no more than 25 percent of the development's units, the PHA must advertise the availability of the project-based assistance. Such advertisements must meet standards comparable to those in 24 CFR 983.51(b); otherwise, section 983.51 does not apply to these projects.

Specifically, the PHA must advertise in a newspaper of general circulation that the PHA will accept applications for assistance for existing housing projects. The advertisement must be published once a week for three consecutive weeks; specify an application deadline of at least 30 days after the date the advertisement is last published; specify the number of units the PHA estimates that it will be able to assist under the funding the PHA is making available for this purpose; and state that only applications submitted in response to the advertisement will be considered. The PHA advertisement must also state the PHA's selection policies. In all cases, PHAs must maintain documentation of responses to advertisements or competitive proposals received in response to the PHA notice.

For Existing Housing Developments With More Than 25 Percent Project-Based Units (I.E., At This Time, For The Elderly And Special Populations Only, Since The Supportive Services Exception To The 25% Cap Is Not Implemented In This Notice), And For Newly Constructed Or Rehabilitated Units: The PHA must establish policies for public advertisement and competitive selection of units to be assisted with project-based voucher assistance. 24 CFR 983.51 is applicable.

C. 20 Percent Limit

Section 232 requires PHAs that participate in the project-based voucher program to comply with the statutory language that states that “[n]ot more than 20 percent of the funding available for tenant-based assistance under this section that is administered by the [public housing] agency may be attached to structures pursuant to this paragraph” [bracketed material added]. This language supersedes 24 CFR 983.3(b), and is effective immediately. Therefore, the total cumulative number of project-based units, including units previously placed under AHAP or HAP in the PHA's project-based certificate program, may not exceed 20 percent of the baseline number of units in the PHA's voucher program.

D. Consistency With PHA Plan

Until HUD issues further instructions, PHAs submitting PHA Plans that wish to use the project-based voucher program (as revised by Section 232) must include—as a required attachment to the PHA Plan template—a statement of the projected number of project-based units and general locations and how project basing would be consistent with their PHA Plans. If a PHA wishes to use the project-based voucher program before the anticipated approval date of the PHA's next PHA Plan, the PHA may do so by adding the information as an amendment to the PHA Plan and following the regulations and notices for such PHA Plan amendments.

As with all programs that are covered by the PHA Plan, the program must be carried out in conformity with the nondiscrimination requirements specified in the PHA Plan regulations, and must affirmatively further fair housing as required by the PHA Plan regulations.

E. Consistency With The Goals Of Deconcentrating Poverty And Expanding Housing And Economic Opportunities

Section 232 requires, in addition to consistency with the PHA Plan, that a contract for project-basing under the voucher program be consistent with the goals of deconcentrating poverty and expanding housing opportunities. Until HUD issues further instructions, HUD will implement the deconcentration of poverty requirements in Section 232 by requiring that all new project-based assistance agreements or HAP contracts be for units in census tracts with poverty rates of less than 20 percent, unless HUD specifically approves an exception.

F. Partially Assisted Building Requirement

A PHA may not enter into an agreement or HAP contract or other binding commitment to provide project-based voucher assistance for more than 25 percent of the units in any one building, except for single-family dwellings and projects for elderly families and disabled families.

HUD is not implementing through this notice the exception for buildings for families receiving supportive services. HUD will address that exception through rulemaking, which will define “supportive services.” In accordance with existing program usage, single family dwellings refer to 1-4 family dwellings.

If the PHA had entered into an agreement for project-based units prior to the effective date of this notice, section 232 provides that such buildings may have the assistance extended or renewed, notwithstanding this section on partially assisted buildings, 42 U.S.C. 1437f(o)(13)(D), as amended by the Appropriations Act. [[Page 3609]]

G. Family Choice to Move With Continued Assistance

The new law provides that assisted families may move from the assisted building, and retain federal housing assistance. For the continued assistance option, Section 232, similar to existing 24 CFR 983.206(d)(2), requires for new HAP contracts that the owner permit the assisted tenants to move from the housing at any time after the family has occupied the dwelling unit with project-based voucher assistance for 12 months.

The law now provides that the PHA must provide the family with housing choice voucher assistance or such other tenant-based rental assistance that is subject to comparable income, assistance, rent contribution, affordability and other requirements. HUD will set the standards as to what may qualify as comparable assistance by regulation, but, for new HAP contracts incorporating this requirement, the PHA must in the interim use voucher assistance available under the ACC to provide tenant-based assistance for the family. If no such assistance is

available at the time the family moves, the PHA must give the family priority to receive the next available tenant-based voucher.

Vouchers under funding allocations targeted by HUD for special purposes (e.g., family unification, mainstream disabled) are not available for this purpose, since they are required to be used only for the targeted purpose.

H. HAP Contract Term

The new law provides that, for HAP contracts entered after the effective date of the law, a HAP contract between a PHA and an owner of housing under this program may have a duration of up to 10 years (as determined by the PHA), subject to the future availability of sufficient appropriated funds under the PHA's consolidated ACC with HUD.

Upon expiration of the HAP contract term, the new law provides that the PHA may agree with the project-based housing owner to extend the HAP contract for such period as the PHA determines appropriate to expand housing opportunities (as well as an extension to assure long-term affordability of the housing, as provided under prior law). All HAP contract extensions must be contingent upon the future availability of appropriated funds.

I. Rent Limits

The new law provides that the HAP contract shall establish gross rents (rent to owner plus the allowance for tenant-paid utilities) that do not exceed 110 percent of the established Fair Market Rent ("FMR"), or any HUD-approved "exception payment standard" (i.e., a payment standard amount that exceeds 110 percent of the published FMR) for the area where the housing is located.

If a unit has been allocated a low-income housing tax credit under the Internal Revenue Code of 1986 at 26 U.S.C. 42, but is not located in a "qualified census tract" as defined in the law, the rent to owner may be established at any level that does not exceed the rent charged for comparable units in the same building that receive the tax credit but do not have additional rental assistance.

Within the limitations mentioned above, the initial rent to the owner may differ from payment standard amounts in the payment standard schedule adopted for the PHA's tenant-based voucher program. However, just as in the regular tenant-based program and the project-based program under prior law, the initial and adjusted rent to owner must be reasonable in relation to rents charged in the private market for comparable unassisted units (see 42 U.S.C. 1437(f)(o)(10)(A)).

J. Rent Adjustments During The Term Of The HAP Contract

Section 232 provides that a housing assistance payments contract for project-based voucher assistance shall provide for rent adjustments and that the adjusted rent for any assisted unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market and may not exceed the maximum rent limits permitted under the statutory limitations summarized above. Determination of whether rent is reasonable in relation to comparable units shall be governed by 24 CFR 983.256.

The annual rent adjustment provisions at 983.254 and the special rent adjustment provisions at 983.255 shall only be applicable if the AHAP with the owner was executed before the effective date of this notice. These annual and special adjustment regulatory provisions do not apply to project-based assistance for existing housing pursuant to this notice, and do not apply if the Agreement for newly constructed or rehabilitated housing was executed on or after the effective date of this notice.

K. Family Share Of Rent And Housing Assistance Payment

The housing assistance payment is calculated in accordance with 24 CFR 983.260 as the gross rent minus the total tenant payment. The family share is calculated in accordance with 24 CFR 983.261 by subtracting the amount of the HAP from the gross rent.

L. Tenant Selection

The PHA selection system for project-based units must comply with the requirements specified below, which in most respects (except for the income targeting provision) are a codification of present regulatory and contractual requirements.

Income Targeting: The requirements of 42 U.S.C. 1437n(b) and 24 CFR 982.201(b)(2) govern the selection of eligible families for this program, and generally provide that not less than 75 percent of families admitted annually to the PHA's combined tenant-based and project-based voucher program shall be families whose incomes do not exceed 30 percent of the area median, as determined by HUD.

Applicants may only be selected from the PHA waiting list. A PHA may only maintain a separate project-based waiting list if all PHA tenant-based assistance applicants who seek project-based housing can be placed on this list upon request and without penalty to any other application for assisted housing they may have pending. Subject to its waiting list policies and selection preferences specified in the PHA administrative plan, the PHA may place a family referred by an owner of project-based voucher units on its waiting list.

If a PHA chooses to establish a separate waiting list for project-based assistance, the PHA must give all applicants currently on its waiting list for tenant-based assistance the opportunity to also have their names placed on the waiting list for project-based assistance in accordance with the PHA's established selection policies.

As in the current project-based program, the PHA must refer families to housing units from the waiting list according to its regular applicant selection policies. If an applicant does not rent a unit with project-based assistance, or the owner turns an applicant down for admission to a project-based unit, the applicant may not be removed from the PHA's tenant-based assistance waiting list for that reason but must maintain its position on the list as though no offer of housing had been made.

Vacant units: A HAP contract must be in a form prescribed by HUD. The PHA may enter into such a contract that agrees to provide vacancy payments up to 60 days after a unit becomes vacant, in an amount not to exceed the rent to the owner as provided by the HAP contract on the day the family vacated. [[Page 3610]]

The PHA may only make such payments for a vacant unit if:

1. The vacancy was not the owner's fault, and
2. The PHA and owner take action to minimize the likelihood and length of any vacancy.

Reduction Of Contract Units After Vacancy: *Except for units for which an AHAP was executed before the effective date of this notice, the new law supersedes 24 CFR 983.152(b) and (c). Instead, the following provisions apply:*

If no eligible family rents a vacant unit within 120 days (commencing on the first day of the month when the vacancy occurs), the PHA may terminate its commitment to make any additional housing assistance payments for the unit for the balance of the HAP contract term. The PHA may use the amounts so saved to provide other voucher assistance.

NOTE: *The policy guidance and implementation directives of this notice remain in effect until the new project-based voucher changes in law have been fully implemented through a new regulation. HUD will endeavor to answer any questions PHAs may have that arise that are not anticipated in this notice. HUD will soon issue a new required tenancy addendum and HAP contract for the project-based voucher*

program as implemented by this notice.

Attachment F – Statement of Fact – Section 8 Project Basing Program

Section 8 Project-Based Assistance

In an effort to encourage additional affordable rental housing in the city of Watertown, the WHA shall make available Section 8 Project-Based vouchers for eligible households. The WHA's goal is to increase the supply of both mixed income housing developments and target permanent housing developments for low income individuals and families.

The Watertown Housing Authority has determined, based on currently available census data, that all census tracts located in the city of Watertown are eligible areas for Project-Based Assistance (PBA). The Section 8 PB vouchers shall be committed for a ten-year period. The criteria to be considered when selecting developments for participation in the PBA program may include, but is not limited to the following:

1. the development shall be in Watertown;
2. the development shall be "existing" housing as defined in HUD's PHA PBA initial guidance;
3. the development shall have in-place eligible families or vacant units;
4. the development shall meet housing quality standards; and
5. the development shall be in a census tract with poverty rates of less than 20% unless HUD approves an exception;
6. units to be project-based shall be disbursed throughout the development except when these units are located in a 1-4 family building; and
7. project basing of Section 8 Vouchers will be intended to assist only elderly and disabled.
8. projected utilization of 20% of WHA vouchers equaling 31 vouchers
9. due to ever escalating rents within the community and the large numbers of elderly and handicapped on existing waiting lists at the WHA, project basing would assure continued affordable units within the community.
10. the establishment of long term affordable units available to the Section 8 participants is consistent with the philosophy and intentions of the WHA and town of Watertown consolidated housing plan.