

HAP Project Based Voucher Requirements

The purpose of this letter is to outline important requirements and steps that you must take to ensure federal regulations are adhered to before the Housing Authority of Portland can enter into a Housing Assistance Payment Contract for the property awarded project based vouchers as listed below.

1. Subsidy Layering Review

- a. The Housing Authority of Portland may provide you Project Based Voucher assistance only in accordance with the HUD subsidy layering regulation located at (24 CFR 4.13) copy enclosed. The subsidy layering review is intended to prevent excessive public assistance by combining (layering) housing assistance payment subsidy under the PNV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concession or tax credits. The HAP contract must contain a certification from the owner that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

2. Environmental Review

- a. Before a property can be awarded Project Based vouchers an environmental review is required. In accordance with 24 CFR 983.58 this review must be completed by the county or state. (See regulation cited below). HAP cannot award vouchers to your property unless this review is completed, signed, and we receive a copy of such.

3. **In the case of new construction or substantial rehabilitation**, upon completion of the items listed above you will receive an Agreement to enter in a Housing Assistance Payment Contract. Upon review of the AHAP you will notice that following construction of the building being awarded vouchers the units and common areas will be required to pass a Housing Quality standards inspection. Upon the completion and passing of such inspection the actual Housing Assistance Payment contract for project based vouchers will be entered into. The AHAP cannot be entered into until the subsidy layering review has been completed.

4. **If your project is new construction or substantial rehabilitation**, and it has been awarded nine or more units that will have a project based voucher attached the owner and the owners' contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in the development of the housing. The HUD prescribed form of the agreement will include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates. The owner, contractors, and subcontractors must also comply with the Contract Work Housing and Safety Standards act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The Housing Authority of Portland is required to monitor compliance with labor standards and will request verification of such. Equal Opportunity

requirement as cited in [24 CFR] 983.154 are also applicable. (See regulation cited below).

5. **In the case of new construction or substantial rehabilitation** the owner will be required to submit evidence that the work has been completed in accordance with HQS and all requirements of the agreement. The owner will also be required to certify that the owner has complied with labor standards and equal opportunity requirements.
6. Finally, upon the assigned units passing a Housing Quality Standards inspection, a Housing Assistance Payment contract and a Memorandum of Understanding will be entered into between the owner and the Housing Authority. This contract will be binding for 10 years and will be specifically tied to the units designated therein.

Establishing Initial Contract Rent

The current Payment Standard established by HAP less tenant paid utilities is the maximum contract rent that can be charged for units with PBA vouchers. This maximum ensures that the assisted units are fully accessible to low income and zero income applicants and tenants.

Payment Standards Effective 10-01-2008

| Studio | 1 Bed | 2 Bed | 3 Bed | 4 Bed | 5 Bed | 6 Bed | 7 Bed |
|---------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| \$626 | \$720 | \$832 | \$1212 | \$1456 | \$1522 | \$1721 | \$1919 |

The applicable utility allowance chart is enclosed for your reference. When calculating the maximum contract rent remember to reduce the Payment Standard listed above by the appropriate utility allowance amount for tenant paid utilities at your property. If you have any questions regarding this process feel free to contact us for assistance. The enclosed utility chart is being updated and will be changed effective 04-01-2009.

We are very pleased to offer our support to this exciting project which will provide housing stability and certainty to low income individuals and families within our community. HAP requests that you recognize the substantial financial commitment of these PBA vouchers by including us in your list of funders in any promotional materials, newsletters or reports about this project.

It is critical that you keep in contact with Dena Ford Avery, Deputy Director of Rent Assistance to ensure we are aware of your progress towards the completion of construction (if applicable), entering the inspection process and signing the contract and MOU. Dena is the main contact person at HAP to lead you successfully through the PBA process. As you can see from this letter, there are several requirements that must be met including a meeting with Dena, prior to entering into a contract. The standard time for completing all of the required steps is generally in excess of 90 calendar days. **Dena can be contacted via e-mail at DenaA@hapdx.org, or by phone at 503 802-8568.**

Congratulations on your award, and thank you for your partnership with us in this important effort.

Sincerely,

Jill J. Riddle

Director of Rent Assistance

Housing Authority of Portland

Code of Federal Regulations

Sec. 983.58 Environmental review.

- a. HUD environmental regulations. Activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58.
- b. Who performs the environmental review?
 - 1) Under 24 CFR part 58, a unit of general local government, a county or a state (the "responsible entity" or "RE") is responsible for the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and related applicable federal laws and authorities in accordance with 24 CFR 58.5 and 58.6.

Sec. 983.154 Conduct of development work.

- a. Development requirements. The owner must carry out development work in accordance with the Agreement and the requirements of this section.
- b. Labor standards:
 - 1) In the case of an Agreement for development of nine or more contract units (whether or not completed in stages), the owner and the owner's contractors and subcontractors must pay Davis-Bacon wages to laborers and mechanics employed in development of the housing.
 - 2) The HUD prescribed form of Agreement shall include the labor standards clauses required by HUD, such as those involving Davis-Bacon wage rates.
 - 3) The owner and the owner's contractors and subcontractors must comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The PHA must monitor compliance with labor standards.
- c. Equal opportunity:
 - 1) Section 3--Training, employment, and contracting opportunities. The owner must comply with Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) and the implementing regulations at 24 CFR part 135.
 - 2) Equal employment opportunity. The owner must comply with federal equal employment opportunity requirements of Executive Orders 11246 as amended (3 CFR, 1964-1965 Comp., p. 339), 11625 (3 CFR, 1971-1975 Comp., p. 616), 12432 (3 CFR, 1983 Comp., p. 198) and 12138 (3 CFR, 1977 Comp., p. 393).
- d. Eligibility to participate in federal programs and activities. The Agreement and HAP contract shall include a certification by the owner that the owner and other project principals (including the officers and principal members, shareholders, investors, and other parties having a substantial interest in the project) are not on the U.S. General Services Administration list of parties excluded from federal procurement and non-procurement programs.
- e. Disclosure of conflict of interest. The owner must disclose any possible conflict of interest that would be a violation of the Agreement, the HAP contract, or HUD regulations.