

Project-Based Vouchers – Housing Choice Voucher (HCV) Program

MDOC has received a request to consider using a portion of the MDOC HCV annual budget authority for use in project-based vouchers (PBV).

PBV basics:

- MDOC PBV activities would be governed by all applicable HUD guidelines, including CFR Title 24 Part 983, Project-Based Voucher (PBV) Program.
- MDOC would enter into a PBV contract with a property owner for units in existing/newly constructed/rehabilitated housing, limited at 25 percent of units in a project.
- MDOC would enter into a housing assistance payment (HAP) contract with an owner for an initial term of up to 15 years, for each contract unit; the length of term of the HAP contract for any contract unit may not be less than one year, nor more than 15 years.
- During the term of the contract, MDOC would make payments to the owner for units leased and occupied by eligible families, with eligibility determined by the applicable contracted field agent.
- HUD limits PBV at 20 percent of annual PHA budget authority; initial MDOC PBV activity would be limited at 5 percent of MDOC's HCV budget authority.
- Shared housing, manufactured home space rental, and homeownership options are not allowed by HUD.
- MDOC's admin plan would be required to specify selection procedures for PBV applications.
- MDOC would consider PBV selection based on previous competition, for proposals assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (HOME, LIHTC, etc.).
- The PBV proposal must have been selected in accordance with competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.
- MDOC would consider PBV proposals on a first-come, first-served basis (assuming proposal is fully eligible per HUD guidelines), not to exceed the initial first year "trial basis" 5 percent budget authority limit.
- MDOC would make documentation available for public inspection regarding the basis for the PHA selection of a PBV proposal.

MDOC invites comment on this topic.