

FY 2023 Section 811 Capital Advance / Project Rental Assistance Contract (PRAC) Notice of Funding Opportunity (NOFO) Webinar: Site and Neighborhood Standards

December 5, 2023

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Site and Neighborhood Standards

Civil rights considerations and requirements for the siting of HUD funded properties

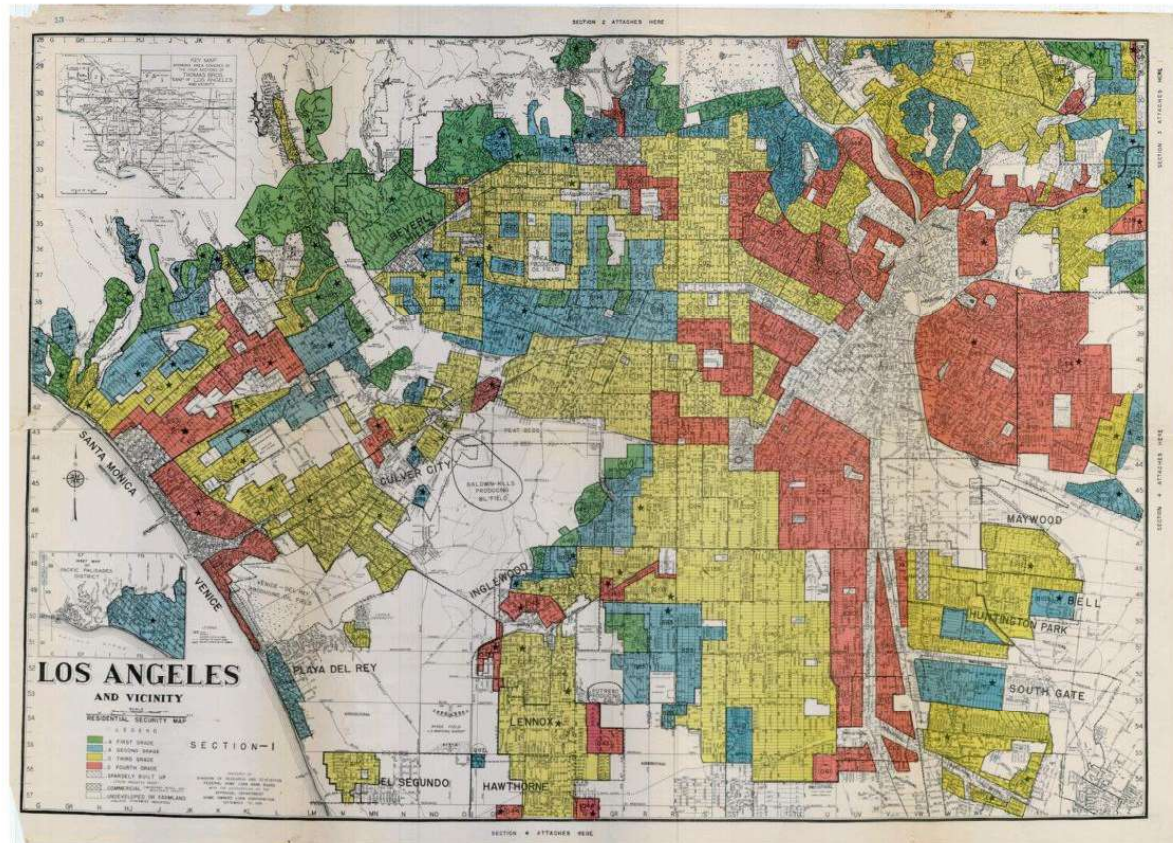




Overview



WHERE YOU LIVE MATTERS



OFFICE OF FAIR HOUSING AND EQUAL OPPORTUNITY



Overview



WHAT ARE SITE AND NEIGHBORHOOD STANDARDS?



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FHEO FRONT-END SNS REVIEWS

Helps prevent:

Increased concentration of poverty

Increased concentration of persons with disabilities

Increased segregation or perpetuation of segregation

Housing developed without community infrastructure

Under-housing certain groups such as persons with disabilities or larger families



SECTION
811 SITE
SELECTION
STANDARDS

[24 CFR 891.125](#)

[24 CFR 891.320](#)

Section III.F.7



SNS STANDARDS

1. Be suitable to **facilitating and furthering full compliance** with the applicable provisions of **civil rights** laws including Title VI, Title VIII and E.O. 11063

2. Promote **greater choice of housing opportunities** and **avoid undue concentration of assisted persons**



SNS STANDARDS

3. Be **accessible to municipal facilities and services**

1. Be **accessible to a range of jobs** for low-income workers and for other needs... the availability of public transportation must be considered. Travel time must not be excessive.

5. The site shall be **free from adverse environmental conditions**. The neighborhood must not be one that is **seriously detrimental to family life** or in which **substandard dwellings predominate**.



SNS STANDARDS

6. Be **adequate in size, exposure, and contour** to accommodate the number and type of units proposed

1. The site must not be located in a **racially mixed area** if the project **will cause a significant increase in the proportion of minority to non-minority residents in the area.**

1. The site shall not be in an area that HUD has identified as having special **flood hazards.**



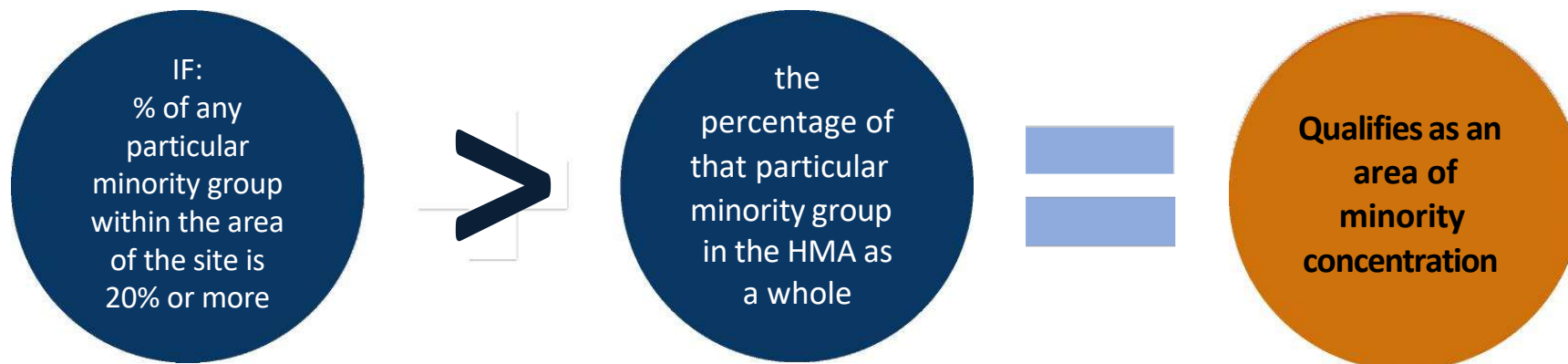
SNS STANDARDS

1. Projects should be located in neighborhoods where other family housing is located.

1. Shall not be located in an **area of minority concentration** unless...



AREA OF MINORITY CONCENTRATION (1 OF 2)



For Section 811, a site is considered an area of minority concentration if it meets one of the following definitions:

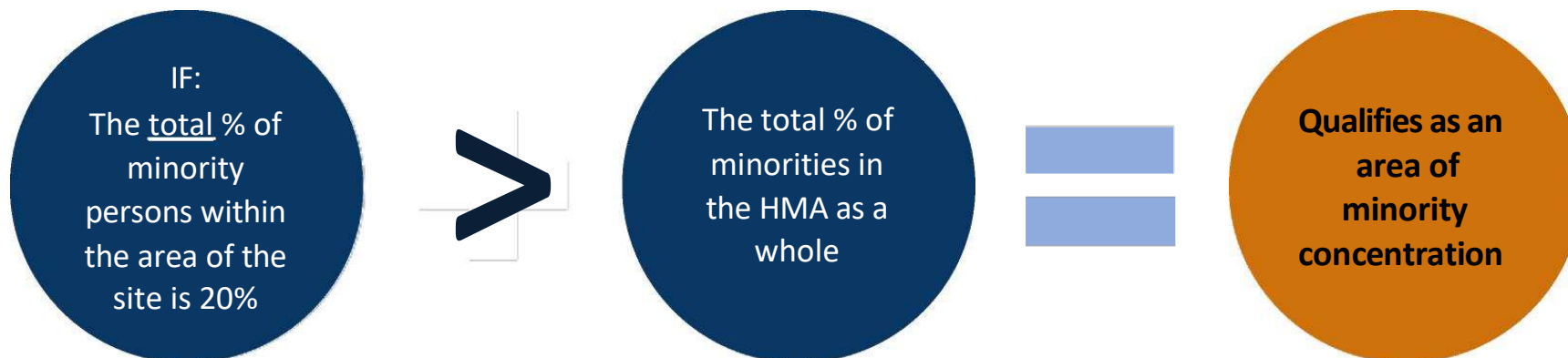
1. IF The **percentage of persons of a particular racial or ethnic minority** within the area of the site is at least 20 percentage points higher than the percentage of that minority group in the housing market as a whole;

For example, if the census tract is 60% Hispanic, but the HMA is only 10% Hispanic, by this definition, the census tract would be considered an area of minority concentration.





AREA OF MINORITY CONCENTRATION (2 OF 2)



2. The **total percentage of minority persons** within the area of the site is at least 20 percentage points higher than the total percentage of minorities in the housing market area as a whole.

Example: Total minority population in the census tract is 70%. The total minority population in the HMA is 30%. This would be a minority concentrated area.





DATA TOOLS FOR DETERMINING AN AREA OF MINORITY CONCENTRATION

Section 811 Minority Concentration Analysis Tool:

- May be used to determine if the site is in a census tract that meets the definition of an area of minority concentration

Affirmatively Furthering Fair Housing Mapping Tool (AFFH-T):

- May be used to determine whether the census tract is an accurate reflection of the neighborhood or if an alternate geography should be used instead.



Exemptions



AREA OF MINORITY CONCENTRATION: EXEMPTIONS

(24 CFR 891.125(C))



1. SUFFICIENT, COMPARABLE OPPORTUNITIES

Sufficient (24 CFR 891.125(c)(3)(i))

- A distribution of units creating a balance of housing opportunities **within and outside** minority areas. 24 CFR 983.57(e)(3)(iii)

Comparable (24 CFR 891.125(c)(3)(ii))

- household type
- tenure type
- total tenant payment
- income group
- housing market area
- standard condition

1. SUFFICIENT, COMPARABLE OPPORTUNITIES

Consider the “**overall impact** of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration” ([24 CFR 891.125\(c\)\(3\)\(iii\)](#))

- Significant number of units available outside of concentrated areas
- Integrated assisted housing in the area, as well as racially integrated neighborhoods
- Programs or activities in the jurisdiction assisting minority families to find housing outside of concentrated areas
- Successful tenant-based housing programs



Example: Sufficient,
Comparable Opportunities



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FACTOR 1: A SIGNIFICANT NUMBER OF ASSISTED HOUSING UNITS ARE AVAILABLE OUTSIDE AMCs

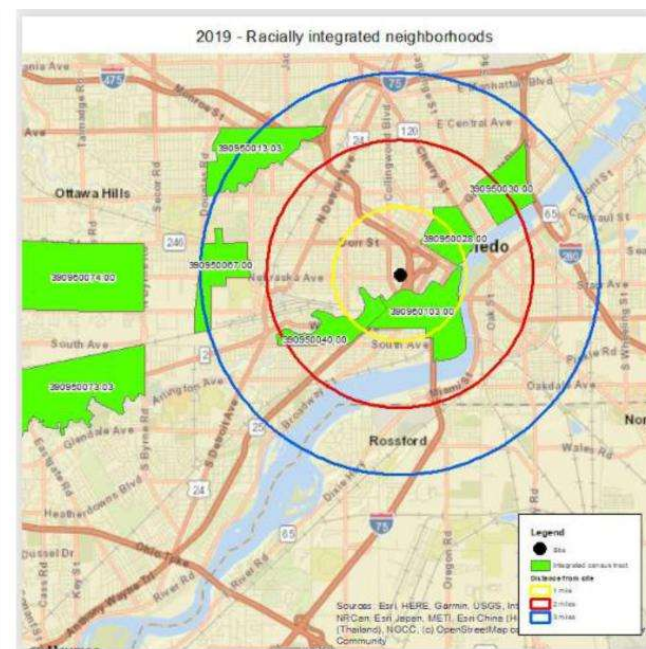
27 properties with 1,876 units outside of AMCs and 22 properties
with 1,784 units within AMCs

Tables H And I. Applicant Provided Comparable Units in and Outside of Areas of Minority Concentration

Property Name	Property Address Provided	Distance from Proposed Site (in miles)	Number of Units	Occupancy Type (e.g. family, elderly, disabled)	Subsidy Type (i.e. public housing, PBV, PBRA)	Is this property located in an area of minority concentration (Applicant)	Was the reviewer able to verify this information is correct in the Tool?
Renaissance Senior Apartments	419 N St. Clare St. Toledo, OH 43604	1.5	50	Mixed	Tax Credit and government subsidized	Yes	Yes
Vistula Manor by the River	615 Cherry St. Toledo, OH 43604		156				Yes
Madonna Homes	722 N. Huron St. Toledo, OH 43620	1.7	171	Elderly	Tax Credits and Section 8		Yes



Factor 3: There are **racially integrated neighborhoods** in the locality





SUFFICIENT, COMPARABLE OPPORTUNITIES

Factor 4: Programs are operated by the locality to assist minority families that wish to find housing outside AMCs

“There are a number of programs and local activities in the greater Toledo area that expand choice and opportunity for minority elderly families. Pathway, a local initiative funded by the United States Department of Health and Human Services, and the Area Office on Aging of Northwestern Ohio are **two local entities that provide direct support to seniors who may be considering relocation out of their current neighborhood**. The City of Toledo and the Ohio Housing Finance Agency both **maintain an active list of affordable housing opportunities** in the community, that individuals and community partners use to direct potential residents seeking available housing options. These are not maintained as “minority concentrated areas” but **opportunities exist for potential elderly families to locate to areas outside areas of minority elderly concentration** if they so choose. As an additional local resource, the City of Toledo contracts with the Fair Housing Center who directly engages with clients to address housing barriers in the greater Toledo area.” See Table 1.

Table 1: Program and Other Activities Assisting Minority Families Find Housing Outside Areas of Minority Concentration

Name of Program	Name of Entity responsible for the Program	Is there a Program End Date?	Number of Successful Minority Elderly Program Participants	Census Tract of new Locations	Demographics of integrated Census Tract	Demographics of Housing Market Area	Have the program participants moved into housing outside areas of minority concentration?	Has this information been verified?
		YES/NO If No, please specify					YES/NO If No, please specify	YES?NO If No, please specify



Exemptions



2. OVERRIDING HOUSING NEEDS EXEMPTION

(24 CFR 891.125(C)(4))

Two examples provided in
regulation

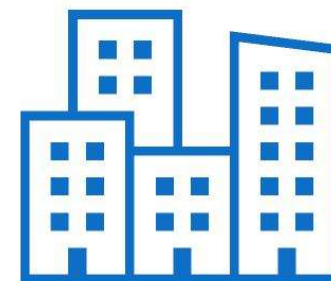
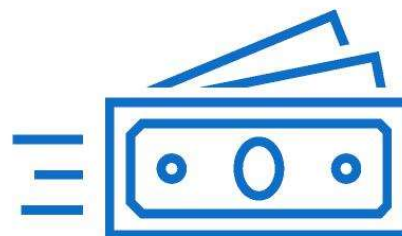
2a. overall local strategy 2b. Revitalizing Area



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2. OVERRIDING HOUSING NEEDS: A. INTEGRAL PART OF AN OVERALL LOCAL STRATEGY



Official Currently Realistically Immediate
Operational Achievable Neighborhood



2. OVERRIDING HOUSING NEEDS:

A. INTEGRAL PART OF AN OVERALL LOCAL STRATEGY

The plan has been **enacted, adopted, or ratified** by a municipal, county, or state legislative body.

HUD will There has been **progress to implement** the plan.

consider The plan is **consistent with the jurisdiction's land use or zoning code**, development regulations, or
relevant other official body of laws or rules.
factors

including, for The plan is incorporated in the applicable jurisdiction's **Consolidated Plan** or other comprehensive
community development plan.

example,
whether:

Designated Business Improvement District, Enterprise Zone designation, Promise Zone designation, or
Choice Neighborhoods designation.

An implementing agency has **retained a construction firm or secured financing**.



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Exemptions



HELPFUL DOCUMENTATION |



Local Revitalization/Preservation Plan



Documentation of support from local officials



Consolidated Plan



Local news articles demonstrating development progress



Neighborhood maps

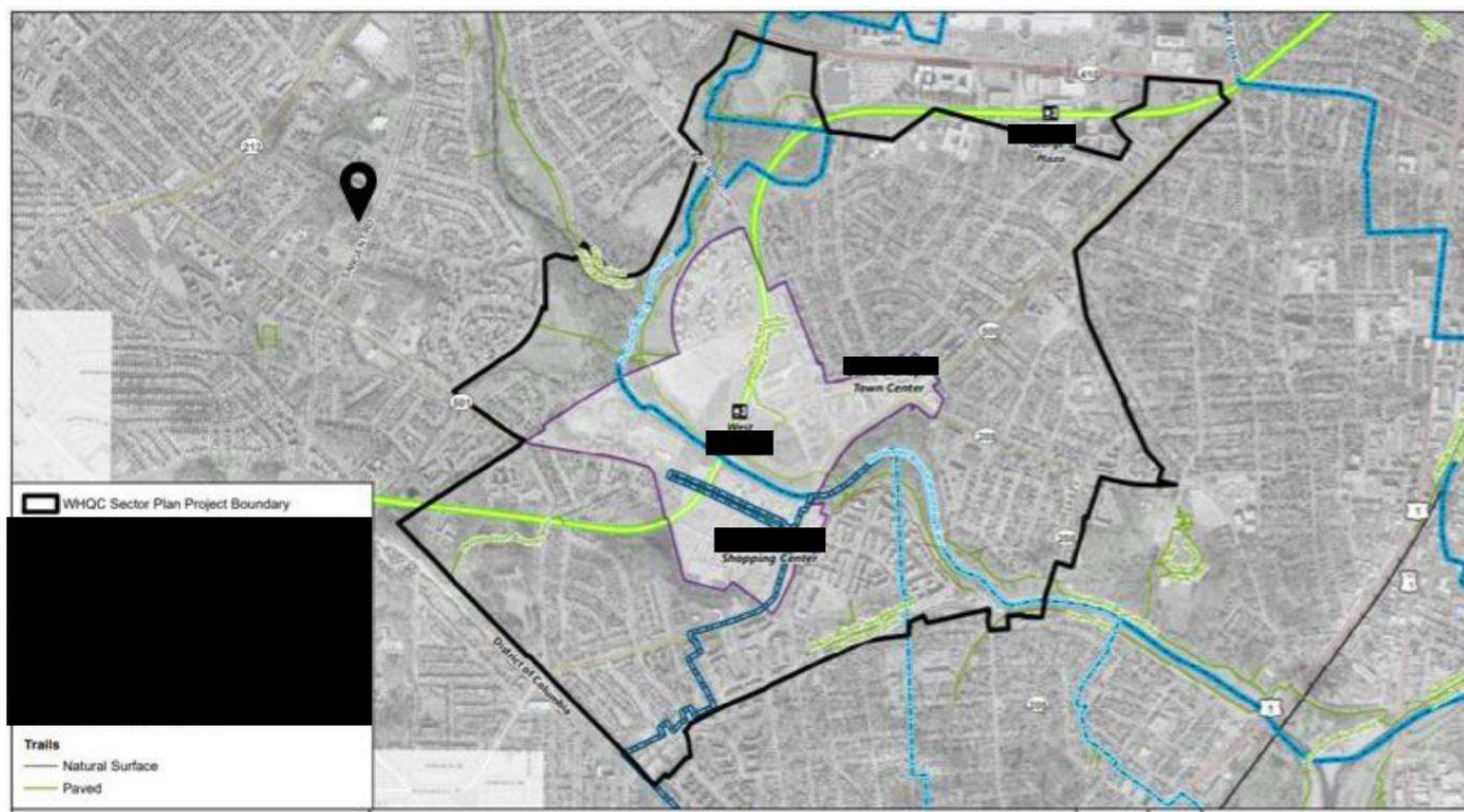


Financial documents

Example



2. OVERRIDING HOUSING NEEDS: A. INTEGRAL PART OF AN OVERALL STRATEGY





2.OVERRIDING HOUSING NEEDS: B. REVITALIZING AREA

HUD will consider evidence that the **site is in a revitalizing area** experiencing significant investment that is demonstrably **improving the economic character of the area.**

[24 CFR 891.125\(c\)\(4\)](#)



Exemptions



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2. OVERRIDING HOUSING NEEDS: B. REVITALIZING AREA, SIGNIFICANT PRIVATE INVESTMENT

1. Retail centers,
grocery stores,
pharmacies, healthcare
facilities, etc.

+

2. Private and public
housing development



Exemptions
(NOFO Section III.F.7.f.)



2B. REVITALIZING AREA: DEMONSTRABLY IMPROVING

Signs of revitalization

:

Low or declining **poverty rates**

Low or declining **violent crime rates**

Evidence of high or increased
educational opportunity

High or increasing **median household income**

High or increasing **homeownership rates**

High or increased **employment**



Section 811 Revitalization Tool

Minority Concentration Analysis **Revitalization Analysis**

Revitalization Analysis Options


5 Current Zoom Level

- ☐ Unemployment Rate (Zoom 9+)
- ☐ Poverty Rate (Zoom 9+)
- ☐ Median household income (Zoom 9+)
- ☐ Median home value (Zoom 9+)
- ☐ Homeownership Rate (Zoom 9+)
- ☐ Housing Vacancy Rate (Zoom 9+)
- ☐ Rental Vacancy Rate (Zoom 9+)
- ☐ Units with low income (Zoom 9+)
- ☐ Units with very low income (Zoom 9+)
- ☐ Units with extremely low income (Zoom 9+)

Select Year:

Census 2000

The purpose of the RAD, Section 202 or Section 811 Economic Revitalization Analysis Tool is to allow applicants to quickly access data and generate reports on certain indicators of revitalization to help them assess whether a proposed site for new construction under RAD, Section 202 or Section 811 is in an economically revitalizing area. Applicants must submit this report to the RAD Resource Desk or with their Section 202 or Section 811 NOFA applications as part of their site and



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Exemptions



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HELPFUL DATA SOURCES



Section 811 Minority Concentration Tool – Revitalization Tab



AFFH-T



Consolidated Plan or other local planning documents



Local news articles



Budgets



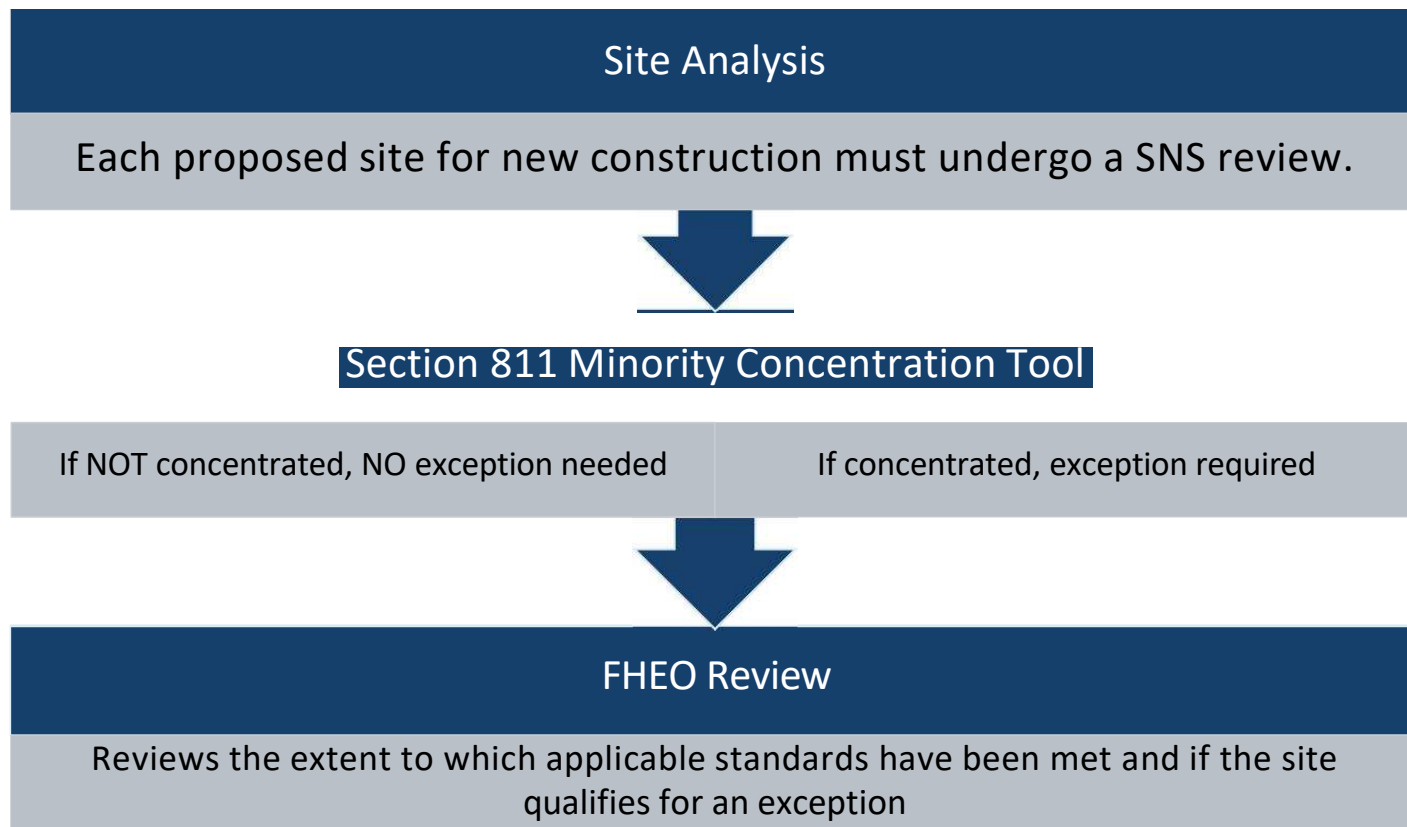
Academic Articles

Example: Revitalizing Area

Census Data	2010	2017	Change	Difference
Poverty Rate	55.4 %	29.7 %	Decrease	- 25.7%
Median HH Income	\$18,885	\$30,000	Increase	+ \$11,115
Homeownership	31.6 %	45.8 %	Increase	+ 14.2%
Unemployment Rate	12.8 %	8.4 %	Decrease	- 4.4%
Housing Costs	\$1,557	\$1,071	Stable	- \$486



When an SNS is Triggered





NOFO REQUIREMENTS

Section III.F.7 of the NOFO and 24 CFR 891.125

SNS Eligibility Review is required only for new construction (Tab H)

If NOT new construction, suitability of the site from the standpoint of promoting greater choice of housing opportunities for racial minorities and persons with disabilities will be evaluated and offered up to three points.

Contents of SNS submission will depend on whether the project is in an area of minority concentration



WHAT DO I NEED TO SUBMIT?

- All projects must submit the report generated by the Section 811 Minority Concentration Tool.
 - A screenshot is not sufficient!
 - The tool cannot generate a report for the following areas: Guam, U.S. Virgin Islands, Northern Mariana Islands, and American Samoa. See NOFO for instructions if your project is in one of these areas.



IF NEW CONSTRUCTION NOT IN AN AMC, SUBMIT

Section 811 Report

If applicable, supporting documentation for an alternate geography



Submission



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NEW CONSTRUCTION IN AN AMC

Section 811 Report

- Alternate geography
- Supporting documentation for one of the following:
 - An exception
 - Sufficient, comparable opportunities
 - Overriding housing need



ALTERNATE GEOGRAPHY



If the census tract is **not an accurate representation of the neighborhood** → provide the minority concentration report and other supporting documentation showing that an **alternative geography** is more appropriate and that the proposed boundaries are generally accepted as the neighborhood.



NOT in an AMC but near the edge of an AMC or is separated from a significant portion of the census tract by a major geographic barrier → provide supporting documentation that the site meets one of the exceptions that permits new construction in an AMC

Common Mistakes

Sufficient Comparable Opportunities

- Only providing a list of other subsidized properties and not providing information to justify any other factors to meet the exception
- Not verifying if properties are comparable
- Providing names of local programs or activities assisting families in finding housing without demonstrating their effectiveness

Overriding Housing Needs

- Insufficient or inaccurate data
- Revitalization plan that is not in the immediate neighborhood of the site or does not demonstrate how the site will be impacted by the Plan
- Revitalization plan that has been inactive for some time or never secured financing
- Proposed sites that do not have access to amenities (grocery stores, pharmacies, transit, *etc.*)





Final Considerations



Thoroughly read the SNS Proactively consider possible requirements in Section III.F.7 of the NOFO and 24 CFR 891.125 Minority Concentration Tool



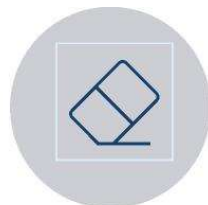
sites that promote fair housing goals using the Section 811



If choosing a site in an AMC, consider which exception(s) apply exception



Compile documentation and data that supports chosen



One opportunity to cure any deficiencies with SNS submissions





THANK YOU!

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