

Amendment to HCV Administrative Plan

Lakeland Housing Authority

The Lakeland Housing Authority is amending its Housing Choice Voucher Administrative Plan to include the term “Project” in the Plan’s glossary and new policy to Chapter 17, Project Based Vouchers, in connection with the Authority’s intent to attach PBV assistance to the project known as Twin Lake Estates, Phase III.

Glossary:

The term “**project**” means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

Chapter 17 describes HUD regulations and PHA policies related to the project-based voucher (PBV) program in nine parts. The following parts are amended.

Part I, General Requirements, Units not Subject to the PBV Program Limitations [FR Notice 1/18/17] (Page 17-4)

Current Provisions:

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them. In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. The unit must be covered under a PBV HAP contract that first became effective on or after April 18, 2017.

Part II.F, Cap on Number of PBV Units in Each PBV Project, Projects not Subject to a Project Cap [FR Notice 1/18/17; Notice PIH 2017-21] (Page 17-17)

Current Provisions:

PBV units that were previously subject to certain federal rent restrictions or receiving another type of long-term housing subsidy provided by HUD are exempt from the project cap. In other words, 100 percent of the units in these projects may receive PBV assistance

New Provisions in Addition to Current Provisions:

PBV assistance provided to these units does not count against the 20 percent program cap and may be used to project-base up to 100 percent of the units in the project.

PIH 2017-21 (HA) and HOTMA, Sec. 106(a)(2) provides that certain units do not count toward the PBV percentage limitation (Program Cap) and are exempt from the income-mixing requirement (Project Cap) when PBV assistance is attached to them.

New PHA Policy:

The PHA intends to project-base up to 80 units not subject to the Program Cap and Project Cap at the Twin Lakes Estates, Phase III project.

Project Overview

Twin Lakes Estates, Phase III (“Phase III”) is the last phase of a master plan to redevelop West Lake Apartments, a 120-unit obsolete public housing complex built in the 1940s. Combined, the three phases

of the West Lake Apartments redevelopment will return 318 affordable units to the community (24 ACC, 80 senior PBV, 80 replacement family PBV, and 134 LIHTC). Phases I and II were completed in 2018 and 2020 respectively and are fully occupied.

Phase III redevelopment plan will consist of 86 affordable family housing units distributed in four four-story buildings on a 3.17-acre lot. Of the total units, 77 will be LIHTC affordable housing units for households at sixty percent (60%) of Area Median Income (AMI) and nine units will be LIHTC affordable housing units for households at forty percent (40%) of AMI. The new units will replace West Lake Apartments units demolished in phases II and III and receive Project-Based Voucher assistance. The former residents will receive priority preference for return to the redeveloped property if they choose to return.

The LHA entered into a Master Development Agreement with the Housing Trust Group (HTG) for the redevelopment project. The ownership structure for the proposed project includes LHA as the lessor of a 65-year ground lease. In addition, affiliate entities of the LHA and HTG formed a Limited Partnership named Twin Lakes III, Ltd. to own and operate the project.

Phase III complies with PHA goals to deconcentrate poverty and expand housing and economic opportunities and is consistent with Site and Neighborhood Standards for new construction.

Exemption Criteria

The proposed PBV units at Phase III are exempt from both Program and Project Caps because they will replace West Lake Apartments units, Phases II and III, meeting the required criteria as stated below:

- a. The West Lake Apartment Units were Public Housing units receiving Capital and Operating funds under Section 9 (Colton/Bonnei, FL011000001)
- b. The units received HUD assistance no more than 5 years from the written notice of owner selection/AHAP contract. HUD issued inventory removal approvals for 66 units in April 2019 and 32 units in July 2020. The signing of the AHAP contract is expected for the second quarter of 2022.
- c. The proposed PBV units at Phase III will be located on the same site as the units they are replacing. Phase III and Phase II are adjacent sites meeting the definition of "same site".
- d. The primary purpose of Phase III is to replace the public housing units that previously existed at the original project, consisting of West Lake II (66 units) and West Lake III (32 units). Consequently, the former residents of the original project will be provided with a selection preference that provides the residents with the right of first occupancy at Phase III, including PBV and non-PBV units.
- e. The number of proposed PBV units (80) is less than the number of units in the original project (98). *
- f. LHA has structured the bedroom distribution at the Twin Lakes States project to address the needs of the community and households on the LHA waiting list and the overall community need for affordable housing
- g. The proposed PBV units at Twin Lakes States III is consistent with the PHA Plan, the goals of deconcentrating poverty and expanding housing and economic opportunities, site selection, and civil right requirements.

Phase	Inventory Removal Approval	Removed PH units
Phase I (West Lake I)	2015	22
Phase II (Lake Beulah) **	4/3/2019	66
Phase III (Twin Lakes Estates) ***	7/14/2020	32
Total		120

New Units			
Non-ACC	ACC	PBV	Total
10	10	80	100
118	14	0	132
6	0	80	86
134	24	160	318

*, **, *** Phase II and III are adjoining parcels constituting the original project subject to the intent to attach PBV to Twin Lakes Estates, Phase III. The total number of proposed rent-assisted units (94), including 14 ACC in Phase III and the 80 PBV units in Phase III, is less than the number of units in the original project (98). Phase I was carved out from the site more than five years ago; therefore, it is excluded from the number of Phase III PBV units subject to the project cap calculation.

Part II, PBV Owner Proposals, Units Selected Non-Competitively [FR Notice 1/18/17; Notice PIH 2017-21; 24 CFR 983.51(b)] (Page 17-8)

Current Provisions:

For certain public housing projects where the PHA has an ownership interest or control, the PHA may attach PBV assistance non-competitively without following one of the two processes above. This exception applies when the PHA is engaged in an initiative to improve, develop, or replace a public housing property or site. The public housing units may either currently be in the public housing inventory or may have been removed from the public housing inventory within five years of the date on which the PHA entered into the AHAP or HAP. If the PHA is planning rehabilitation or new construction on the project, a minimum threshold of \$25,000 per unit in hard costs must be expended. If the PHA plans to replace public housing by attaching PBV assistance to existing housing in which the PHA has an ownership interest or control, then the \$25,000 per unit minimum threshold does not apply as long as the existing housing substantially complies with HQS. The PHA must include in the administrative plan what work it plans to do on the property or site and how many PBV units will be added to the site.

New Provisions in Addition to Current Provisions:

HOTMA Sec. 106 (a)(9)) overrides the regulatory requirements for selection of PBV proposals at 24 CFR 983.51(b) and allows a PHA to attach PBV assistance to units in a project in which the PHA has an ownership interest or over which the PHA has control without following a competitive process.

For purposes of this authority, a PHA ownership interest also includes a scenario in which the PHA is the lessor of the ground lease for the land upon which the PBV project to improve, develop, or replace the public housing property is located or will be constructed (PHI 2017-21 (HA))

New PHA Policy:

LHA intends to attach up to 80 PBVs to the Twin Lakes Estates project, as described above (Project Overview). The proposed project does not require a competitive process because the PHA will have an interest ownership in it.

The Lakeland Housing Authority is partnering with Housing Trust Group (HTG), under a Master Development Agreement, to redevelop the site known as West Lake Apartments, formerly a 120-unit public housing site approved for demolition and disposition under Section 18 by HUD. The Twin Lakes Estates, Phase III project will replace units from West Lake Apartments Phases II and III, which HUD approved for demolition and disposition on April 3, 2019, and July 7, 2020 respectively. The execution of an AHAP contract is anticipated for the second quarter of 2022.

The ownership structure for the proposed project includes LHA as the lessor of a 65-year ground lease. In addition, LHA, through a subsidiary, will be the Sole General Partner.

Twin Lakes Estates will consist of 86 units of which 80 will be West Lake Apartments, Phases I and II, replacement units and six units will be LIHTC. Twin Lakes Estates will be in a portion of the former West Lake Apartments site designated as Phase III. The replacement units will be new construction exceeding the minimum threshold of \$25,000 in hard cost per-unit and substantially comply with HUD's housing quality standards as described in LHA's Administrative Plan.