

Project Based Voucher RFP Frequently Asked Questions

Below are responses to frequently asked questions related to the Project Based Voucher (PBV) Request for Proposals (RFP) published at the New York City Department of Housing Preservation and Development.

I. Application Timeline, Etc.

1. What is the deadline for PBV applications?
RFP applications are accepted on a rolling basis. Typically, there are 4 submission deadlines for each Fiscal Year that are published on [HPD website](#).
2. Can projects that do not have financing needs or that are not scheduled to have construction closing in the next six months apply now?
Yes. The RFP will accept applications on a rolling basis. However, projects with upcoming closing dates will receive priority. Please note that projects without planned construction financing needs must submit Operating Pro Formas with at least two scenarios (see RFP application for further details).
3. Which project type is appropriate for my application?
The RFP application requires that you indicate which project type you are applying for. Definitions of the three options according to HUD are as follows:

New Construction projects: Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between the PHA and owner for use under the PBV program.

Substantial Rehabilitation projects: Housing units that exist on the proposal selection date, but do not substantially comply with Housing Quality Standards (HQS) on that date (defined as at least 75% of PBV units passing HQS). Units are developed, renovated, or rehabilitated after the date of selection, pursuant to an Agreement between the PHA and owner, for use under the PBV program.
**Please note that gut rehabilitation projects should apply under Substantial Rehabilitation. If any required documents or responses are not available due to the scale of the planned rehabilitation, please indicate this and explain the reasoning in the Project Narrative section of the application.

Existing projects: Housing units that already exist on the proposal selection date and that substantially comply with Housing Quality Standards (HQS) on that date (defined as at least 75% of PBV units passing HQS). The units must fully comply with the HQS before execution of the Housing Assistance Payment (HAP) contract.

4. When will selection letters be issued?
Conditional selection letters awarding PBV will be mailed to the sponsors within approximately 30-90 days of the submission deadline for which the application was submitted.
5. When will the PBV award letter expire?
The selection letters will be valid for six months and will indicate how to request an extension.
6. Are there word count or page limits when filling out the application?
There are no word count or page limits. If you attach additional pages, please write the heading of the question you are answering in the file name. When submitting an application, please submit the fillable PDF form so that all answers are visible. Scanned copies may inadvertently cut off answers.
7. Can projects resubmit corrected applications before the submission deadline?
If you would like to submit additional or corrected information after you initially submit an application, you may resubmit the full, corrected application to PBVRFPSubmissions@hpd.nyc.gov. Corrected submissions must be received before the deadline of the original submission to be considered for the same selection cycle. Otherwise, they will be considered in the following cycle.
8. Can projects affiliated with HPD loan or asset management programs get feedback on the application?
HPD encourages proposed projects that have an affiliation with HPD loan or asset management programs to review the content of their applications with those programs before submission. Please direct any questions regarding the application process (such as deadlines, pre-submission conferences, and overall timelines) to PBVRFPSubmissions@hpd.nyc.gov
9. How should the certification statements be submitted?
Unfortunately, HPD cannot accept digital signatures. Please sign a physical copy of the necessary pages and scan to submit with your application.
10. Should the project narrative include any information other than what is requested?
The project narrative must include the specific information requested in the application that is needed to review and score each application. However, you may also include other information that you believe is relevant for your application that is not reflected in the rest of the application or attachments.
11. If I'm having technical difficulty with the fillable fields in the PDF (the space available for narratives is limited), how should I submit narratives?

If you experience any technical difficulties entering information into the pdf format provided, email PBVRFPSUBMISSIONS@hpd.nyc.gov. Longer text boxes will stop you from typing more when you reach the end of the box. This prevents any text from being cut off when applications are printed. If your response extends beyond the text field, please attach additional Word or PDF documents with your responses. Please clearly indicate which questions/pages your response is referencing.

12. What documents are required if PBV units will be designated for veterans?

If units in the project will be designated for formerly homeless veterans, the Letter of Support from an appropriate VAMC must be provided upon selection.

II. Allocation, AHAP/HAP, Environmental Review, Pro Forma, and Tenant Eligibility

13. How many applications will be selected for PBV awards?

HPD will award projects based on the availability of Project Based Vouchers. The allocation range is updated each year.

14. How many units are eligible to receive Project Based Voucher Assistance?

The maximum number of PBV units in a project is the greater of 25 units or 25% of all units in the project. Additional units may be requested if they qualify as “excepted units.” Projects in census tracts with poverty rates that are at or below 20% do not need to designate excepted units unless applying for more than the greater of 25 units or 40% of the units in the project.

15. What are “excepted units”?

- a. Projects that apply for more than the greater of 25 units or 25% of all units must qualify for “excepted units.” Excepted units are those units designated to serve elderly households (defined as households where the head of household and/or spouse is aged 62 and older) or for households who are offered social service assistance (as defined in 24 CFR 983.56).
- b. Projects in census tracts with poverty rates that are at or lower than 20% do not need to designate excepted units unless applying for more than the greater of 25 units or 40% of the units in the project.

16. What kind of supportive services are required if a development applies for supportive services “excepted” PBV units?

- a. Project plans for supportive services must include all of the following options offered directly or through direct referral to a partner agency.
 - i. Case management;
 - ii. Employment skills development and job training;
 - iii. Family support services;
 - iv. Parenting skills, childcare skills, family budgeting and similar related services;
 - v. Housekeeping and homemaking activities;
 - vi. Treatment for drug or alcohol addiction.

- b. Even if a family does not initially agree to participate in the supportive services program, the services must remain available to the family for the duration of their tenancy in the excepted unit should they choose to receive services at a later date.

17. What is the effect of Housing Opportunity through Modernization Act of 2016 (HOTMA) on the PBV RFP?

The Department of Housing and Urban Development (HUD) issued implementation guidance on Housing Opportunity through Modernization Act of 2016 (HOTMA) which affects the following PBV Provisions:

- i. Maximum term of initial contract is 20 years
- ii. Maintain exception category for elderly households but eliminate exception category related to disability.
- iii. Modify supportive services provision. Supportive services must be made available to all assisted households, but a household is not obligated to accept or comply with supportive services as a condition of subsidy.
- iv. Projects in census tracts with a poverty rate of 20% or below are eligible for up to 40% of units instead of 25% as eligible for PBV. Units above the 40% cap requested at these projects must be designated as excepted units.

18. What size does the proposed project need to be?

- a. There is no size requirement. The size of the proposed PBV projects is not a scoring criterion in PBV awards. The request must be for at least 8 PBV-assisted units.
- b. For projects with existing tenants, PBV assistance should **not** be requested for units that:
 - i. Are occupied by tenants with household incomes greater than 50% of the Area Median Income (AMI), as this is the current income limit for HPD's PBV program; or
 - ii. Are occupied by tenants who will not have a rent hardship even with PBV assistance (rent hardship is defined as paying more than 30% of household income towards rent); or
 - iii. Are assisted under a project-based subsidy contract, including but not limited to: Shelter-Plus-Care, project-based Section 8, NYC 15/15, Rental Assistance Payment (RAP) or Rent Supplement (Rent Supp).

19. Can an applicant be awarded PBV assistance for multiple scattered buildings in a development? Are there a minimum number of units per building?

HUD regulations, as written in 24 CFR § 983.3, require PBV projects to be “a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. *Contiguous* in this definition includes ‘adjacent to’, as well as touching along a boundary or a point.”¹ Therefore, a single project may

¹ To test if buildings across the street from one another contiguous: “if you were to draw a line across the street, perpendicular to the centerline of the street, and the line touches both properties, then they may be considered as contiguous.”

not be scattered across noncontiguous parcels; a development on multiple sites may be split into multiple applications and treated as separate projects. There is no minimum number of units per building in a development, but at least 8 PBV units must be requested in each application.

20. Will HPD approve fewer units than requested on the RFP response (for example, proposed 15 units and awarded 10)?

HPD will select projects based on availability of vouchers. Some projects may be selected for fewer than the number of units they requested.

21. What is required to enter into an AHAP?

New Construction and Substantial Rehabilitation projects must enter into an ‘Agreement to enter into a Housing Assistance Payment’ (AHAP) contract with HPD before they begin construction. No project may apply to the RFP in one of these categories if they have already started construction; HUD regulations forbid HPD from entering into an AHAP with a project where development has begun.

“Construction” or “development” will be defined as work that constitutes remodeling that alters the nature or type of housing units in a PBV project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials. It does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind. Before considering an application for selection, HPD may request clarification and confirmation that a project submitted in one of these categories has not begun construction.

22. When will projects be able to execute a HAP contract?

b. New Construction timeline

- i. HPD will enter into an ‘Agreement to enter into a Housing Assistance Payment’ (AHAP) contract with the developer after PBV selection, completion of an environmental review in accordance with the National Environmental Policy Act (NEPA), a subsidy layering review, and submission of an architect's certificate affirming compliance with the Fair Housing Act, the Americans with Disabilities Act Accessibility Guidelines, and Section 504 of the Rehabilitation Act of 1973.
- ii. The AHAP will cover the period of construction.
- iii. HPD can begin accepting tenant applications for units up to six months prior to construction completion to screen for eligibility (see question 23).
- iv. When construction is completed, Housing Quality standards inspections will be completed. If all proposed PBV-assisted units meet HQS requirements, a HAP Contract will be executed.

- c. Substantial Rehabilitation timeline
 - i. HPD will enter into an ‘Agreement to enter into a Housing Assistance Payment’ (AHAP) contract with the developer after PBV selection, completion of an environmental review in accordance with the National Environmental Policy Act (NEPA), a subsidy layering review, and submission of an architect's certificate affirming compliance with the Fair Housing Act, the Americans with Disabilities Act Accessibility Guidelines, and Section 504 of the Rehabilitation Act of 1973.
 - ii. The AHAP will cover the period of construction/rehab.
 - iii. During the construction period, developers must comply with URA and other tenant relocation plans as submitted to HPD.
 - iv. HPD can begin accepting tenant applications for units up to six months prior to construction completion to screen for eligibility (see question 23).
 - v. When construction is completed, Housing Quality Standards (HQS) inspections will be completed. If all proposed PBV-assisted units meet HQS requirements, a HAP Contract may be executed.

- d. Existing Projects timeline
 - i. Before project selection, at least 75% of proposed PBV-assisted units must pass HQS inspection. All proposed PBV-assisted units must meet HQS requirements before a HAP contract can be executed.
 - ii. HPD will schedule a meeting with selected projects to coordinate the tenant application submission process.
 - iii. HPD will enter into a Housing Assistance Payment (HAP) Contract with the developer after selection and completion of environmental review in accordance with the National Environmental Policy Act (NEPA) and submission of an architect's certificate affirming compliance with the Fair Housing Act, the Americans with Disabilities Act Accessibility Guidelines, and Section 504 of the Rehabilitation Act of 1973.
 - iv. For any unit to be included on the HAP contract, it must have passed HQS.
 - v. A tenant application must have been submitted and determined eligible by HPD (see question 23).
 - vi. All applicants must be briefed before subsidy begins.

23. Which tenants are eligible for PBV assistance?

In order to be eligible for PBV assistance, **all residents of proposed PBV units**, including existing and future tenants, must meet the requirements below. For future tenants, HPD will screen applicants for eligibility before referring them to lease-up.

- Total household income must be **at or below** 50% of the Area Median Income (AMI). For current AMI values and income limits, visit [HPD’s website](#).
- Households must pay least 30% of household income toward rent. For existing tenants, this includes the amount they would pay with any proposed rent increases.
- If residents of a proposed PBV unit are currently receiving tenant-based rental assistance, they must consent to give up their assistance and switch to PBV.
- Residents must be in units that are consistent with HPD’s subsidy standards and not overcrowded (if there are more than two people per room including the living room):

Subsidy Standard/Voucher Size		
(# of bedrooms)		
# of Household Members	New Policy	
	Effective 8/15/22	
	# of Bedrooms (<u>no</u> household members are partnered)	# of Bedrooms (<u>any two</u> household members are partnered)
1	1	1
2	2	1
3	3	2
4	4	3
5	5	4
6	6	5
7	7	6

24. Who will conduct the Environmental review?

HPD will conduct the environmental review for all selected projects. Environmental review is a pre-requisite to execution of the AHAP (for New Construction and Substantial Rehabilitation projects) or HAP (for Existing projects). Timely submission of all required documentation to the HPD environmental review team is critical for completion of review in time for construction closing, where applicable. To ensure compliance with [HUD Part 58](#) HPD recommends that the Phase 1 review be conducted as a part of a PBV proposal.

25. What are the assumptions that should be made for the Sources and Uses of funds to develop the project and the Operating Pro Forma?
- a. New Construction projects (not affiliated with HPD)
 - i. Most recent Statement of Sources and Uses to develop the project and operating pro forma that **assumes PBV assistance**
 - ii. Most recent Statement of Sources and Uses to develop the project and operating pro forma that **does not assume PBV assistance**
 - This version of the budget should reflect the same affordability tiers and population as the budget in item i above. If the lack of PBV results in a financing gap or the need for more capital subsidy, please show this in the budget.
 - b. Substantial Rehabilitation and Existing projects (not affiliated with HPD)
 - i. Most Recent Statement of Sources and Uses to develop the Project and Operating Pro forma – **assumes** PBV Rental Assistance Income and **assumes** projected rent increase or restructuring (*only required for projects with a projected increase or restructuring*)
 - The requested pro-forma incorporates any projected rent increase that the project anticipates will be approved and implemented along with PBV rental assistance.
 - ii. Most Recent Statement of Sources and Uses to develop the Project and Operating Pro forma – **does not assume** PBV Rental Assistance Income but **assumes** projected rent increase or restructuring (*only required for projects with a projected increase or restructuring*)
 - The requested pro-forma incorporates any projected rent increase that the project anticipates will be approved and assumes there will not be PBV rental assistance.
 - This version should reflect the same affordability tiers as the budget in item i above.
 - iii. Most Recent Statement of Sources and Uses to develop the Project and Operating Pro forma – **assumes** PBV Rental Assistance Income but **does not assume** any projected rent increase or restructuring
 - The requested pro-forma would not include any rent increase or PBV rental assistance.
 - iv. Most Recent Statement of Sources and Uses to develop the Project and Operating Pro forma – **assumes** PBV Rental Assistance Income and **does not assume** any projected rent increase or restructuring
 - The requested pro-forma assumes implementation of PBV rental assistance and shows no increase in rent.
 - This version should reflect the same affordability tiers as the budget in item iii above.

26. If project is affiliated with Asset and Property Management and doesn't have underwriting should Operating Pro Formas be submitted?
If budget documents were not previously reviewed by HPD Credit & Underwriting Team, at least two Operating Pro Formas (with and without PBV assistance) must be attached.
27. What maximum rents should be used to underwrite projects when completing the Pro-Forma or other financing documents? How do HPD's Exception Payment Standards (EPS) impact PBV project rents?
To mitigate changes to Fair Market Rents (FMR) as set by HUD, as a best practice, HPD accepts proposed rents at FMR or at Small Area Fair Market Rent (SAFMR) in Exception Payment Standard (EPS) areas. HPD cannot approve rents higher than 110% of metropolitan area FMR or the EPS amount for projects in EPS zip codes. HPD will also conduct rent reasonableness tests using comparable properties in the neighborhood of the proposed project. Rents deemed unreasonable will not be approved. The proposed rent should not include utility allowances.
- To see if a PBV project is located in an EPS zip code, and to find FMRs and SAFMRs for 2023, which generally guide proposed rents, visit:
<https://www.nyc.gov/assets/hpd/downloads/pdfs/services/2023-fmr-and-safmr.pdf>
28. What justification is HPD seeking for projects that will be located in areas of minority concentration?
Please see HUD regulatory reference 24 CFR § 983.57 (b). Space has been provided in Section IV, question 4 of the application to respond with a narrative that can address HUD-approved exceptions for projects in areas with minority concentration.

III. Housing Quality Standards (HQS), Rent Roll, and Financing

29. Which units in a development should be included in the Rent Roll?
All units in the development should be included in the rent roll if they are anticipated to receive PBV assistance, receive other type of subsidy, or are rented to the general market. The units proposed as PBV must be labeled on the rent roll.
30. What projects are subject to Subsidy Layering Review?
Subsidy Layering Review is required for all selected New Construction and Substantial Rehabilitation projects unless PBV is the only public assistance received. If the project's funding information changes at any time after application is submitted, either by losing or gaining government assistance, the owner must notify HPD and provide updated information.

31. When do prevailing wage rules apply?

Davis-Bacon prevailing wage rules apply to projects that will have nine or more PBV-assisted units.

32. Do projects receiving state and city resources receive priority?

- a. Projects in HPD/HDC's pipeline are prioritized; however, other types of financing commitments are also taken into consideration.
- b. Projects that were previously developed with HPD financing and are currently under the portfolio of HPD's Office of Asset and Property Management (APM) must contact APM to request a letter of support for their PBV application in order to be considered.
- c. Projects not in one of the above categories are welcome to submit and will be evaluated based on how they meet HPD's scoring criteria (see Question 33).

33. For proposed projects that do not have affiliation with HPD loan programs, what kind of priority or preference will be given?

There are multiple criteria in addition to HPD affiliation that will be used to score applications, including: alignment with HPD's housing priorities; demonstrated need for PBV assistance; project readiness; developer and partner experience; and compliance with HUD requirements. All information provided in the RFP factors into the scoring criteria.

34. What are Housing Quality Standards (HQS) inspection requirements?

- a. For more information about HQS requirements please follow the link:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/52580A.PDF>
- b. HQS checklist:
<https://www.hud.gov/sites/dfiles/PIH/documents/InspectionChecklist52580.PDF>
- c. As a requirement of HPD's PBV RFP for Existing Projects, all proposed units listed on the rent roll and project's common areas must be in compliance with Housing Quality Standards by the application submission due date.
- d. HPD will request HQS inspections for all proposed PBV units listed on the rent roll as part of your Existing Project's PBV RFP application. 75% of all proposed units and 100% of all common areas in an Existing project must meet HQS requirements in order to be selected.
- e. As soon as the inspection is scheduled the system will generate and send out a notification to both the tenant and the owner.
- f. It is the owner's responsibility to provide access to the units for HPD's HQS inspectors.
- g. HPD will schedule just one inspection. If a unit(s) is not ready to be inspected or if a tenant/ owner fails to provide access at the first inspection attempt, the unit will fail inspection.
- h. If less than 75% of proposed PBV units pass inspection, the award could be denied.

- i. All PBV-assisted units must meet HQS requirements before a HAP contract can be executed, for all project types.
35. Is this RFP part of the NYC 15/15 RFP issued by the Human Resources Administration (HRA)?
- This RFP is not the rental housing component of the NYC15/15 RFP. There is a separate selection process for rental assistance and supportive services for NYC 15/15 eligible projects.