



# BALTIMORE METROPOLITAN COUNCIL

## Questions and Answers Regarding Baltimore Regional Project-Based Voucher (PBV) Program Request for Proposals #20V07

March 26, 2020

**NOTICE:** Even though the Maryland Department of Housing and Community Development's (DHCD's) deadline for its 2020 competitive round for Low Income Housing Tax Credits is delayed, the Baltimore Regional PBV Program will **keep the April 22 deadline** in RFP #20V07 for owners who are able to complete their proposals by then. **After award decisions, we anticipate issuing another, similar RFP for any remaining Vouchers.** Ideally the deadline for that new RFP will be about two months in advance of DHCD's 2020 round deadline. This will enable us to make another round of Voucher awards roughly one month before DHCD's deadline.

Because of COVID-19, **it is no longer necessary to submit a printed copy.** We will accept proposals delivered electronically as one PDF file. Files of less than 25 MB can be emailed to [dpontious@baltometro.org](mailto:dpontious@baltometro.org). For larger files, please compress the attachment or use a file sharing service such as Google Drive. If you do ship a printed or electronic copy (on disk or thumb drive), please do not use a service that requires a signature, as all Baltimore Metropolitan Council staff are working remotely.

**Question 1:** Do the Vouchers provide vacancy payments in the case where the tenant leaves at no fault of the landlord?

**Answer:** Vacancy payments may be made to owners. The HAP contract provides for vacancy payments to the owner for a period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. Owner must promptly notify the Program in writing within five business days of receiving notice from the tenant or having knowledge of any vacancy or expected vacancy in contract unit, and must send the completed Vacancy Payment Request Form ("Request") and supporting documentation within 10 business days of the date the unit is re-leased and no later than the last day of the third month following the Move-Out Month.

**Question 2:** Do the vouchers set a floor for rents at year 1 or can they go down with the market in future years?

**Answer:** The amount of the initial rent to an owner of units receiving PBV assistance is established at the beginning of the HAP contract term. Although for rehabilitated or newly constructed housing, the agreement to enter into HAP Contract (Agreement) states the estimated amount of the initial rent to owner, the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

During the term of the HAP contract, the rent to owner is redetermined at the owner's request in accordance with Program requirements, and at such time that there is a five percent or greater decrease in the published FMR.

The Program will elect within the HAP contract not to reduce rents below the initial level, with the exception of circumstances listed in 24 CFR 983.302(c)(2). If, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent, the Program will use the higher initial rent to owner amount.

However, by accepting each monthly housing assistance payment, the owner certifies that the rent to owner is not more than rent charged by the owner for other comparable unassisted units in the premises. At any time, the Program may require the owner to submit information on rents charged by the owner for other units in the premises or elsewhere.

**Question 3:** Does HUD's Housing Assistance Payments (HAP) contract restrict cross collateralization among units of a scattered-side project?

**Answer:** Yes. The HAP contract states in section 21, paragraph a.:

1. The owner agrees that neither the HAP contract nor the property may be transferred without the advance written consent of the PHA in accordance with HUD requirements.
2. "Transfer" includes:
  - a. Any sale or assignment or other transfer of ownership, in any form, of the HAP contract or the property;
  - b. The transfer of any right to receive housing assistance payments that may be payable pursuant to the HAP contract;
  - c. The creation of a security interest in the HAP contract or the property;
  - d. Foreclosure or other execution on a security interest; or
  - e. A creditor's lien, or transfer in bankruptcy.
3. If the owner is a corporation, partnership, trust or joint venture, the owner is not required to obtain advance consent of the Program pursuant to paragraph a of the HAP contract for transfer of a passive and non-controlling interest in the ownership entity (such as a stock transfer or transfer of the interest of a limited partner), if any interests so transferred cumulatively represent less than half the beneficial interest

in the HAP contract or the property. The owner must obtain advance consent pursuant to paragraph a for transfer of any interest of a general partner.

**Question 4:** Since the Vouchers in one Development may come from more than one public housing authority (PHA), does the Development need to use more than one PHA's utility allowance schedule?

**Answer:** No. Each Development will use the utility allowance of the PHA for the jurisdiction where it is located for all of the Vouchers awarded through this program.

**Question 5:** Can we apply for Vouchers for a scattered-site Development without knowing the precise addresses of the homes?

**Answer:** No. This RFP requires evidence of site control for all properties.

**Question 6:** Will you post the slides from this Pre-Proposal Conference?

**Answer:** Yes. Go to <https://www.baltometro.org/requests-for-proposals>.

**Question 7:** I missed the virtual Pre-Proposal Conference. Do you have a recording?

**Answer:** No, we do not have a recording, but you can see a list of participants and the slides presented at <https://www.baltometro.org/requests-for-proposals>, and this Q&A addresses all questions posed during the session, as well as received previously via email.