

Addendum 1

Questions and Answers

1. Are units that are currently occupied with eligible tenants and have a planned rehabilitation that extends affordability and prevents displacement eligible or ineligible for PBVs under this RFP? For projects with planned rehabilitation, is there a deadline by which the rehabilitation must be completed?
Properties undergoing rehabilitation are eligible under this RFP. There is not a definitive deadline for rehabilitation until an agreement is in place but based on the Scoring Criteria 4a, the sooner the rehabilitation will be completed the more points that criteria may earn as well as bonus points. Per 983.53 (d) the commencement of the rehabilitation cannot have begun after the proposal submission and prior to the execution of the AHAP.
2. Would an occupied property achieve the RFP's goal #2 (relocation opportunities) if RHA displaced residents were identified as a priority in our tenant selection plan at turnover?
RHA would prefer that our displaced residents receive a preference in the Tenant Selection Plan of an eligible property but it is not a requirement to submit a proposal for this RFP. It can affect the award of points under 4a. of the Scoring Criteria.
3. Would occupied units where residents are "over-housed" – for instance a 2BR with a single person on the lease – be eligible for PBVs and at what payment standard?
The household is allowed to "go up" one bedroom size so the single person could rent the 2-bedroom unit, but the payment standard would be based on a one-bedroom unit and the family would have to be able to afford the unit.
4. Is a property that has been built or rehabbed with LIHTC, but does not have operating subsidy on the units proposed to be layered with PBVs, included in the #9 category for ineligible housing (units in subsidized housing)? Are the PBVs intended to be compatible with LIHTC capital subsidy?
Project-based vouchers can be used at properties that received LIHTC, the units where the PBVs will be used cannot be receiving any other income based subsidy.
5. Would preservation of expiring use affordable housing, which but-for a PBV award and preservation transaction would create displacement of current tenants and permanent loss of affordable units, and where the PBV award commits the units to deeper affordability 30% AMI restrictions that don't currently exist, receive scoring under 3c?
Points may be awarded for this criteria if the property provides for families making 30% AMI or below.
6. If construction has begun on a site, must the proposal be submitted under existing housing.
A unit is considered an existing unit for purposes of the PBV program, if, at the time of notice of project selection, the units substantially comply with Housing Quality Standards (HQS). For newly constructed or rehabilitated units, the housing must be developed under, and in accordance with, a PBV Agreement to Enter into Housing Assistance Payments Contract (AHAP) that was executed prior to the start of construction or site preparation. Refer to 24 CFR 983.52.
7. Are there any requirements we need to be aware of for the existing category that we need to be sure we are following to qualify under the existing category?
Refer to 24 CFR 983. Some specific excerpts related to existing housing are:
(2) **Inspection of existing units.** If the units to be assisted already exist, the PHA must inspect all the units before the proposal selection date, and must determine whether the units substantially comply with the HQS. To qualify as existing housing, units must substantially comply with the HQS on the proposal selection date. However, the PHA may not execute the HAP contract until the units fully comply with the HQS.

(d) **Existing and rehabilitated housing site and neighborhood standards.** A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:
(1) Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal

system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

(2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

Environmental Review

(c) **Existing housing.** In the case of existing housing under this part 983, the RE that is responsible for the environmental review under 24 CFR part 58 must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

8. What is the current contract rents and utility allowance for the PBV units?

Refer to 983.301 and 983.302 for additional information. The rent is not finalized until the HAP Contract is completed so the rents listed below may be different at the time the HAP Contract is signed. Also, the rent to owner is the lesser of 1) an amount determined by the PHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance; (2) The reasonable rent; or (3) The rent requested by the owner.

For tax credit properties see 24 CFR 983.301(c).

The rents effective 1/1/24 are below. The utility allowance included in the table below is the max utility allowance based on the chart linked below. The actual utility allowance will depend on the actual utilities at the subject property.

2024 FAIR MARKET RENTS

Raleigh/Wake County Area Fair Market Rents

*****Update Effective 1/1/2024*****

Bedroom Size	Fair Market Rent	*Contract Rent	% Increase
0	\$1570	\$1334	110%
1	\$1613	\$1350	110%
2	\$1811	\$1479	110%
3	\$2239	\$1839	110%
4	\$2982	\$2512	110%
5	\$3430	\$2893	110%
6	\$3876	\$3258	110%

**These amounts ONLY apply to new participants and current participants that move to new units.*

IMPORTANT INFORMATION

1. The contract rent requested by the owner equals the **Fair Market Rent minus an estimated utility allowance** that the Housing Authority is required to give to each family. This utility allowance is included in the rent calculation.
2. HUD requires that RHA determine if the requested rent amount is reasonable. A Rent Reasonableness Comparison is completed by comparing the unit to unassisted units in the private market based on size & age of unit, amenities, etc. Landlords will be contacted directly if the rent is deemed unreasonable. Be aware that a unit is not officially approved for leasing until it has passed the HQS inspection AND the rent is deemed reasonable.

Utility Allowance Table

[https://www.rhaonline.com/wp-](https://www.rhaonline.com/wp-content/uploads/2023/11/UTILITY_STUDY_BOARD_APPROVED_EFFECTIVE_1_1_2024.pdf)

[content/uploads/2023/11/UTILITY_STUDY_BOARD_APPROVED_EFFECTIVE_1_1_2024.pdf](https://www.rhaonline.com/wp-content/uploads/2023/11/UTILITY_STUDY_BOARD_APPROVED_EFFECTIVE_1_1_2024.pdf)

9. Can a proposal be submitted for a property that is almost completed, one that is about to start construction in a month or two and a property that will begin construction around June 2024?

A proposal for all three properties can be submitted. The proposals will be reviewed in conjunction with all HUD applicable Project-Based Voucher rules and regulations and the requirements included in the Request for Proposal. Currently RHA has made available 200 project-based vouchers.