



## 2020 Moving to Work Annual Plan

Resubmitted November 26, 2019

Amended September 24, 2020

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**Housing Authority of the City of Pittsburgh  
Moving To Work Annual Plan  
FY 2020**

**Table of Contents**

<b>Table of Contents</b>	<b>3</b>
<b>I. INTRODUCTION</b>	<b>5</b>
A. Overview of the HACP's Moving To Work Goals and Objectives	6
B. Long-Term Goals and Vision	6
<b>II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION</b>	<b>19</b>
A. HOUSING STOCK INFORMATION	19
B. LEASING INFORMATION	25
C. WAITING LIST INFORMATION	26
<b>III. PROPOSED MOVING TO WORK ACTIVITIES</b>	<b>28</b>
A. HUD Approval Requested (New Activities)	28
<b>IV. APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED</b>	<b>29</b>
A. Implemented Activities-Ongoing	30
1. Pre-Approval Inspection Certification for Multi-Unit Housing	31
2. Preferred Owners Program	32
3. Modified Rent Policy with Work/FSS Requirement for Section 8/Housing Choice Voucher Program	34
4. Modified Rent Policy with Work/FSS Requirement for the Public Housing Program	35
5. Revised Recertification Requirements Policy	36
6. MTW Homeownership Program	36
a) Operation of a Combined Public Housing and Housing Choice Voucher Homeownership Program	36
b) Homeownership Assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, foreclosure prevention only; expanded eligibility to persons on the LIPH and HCV program waiting list and persons eligible; and establish a Homeownership Soft-Second mortgage waiting list.	37
7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted	37

8. Modified Payment Standard Approval	38
9. Step Up to Market Financing Program - Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization	38
10. Local Payment Standard-Housing Choice Voucher Program	41
B. Not Yet Implemented Activities	54
C. On-Hold Activities	54
D. Closed-Out Activities	54
E. Other Activities	55
1. Use of Block Grant Funding Authority to Support MTW Initiatives - Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.	55
2. Energy Performance Contracting	55
3. Establishment of a Local Asset Management Program	55
4. Acquisition of Property and Build-Out to be Utilized for Administrative Offices	55
V. ESTIMATED SOURCES AND USES OF FUNDING	56
VI. ADMINISTRATIVE	60
VII. APPENDICES	67
Appendix I. Local Asset Management Plan (LAMP)	67
Appendix II. Revised HACP MTW Homeownership Program	70
Appendix III. Units Approved for Homeownership Disposition	84
Appendix IV: Rental Assistance Demonstration (RAD) Amendment	88

## **I. INTRODUCTION**

The Housing Authority of the City of Pittsburgh (HACP) is committed to building better communities and improving the lives of the families who reside in HACP housing. Throughout 2019, the HACP strove to provide its 20,000 customers with high quality, safe housing; while working to provide additional housing opportunities to the thousands of Pittsburgh families currently waiting to find suitable, affordable housing accommodations.

The HACP has demonstrated a firm commitment to expanding our affordable housing portfolio to help meet the City of Pittsburgh's growing demand. This will be accomplished by developing hundreds of new units in locations throughout the city – including mixed-income developments in East End, the Hill District, and the North Side, as well as Scattered site housing located throughout the city limits.

As Pittsburgh's renaissance continues, the HACP is taking measures to ensure that Pittsburgh's most vulnerable residents – our senior citizens, our disabled individuals and our low-income working families also are able to enjoy the benefits of our city's renaissance. These are just a few of the factors as to why it is essential to rebuild an adequate supply of affordable housing, and why the HACP is committed to creating a variety of new affordable homes.

In addition to our efforts to develop safe, affordable housing, the HACP is also poised to move forward with efforts to assist the 20,000 Pittsburgh residents who currently reside in an HACP home or receive support through our voucher program. The Family Self-Sufficiency (FSS) program and other HACP resident initiatives are not limited to the Low-Income Public Housing (LIPH) program. The resident initiatives, programs, and services through FSS are for both the LIPH and Housing Choice Voucher (HCV) residents and include, but are not limited to case management, linkages to services, employment, education, and training. We provide our residents with the tools they need to become upwardly mobile and attain a higher quality of life. We provide training and employment opportunities to any HACP resident who is committed to achieving self-sufficiency.

Residents continue to enroll in our Family Self-Sufficiency (FSS) Program – working hard every day to provide a better life for their families through participation in training programs designed to produce quality, sustainable employment opportunities. We are changing the face of affordable housing in communities like Sandstone Quarry (previously known as Allegheny Dwellings Phase I), Skyline Terrace and Larimer/ East Liberty Choice Neighborhoods. More importantly, we are helping to change the lives of the residents who call these communities their home.

## A. Overview of the HACP's Moving To Work Goals and Objectives

The Housing Authority of the City of Pittsburgh (HACP)'s overarching Moving To Work (MTW) Goals are as follows:

1. To reposition the HACP's housing stock to preserve and expand affordable housing options and stabilize neighborhoods. These efforts are designed to result in housing that is competitive in the local housing market, is cost-effective to operate, provides a positive environment for residents, and provides broader options of high-quality housing for low-income families.
2. To promote independence for residents via programs and policies that promote work and self-sufficiency for those who are able to work; and, promote independent living for the elderly and disabled.
3. To increase housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing tenant-based rental assistance and other available resources.

## B. Long-Term Goals and Vision

The HACP's vision for its MTW Program is built around three (3) major themes that together will achieve the statutory objectives of the MTW Demonstration Program.

- *Theme one* is to reposition the HACP's housing stock to compete in the local market, stabilize neighborhoods, improve operational efficiencies, and expand housing choices for low-income families.
- *Theme two* is to promote self-sufficiency and independent living through a variety of enhanced services and policy adjustments. These programs and policies are designed to provide incentives to work for adult, able bodied, non-elderly heads of households and family members, and to promote social and academic achievement for children and youth. In addition to increasing economic self-sufficiency among assisted families, these programs and policies are expected to result in increased revenue for the HACP (increasing the cost effectiveness of federal expenditures) while increasing housing choices for families (with increased work and income they will have additional housing choices both within the HACP portfolio and within the larger housing market).
- *Theme three* is to increase housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing rental assistance and other available resources.

## **Theme One: Repositioning of HACP's Housing Stock**

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Since the initial HACP MTW Annual Plan was submitted in 2001, a major component of the HACP's MTW strategy has been to reposition the HACP's housing stock through a) preservation of successful developments and b) revitalization of distressed developments through strategic investments that integrate public housing properties with their surrounding neighborhoods serving as a catalyst for the expansion of public and private investments in revitalizing neighborhoods. The HACP has also introduced market rate units into certain communities, such as Oak Hill, Garfield, and Allegheny Dwellings, to enhance their competitiveness and better integrate them into nearby neighborhoods.

Initiated prior to MTW, through three (3) HOPE VI redevelopment projects and continued through the MTW Program, the HACP has achieved great success.

A by-product of these redevelopment efforts is a reduced number of traditional, public housing units. This has been balanced by the addition of new affordable units supported by tax credits, project-based housing choice vouchers, and new units rented at market rates. In some of the HACP's mixed finance/mixed-income developments, a portion of the market rate units are rented at levels affordable to some low-income (80% of AMI) households. Traditional Housing Choice Vouchers also support low-income families and occupancy of units available in the private market. It should be noted that our efforts have also reduced housing densities in communities, providing mixed-income housing and housing with modern conveniences.

The City of Pittsburgh experienced rapid growth in the technology and healthcare industries in recent years and this has resulted in high-end developers meeting the supply and demand of higher income residents moving into the region. Neighborhoods once abundant with affordable market rate rents experienced a surge in pricing for both new and existing units. Low-income families, including those utilizing Housing Choice Vouchers, have increasing difficulty locating affordable homes in neighborhoods of opportunity and are increasingly priced-out of additional neighborhoods as the market continues to shift. There is a lack of affordable units in the City of Pittsburgh that disproportionately affects families at and below 30 percent (30%) of area median income. The HACP recognizes the affordable housing need and is working to address these concerns through a variety of strategies, including increasing landlord outreach and the development of a payment standard reflective of the increasing cost of housing. One (1) core strategy continues to be the creation of new, affordable units supported by tax credits and project-based vouchers. This approach has enabled the HACP to continue serving substantially the same number of families as would have been served, absent the MTW demonstration designation.

The "Step Up To Market Financing Program" initiative was created in 2012 and was initially included in the revised, FY 2012 MTW Annual Plan. This HUD-approved MTW activity has evolved to include several, innovative strategies for re-positioning of the HACP housing stock.



Additional by-products and derivatives of this concept were HUD approved in the FY 2017 MTW Annual Plan and included, the Project-Based Voucher/Gap Financing strategy that garnered the HACP the FY 2019 National Association of Housing and Redevelopment Officials (NAHRO) Award of Merit. In 2012 and 2013, considering the diminishing availability of funding for affordable housing development and redevelopment, the HACP engaged in extensive collaborative work with the Department of Housing and Urban Development (HUD) and other partners to develop new mechanisms for financing redevelopment of distressed properties. The resulting Step Up To Market Financing Program, as detailed in Section IV, was designed to be a key component of future HACP repositioning activities.

The HACP has also continued to invest in its housing stock, including activities in Section II. The HACP completed phases I, II and III of Addison redevelopment resulting in 263 new Project-Based Voucher (PBV) units and Phase I of Larimer Redevelopment resulting in 29 PBV units.

The HACP has also implemented an Energy Performance Contract for improvements that included the installation of energy efficient and cost saving geothermal heating (and cooling) systems at several developments. The HACP is committed to continuing these preservation and revitalization efforts to the greatest extent feasible with the funding available throughout the MTW demonstration. The HACP has also successfully implemented a new MTW local non-traditional development program, the PBV/Gap Financing program, to support various private developers/owners in developing and preserving low-income affordable housing in various mixed-finance projects throughout the city since 2016.

The charts in this plan show projected sources of funds that can be used for capital projects, and projected uses of those funds over the next five (5) years. All of these numbers reflect projected obligations (not expenditure) of funds and are projections only and are subject to change based upon funding levels and opportunities, financial and real estate market conditions, new or changing regulations or requirements, or other unforeseen developments. The highlights of this plan relating to the repositioning of the HACP's Housing Stock are as follows:



Development	FY2020 Plans
<b>Larimer/East Liberty Phase III</b>	Phase III is part of the Larimer/East Liberty Choice Neighborhood Implementation Grant (CNIG) Program. Approximately 42 mixed-income rental units will be developed with a 9% Low-Income Housing Tax Credit (LIHTC) application that will be submitted in November 2019. Construction would start in 2021. The mixed-use building of Phase III will include 4,800-square feet of commercial/retail space on Larimer Avenue corridor.
<b>Larimer/East Liberty Phase IV</b>	Phase IV of the Larimer/East Liberty CNIG housing development is comprised of adaptive reuse and mixed-use of a historic Larimer School and new construction of townhomes. This Phase will consist of approximately 42 mixed-income rental units and will be financed with a 9% LIHTC which was awarded in July 2019.
<b>Larimer/East Liberty Large-family Scattered Site Replacement units</b>	The HACP's instrumentality, ARMDC, and its co-developer, McCormack Baron Salazar, of Larimer/East Liberty CNIG Program will use a conventional public housing development method to develop two (2) 3-bedroom units and one (1) 5- bedroom replacement units in the Larimer neighborhood. The Development, Site Acquisition proposals, and implementation will be based on public housing development regulations.
<b>Bedford Dwellings Redevelopment</b>	Although the 2018 CNIG grant application was unsuccessful, the HACP and ARMDC will continue to explore and work with public and private partners to identify the best opportunities to generate replacement units for the Somers Drive section of Bedford Dwellings in the Hill District. These opportunities can include a PBV/Gap Financing partnership with the Urban Redevelopment Authority's (URA) qualified developers to implement part of the 2018 Choice Neighborhoods Transformation Plan on Centre Avenue Corridor. In addition, the strategy may also include rehabilitation of the existing Somers Drive public housing buildings. Mixed-finance new construction of replacement units is also an option.
<b>Northview Heights Midrise</b>	The HACP may consider constructing a new replacement building with up to 43 units on 3.96 acres of vacant land within the community. The HACP will submit a four percent (4%) LIHTC application in 2020. Opportunities for funding for the project are being considered and pursued, with financial closing and possible construction to begin in 2021. The HACP is also considering alternative sites throughout the City of Pittsburgh (off-site) to construct new units to serve as a one-for-one replacement of the units currently located in the existing, Northview Heights Highrise building.

<b>Scattered Site Improvement Planning</b>	The HACP will continue to review various asset management and housing rehabilitation options to improve the quality of housing stock and preserve long-term affordability of scattered site units.
<b>Allegheny Dwellings Phase I Redevelopment</b> (recently renamed Sandstone Quarry Apartments)	This project is completed and occupied. Sixty-five (65) units of mixed-income units (47 affordable/18 market rate units), consisting of one, two and three (3) bedroom units are constructed on-site and along Federal Street. Forty-seven (47) affordable units are PBV assigned units. The Project closing was held in December 2017 and is financed in part by the HACP MTW capital budget, program income, conventional/soft loan and apportioned 4% tax credits. Phase I was completed in the first quarter of 2019.
<b>Crawford Square</b>	Crawford Square is a pre-existing LIHTC supported mixed income development overlooking downtown Pittsburgh and located a few blocks from the HACP owned mixed finance development Bedford Hill. The HACP collaborated with the Urban Redevelopment Authority and the current property owners to develop a solution to maintain the affordable units as the property entered the final year of its tax credit affordability period in 2016. Tax credit resyndication took place to ensure the preservation of 194 affordable units at Crawford Square. The HACP also provided a Gap Financing loan to support this endeavor. . Of the 194 units, 60 will be designated as PBV units and 134 will remain as LIHTC units. The project closed June 4 – 6, 2018. The developer received their notice to proceed on June 11, 2018 and construction is scheduled to be completed by January of 2020.
<b>Manchester</b>	Manchester is an early HOPE VI mixed-finance redevelopment with 86 units. The LIHTC compliance period ended in 2016 and the HACP and its partners acquired the property in 2017. The HACP proposes to preserve the 86 affordable rental units for the next 20-year period through re-syndication and will submit a LIHTC application in 2020. In addition, the HACP is considering the construction of up to forty (40) new units on vacant parcels of land throughout the Manchester neighborhood. The HACP/ARMDC will also work to complete pre-development activities and consider opportunities for additional funding.

<b>Turnkey Development of Scattered Sites</b>	Two (2) Community Development Groups/Faith-based Organizations were selected in 2016 to develop up to fifty (50) turnkey units over the next successive (five years). Turnkey development of twenty (20) scattered sites in the East Liberty Neighborhoods is managed by East Liberty Development Corporation. (ELDI). Phase I and Phase II are complete for a total of eighteen (18) units. The remaining Phase III constituting an additional two (2) units is nearing completion and project close-out. Amani Christian Community Development Corporation (ACCDC) are separately managing Turnkey Development of Scattered Sites in the Middle Hill District for a total of twenty-two (22) units. This is currently in the design and pre-development stage.
<b>Addison Terrace Phase IV (Kelly Hamilton Homes)</b>	The HACP and its private co-development partner, Keith B. Key Enterprises (KBK) was awarded a 4% percent LIHTC award and reached financial closing in March 2019. The former Kelly St high-rise site in Homewood has been disposed to the project as a main portion of the site, which will consist of 58 units total, 42 LIHTC units and 16 market rate units. This development is currently under construction and is expected to be completed by December 2019.
<b>St. Clair and vacant lots</b>	The Urban Redevelopment Authority (URA) has provided its final offer for the former St. Clair Village property. The redevelopment plan for the property is intended to be a part of a greater plan that will enable repurposing vacant properties located within the City of Pittsburgh. The completed St. Clair disposition application was submitted to HUD on August 9, 2019 for review and approval.
<b>Disposition and/or redevelopment of vacant properties</b>	The HACP continues to plan for potential disposition and/or mixed finance development of vacant properties at Garfield Heights, Bedford Dwellings, and at Cove Place in Glen Hazel. St. Clair Village is a former LIPH community prime for redevelopment. The HACP is preparing to dispose of a vacant parcel at Garfield Heights to the City. This vacant parcel remains from the land existing prior to redevelopment of the former Garfield Heights LIPH property currently known as the Garfield Commons mixed-finance development. This parcel was previously part of the old development but was subdivided as part of the redevelopment. The HACP intends to dispose of this parcel to the City so that it can be consolidated into the other parcels that comprise the Fort Pitt Playground as ultimately, the City and its partners are going to update/expand the park.

<b>Oak Hill Brackenridge</b> (FY19 MTW Plan HUD Approved Amendment)	The HACP submitted a disposition application in August 2019 for a vacant land owned by the HACP in the Oak Hill mixed-income community in support of a new rental housing development proposed by Oak Hill master developer, Beacon Corcoran Jennison. The development is going to be a subphase of Oak Hill Phase II. This development will be new construction of approximately 140 market-rate rental units. The land will be sold, or ground leased to the master developer or a new owner entity.
<b>Elmer Williams Square</b>	The project consists of 36 rehabilitated units and 1 new construction unit, total 37 units. Two (2) units will also be fully accessible and meet Uniform Federal Accessibility Standards. All 37 units will be subsidized by HCV PBVs. The project is expected to be completed and leased up by 2020.
<b>City's Edge</b>	Identified through the PBV Plus Gap competitive selection process in 2018. The HACP has committed to awarding 77 PBV Units and gap financing for the project located in the Uptown Neighborhood of Pittsburgh. The development is a new Construction, mixed-use, mixed-income, nine-story, condominium, elevator building. It will have 110 units total, 77 of which will be supported by Project-Based Vouchers, and 33 will be Market Rate. There will be a commercial component of the property that includes a parking garage and proposed space for a daycare, after school program, MBE/WBE incubation space, restaurant, medical care facility, business center, and a fitness room.
<b>Acquisition and Build-Out of New Administrative Space and Disposition of HACP Office</b>	The HACP purchased office space located at 412 Boulevard of the Allies (f.k.a. 420 Boulevard of the Allies) on September 20, 2018. . The new space will be renovated to suit the needs of the HACP's staff. The HACP will also dispose of its current administrative space located in the John P. Robin Civic Building, which is expected to take place in 2020. All moving for the new space should be completed by the end of 2020.
<b>Oak Hill RAD</b>	A nine percent (9%) tax credit application will be submitted to the PHFA in 2019 for the Oak Hill Major Reconstruction of Obsolete Properties (MROP) units. If awarded, a closing for this phase should take place by the end of 2020. A Converted Awaiting Transfer request has been approved by HUD for early demolition of the units in the meantime.
<b>2017 PBV/Gap Financing RFP</b> (MTW Local Non-Traditional activity)	<ol style="list-style-type: none"> <li>1. Lemington Senior Housing: In the process of predevelopment of 54</li> <li>2. PBV Units for a Total of 54 Units.</li> </ol>

<b>2018 PBV/Gap Financing RFP (MTW Local Non- Traditional activity)</b>	<ol style="list-style-type: none"> <li>1. City's Edge: In the process of preparing for financial closing by the end of 2019. (For more details, refer to the "City's Edge" section above.)</li> <li>2. North Negley Residences: In process of planning and predevelopment. 10 PBV Units, 77 Total Units</li> <li>3. New Granada Square: In process of predevelopment. 10 PBV Units, 40 Total Units</li> <li>4. Herron Ave/Ossipee Homes: In process of planning and predevelopment 24 PBV Units, 24 Total Units</li> <li>5. Western Restoration: In process of planning and predevelopment including other funding applications. 24 PBV Units, 96 Total Units</li> <li>6. Lexington Technology Park: In process of planning and predevelopment 50 PBV Units, 125 Total Units</li> </ol>
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### **Pursuit of Rental Assistance Demonstration (RAD) Conversions**

In order to secure the long-term viability of its existing housing stock, the HACP is pursuing conversion of some public housing units to HUD contracts for multi-family housing rental assistance through the Rental Assistance Demonstration (RAD) Program. The HACP received approval for the following properties:

- Glen Hazel Family Community and Glen Hazel High Rise (Conversion in 2018)
- Oak Hill (Conversion in 2017)

RAD financial closing occurred for Glen Hazel Family Community and Glen Hazel High Rise in 2018. Rehabilitation and relocation activities of Glen Hazel RAD will be completed in FY 2020. Oak Hill Phase I and Phase II-Wadsworth subphase were converted to HUD Project-based Rental Assistance (PBRA) through the Rental Assistance Demonstration (RAD) Program in 2017. Major Reconstruction of Obsolete Public Housing Projects (MROP) public housing buildings (originally built in 1941) in Oak Hill Phase I have been approved for demolition and replacement of the 80 MROP public housing units. Oak Hill's master developer will continue its efforts of securing development funds to complete the replacement of the MROP units.

The HACP is amending the FY 2020 MTW Annual Plan as HUD issued a RAD award letter to the HACP on February 14, 2020 that approved the applications for conversion of 86 public housing units. All information pertaining to the RAD amendment is included as Appendix IV.

## Long Term Development and Redevelopment Funding Projections

Below are charts showing projected funding obligations over the next five (5) years. Not included in the charts are funding and financing strategies, including those that use MTW funding flexibility and support and leverage MTW funds to support redevelopment of these properties. As funding opportunities and financing mechanisms change, and creative approaches are devised, the HACP will adapt and adopt the approaches that are most advantageous to the agency. These approaches include but are not limited to the following:

- Low-income Housing Tax Credits, Historic Tax Credits, and/or New Market Tax Credits.
- Federal, State, and Local Housing Trust Funds dollars as available.
- Other Federal, State, and Local funds such as CDBG, HOME, PA Department of Community and Economic Development Programs, and others as can be secured.
- HUD's new and evolving financing and transformation initiatives (if authorized), or other similar approaches.
- Project-Based Voucher: Project basing Housing Choice Vouchers.
- The HACP's Moving to Work *Step Up To Market Financing Program*.
- Gap Financing program, an MTW local non-traditional development sources approved by HUD
- Any and all other opportunities and mechanisms that are available or can be identified that will assist the HACP in furthering its goals under MTW and under the LIPH and HCV programs.



Sources	Projected Sources	2020	2021	2022	2023	2024	5-Year SubTotals
	MtW Funding (HCV)	8,285,933	8,285,933	8,285,933	8,285,933	8,285,933	41,429,665
	CFP Projected Future Funding	11,307,186	10,000,000	10,000,000	10,000,000	10,000,000	51,307,186
	Program Income	6,000,000	500,000	0	0	0	6,500,000
	MtW Reserves	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
	Total All Projected Sources	35,593,119	28,785,933	28,285,933	28,285,933	28,285,933	149,236,851

Uses	Proposed Uses		2020	2021	2022	2023	2024	5-Year SubTotals
	HACP-WIDE	Administrative	1,130,719	1,500,000	1,500,000	1,500,000	1,500,000	7,130,719
		Security	5,989,625	5,989,625	5,989,625	5,989,625	5,989,625	29,948,125
		Hazardous Materials	100,000	100,000	100,000	100,000	100,000	500,000
		Environmental	80,000	80,000	40,000	40,000	80,000	320,000
		Green Physical Needs Assessment & Integrated Energy Audit	194,000	0	0	0	0	194,000
		Utility Systems Engineering	0	0	0	0	0	0
		Architectural/Engineering	2,000,000	2,000,000	2,000,000	2,000,000	594,035	8,594,035
		Construction Management	1,000,000	1,000,000	1,000,000	1,000,000	0	4,000,000
		Site Improvements	500,000	500,000	500,000	500,000	500,000	2,500,000
		Legal	100,000	100,000	100,000	100,000	100,000	500,000
		UFAS 3rd Party Certifications	25,000	25,000	25,000	25,000	25,000	125,000
		Relocation	50,000	50,000	50,000	50,000	50,000	250,000
		Resident Services	2,296,308	2,296,308	2,296,308	2,296,308	2,296,308	11,481,540
		Subtotal HACP-Wide Uses	13,465,652	13,640,933	13,600,933	13,600,933	11,234,968	65,543,419
	Subtotal Development		21,050,591	20,000,000	14,500,000	30,000,000	23,000,000	108,550,591
	Subtotal Modernization		200,000	5,788,281	715,550	9,629,251	8,486,221	24,819,303
	Total All Proposed Uses		34,716,243	39,429,214	28,816,483	53,230,184	42,721,189	198,913,313

Proposed Development	2020	2021	2022	2023	2024	5-Year SubTotals
HACP Headquarters	3,000,000	0	0	0	0	3,000,000
Larimer CN Phase 4	2,000,000	0	0	0	0	2,000,000
Larimer CN Phase 3	0	500,000	0	0	0	500,000
Manchester Rehab+New Constr	6,000,000	5,000,000	0	0	0	11,000,000
Bedford Phase 1B (PBV/Gap Finance for URA Centre Ave RFQ)	0	5,000,000	2,000,000	4,000,000	0	11,000,000
Northview Midrise & Town Center	0	500,000	500,000	5,000,000	0	6,000,000
Oak Hill RAD & Future Phases	0	1,000,000	0	0	0	1,000,000
Scattered Sites S.18 Ph. 1	0	0	5,000,000	9,000,000	0	14,000,000
Scattered Sites S.18 Ph. 2	0	0	0	0	12,000,000	12,000,000
Bedford Phase 2	0	0	0	0	1,000,000	1,000,000
Arlington Heights Phase 1	0	0	0	2,000,000	0	2,000,000
PBV/Gap*	10,050,591	8,000,000	7,000,000	10,000,000	10,000,000	45,050,591
Subtotal Development	21,050,591	20,000,000	14,500,000	30,000,000	23,000,000	108,550,591

\*PBV/Gap, previously referred to as “Gap Financing” in the FY 2019 MTW Annual Plan has been truncated into one line instead of being separate components to provide the HACP with more flexibility.



Proposed Modernization		2020	2021	2022	2023	2024	5-Year Subtotals
901	Addison (201 Kirkpatrick St Central Maintenance)	0	0	0	0	146,852	146,852
902	Bedford Dwellings	0	0	0	0	0	0
904	Arlington Heights	0	5,588,281	15,550	1,758,976	2,932,541	10,295,348
905	Allegheny Dwellings	0	0	0	0	0	0
909	Northview Heights	0	0	500,000	0	1,195,222	1,695,222
915	PA Bidwell / D.O.C.	0	0	0	324,765	514,897	839,662
917	Pressley	0	0	0	1,760,443	1,334,592	3,095,035
920	Homewood North	0	0	0	2,268,107	135,023	2,403,130
922 & 939	Scattered Sites / Hamilton Larimer	0	0	0	1,185,240	515,277	1,700,517
931	Murray Towers	0	0	0	0	0	0
932	Glen Hazel Family (incl. Renova)	0	0	0	0	0	0
933	Glen Hazel Highrise	0	0	0	0	0	0
940	Mazza Pavillion	0	0	0	0	75,142	75,142
941	Caliguiri Plaza	0	0	0	286,546	172,941	459,487
944	Finello Pavillion	0	0	0	469,913	33,295	503,208
945	Morse Gardens	0	0	0	1,117,967	141,175	1,259,142
946	Carrick Regency	0	0	0	208,369	966,736	1,175,105
947	Gualtieri Manor	0	0	0	48,925	122,528	171,453
999	Authority Wide	200,000	200,000	200,000	200,000	200,000	1,000,000
Subtotal Modernization		200,000	5,788,281	715,550	9,629,251	8,486,221	24,819,303

## **Theme Two: Promoting Self-Sufficiency and Independent Living Through a Variety of Enhanced Services and Policy Adjustments.**

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The HACP is committed to continuing the pursuit of programs and policies that promote self-sufficiency and independent living. This is pursued through programs and policy modifications.

The HACP's Family Self-Sufficiency (FSS) Program, called Realizing Economic Attainment For Life or REAL, includes the Resident Employment Program (REP). REAL and REP provide a variety of supports, programs, and referrals to residents of the LIPH and the HCV programs to assist them in preparing for, seeking, finding, and retaining employment. The program and the HACP also work constantly to link with other programs, leverage additional services, and create positive environments for families, adults, seniors, and children. REAL and REP are complemented by the programs provided by the HACP and its partners that focus on youth of varying ages, including the BJWL after school and summer programs, YouthPlaces, the Clean Slate Drug Free Lifestyles and Youth Leadership Development Program, and the Creative Arts Corner state of the art audio/video studios at Northview Heights and the Bedford Hope Center. The HACP's investments in resident services have leveraged over \$4,000,000 per year in additional programs and services in recent years.

The REAL program's service coordinators are FSS Program Service Coordinators and they are funded by FSS/ ROSS grants from HUD. There are many service providers that provide in-kind services to our residents. Some of these providers include: The Community College of Allegheny County, the Health Professionals Opportunity Grant, Catholic Charities, 412 Food Rescue, City Parks, Ananias Mission, Grow Pittsburgh, Duquesne University, the Juvenile Reentry Assistance Program, "Y on the Fly", the Beverly Jewel Wall Lovelace Children's Program and YouthPlaces.

The Clean Slate Program, REP, Creative Arts Corner, Computer Training Program, GED prep program, Drivers Education and all resident services are front lined out of the Central Office Cost Center (COCC).

The HACP policy modifications are also designed to promote self-sufficiency, and the modified rent policy (as described in Section IV), is designed to encourage families to participate in the FSS program.

The broad intent of these initiatives is to create an environment where work is the norm and personal responsibility is expected, and the HACP will pursue additional policy adjustments toward this end. Such policy changes may include increasing the minimum rent for those able-bodied non-elderly residents who do not work or participate in the FSS program for over one year; partnering with schools to create academic achievement support and/or incentive programs, or other mandatory school attendance programs for residents; or other creative initiatives still to be identified or developed. Any new initiatives will be included in the appropriate portions of Parts III or IV of this or future MTW Annual Plans.

**Theme Three: Increasing housing choices for low-income families through initiatives designed to increase the quality and quantity of housing available to households utilizing rental assistance and other available resources.**

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As the city of Pittsburgh housing market has changed in recent years, the availability of affordable housing has declined. These market changes have affected both naturally occurring affordable units and those available to households utilizing HCVs. In response, the HACP initiated its initial landlord initiatives in an attempt to increase the number of landlords participating in the HCV program, and to increase the number and quality of units available. The HACP received approval in the FY 2019 MTW Annual Plan for an alternative payment standard to address the limited housing stock and increased rental costs.

During the on-going implementation of this initiative, the HACP seeks to increase housing choice and encourage voucher participants to expand their housing search, particularly in neighborhoods with low levels of poverty. Recognizing that using a single city-wide Voucher Payment Standard (VPS) stimulated voucher holders to reside in low-cost, high-poverty neighborhoods, the HACP devised a robust and comprehensive method for establishing Payment Standards and rent reasonableness determinations. The goals of this activity are to:

1. Expand housing choices by providing access to more neighborhoods;
2. Create additional units from previously sub-standard properties and improve the quality of existing units;
3. Decrease concentration of voucher usage in high poverty areas.

The HACP plans to continue further analysis of these market changes and will pursue additional initiatives targeted to increasing the number and quality of housing options for households utilizing tenant-based rental assistance.

## II. GENERAL HOUSING AUTHORITY OPERATING INFORMATION

### Housing Stock Information

(I) GENERAL OPERATING INFORMATION
<u>ANNUAL MTW PLAN</u>

#### A. HOUSING STOCK INFORMATION

##### i. Planned New Public Housing Units

New public housing units that the MTW PHA anticipates will be added during the Plan Year.

ASSET MANAGEMENT PROJECT (AMP) NAME AND NUMBER	BEDROOM SIZE						TOTAL UNITS	POPULATION TYPE*	# of Uniform Federal Accessibility Standards (UFAS) Units	
	0/1	2	3	4	5	6 +			Fully Accessible	Adaptable
Scattered Sites North PA039	0	15	9	0	1	0	25	General	2	1

Total Public Housing Units to be Added in the Plan Year:

25

\* Select "Population Type" from: General, Elderly, Disabled, Elderly/Disabled, Other If "Population Type" is "Other" please describe:

General

##### ii. Planned Public Housing Units to be Removed

Public housing units that the MTW PHA anticipates will be removed during the Plan Year

AMP NAME AND NUMBER	NUMBER OF UNITS TO BE REMOVED	EXPLANATION FOR REMOVAL
Scattered Sites PA039	28	This is a prior HUD approved demolition of 6 buildings at Hamilton-Larimer. Actual demolition may not occur prior to 2020.
Oak Hill MROP PA066	80	HUD approved demolition of MROP public housing units as part of Oak Hill RAD conversion.

Total Public Housing Units to be Removed in the Plan Year:

108

iii. Planned New Project Based Vouchers

Tenant-based vouchers that the MTW PHA anticipates project-basing for the first time during the Plan Year. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. Indicate whether the unit is included in the Rental Assistance Demonstration (RAD).

PROPERTY NAME	NUMBER OF VOUCHERS TO BE PROJECT-BASED	RAD?	DESCRIPTION OF PROJECT
Larimer Phase IV	18	No	CNIG replacement units
Northview Mid Rise	40	No	PBV units in mixed finance development
Bedford Redevelopment Phase I	30	No	First phase of lower Bedford Dwellings redevelopment (using PBV + Gap financing, rehabilitation, and/or new construction)
City's Edge	77	No	PBV + Gap financing
Lemington Senior Housing	54	No	PBV + Gap financing
New Granada Square	10	No	PBV + Gap Financing
North Negley	10	No	PBV + Gap financing
Ossipee Project	24	No	PBV + Gap financing
Western Restoration (aka, Bedford Senior)	24	No	PBV + Gap financing
Lexington Technology Park Housing	50	No	PBV + Gap financing

Planned Total Vouchers to be Newly Project-Based:

337

iv. **Planned Existing Project Based Vouchers**

Tenant-based vouchers that the MTW PHA is currently project-basing in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. Indicate whether the unit is included in RAD.

\* Select "Planned Status at the End of Plan Year" from: Committed, Leased/Issued

PROPERTY NAME	NUMBER OF PROJECT-BASED VOUCHERS	PLANNED STATUS AT END OF PLAN YEAR*	RAD ?	DESCRIPTION OF PROJECT
Skyline Terrace (Addison Phase I)	168	Leased	No	HAP Contract in place. First Phase of Addison Redevelopment
Lofts at Bentley (Addison Phase II)	64	Leased	No	HAP Contract in place. Phase II at Addison Terrace Redevelopment
Addison Phase III (Middle Hill)	37	Leased	No	HAP Contract in place. Third phase of Addison Terrace Redevelopment
Addison Phase IV (Kelly Hamilton Homes)	42	Leased	No	HAP Contract in place. Fourth and final phase of Addison Terrace Redevelopment
Allegheny Dwellings I (Sandstone Quarry)	47	Leased	No	HAP Contract in place. Phase I of Allegheny Dwellings Redevelopment
Allegheny Union Baptist Association	36	Leased	No	HAP Contract in place. Senior building.
Crawford Square	60	Leased	No	Re-syndication of mixed finance development. HAP Contract in place. Currently undergoing modernization.
Dinwiddie III and IV	14	Leased	No	HAP Contract in place.
Doughboy	8	Leased	No	HAP Contract in place.
East Liberty Place South	6	Leased	No	HAP Contract in place.
Hillcrest Senior Apartments	16	Leased	No	HAP Contract in place.

Larimer Pointe	40	Leased	No	HAP Contract in place.
Larimer/East Liberty Phase I	28	Leased	No	HAP Contract in place.
Legacy Apartments (Senior)	16	Leased	No	HAP Contract in place. Senior Building.
Mackey Lofts	11	Leased	No	HAP Contract in place. Building for Hearing Impaired Households
Millers Street Apartments	9	Leased	No	HAP Contract in place.
Elmer Williams Square	37	Leased	No	PBV/Gap Financing. 2020 construction completion.
Milliones Manor (Senior)	38	Leased	No	HAP Contract in place. Senior Building
Wood Street Commons	65	Leased	No	HAP Contract in place. Single room occupancy (SRO) units located Downtown

Planned Total Existing Project-Based Vouchers:

991



v. Planned Other Changes to MTW Housing Stock Anticipated During the Plan Year

Examples of the types of other changes can include (but are not limited to): units held off-line due to relocation or substantial rehabilitation, local, non-traditional units to be acquired/developed, etc.

PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR
Possible addition of scattered site units through acquisition and rehabilitation in FY 2020.
Potential disposition of vacant lots and select deteriorating scattered sites properties
Potential demolition of vacant, obsolete 80 MROP public housing units in Oak Hill pursuant to HUD RAD demolition approval.
Planned demolition of Hamilton-Larimer public housing units pursuant to HUD-approved demolition under Choice Neighborhoods Implementation Grant program.

vi. General Description of All Planned Capital Expenditures During the Plan Year  
vii. Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING THE PLAN YEAR
<p>The HACP plans a variety of capital improvements in its properties. Under MTW single fund flexibility, some will be funded by Capital Fund and some by other sources. Referenced herein are activities by development that are a continuation from prior years as well as new activities for the plan year. Additional information is included in Section V and appendices.</p> <p><b>Continued Modernization Activities from prior year(s):</b></p> <p><b><u>By Development:</u></b></p> <ul style="list-style-type: none"> <li>● Facilities Services – Central Maintenance Renovation</li> <li>● Bedford Dwellings – Plumbing Improvement</li> <li>● Bedford Dwellings – (Hope Center) – Renovations/Improvements</li> <li>● Pennsylvania Bidwell High Rise – Roof Replacement, Overhead Door Replacement, Trash Compactor Replacement, Exterior Wall Repair, Mechanical Work</li> <li>● Pennsylvania Bidwell - (Direct Opportunities Center) - Roof Replacement, Interior Floor Finish Replacement, Energy Conservation Measure, Interior Acoustical Tile Replacement</li> <li>● Pressley Street High Rise - Mechanical Upgrade, Roof Replacement, Windows and Louver Replacement, Exterior Door/Overhead Door Replacement, Trash Compactor Replacement, Interior Floor Finish Replacement, Energy Conservation Measure</li> <li>● Northview Heights - Comprehensive Modernization, Mechanical Equipment Upgrade, Exterior Door Replacement, Exterior Wall Repair, New Waste Transfer Station</li> <li>● Homewood North – Sprinkler System Improvement, Site Work Improvement, Window Replacement, Interior Stair Replacement, UFAS Door and Threshold Modification, Roof Replacement, Exterior Wall Repair, Siding Replacement, Lighting Improvement</li> <li>● Arlington Heights – General Improvement, Comprehensive Modernization</li> <li>● Caliguiri Plaza – Interior Upgrades, Trash Compactor Replacement, Mechanical Work</li> <li>● Finello Pavilion – Interior Floor Finish Replacement, Floor Drain Replacement, Trash Compactor Replacement,</li> </ul>

Window Replacement

- Morse Gardens - Mechanical Work, Boiler Replacement, Chiller Replacement
- Carrick Regency – Interior Upgrades, Mechanical Work, Window Replacement
- Gualtieri Manor - Mechanical Work, Partial Comprehensive Modernization, Energy Conservation Measure
- Scattered Sites - Partial Comprehensive Modernization, Waterproofing & Foundation Repair, Hamilton Larimer Demolition/Green Stormwater Infrastructure
- Fairmont Apartments – Hillside Restoration

**Authority Wide:**

- Utility Infrastructure Systems Engineering Services
- Architectural & Engineering Services
- Office Building - Central Office Facility Related Services
- Environmental Services
- Construction Management Services
- Hazardous Materials Work
- Exterior Site Work Improvements
- Balcony Repairs

**New Modernization Activities:**

**Authority-Wide:**

- Green Physical Needs Assessment/Integrated Energy Audit Services
- Authority-Wide – REAC Repairs

**B. LEASING INFORMATION****i. Planned Number of Households Served**

Snapshot and unit month information on the number of households the MTW PHA plans to serve at the end of the FY 2020 Annual Plan Year.

PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH:	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED *	PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED**
MTW Public Housing Units Leased	38976	3248
MTW Housing Choice Vouchers (HCV) Utilized	66900	5575
Local, Non-Traditional: Tenant-Based^	N/A	N/A
Local, Non-Traditional: Property-Based^	5832	486
Local, Non-Traditional: Homeownership^	2172	181

Planned Total Households Served:

<b>113880</b>	<b>9490</b>
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\* “Planned Number of Unit Months Occupied/Leased” is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

\*\* “Planned Number of Households to be Served” is calculated by dividing the “Planned Number of Unit Months Occupied/Leased” by the number of months in the Plan Year.

^ In instances when a local, non-traditional program provides a certain subsidy level but does not specify a number of units/households to be served, the MTW PHA should estimate the number of households to be served.

LOCAL, NON-TRADITIONAL CATEGORY	* MTW ACTIVITY NAME/NUMBER	PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED	**PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED
Tenant-Based	N/A	N/A	N/A
Property-Based	Step up to Market Financing MTW (Activity 9)	5832	486
Homeownership	Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second MTW (Activity 7)	2172	181

\* Refer to MTW Section IV for further information on the cited MTW Activities

\*\*The sum of the figures provided should match the totals provided for each local, non- traditional category in the previous table. Figures should be given by individual activity. Multiple entries may be made for each category if applicable.

ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing  
Discussions of any anticipated issues and solutions in the MTW housing programs listed.

HOUSING PROGRAM	DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS
MTW Public Housing	No issues leasing units anticipated.
MTW Housing Choice Voucher	Challenges are expected as rents continue to rise particularly in emerging neighborhoods once affordable under current FMR. Older housing in Pittsburgh continues to fail HQS inspections and there is a scarcity of landlords. The HACP plans to increase lease up through new landlord incentives and the approved alternative payment standard.
Local, Non-Traditional	Small community-based developers are not familiar with HUD and the HACP rules and regulations for the PBV/Gap Financing program. The HACP has created PBV/Gap Financing Program & Underwriting Guidelines and will continue to update the Guidelines as needed. The HACP will continue to share these guidelines with developers so that they are in a position to submit appropriate proposals.

### C. WAITING LIST INFORMATION

i. Waiting List Information Anticipated  
Snapshot information of waiting list data as anticipated at the beginning of the Plan Year. The “Description” column should detail the structure of the waiting list and the population(s) served.

WAITING LIST NAME	DESCRIPTION	NUMBER OF HOUSEHOLDS ON WAITING LIST	WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED	PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR
Public Housing	Site Based	5603	Partially Open	Yes
Housing Choice Voucher	Tenant Based Vouchers	7,482	Closed	Yes
Homeownership	N/A	N/A	N/A	N/A
Project Based Vouchers	Site Based	6247	Partially Open	Yes

Please describe any duplication of applicants across waiting lists:

There may be duplications between the Public Housing and Housing Choice voucher program.

The Project Based Voucher: wait list may have duplicates across lists. Properties are also privately managed and wait lists open and close based upon demand.

The Homeownership program: No wait list has been established for this program. Program participation is open to otherwise eligible families; if demand for soft second mortgage assistance approaches budget limit a waiting list of participants with mortgage pre-approval letters will be established.

ii. Planned Changes to Waiting List in the Plan Year

0

Please describe any anticipated changes to the organizational structure or policies of the waiting list(s), including any opening or closing of a waiting list, during the Plan Year.

WAITING LIST NAME	DESCRIPTION OF PLANNED CHANGES TO WAITING LIST
Public Housing	All lists remain open except Non UFAS high-rise one-bedroom units.
Housing Choice Voucher	Wait list is expected to reopen in FY 2020. New PBV site-based wait lists may open in FY 2020 and the existing PBV site-based wait lists may reopen in FY 2020.

### **III. PROPOSED MOVING TO WORK ACTIVITIES**

#### **A. HUD Approval Requested (New Activities)**

Proposed New Activity Summary:

In pursuit of the HACP organizational goals, the Agency will continue the Moving To Work (MTW) activities initiated in prior years and is not proposing any new activities for FY 2020.

#### **IV. APPROVED MTW ACTIVITIES: HUD APPROVAL PREVIOUSLY GRANTED**

<b>Activity</b>	<b>Plan Year Approved</b>	<b>Plan Year Implemented</b>	<b>Current Status</b>
1. Pre-Approval Inspection Certification for Multi-Unit Housing	2015 Annual Plan	2015	Implemented
2. Preferred Owners Program	2015 Annual Plan	2015	Implemented
3. Modified Rent Policy - Work or FSS Requirement or increased minimum tenant payment for non- exempt HCV households	2011 Annual Plan	2011	Implemented
4. Modified Rent Policy - Work or FSS Requirement or increased minimum rent for non-exempt LIPH households	2008 Annual Plan	2008-2009	Implemented
5. Revised Recertification Policy – at least once every other year – for Section 8/HCV	2008 Annual Plan	2008	Implemented
5. Revised Recertification Policy – at least once every other year – for LIPH	2009 Annual Plan	2009	Implemented



6. Homeownership Program: Operation of Combined LIPH and Section 8/HCV Homeownership Program; Program assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, and foreclosure prevention. To establish a soft- second mortgage waiting list; expand eligibility to persons on the LIPH and HCV program waiting lists; expand eligibility to persons eligible for LIPH	Combined Program approved in 2007; other elements approved in 2010; expansion of eligibility to person eligible for LIPH in 2014	2007 2010 2014	Implemented  Updated  Updated
7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted.	2001 Annual Plan	2001	Implemented
8. Modified Payment Standard Approval - establish Exception Payment Standards up to 120% of FMR without prior HUD approval.	2004 Annual Plan; additional features in 2013 Annual Plan	2004 2013	Implemented  Updated for persons with disabilities; for exception areas.
9. Step Up To Market Financing Program <i>[Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization to include Local Non-Traditional Development i.e., Project-Based Vouchers and Gap Financing]</i>	2012 Annual Plan; additional features in technical amendment to 2017 Annual Plan	2013 2017	In implementation Ongoing
10. Local Payment Standard-Housing Choice Voucher Program	2019 Annual Plan	2019	In implementation Ongoing

## A. Implemented Activities-Ongoing

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### 1. Pre-Approval Inspection Certification for Multi-Unit Housing

#### Description

The Pre-Approval Inspection Certification process will apply to buildings with four (4) or more units located within a single structure; the pre-approval process cannot be applied to scattered site housing. All units seeking Pre-Approval Inspection Certification must be vacant at the time the HQS inspection occurs and must remain vacant until a Request for Tenancy Approval is submitted for the unit. Pre-Approval Inspection Certification status will only be accepted for tenancy approvals during the 60-day period after the unit passes HQS inspection. If a Request for Tenancy Approval is submitted after the 60-day qualifying period, a new initial HQS inspection must be performed before the unit is approved for tenancy. HAP payments are not tied to the Pre-Approval Inspection. The HAP payments will begin from the tenancy certification date only. This activity was approved and implemented in 2015. The HACP proposed the following modifications to this activity which were HUD approved with the FY 2019 MTW Annual Plan in June 2019.

#### **Landlord Activities, Support, and Incentives: Available to all participating landlords**

The HACP is aware that the price of the unit is not the only means to attract landlords to the program but can serve as a mechanism to incentivize landlords who typically would not participate in the HCV program. While the HACP has two (2) HUD-approved landlord related activities in the current MTW Plan, additional support and incentive modifications for landlords were added during the FY 2019 fiscal year. The incentives available to any participating landlord include:

- I. Pre-Inspections: Landlords will be able to schedule inspections prior to finding an HCV participant. This process will allow for new landlords to determine if a potential unit is viable under the Housing Quality Standards (HQS) as well as decreasing the lead time between initial submission of the Request for Tenancy Approval (RFTA) and lease up.
  - i. If the unit fails the inspection, the landlord is made aware of the deficiency and can move forward with the necessary repairs. The landlord would still need to achieve a passing score to move forward in the process.
  - ii. If the unit passes the inspection, then the unit is deemed satisfactory for 90 days and any Request for Tenancy Approval (RFTA) submitted in that time frame can move forward in the leasing processes without an additional inspection. If a RFTA is not submitted within the 90-day period, the unit and the passing score becomes void and a new inspection will be required prior to the HACP approval.

The landlord incentives previously offered in this activity were only available to landlords who meet the criteria for multi-unit inspections. The incentives associated with the approved payment standard are available to *any* landlord that is approved for the corresponding payment standard.

- a) Landlord Education: After conducting interviews and surveying current landlords it was apparent there was a disconnect between the HACP and landlords. The HACP is implementing the following items to further incentivize landlords:
  - i. Create and attend community outreach events to inform and recruit new landlords
  - ii. The HACP is conducting monthly landlord workshops to educate new and current landlords about the program
  - iii. Landlords have access to a web-based platform via the HACP website that will provide up to date information about their properties such as inspection dates and the status of outstanding contracts.
- II. The Pre-Approval inspection will be applicable to any unit within HACP's jurisdiction without the requirement of being located within a structure containing four or more units.
- III. Pre-Approval Inspection Certification status will only be accepted for tenancy approvals during the 90-day period after the unit passes HQS inspection. If a Request for Tenancy Approval (RFTA) is submitted after the 90-day qualifying period, a new initial HQS inspection must be performed before the unit is approved for tenancy.

### **Changes and Modifications:**

No changes to this activity during this fiscal year.

### **Authorization**

Attachment C (D)(5)

Attachment C(D)(1)(d)

### **Regulatory Citation**

24 CFR 982.311.

24 CFR982 Subpart I

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## **2. Preferred Owners Program**

### **Description**

The Preferred Owners Program provides incentives to landlords to participate in the HCV Program and to provide quality housing units in a variety of neighborhoods. Participating landlords must consistently pass Housing Quality Standards (HQS) inspections and participate in annual training. In return, they will receive priority placement of their listings on the HACP apartment listings website and can be eligible for the following:

a) Changes in inspection schedule:

- i. Priority inspection scheduling- Preferred Owners will be moved to the top of the waiting list for annual and initial inspections.
- ii. Biennial inspections- Owners who have passed annual inspection on the first inspection for the past three consecutive years will be moved to biennial inspections. If a future inspection results in a fail, the owner will be removed from the Preferred Owners Program and will return to an annual inspection schedule.
- iii. Acceptance of prior inspections for new tenancies if an annual or initial inspection was conducted less than 60 days ago for vacated units- If, after initial inspection and move-in, a unit is vacated for any reason and a new RFTA is returned for a new voucher holder in the same unit within 60 days, the previous inspection will be accepted as the initial inspection for the new RFTA.
- iv. Construction completion inspection to be accepted as initial inspection for project-based voucher units for 60 days- When PBV owners or property managers are Preferred Owners, the construction completion inspection on a new PBV unit can be used as the initial inspection if the unit is occupied within 60 days of that inspection.

b) Vacancy Payments

When a voucher holder moves out, if the landlord releases the unit to another voucher holder, the HACP will issue vacancy payment of two months of the previous tenant's HAP as a HAP Adjustment Vacancy Payment. The impact of this initiative is to encourage landlords to work with the HACP and the HCV program long-term, preserving housing for families at or below 50% AMI.

The landlord incentives in this activity are only available to landlords who meet the criteria of the HACP preferred owners' program. The incentives associated with the proposed payment standard are available to *any* landlord that is approved for the corresponding payment standard.

### **Application for Membership**

In order to gain membership to the Preferred Owners Program, an owner or property manager must apply by submitting a form to the HCV office. This form will include:

1. Landlord's name;
2. Contact information;
3. Addresses of units currently leased to voucher holders;

4. Checklist of the standards for membership which must be passed by the landlord, which are:

- a. **Consistent HQS Inspection Passes**

Units have passed annual inspection on the first inspection for the past four consecutive years.

- b. **Trainings**

Preferred Owners must complete a minimum of one (1) training per year to maintain membership. All trainings will be provided free of charge to all landlords; however, to maintain membership in the Preferred Owners Program, owners or property managers must complete a minimum of one (1) training per year. Trainings may be chosen from the following options:

1. Screening Tenants- Includes information about background checks, references, and Fair Housing law.
2. The Magistrate Process- Includes information about legal recourse landlords may take if they feel their tenant has broken his or her lease.
3. Mental Health First Aid Training- This training is provided by Mercy Behavioral Health.
4. Real Estate continuing education credits may also be counted as Preferred Owners trainings when proof of completion is provided.

This activity was approved and implemented in 2015.

**Changes and Modifications**

No changes to this activity during this fiscal year.

**Authorization**

Attachment C (D)(5)

**Regulatory Citation**

24 CFR 982.311

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### **3. Modified Rent Policy with Work/FSS Requirement for Section 8/Housing Choice Voucher Program**

#### **Description**

Requires that any non-elderly, able-bodied head of household who is not working to either: a) participate in a self-sufficiency program, including but not limited to the HACP FSS program, other Local Self-Sufficiency program (LSS), welfare to work, or other employment preparation and/or training/educational program or b) pay a minimum tenant payment of \$150.00 per month. This policy provides additional incentives for families to work or prepare for work and increases overall accountability.

This activity was approved and implemented in 2011.

#### **Changes and Modifications**

No changes to this activity during this fiscal year.

#### **Authorization**

Section D. 2. a. of Attachment C

Section D. 1. of Attachment D

#### **Regulatory Citation**

24 CFR 982.311.

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### **4. Modified Rent Policy with Work/FSS Requirement for the Public Housing Program**

#### **Description**

Requires that any non-elderly, able-bodied head of household who is not working to either participate in the FSS Program or pay a minimum rent of \$150.00 per month. Hardship exemptions are permitted. This policy provides additional incentives for families to work or prepare for work. The HACP's objectives for this program include increased participation in the FSS Program, increased rent collections, and increased level of families working.

This activity was approved and implemented in 2008.

#### **Changes and Modifications**

No changes to this activity during this fiscal year.

#### **Authorization**

Section C. 11. of Attachment C

Section C. 3 of Attachment D

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## **5. Revised Recertification Requirements Policy**

### **Description**

The HACP may operate both the LIPH and the HCV Programs with a recertification requirement modified to at least once every two (2) years. Changes in income still must be reported, and standard income disregards continue to apply. This policy change reduces administrative burdens on the Authority, thereby reducing costs and increasing efficiency. The HACP's objectives for this initiative are reduced staff time and thus reduced costs, and improved compliance with recertification requirements by tenants and the HACP.

This activity was approved and implemented in 2008 and 2009 for the LIPH and HCV programs, respectively.

### **Changes and Modifications**

No changes to this activity during this fiscal year.

### **Authorization**

Section C. 4. of Attachment C (for public housing)

Section D.1. C. of Attachment C (for Housing Choice Voucher Program).

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## **6. MTW Homeownership Program**

### **a) Operation of a Combined Public Housing and Housing Choice Voucher Homeownership Program**

#### **Description**

The HACP operates a single Homeownership Program open to both the LIPH and HCV Programs households. This approach reduces administrative costs, expands housing choices for participating households, and provides incentives for families to pursue employment and self-sufficiency through the various benefits offered. By combining the programs, increased benefits are available to some families.

This activity was approved and implemented in 2007.

#### **Changes and Modifications**

No changes to this activity during this fiscal year.

#### **Authorization**

Section B. 1. and D. 8. of Attachment C

Section B. 4. of Attachment D

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- b) **Homeownership Assistance to include soft-second mortgage assistance coupled with closing cost assistance, homeownership and credit counseling, foreclosure prevention only; expanded eligibility to persons on the LIPH and HCV program waiting list and persons eligible; and establish a Homeownership Soft-Second mortgage waiting list.**

### **Description**

Initially approved in 2010, the following provisions of the HACP homeownership program are as follows for 2020:

- i. Provide soft-second mortgage financing for home purchases to eligible participants, calculated as follows: eligible monthly rental assistance x 12 months x 10 years, but in no case shall exceed \$52,000. The second mortgage is forgiven on a prorated basis over a ten-year period.
- ii. Expand Homeownership Program eligibility to include persons on the HACP's LIPH and HCV waiting lists who have received a letter of eligibility for those programs from the HACP or persons otherwise eligible but currently not on a wait list.
- iii. Establish a Homeownership Waiting List to assist in determining the order of eligibility for second mortgage Homeownership benefits.

This activity was initially approved and implemented in 2010 and revised in 2017.

### **Changes and Modifications**

No changes to this activity during this fiscal year.

### **Authorization**

Section B. and D. 8 of Attachment C

Section B. 4. of Attachment D

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## **7. Modified Housing Choice Voucher Program policy on maximum percent of Adjusted Monthly Income permitted**

### **Description**

The HACP's operation of the HCV Program allows flexibility in the permitted rent burden (affordability) for new tenancies. Specifically, the limit of 40% of Adjusted Monthly Income allowed for the tenant portion of rent is used as a guideline, not a requirement. The HACP continues to counsel families on the dangers of becoming overly rent burdened, however, a higher rent burden may be acceptable in some cases. This policy increases housing choice for participating families by giving them the option to take on additional rent burden for units in more costly neighborhoods.

This activity was initially approved and implemented in 2001.

### **Changes and Modifications**

No changes to this activity during this fiscal year.

### **Authorization**

Section D. 2. C. of Attachment C.

Section D. 1. B. of Attachment D.

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## **8. Modified Payment Standard Approval**

### **Description**

The HACP is authorized to establish Exception Payment Standards up to 120% of FMR (Fair Market Rent) without prior HUD approval. The HACP has utilized this authority to establish an Exception Payment Standard at 120% of FMR as a Reasonable Accommodation for a person with disabilities. The HACP has not utilized its authority to establish Exception Payment Standard Areas since 2007. Allowing the Authority to conduct its own analysis and establish Exception Payment Standards reduces administrative burdens on both the HACP and HUD (as no HUD submission and approval is required) while expanding housing choices for participating families.

In 2013, the HACP received approval for a modification to this activity allowing the HACP to establish an Exception Payment Standard of up to 120% of FMR for fully Accessible Units meeting the Requirements of the Uniform Federal Accessibility Standard (UFAS). This Exception Payment Standard can be used by tenants who require the features of a UFAS unit and locate such a unit on the open market; and may also be used by the HACP in the Project-Based Voucher Program or other rehabilitation or new construction initiatives that create additional fully accessible UFAS units.

This activity was initially approved and implemented in 2004 and revised in 2013. To date, fifty-six (56) Project-Based Vouchers (PBVs) use the exception payment standard that was approved in 2013.

### **Changes and Modifications**

No changes to this activity during this fiscal year.

### **Authorization**

Attachment C. Section D. 2. a.

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## **9. Step Up to Market Financing Program - Use of Block Grant Funding Authority for Development, Redevelopment, and Modernization**

### **Description**

The HACP will expand its use of the Block Grant authority authorized in the MTW Agreement to leverage debt to fund public housing redevelopment and modernization and affordable housing development and preservation. The goal is to address additional distressed properties in the HACP's housing stock prior to the end of the current MTW agreement expiring in 2028 and increase the variety and quality of available affordable housing in the City of Pittsburgh. Specifically, the HACP will identify properties for participation in the Step Up To Market Program and subsequent other local, non-traditional development, redevelopment, and modernization strategies to include, Gap Financing and Project-Based Vouchers. The HACP will utilize one or more of the referenced strategies, subject to any required HUD approvals, to achieve its development, modernization, and redevelopment goals. This broad list of authorities, including but not limited to, the following, have been generally approved but must be specifically identified for each planned project in future submissions:

- i. Project basing HACP units without competitive process.
- ii. Determining a percentage of units that may be project-based at a development up to 100% of units and permitting the initiation of site work prior to execution of the Agreement to Enter Into a Housing Assistance Payments contract (AHAP).
- iii. Project basing units at levels not to exceed 150% of the FMR as needed to ensure viability of identified redevelopment projects. Actual subsidy levels will be determined on a property-by-property basis and will be subject to a rent reasonableness evaluation for the selected site, and a subsidy layering review by HUD. When units are HACP-owned, the rent reasonableness evaluation will be conducted by an independent third party.
- iv. Extending eligibility for project-based units to families with incomes up to 80% of AMI.
- v. Establishing criteria for expending funds for physical improvements on PBV units that differ from the requirements currently mandated in the 1937 Act and implementing regulations. Any such alternate criteria will be included in an MTW Plan or Amendment submission for approval prior to implementation.
- vi. Establishing income targeting goals for the project-based voucher program, and/or for specific project-based voucher developments, that have a goal of promoting a broad range of incomes in project-based developments.
- vii. Other actions as determined to be necessary to fund development and/or modernization subject to any required HUD approvals, including, but not limited to, combining financial investments permitted under Section 9 of the Act with PBV Assistance permitted under Section 8 of the act, as identified in this section. The HACP will follow HUD protocol and submit mixed- finance development proposals to HUD for review and approval.
- viii. Acquisition of property without prior HUD approval as needed to take advantage of opportunities as they arise, with specific focus on parcels needed for site assembly for redevelopment and development projects. The HACP will ensure that all HUD site acquisition requirements are met.

### Specific Strategies and Properties:

The HACP and its partners have identified the following strategies that will leverage Low-income Housing Tax Credits and capital contributions by the HACP in order to complete the financing necessary for:

- Larimer/ East Liberty Redevelopment Phase III, IV and V
  - Bedford Dwellings Redevelopment Phase I
  - Addison Terrace Phase IV (Kelly Hamilton Homes)
  - Oak Hill Phase II
  - Manchester Revitalization
  - Scattered Site preservation or conversion project
  - Northview Heights High-Rise Replacement
  - Projects identified through the Project-Based Voucher Plus Gap competitive selection process
1. Project basing the HACP units without competitive process (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. a. authorizing the HACP “to project-base Section 8 assistance at properties owned directly or indirectly by the agency that are not public housing, subject to HUD’s requirement regarding subsidy layering.”).
  2. Determining a percentage of units that may be project based at a development, up to 100% of units and permitting the initiation of site work prior to execution of the Agreement to Enter into a Housing Assistance Payments contract (AHAP). (As authorized under Attachment C. Section B. Part 1. b. vi. (authorizing the provision of HCV assistance or project-based assistance alone or in conjunction with other private or public sources of assistance) and vii. (authorizing the use of MTW funds for the development of new units for people of low- income); and Part 1. c. (authorizing these activities to be carried out by the Agency, of by an entity, agent, instrumentality of the agency or a partnership, grantee, contractor or other appropriate party or entity); Attachment C. Section D. 7. c. (authorizing the agency to adopt a reasonable policy for project basing Section 8 assistance) and Attachment D. Section D. 1.c. (authorizing the HACP to determine property eligibility criteria).
  3. Extending Eligibility for project-based units to families with incomes up to 80% of AMI. (As authorized under Attachment C. Section B. Part 1. b. vi. and Part 1. c.; Attachment C. Section D. 7. (authorizing the agency to establish a project-based voucher program) and Attachment D. Section D. 1. a. (authorizing the agency to determine reasonable contract rents.).
  4. Acquisition of property without prior HUD approval in order to complete site assembly for these projects. As authorized under Attachment C. Section C. 13. (authorizing the acquisition of sites without prior HUD approval). Site work for acquired properties will begin upon completion of environmental review and/or any required development approvals when necessary.

5. Combining PBV Commitments with (LIHTC) and/or HACP Capital Investments and/or other financial resources to support the development, rehabilitation, or preservation of affordable housing units, as authorized under Attachment C., Section B. 1. b. (authorizing the use of MTW funds for any eligible activity under Section 9(d)(1), 9(e)(1) and Section 8(0) of the 1937 Act), and Attachment D. Section B. 1. (authorizing the acquisition, new construction, reconstruction or moderate or substantial rehabilitation of housing which may include financing and other related activities.)

The HACP will submit a full development proposal, including Rental Term Sheet, Pro Forms, Sources and Uses, schedules, and other detailed project information or local Non-traditional activity proposals as required based on each project's financing to HUD's Office of Public Housing Investments or other HUD office as directed for approval as part of the mixed finance approval process as per HUD's protocol, and will ensure completion of a subsidy layering review as required.

### **Local Non-Traditional Development: Development, rehabilitation, and/or preservation through Project Based Vouchers plus Gap financing**

In response to the growing demand for affordable housing, the HACP developed the PBV plus Gap financing tool. Using this financing tool, the HACP, through its instrumentality ARMDC, can provide gap funding (soft or hard debts) attached to PBV units. Funds are awarded through a competitive request for proposal process among developers/owners committed to the creation of additional affordable units within the city. In 2020, the HACP will continue to work with previous year's PBV/Gap Financing awardees and will issue Request for Proposals (RFPs) subject to budget availability. This initiative combines authorizations permitted under Section 8 PBV and Section 9 (capital investments). The investment will spur the development, rehabilitation, or preservation of high-quality affordable housing units by leveraging a spectrum of public and private investments. This approach maximizes the impact of existing available resources, incentivizes leveraging of other public and private financial resources, and supports the completion of projects at a lower cost to the HACP than is possible through other mixed-finance strategies employed by the HACP/ARMDC's co-developers or ARMDC's self-development team. Collaborating with various development teams and project owners, the PBV/Gap Financing program will support more housing choices throughout the city.

With the submittal of the FY 2019 MTW Annual Plan, the HACP made one non-significant change to this section, adding the specific provision "permitting the initiation of site work prior to Execution of the Agreement to Enter Into a Housing Assistance Payments contract (AHAP)." into the description of this initiative, and into the specific authorizations section, in conjunction with the authorization to project base up to 100% of the units in a development. This change assisted with streamlining the processes and expediting completion of replacement developments.

### **Changes and Modifications**

No changes to this activity during this fiscal year.

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## 10. Local Payment Standard-Housing Choice Voucher Program

### Description

The Housing Choice Voucher (HCV) program is financed by the U.S. Department of Housing and Urban Development (HUD) to provide rent subsidies in the form of Housing Assistance Payments (HAP) to private Landlords on behalf of extremely low and very low-income individuals/families, senior citizens, and persons with disabilities. The role of HCV landlords is to provide decent, safe, and sanitary housing to a tenant at a reasonable rent. The unit must pass the program's housing quality standards and be maintained up to those standards as long as the owner receives housing assistance payments.

Typically, a Public Housing Agency sets the Voucher Payment Standards (VPS) based on the Fair Market Rents (FMR), which are established at least annually by the U.S. Department of Housing and Urban Development (HUD). The VPS is the maximum subsidy (payment) the Housing Authority can provide toward the contract rent (rent plus utility allowance for utilities, stove or refrigerator paid or provided by the tenant). If the contract rent (rent plus utility allowance) is more than the VPS, the family must make up the difference out of its own pocket which can limit the housing options available to low-income families.

The City of Pittsburgh is comprised of 90 different neighborhoods, many of which are less than a single square mile. The diversity of the HACP's jurisdiction results in real estate markets that vastly differ between and within zip codes and even among census tracts. For example, one zip code may contain three to four neighborhoods each with varying markets that can change as Pittsburgh continues to become a hub for technology, education, and health care. Pittsburgh's unique topography and emerging job sector requires a rent schedule that provides flexibility regardless of location as well as targeting of specific neighborhoods that have historically been unattainable for low-income families. Additionally, the HACP found that the current payment standard perpetuates racial minority concentration as voucher holders were limited to low-income neighborhoods with similar racial demographics.<sup>1</sup> According to the American Community Survey most of Pittsburgh's minority populations are concentrated in several regions within the city or in specific neighborhoods. These areas also correlate with high concentrations of voucher participants and high concentrations of poverty. Utilizing research from the University of Pittsburgh, the HACP identified that average rents in the City were actually higher than the HUD Fair Market Rents (FMRs) and Small Area Fair Market Rents (SAFMRs) thus preventing access to high opportunity neighborhoods.

The HACP seeks to increase housing choice and encourage voucher participants to expand their housing search, particularly in neighborhoods with low levels of poverty. Recognizing that using a single city-wide Voucher Payment Standard (VPS) stimulated voucher holders to reside in low-cost, high-poverty neighborhoods, the HACP devised a robust and comprehensive method for establishing Payment Standards and rent reasonableness determinations. The goals of this activity are to:

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<sup>1</sup> Teixeira, Samantha & Zuberi, Anita. (2016). Mapping the Racial Inequality in Place: Using Youth Perceptions to Identify Unequal Exposure to Neighborhood Environmental Hazards. *International Journal of Environmental Research and Public Health*. 13. 844. 10.3390/ijerph13090844.



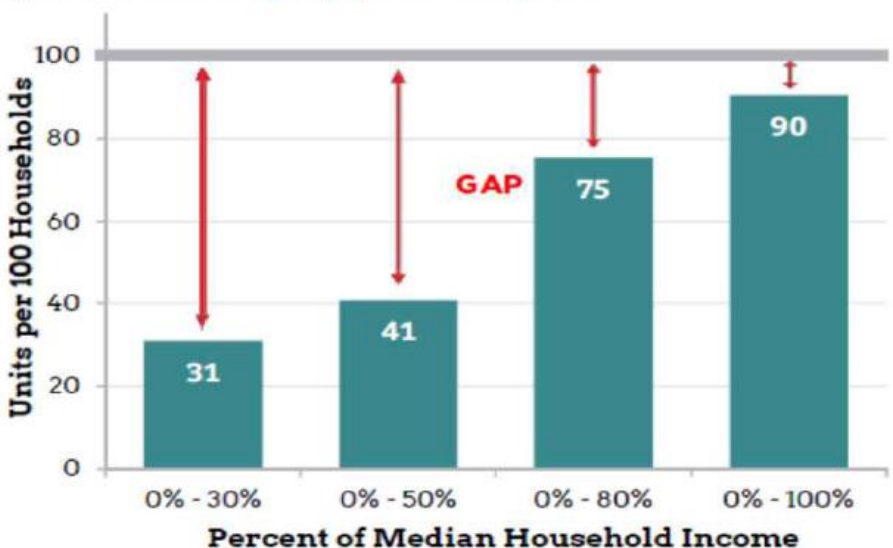
1. Expand housing choices by providing access to more neighborhoods;
2. Create additional units from previously sub-standard properties and improve the quality of existing units;
3. Decrease concentration of voucher usage in high poverty areas.

According to the City of Pittsburgh's Affordable Housing Task Force *Housing Needs Assessment* (released in 2016) the City is undergoing an affordable housing shortage. The Assessment utilized data from the American Community Survey (ACS), the United States Census Bureau (USCB), the city's median household income, Public Use Microsample (PUMS) and data from various city departments such as the Department of City Planning, Department of Permits Licenses and Inspections (PLI) and the Urban Redevelopment Authority (URA). The Assessment specifically cites the following<sup>2</sup>:

- There is a severe shortage of both rental and for-sale housing that is affordable and available to very-low-income (50% of the area median income) and extremely low-income (30% of the area median income) households.
- The shortage of decent, safe, sanitary, and affordable housing is causing tens of thousands [17,000]<sup>3</sup> of very-low-income and extremely low-income households to pay over half of their income for housing costs. The severe cost burden faced by these households makes them vulnerable to health hazards, eviction/foreclosure, and homelessness.
- Much of the city's existing affordable housing stock is both concentrated and often isolated in high-poverty/low opportunity areas which have poor access to jobs, public transportation, and educational opportunities perpetuating cycles of poverty.

Affordable Housing Gap:

*Affordable Housing Gap for Renters, 2014*



<sup>2</sup> Affordable Housing Task Force Housing Needs Assessment

<sup>3</sup> "Peduto looking beyond city hall as policy goals take shape" Pittsburgh Post-Gazette. February 12, 2018

<sup>4</sup> Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

During the development of the revised Local Payment Standard, the HACP conducted a six-month public engagement process with nearly 200 members of the community and facilitated over fifteen (15) public and industry meetings. After receiving comments from landlords, advocates, participants, housing providers, staff, and community organizations it was apparent the HACP needed to push for significant increases in successful lease rates among voucher participants. Based upon the comments received during the engagement process and the studies conducted by the University of Pittsburgh, Duquesne University, and the Affordable Housing Task Force, the HACP has set a goal of attracting 500 units via the proposed Local Payment Standard. The information below outlines the specifics of the proposed Local Payment Standard which will require extensive landlord outreach and continued community engagement.

In response to the current housing climate and the low voucher utilization rate, the HACP has developed a (3) prong approach in the development of an alternative payment standard. Based upon eligibility; landlords and participants will have the two (2) Options and a baseline.

#### **Baseline: The HACP Voucher Payment Standard**

The Baseline Voucher Payment Standard will remain at the HACP's current standard of 110 percent of the Metropolitan Statistical Area Fair Market Rent (MSAFMR), to be reviewed annually. This standard is within margins of the current 2019 FMR rents and projected 2020 FMR and should result in little to no change in cost to the agency or Housing Assistance Payments (HAP) provided to existing landlords.

Bedroom Size	2018 Fair Market Rent (FMR)	HACP 2018 Voucher Payment Standard	2019 Pittsburgh Metropolitan Statistical Area (MSA) FMR	Approved HACP Voucher Payment Standard Baseline (110% of MSAFMR)
0 bedroom	\$621	\$657	\$647	\$711
1 bedroom	\$710	\$777	\$725	\$798
2 bedroom	\$884	\$978	\$896	\$986
3 bedroom	\$1,109	\$1,213	\$1,137	\$1,251
4 bedroom	\$1,214	\$1,341	\$1,248	\$1,372
5 bedroom	\$1,396	\$1,542	\$1,436	\$1,579
6 bedroom	\$1,578	\$1,773	\$1,622	\$1,815

All units in the HACP's jurisdiction will utilize the baseline payment standard unless approved for the alternative payment standards options cited in this activity. Refer to sections titled "Option 1: Rehab Vouchers" and "Option 2: Mobility Vouchers" for the eligibility and approval criteria for these payment options.



### **Option 1: Rehab Vouchers**

The HACP discovered that landlords were receptive to the HCV program but found it difficult to lease additional units because the payment standard did not support the upfront cost associated with purchasing properties and cost of rehabilitation. The HACP came to this conclusion based upon landlord forums, public meetings, the landlord advisory council and interviews conducted over two years by Duquesne University. The culmination of this finding leads to the \$6,000 minimum threshold for renovations. The goal of this option is to incentivize landlords to rehabilitate substandard units that otherwise would not be able to be on the HCV program. Thereby increasing the affordable housing stock. During the public engagement process, the HACP held information sessions and created a landlord working group specifically for this initiative. They advised on the cost of renovations in the Pittsburgh area and the varying cost based on the condition of the housing stock. The HACP also consulted the City of Pittsburgh Bureau of Building Inspection as well as general research of basic repairs. The information derived from these meetings led the HACP to determine \$ 6,000 as an adequate incentive for the varied housing stock in Pittsburgh keeping in mind that investments do not necessarily correlate with the size of the unit.

Units in this payment option can receive up to 130 percent of MSAFMR. The HACP defines a new unit as a property that was not receiving subsidy the year prior. This payment option is neither indefinite nor for one time use but rather remains available to the landlord should the approved unit change voucher holders. For a unit to qualify for this option the property must be a new unit and meet at least one of the following:

- i. Undergo significant upgrades and/or investments that improve the quality of the unit. These include but are not limited to complete electrical, plumbing HVAC installation, roof replacement, and building envelope resurfacing. The unit receiving the investment will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders. Green or energy efficient infrastructure is encouraged but at this time will not qualify as an approved investment due to lack of capacity.
- ii. The unit must pass the International Property Maintenance Code inspection standard. The unit will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders.
- iii. Units built to be affordable under any Inclusionary Zoning (IZ) policy determined by the Department of City Planning. The unit will not qualify for this payment standard if they are currently receiving subsidy or received subsidy the year prior. This payment option remains available to the landlord should the approved unit change voucher holders.

The City of Pittsburgh's Inclusionary Zoning (IZ) policy is a tool to incentivize and encourage developers to build new affordable housing in neighborhoods that have priced out low-income renters. The current IZ policy is only applicable to the Lawrenceville neighborhood which has seen rapid increases in market unit prices. By aligning the HACP's payment standard with the city's IZ policy the financing gap caused by below market rents is tightened and decreases the financial risk for developers creating affordable units.

Additionally, the neighborhood formerly housed a robust population of voucher holders

including a significant refugee community. By aligning with the IZ policy, the HACP is encouraging the development of new affordable units in low poverty communities.

**Note:** Low-income Housing Tax Credit (LIHTC) units are ineligible for this payment standard during the initial fifteen (15) year affordability period. Following the initial affordability period units in LIHTC developments qualify for the rehab unit payment option if they meet the eligibility requirements.

**Note:** New or existing units can qualify for this payment option if they meet the eligibility requirements.

Below is the approved rent schedule for Option 1: Rehab Vouchers:

Bedroom Size	*2019 MSAFMRs	Rehab units 130% of MSAFMR	Net Difference
0 bedroom	\$647	\$841	\$194
1 bedroom	\$725	\$943	\$218
2 bedroom	\$896	\$1,165	\$269
3 bedroom	\$1,137	\$1,478	\$341
4 bedroom	\$1,248	\$1,622	\$374
5 bedroom	\$1,436	\$1,867	\$431
6 bedroom	\$1,622	\$2,109	\$487

**\* Amounts are based on HUD published 2019 MSAFMRs**

#### Eligibility Requirements

The property must meet at least one (1) of the following criteria to be eligible for the Enhanced Voucher Payment Standard:

- i. Undergo significant upgrades and/or investments that improve the quality of the unit. This will be assessed based upon the following standards:
  - a. System upgrades, and/or
  - b. Rehabilitation of previously substandard units, and/or
  - c. Renovation (investments of 6,000 dollars or more per unit for labor and/or materials)

Property owners are required to submit documentation of the planned renovations. The HACP or designated third party will then verify the completed work and costs and deem the property owner eligible to receive the enhanced quality payment standard. Substantial rehabilitation or modernization under \$6,000 may be eligible for this standard dependent upon review.

- ii. The unit must pass the International Property Maintenance Code inspection standard. Landlords must request an inspection specifically for this standard.

- iii. Units built to be affordable under any inclusionary zoning policy determined by the Department of City Planning. Landlords must request qualification under this standard, and the HACP will review with the Department of City Planning to confirm eligibility.

A significant change to the Option 1: Rehab Vouchers is being made to include, adding revised eligibility requirements.

#### Additional Eligibility Requirements

The Option 1: (Rehab Vouchers) will be available to all current voucher holders or new admissions to the Housing Choice Voucher (HCV) program. Participants that are elderly, disabled or currently employed and possess a minimum of six (6) months of employment will receive preference for this option. However, this preference only applies to persons on the HCV wait list and not current voucher holders. If a participant is unemployed or becomes unemployed during their tenancy under this option, they are immediately required to enroll in the Family Self Sufficiency (FSS) program. More specifically:

- (1) Any current voucher participant can access Option 1: (Rehab Vouchers).
- (1) Any household on the HCV wait list can also access the alternative payment standard however, a preference for elderly, working or disabled families will be applicable to families requesting Option 1: (Rehab Vouchers).

#### Option 2: Mobility Vouchers (location-based)

The Option 2: (Mobility Vouchers) will provide opportunities for low-income families to live in areas with lower concentrations of poverty. Using a combination of zip code and neighborhood level data, including areas of low voucher use, to define the selected areas, the HACP identified the city neighborhoods listed below as eligible for the Mobility Voucher Payment Standard; the payment standard for this option is 130 percent of the average of the designated mobility zone Small Area Fair Market Rent (SAFMR) for the zip codes associated with the identified areas\*.

Neighborhood	Zip Codes
Shadyside	15206, 15213, 15232
Lower Lawrenceville	15201, 15213, 15224
Strip District	15201
Southside Flats	15203
Downtown	15219, 15222
Squirrel Hill	15213, 15217, 15232

**Note:** Low-income Housing Tax Credit (LIHTC) units are ineligible for this payment standard during the initial fifteen (15) year affordability period. Following the initial affordability period units in LIHTC developments qualify for the Mobility unit payment option if they meet the eligibility requirements.

**Note:** New or existing units can qualify for this payment option if they meet the eligibility requirements.

Below is the approved rent schedule for Option 2: Mobility Vouchers:

Location Based Standard	*2019 MSAFMR	130% of Mobility Zip Code Average Rents	Net Difference
0 bedroom	\$647	\$1,022	\$375
1 bedroom	\$725	\$1,170	\$445
2 bedroom	\$896	\$1,452	\$556
3 bedroom	\$1,137	\$1,821	\$684
4 bedroom	\$1,248	\$1,994	\$746
5 bedroom	\$1,436	\$2,293	\$857
6 bedroom	\$1,622	\$2,592	\$970

**\*Actual amounts are based on HUD published 2019 MSAFMRs**

### Eligibility Requirements

The Option 2: (Mobility Vouchers) will be available to all current voucher holders or new admissions to the Housing Choice Voucher (HCV) program. Participants that are elderly, disabled or currently employed and possess a minimum of six (6) months of employment will receive preference for this option. However, this preference only applies to persons on the HCV wait list and not current voucher holders. If a participant is unemployed or becomes unemployed during their tenancy under this option, they are immediately required to enroll in the Family Self Sufficiency (FSS) program. More specifically:

- (2) Any current voucher participant can access Option 2 (Mobility Vouchers).
- (3) Any household on the HCV wait list can also access the alternative payment standard however, a preference for elderly, working or disabled families will be applicable to families requesting Option 2 (Mobility Vouchers).

The HACP is also exploring options to develop a tenant training course to better prepare voucher holders. The course will cover such topics as budgeting, understanding the lease agreement, utilities, maintaining a safe and healthy home, and how to communicate with your landlord and neighbors. Participants seeking to utilize the Mobility (location based) Voucher will be required to complete the tenant training course.

- a) Rent Reasonableness: The HACP has developed a scorecard that will consider factors that enhance the quality of life and safety of the household. The resulting score will be used to more accurately reflect the quality of unit and incentivizes landlords by rewarding higher rent adjustments based on unit ratings.
- b) In addition to the HACP's current process, the score card will include the following subcategories:
  - i. Location based factors: access to transit, food options, business districts green spaces, educational centers, environmental factors, and employment
  - ii. Safety features: buzzed entry/secure entrances, surveillance, and guards
  - iii. Amenities: recreational centers, gyms, parking, business centers, Wi-Fi access, Air Conditioning, garage, a front or back yard Investments/ substantial rehab or modernization

## Impact of the approved Local Payment Standard

### Option 1: Rehab Vouchers

The HACP can provide more housing opportunities in low poverty areas as well as increase the available voucher eligible housing stock. These new payment standards reflect the dramatic changes in the Pittsburgh real estate market within recent years.

Much of Pittsburgh's housing stock is severely aged requiring landlords to invest significant capital to create properties that are habitable. Roughly 75 percent of the housing stock was built prior to 1960<sup>5</sup> and 50 percent was built prior to 1940<sup>6</sup>. In order to attract additional units, The HACP must align the payment standard to reflect the investment made by the landlord.

Construction costs make it almost impossible for voucher holders to reside in newly constructed often high-end luxury units creating an even bigger affordability gap. One of Pittsburgh's unique assets is its availability of inexpensive resale properties and home prices. For perspective, between January 1, 2013 and January 1, 2016, 10,892 homes were purchased<sup>7</sup>. Landlords have taken advantage of this environment and are able to buy properties that can become rental units. This process is more cost effective than new construction and attainable for most landlords. Through the approved Rehab Payment Standard, the HACP will be able to create new affordable units while decreasing the number of vacant or uninhabitable homes.<sup>8</sup>

The Rehab Payment Standard also provides an opportunity for landlords of any size or experience to participate in the program while receiving a rent level that better aligns with the investment used to develop the unit. The HACP is confident these measures will also increase landlord participation.

### Option 2: Mobility Vouchers (location-based)

There are also several key neighborhoods within the city that have low voucher populations. These neighborhoods also have low concentrations of poverty and significant access to major job centers, health facilities, universities, and food. Neighborhoods identified in the mobility zones such as Squirrel Hill, Downtown and the Strip District require median incomes of at least \$54,500, \$50,000, and \$67,800, per year, respectively for a household to not pay more than 30 percent of their income<sup>9</sup>. To provide access to these neighborhoods and others that share similar characteristics, the HACP proposed the Mobility (location based) Voucher Payment Standard.

Cost of Recently Constructed Apartments, 2015

Unit Size	Average Rent	Minimum Household Income Required	% of Median Income Required
Micro/Studio	\$1,251	\$50,033	125%
1-bedroom	\$1,599	\$63,960	160%
2-bedroom	\$2,163	\$86,510	216%
3-bedroom	\$2,545	\$101,800	254%

Sources: ACS 2014; Federal Poverty Guidelines 2014; Developer survey and calculations by Mullin & Lonergan Associates

<sup>5</sup> Governing the states and localities. "Cities with Oldest Homes: Age of Housing Stock Data." *Governing Magazine: State and Local Government News for America's Leaders*, Governing, 2018, [www.governing.com/govdata/transportation-infrastructure/age-year-built-for-homes-in-cities.html](http://www.governing.com/govdata/transportation-infrastructure/age-year-built-for-homes-in-cities.html).

<sup>6</sup> Data Access and Dissemination Systems (DADS). "Results." *American FactFinder*, U.S. Census Bureau, 2012-2016 American Community Survey 5-Year Estimates, 2016, [factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=CF).

<sup>7</sup> Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment Excludes sales for which a bank or other lending agency was the buyer, sales which conveyed a partial interest in a property, and sales in which multiple parcels were conveyed.

<sup>8</sup> Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

<sup>9</sup> Affordable Housing Taskforce: Pittsburgh Housing Needs Assessment

The standard better reflects the rental market in these areas and is more appealing to landlords or developers who continue to invest in the identified mobility zones. The HACP will closely monitor the effects of these changes on HAP costs and lease-up rates; to ensure the goals of the Local Payment Standard are in compliance with HUD standard Moving To Work (MTW) metrics. Current units are ineligible for payment Options 1 and 2 but can utilize landlord incentives. As the FY 2019 MTW Annual Plan was approved in June 2019, new units could apply for the higher payment standard as of August 1, 2019. Landlords also have access to pre inspection services.

### Baseline, Benchmarks and Metrics

The HACP has established the following baselines and benchmarks for this activity. The FY 2019 MTW Annual Plan was approved in June 2019 and the HACP initiated implementation of this activity. Therefore, **Year 1** is inclusive of the remainder of FY 2019 and FY 2020. The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

HUD MTW Metric: Housing Choice

<b>HC #5: Increase in Resident Mobility</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark Year 1</b>
Number of households able to move to a better unit and/or neighborhood of opportunity as a result of the activity (increase).	Households able to move to a better unit and/or neighborhood of opportunity prior to implementation of the activity (number) This number may be zero. <b>HACP= 0</b>	Expected households able to move to a better unit and/or neighborhood of opportunity after implementation of the activity (number). = <b>40</b>

HUD MTW Metric: Housing Choice

<b>HC #2: Units of Housing Preserved</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark Year 1</b>
Number of housing units preserved for households at or below 80% AMI that would otherwise not be available (increase).	Housing units preserved prior to implementation of the activity (number). This number may be zero. <b>HACP = 0</b>	Expected housing units preserved after implementation of the activity (number) = <b>40 units</b>



HUD MTW Metric: Self-Sufficiency

<b>SS #5: Households Assisted by Services that Increase Self Sufficiency</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark Year 1</b>
Number of households receiving services aimed to increase self sufficiency (increase).	Households receiving self-sufficiency services prior to implementation of the activity (number). <b>HACP= 0</b>	Expected number of households receiving self-sufficiency services after implementation of the activity (number) = <b>40</b>

HACP Established Metric: New Landlords

<b>HACP Metric: New Landlords</b>		
<b>Unit of Measurement</b>	<b>Baseline</b>	<b>Benchmark Year 1</b>
Number of new landlords leasing units to HCV participants. That would otherwise not be available (increase).	Total number of new landlords prior to implementation of the activity (number). This figure may be zero <b>HACP= 0</b>	Expected number of new landlords after implementation of the activity (number) = <b>15</b>

**Cost Implications Option 1: Rehab Voucher**

The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

Total projected agency cost per year: **Rehab Voucher**

<b>Implementation Year</b>	<b>Total Housing Assistance Payment</b>	<b>Total Average Tenant Portion of Rent</b>	<b>*Agency's cost per year less total average tenant portion payment per year</b>	<b>Additional units per year</b>	<b>Total additional units</b>
<b>Year 1</b>	\$413,616	\$279,135	\$134,481	40 Units	40 Units
<b>Year 2</b>	\$1,422,000	\$976,970	\$445,030	100 Units	140 Units
<b>Year 3</b> *Total cost of implementation per year at 250 units	\$2,523,312	\$1,744,590	\$778,716	110 Units	250 Units

\*Estimates total payment of rent per year for the additional 250 units

**\*\*Totals represent the *additional* cost per year above the Baseline Standard for the additional 250 units**

### **Cost Implications Option 2: Mobility Voucher**

The HACP anticipates an increase of 250 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size. **Year 1** is projected to yield 40 units; **Year 2** will result in an additional 100 units and **Year 3** will receive the remaining 110 units to total 250.

Total projected agency cost per year: **Mobility Voucher**

<b>Implementation Year</b>	<b>Total Housing Assistance Payment (Agency cost)</b>	<b>Total Average Tenant Portion of Rent</b>	<b>*Agency's cost per year less total average tenant portion payment per year</b>	<b>Additional units per year</b>	<b>Total additional units</b>
<b>Year 1</b>	\$539,705	\$279,135	\$260,570	40 Units	40 Units
<b>Year 2</b>	\$1,859,212	\$976,970	\$882,242	100 Units	140 Units
<b>Year 3**Total cost of implementation per year at 250 units</b>	\$3,298,499	\$1,744,596	\$1,548,903	110 Units	250 Units

**\*Estimates total payment of rent per year for the additional 250 units**

**\*\*Totals represent the *additional* cost per year above the Baseline Standard for the additional 250 units**

### **Cost Implication: Combined program cost**

The HACP anticipates an increase of 500 units over a span of three (3) years. The charts below illustrate the financial impact weighted by the current makeup of voucher by bedroom size of Option 1 and Option 2 combined. **Year 1** is projected to yield 80 units; **Year 2** will result in an additional 200 units and **Year 3** will receive the remaining 220 units to total 500.

**\*Estimates total payment of rent per year for the additional 500 units**

<b>Implementation Year</b>	<b>Rehab Voucher: Agency's cost per year less total average tenant portion payment per year</b>	<b>*Mobility Voucher: Agency's cost per year less total average tenant portion payment per year</b>	<b>Total additional units after implementation</b>	<b>Additional cost above baseline</b>
<b>Year 1</b>	\$134,481	\$260,570	80	\$395,051
<b>Year 2</b>	\$445,030	\$882,242	280	\$1,327,272
<b>Year 3</b>	\$778,716	\$1,548,903	500	\$2,327,619
<b>** Total cost (over three years)</b>	<b>\$1,358,227</b>	<b>\$2,691,715</b>	<b>500</b>	<b>\$4,049,942</b>

**\*Estimates total payment of rent per year for the additional units**



**\*\*Totals represent the *additional* cost per year above the Baseline Standard for the additional 500 units**

### **Changes and Modifications**

**There is a significant change** to this activity during this fiscal year as the addition of a preference is stated in Option 1: Rehab Vouchers. The Local Payment Standard activity utilizes the following MTW flexibility and authorizations.

### **Authorization**

Attachment C(D)(1)(a)-Operational Policies and Procedures to waive provisions of 24 CFR 982.162 Section 8(o)(t) of the 1937 Act.

Attachment C(D)(2)(a)-Rent Policies and Term Limits to waive provisions of 24 CFR 982.503, 982.508 and Sections 8(o)(1), 8(o)(2) and 8(o)(3) of the 1937 Act.

Attachment C(D)(2)(c)-Rent Policies and Term Limits to waive provisions of 24 CFR 982.507, 8(o)(10) of the 1937 Act.

Attachment C(D)(3)(a)- Eligibility of Participants to waive provisions of 24 CFR 982.201, 24 and Sections 16(b) and 8(0)(4) of the 1937 Act.

Attachment C(D)(4)- Waiting List Policies to waive provisions of 24 C.F.R. 982 Subpart E. 982.4305 and 983 Subpart F Section 8 (o)(6), 8(o)(13)(J) and 8(o)(16) of the 1937 Act.

Attachment C(D)(5)- Ability to Certify Housing Quality Standards to waive provisions of 24 CFR 982. Subpart I and Section 8(o)(8) of the 1937 Act.

Attachment C(D)(6)- Local Process to Determine Eligibility to waive provisions of 24 CFR 983. Subpart D and Section 8(o)(13) of the 1937 Act.

### **Regulatory Citation**

24 CFR 982.162 Section 8(o)(t)

24 CFR 982.503, 982.508 and Sections 8(o)(1), 8(o)(2) and 8(o)(3)

24 CFR 982.507, 8(o)(10)

24 CFR 982.201, 24 and Sections 16(b) and 8(0)(4)

24 CFR 982 Subpart I and Section 8(o)(8)

24 CFR 983. Subpart D and Section 8(o)(13)

## B. Not Yet Implemented Activities

### **Not Yet Implemented Activities**

The HACP does not currently have any approved but not yet implemented activities.

## C. On-Hold Activities

### **On-Hold Activities**

The HACP does not currently have any approved MTW activities On-Hold.

## D. Closed-Out Activities

### **Closed-Out Activities**

Since entering the MTW Program in 2000, the HACP has also instituted a number of initiatives that in FY 2020 no longer require specific MTW Authority. Some of those initiatives are:

1. Establishment of Site-Based Waiting Lists. Closed out in 2006, prior to execution of the Standard Agreement as Moving To Work authority was no longer required for this activity.
2. Establishment of a variety of local waiting list preferences, including a working/elderly/disabled preference and a special working preference for scattered site units. Closed out in 2008, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.
3. Modified Rent Reasonableness Process. Closed out in 2008, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.
4. Transition to Site-Based Management and Asset Management, including Site-Based Budgeting and Accounting. Closed out in 2005, prior to execution of the Standard Agreement as MTW authority was no longer required for this activity.

## E. Other Activities

### **Other Activities**

Several activities that utilized MTW Authority but are not specified as specific initiatives waiving specific regulations, were previously included in the initiative section but no longer require that separate listing. They are as follows:

#### **1. Use of Block Grant Funding Authority to Support MTW Initiatives - Use of Block Grant Funding Authority to support Development and Redevelopment, Enhanced and Expanded Family Self-sufficiency and related programming, and the HACP MTW Homeownership Program.**

- a. Originally approved with the initial MTW Program and expanded to include homeownership and resident service programs in subsequent years, the HACP continues to use MTW block grant funding to support its MTW Initiatives. Additional information on the use of Single Fund block grant authority is included in other sections of this MTW Plan, particularly Section V. on Sources and Uses of funds.

#### **2. Energy Performance Contracting**

- a. Under the HACP's MTW Agreement, the HACP may enter into Energy Performance Contracts (EPC) without prior HUD approval. The HACP will continue its current EPC, executed in 2008, to reduce costs and improve the efficient use of federal funds.
- b. The HACP's current EPC included installation of water saving measures across the authority, installation of more energy efficient lighting throughout the authority, and installation of geo-thermal heating and cooling systems at select communities. It was completed in 2010, with final payments made in 2011. Monitoring and Verification work began in 2011, with the first full Monitoring and Verification report completed for the 2012 year. The HACP's objectives include realizing substantial energy cost savings. The HACP reports on the EPC in the MTW Annual Report.

#### **3. Establishment of a Local Asset Management Program**

- a. In 2004, prior to HUD's adoption of a site-based asset management approach to public housing operation and management, the HACP embarked on a strategy to transition its centralized management to more decentralized site-based management capable of using an asset management approach. During the HACP's implementation, HUD adopted similar policies and requirements for all Housing Authorities. Specific elements of the HACP's Local Asset Management Program were approved in 2010, as described in the Appendix, Local Asset Management Program. The HACP will continue to develop and refine its Local Asset Management Program to reduce costs and increase effectiveness.

#### **4. Acquisition of Property and Build-Out to be Utilized for Administrative Offices**

- a. The HACP along with its partners, the City of Pittsburgh, and the Urban Redevelopment Authority (URA), jointly purchased new office space located at 412 Boulevard of the Allies on September 20, 2018. The HACP intends to build-out the office space and relocate during FY 2020. The HACP plans to submit an application for disposition for its current offices in the John P. Robin Civic Building in FY 2020.

## V. ESTIMATED SOURCES AND USES OF FUNDING

<b>(II)SOURCES AND USES OF MTW FUNDS</b>
<b><u>ANNUAL MTW PLAN</u></b>

### **A. ESTIMATED SOURCES AND USES OF MTW FUNDS**

#### **i. Estimated Sources of MTW Funds**

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item.

<b>FDS LINE ITEM NUMBER</b>	<b>FDS LINE ITEM NAME</b>	<b>DOLLAR AMOUNT</b>
<b>70500 (70300+70400)</b>	<b>Total Tenant Revenue</b>	<b>\$ 6,888,720</b>
<b>70600</b>	<b>HUD PHA Operating Grants</b>	<b>\$131,280,980</b>
<b>70610</b>	<b>Capital Grants</b>	<b>\$ 500,000</b>
<b>70700 (70710+70720+70730+70740+70750)</b>	<b>Total Fee Revenue</b>	<b>\$ 23,080,306</b>
<b>71100+72000</b>	<b>Interest Income</b>	<b>\$ 17,790</b>
<b>71600</b>	<b>Gain or Loss on Sale of Capital Assets</b>	<b>\$ 0.00</b>
<b>71200+71300+71310+71400+71500</b>	<b>Other Income</b>	<b>\$ 7,201,454</b>
<b>70000</b>	<b>Total Revenue</b>	<b>\$168,969,250</b>

**ii. Estimated Uses of MTW Funds**

The MTW PHA shall provide the estimated uses and amount of MTW spending by Financial Data Schedule (FDS) line item.

<b>FDS LINE ITEM NUMBER</b>	<b>FDS LINE ITEM NAME</b>	<b>DOLLAR AMOUNT</b>
<b>91000</b> <b>(91100+91200+91400+91500+91600+91700</b> <b>+91800+91900)</b>	<b>Total Operating - Administrative</b>	\$32,026,924
<b>91300+91310+92000</b>	<b>Management Fee Expense</b>	\$5,606,979
<b>91810</b>	<b>Allocated Overhead</b>	\$0
<b>92500 (92100+92200+92300+92400)</b>	<b>Total Tenant Services</b>	\$5,972,687
<b>93000</b> <b>(93100+93600+93200+93300+93400+93800)</b>	<b>Total Utilities</b>	\$10,151,147
<b>93500+93700</b>	<b>Labor</b>	\$0
<b>94000 (94100+94200+94300+94500)</b>	<b>Total Ordinary Maintenance</b>	\$22,699,134
<b>95000 (95100+95200+95300+95500)</b>	<b>Total Protective Services</b>	\$5,989,625
<b>96100 (96110+96120+96130+96140)</b>	<b>Total Insurance Premiums</b>	\$1,465,980
<b>96000</b> <b>(96200+96210+96300+96400+96500+96600</b> <b>+96800)</b>	<b>Total Other General Expenses</b>	\$5,865,778
<b>96700 (96710+96720+96730)</b>	<b>Total Interest Expense &amp; Amortization Cost</b>	\$0
<b>97100+97200</b>	<b>Total Extraordinary Maintenance</b>	\$21,750,591
<b>97300+97350</b>	<b>HAP + HAP Portability-In</b>	\$42,271,485
<b>97400</b>	<b>Depreciation Expense</b>	\$0.00
<b>97500+97600+97700+97800</b>	<b>All Other Expense</b>	\$15,168,920
<b>90000</b>	<b>Total Expenses</b>	\$168,969,250

Please describe any variance between Estimated Total Revenue and Estimated Total Expenses:

No Variance

### iii. Description of Planned Use of MTW Single Fund Flexibility

The MTW PHA shall provide a thorough narrative of planned activities that use only the MTW single fund flexibility. Where possible, the MTW PHA may provide metrics to track the outcomes of these programs and/or activities. Activities that use other MTW authorizations in Attachment C and/or D of the Standard MTW Agreement (or analogous section in a successor MTW Agreement) do not need to be described here, as they are already found in Section (III) or Section (IV) of the Annual MTW Plan. The MTW PHA shall also provide a thorough description of how it plans to use MTW single fund flexibility to direct funding towards specific housing and/or service programs in a way that responds to local needs (that is, at a higher or lower level than would be possible without MTW single fund flexibility).

#### **PLANNED USE OF MTW SINGLE FUND FLEXIBILITY**

The HACP plans to utilize its single fund flexibility to direct \$18,209,057 in 2020 from the HCVP and Low-Income Public Housing Program funding to support the HACP Development Program, Resident Services, and Protective Services.

HACP will continue the use of single fund flexibility as approved in prior years for the activities listed below:

<b><u>Activity</u></b>	<b><u>Plan Year Originally Obligated</u></b>	<b><u>Status</u></b>
Use of Block Grant Funding to support Enhance Family Self-Sufficiency Program	2004 Annual Plan	Ongoing
Use of Block Grant Funding to support development and redevelopment activities	2001 Annual Plan	Ongoing
Use of Block Grant Funding to support the HACP Homeownership Program	2002 Annual Plan with modifications in subsequent years	Ongoing

**B. LOCAL ASSET MANAGEMENT PLAN**

**i. Is the MTW PHA allocating costs within statute?**

No, the HACP is not allocating costs within statute

**ii. Is the MTW PHA implementing a local asset management plan (LAMP)?**

Yes

**iii. Has the MTW PHA provided a LAMP in the appendix?**

Yes

**iv. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.**

The HACP does not plan to make any changes in the Plan Year.

**C. RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION**

**i. Description of RAD Participation**

The MTW PHA shall provide a brief description of its participation in RAD. This description must include the proposed and/or planned number of units to be converted under RAD, under which component the conversion(s) will occur, and the approximate timing of major milestones. The MTW PHA should also give the planned/actual submission dates of all RAD Significant Amendments. Dates of any approved RAD Significant Amendments should also be provided.

**RENTAL ASSISTANCE DEMONSTRATION (RAD) PARTICIPATION**

The HACP completed a RAD conversion for the Oak Hill mixed-income community and Glen Hazel public housing community in 2017 and 2018, respectively. A RAD application was submitted for Manchester Redevelopment on February 14, 2020 and the Commitment to enter into a Housing Assistance Payment (CHAP) was conveyed to the HACP on April 15, 2020. The family LIPH site will convert to a Family and Senior site with no transfer of assistance as Project-Based Vouchers (PBVs). The HACP Plans to submit a RAD Financing Plan in for the referenced property in 2021 and will continue to review potential RAD conversion options for other LIPH communities.

**ii. Has the MTW PHA submitted a RAD Significant Amendment in the appendix? A RAD Significant Amendment should only be included if it is a new or amended version that requires HUD approval.**

Yes

**iii. If the MTW PHA has provided a RAD Significant Amendment in the appendix, please state whether it is the first RAD Significant Amendment submitted or describe any proposed changes from the prior RAD Significant Amendment?**

1<sup>st</sup> amendment to FY 2020 MTW Plan

## **VI. ADMINISTRATIVE**

A. Board Resolution.

A copy of the HACP Board Resolution and certification adopting this FY 2021 MTW Annual Plan and a signed copy of the Certifications of Compliance will be attached.

B. Public Comment To Be included:

C. Description of Evaluation of the Demonstration

The HACP continues to work with the University of Pittsburgh, Graduate School of Public and International Affairs, Center for Urban Studies, on evaluation of the HACP implemented activities. Future work will focus on extending and expanding the evaluation project to include factors relating to economic and social mobility as it relates to MTW initiatives.





## Housing Authority of the City of Pittsburgh

Executive Office  
200 Ross Street – 9<sup>th</sup> Floor  
Pittsburgh, PA 15219  
(412) 456-5012

### CERTIFICATE OF RESOLUTION APPROVAL

I, Amy L. Shaffer, Recording Secretary of the Housing Authority of the City of Pittsburgh, do hereby certify that the attached Resolution No. 37 of 2019, was presented to the Board of Commissioners of the Housing Authority of the City of Pittsburgh at its meeting held on Thursday, September 26, 2019 and approved.

IN TESTIMONY, WHEREOF, I have hereunto set my hand and the seal of said Housing Authority of the City of Pittsburgh this 26th Day of September, 2019.

  
\_\_\_\_\_  
Recording Secretary (SEAL)

**RESOLUTION No. 37 of 2019**

**A Resolution - Approving the HACP 2020 Moving to Work Annual Plan, and  
authorizing the Executive Director or his Designee to submit the Annual Plan to the  
U.S. Department of Housing and Urban Development**

**WHEREAS**, on November 17, 2000, the Housing Authority of the City of Pittsburgh (HACP) and the United States Department of Housing and Urban Development (HUD) executed an agreement authorizing the HACP to participate in the Moving to Work (MTW) Demonstration; and

**WHEREAS**, as a participant in the MTW demonstration, the HACP is required to submit an Annual Plan for review and approval by HUD; and

**WHEREAS**, the HACP's FY 2020 Moving To Work Annual Plan was made available for public review and comment from August 23, 2019 until September 21, 2019 and public hearings were held on the proposed Annual Plan on Monday, September 23, 2019; and

**WHEREAS**, the HACP considered all comments received regarding the FY2020 MTW Annual Plan.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Commissioners of the Housing Authority of the City of Pittsburgh:

**Section 1.** The Housing Authority of the City of Pittsburgh's Fiscal Year 2020 Moving to Work Annual Plan is approved and the Executive Director or his Designee is authorized to submit the plan to HUD; and

**Section 2.** The attached Certifications of Compliance, as required by HUD is hereby adopted and approved; and the Chairman is hereby authorized to sign the Certifications of Compliance on behalf of the Board.

## CERTIFICATIONS OF COMPLIANCE

### U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT OFFICE OF PUBLIC AND INDIAN HOUSING

#### Certifications of Compliance with Regulations: Board Resolution to Accompany the Annual Moving to Work Plan

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chairman or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (01/01/2020), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the MTW PHA's jurisdiction and a description of the manner in which the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15(d), which means that it will take meaningful actions to further the goals identified in the Assessment of Fair Housing (AFH) conducted in accordance with the requirements of 24 CFR 5.150 through 5.180, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o)(3). Until such time as the MTW PHA is required to submit an AFH, and that AFH has been accepted by HUD, the MTW PHA will address impediments to fair housing choice identified in the Analysis of Impediments to fair housing choice associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status and will make no inquiries concerning the gender identification or sexual orientation of an applicant for or occupant of HUD-assisted housing.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.

- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 200.
- (21) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (22) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

The Housing Authority of the City of Pittsburgh  
**MTW PHA NAME**

PA001  
**MTW PHA NUMBER/HA CODE**

*I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).*

Valerie McDonald-Roberts  
**NAME OF AUTHORIZED OFFICIAL**

Chairperson of the Board of Commissioners  
**TITLE**

  
**SIGNATURE**

09-26-2019  
**DATE**

\* *Must be signed by either the Chairman or Secretary of the Board of the MTW PHA's legislative body. This certification cannot be signed by an employee unless authorized by the MTW PHA Board to do so. If this document is not signed by the Chairman or Secretary, documentation such as the by-laws or authorizing board resolution must accompany this certification.*

**Certification of Payments  
to Influence Federal Transactions**

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

Applicant Name

The Housing Authority of the City of Pittsburgh

Program/Activity Receiving Federal Grant Funding

Moving To Work (MTW)

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.  
**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

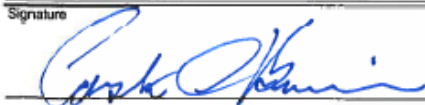
Name of Authorized Official

Mr. Caster D. Binion

Title

Executive Director

Signature



Date (mm/dd/yyyy)

9/26/19

Previous edition is obsolete


form HUD 50071 (01/14)  
ref. Handbooks 7417.1, 7475.13, 7485.1, & 7485.3



# DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352  
(See reverse for public burden disclosure.)

Approved by OMB  
0348-0046

<b>1. Type of Federal Action:</b> <input type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance		<b>2. Status of Federal Action:</b> <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award		<b>3. Report Type:</b> <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change <b>For Material Change Only:</b> year _____ quarter _____ date of last report _____	
<b>4. Name and Address of Reporting Entity:</b> <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known:  Congressional District, if known: N/A			<b>5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime:</b>  Congressional District, if known: N/A		
<b>6. Federal Department/Agency:</b> HUD			<b>7. Federal Program Name/Description:</b> MTW Plan CFDA Number, if applicable: N/A		
<b>8. Federal Action Number, if known:</b> N/A			<b>9. Award Amount, if known:</b> \$ N/A		
<b>10. a. Name and Address of Lobbying Registrant</b> (if individual, last name, first name, MI):  N/A			<b>b. Individuals Performing Services</b> (including address if different from No. 10a) (last name, first name, MI): N/A		
<b>11.</b> Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.			Signature:  Print Name: Mr. Caster D. Binion Title: Executive Director Telephone No.: 412-456-5012      Date: 9/26/14		
<b>Federal Use Only:</b>					Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

## **VII. APPENDICES**

### **Appendix I. Local Asset Management Plan (LAMP)**

#### **Ongoing Initiatives and Deviations from General Part 990 Requirements**

During FY 2020, the HACP will undertake the following initiatives to improve the effectiveness and efficiency of the Agency:

- ❖ The HACP will maintain the spirit of the HUD site-based asset management model. It will retain the COCC and site-based income and expenses in accordance with HUD guidelines, but will eliminate inefficient accounting and/or reporting aspects that yield little or no value from the staff time spent or the information produced.
- ❖ The HACP will maintain an MTW cost center that holds all excess MTW funds not allocated to the sites or to the voucher program. This cost center and all activity therein will be reported under CFDA #14.881 Moving to Work Demonstration Program. This cost center will also hold the balance sheet accounts of the authority as a whole.
- ❖ The MTW cost center will essentially represent a mini HUD. All subsidy dollars will initially be received and reside in the MTW cost center. Funding will be allocated annually to sites based upon their budgetary needs as represented and approved in their annual budget request. Sites will be monitored both as to their performance against the budgets and the corresponding budget matrix. They will also be monitored based upon the required PUM subsidy required to operate the property. The HACP will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including all COCC fee and frontline charges. Actual revenues will include those provided by HUD and allocated by the HACP based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund.
- ❖ Site balance sheet accounts will be limited to site specific activity, such as fixed assets, tenant receivables, tenant security deposits, unrestricted net asset equity, which will be generated by operating surpluses, and any resulting due to/due from balances. All other balance sheet items will reside in the MTW fund accounts, and will include such things as compensated balance accrual, workers compensation accrual, investments, A/P accruals, payroll accruals, etc. The goal of this approach is to attempt to minimize extraneous accounting, and reduce unnecessary administrative burden, while maintaining fiscal integrity.
- ❖ All cash and investments will remain in the MTW cost center. This will represent the general fund. Sites will have a due to/due from relationship with the MTW cost center that represents cash.
- ❖ All frontline charges and fees to the central office cost center will be reflected on the property reports, as required. The MTW ledger will not pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments, may be transferred from the MTW ledger or the projects to the COCC.
- ❖ The Energy Performance Contract (EPC) accounting is broken out to the sites. This includes

all assets, liabilities, debt service costs, and cost savings.

- ❖ No inventory will exist on the books at the sites. A just in time system will be operational and more efficient, both in time and expense. Also, smaller inventories will be held in COCC mobile warehouse units.
- ❖ Central Operations staff, many of whom are performing direct frontline services such as home ownership, self-sufficiency, and/or relocation, will be frontlined appropriately to the LIPH and/or HCV programs, as these costs are 100 percent low rent and/or Section 8.
- ❖ Actual HCV amounts needed for HAP and administrative costs will be allotted to the HCV program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing the budget transparency. HCV program managers will become more responsible for their budgets in the same manner as public housing site managers.
- ❖ Information Technology costs will be direct charged to the programs benefiting from them, e.g. the LIPH module cost will be direct charged to AMPs; all indirect IT costs will be charged to all cost centers based on a "per workstation" charge rather than a Fee for Service basis. This will allow for equitable allocation of the expense while saving time and effort on invoicing.

Flexible use of Phase in of Management Fees –

As a component of its local asset management plan, the HACP elects to make use of phase-in management fees for 2010 and beyond. The HUD prescribed management fees for the HACP are \$57.17 PUM. The HACP will continue to follow the phase-in schedule and approach for management fees as proposed by the HACP and approved by HUD in 2010, as follows:

Schedule of Phased-in Management Fees for HACP –

2008 (Initial Year of Project Based Accounting)	\$91.94
2009 (Year 2)	\$84.99
2010 (Year 3 and beyond)	\$78.03

The above numbers reflect 2009 dollars.

The HACP has increased contract costs over the past year in order to develop new programming and upgrade software. These upgrades will help the HACP reach its ultimate goal of providing outstanding service to the communities. The HACP has been diligently working to reduce its expenditure levels and cut unnecessary COCC costs. It is also working to increase its management fee revenues in the COCC, through aggressive, and we believe, achievable, development and lease up efforts in both the public housing and leased housing programs. The 2020 budget shows COCC at break-even. A major component of the HACP strategic plan is to grow its public housing occupancy, both through mixed finance development and management, as well as in house management, so as to better serve our low-income community and to recapture some of the fees lost to demolition. This requires central office staff, talent, and expense. To make this plan work, i.e. to assist in the redevelopment of the public housing portfolio, we will need the continued benefit of the locked in level of phase in management fees.



It is worth noting that HACP has historically had above normal central office costs driven by an exceedingly high degree of unionization. The HACP has over a half dozen different collective bargaining units; this has driven up costs in all COCC departments, especially in Human Resources, Facility Services and Legal. In addition, the HACP is governed by requirements for City residency for all its employees. This has driven up the cost to attract and retain qualified people throughout the agency. This is especially the case in the high cost COCC areas, where the HACP has had to pay more to attract the necessary talent to perform these critical functions.

The phase in fee flexibility, coupled with the HACP's planned growth in public housing occupancy and increases in voucher utilization, will enable the HACP's COCC to become sustainable in the long term and fully compliant with the operating fund rule. It should also be noted that this fee flexibility will come from the HACP's MTW funds and will require no additional HUD funding. This flexibility is the essence of the MTW program and will go a long way towards enabling the HACP to successfully undertake and complete its aggressive portfolio restructuring efforts.

## Appendix II. Revised HACP MTW Homeownership Program

### **HACP MTW Homeownership Program Amended August 2016**

#### Definitions

As used herein, the following terms not otherwise defined herein shall have the following meanings:

- (a) “Buyer” shall mean a Homeownership Program participant who has obtained a mortgage pre-approval letter from a lender.
- (b) “Buyer’s annual recertification date” shall mean the date the buyer obtains a lender’s mortgage pre-approval.
- (c) “Buyer’s List” shall mean the list signed by two or more eligible buyers who are interested in purchasing the same HACP owned property.
- (d) “First-time homeowner” shall mean that no family member of the household owned any present ownership interest in a residence of any family member during the three years preceding commencement of homeownership assistance.
- (e) “Gross Aid Standard” means the standard utilized to determine the supplement to the income of a low-income household to enable the buyer to purchase standard quality housing in the private marketplace.
- (f) “Qualified Mortgage” shall be insured by FHA, Guaranteed by VA, or funded by Fannie Mae, Freddie Mac, or other governmental entity, state or local housing finance agency, nonprofit organization, or a regional Federal Home Loan Bank under one of its affordable housing programs.
- (g) “Soft-second mortgage Calculation” shall mean the calculation used to estimate a non-paying interest free second mortgage loan offered to eligible public housing Program participants. The amount of the soft-second mortgage is reduced 10 percent (10%) a year over a ten-year period.
- (h) “Homeownership Expense Payment” consists of the principal, interest, taxes, and insurance (PITI) associated with first mortgage debt along with the corresponding monthly utility allowance for unit size, maintenance expense, and major repairs in accordance with 24 CFR 982.635 C2.
- (i) “Total Family Payment” or “TFP” means that portion of the homeownership expense that the family must pay. It is generally thirty percent (30%) of the family's adjusted income, plus any difference between the payment standard and the actual housing cost.

## **I.**                      **INTRODUCTION**

The Housing Authority of the City of Pittsburgh (HACP) operates a Moving To Work (MTW) Homeownership Program (the "Program") for current Low-Income Public Housing (LIPH) residents, Housing Choice Voucher (HCV) holders, or those eligible to receive LIPH and/or HCV assistance who desire to purchase their first home and primary residence within the City of Pittsburgh. In addition to other benefits, the HACP will offer a Soft Second Mortgage based upon a payment calculation as defined in Section VIII. part C. Eligible participants will be placed on the HACP Homeownership Waiting List for home purchase based on the date of their mortgage pre-approval letter from an approved lender.

## **II.**                      **PURPOSE**

The specific objectives of the Program are:

- a. Expanding homeownership opportunities for low-income families and families having members with disabilities.
- b. Providing an opportunity for first-time low-income homebuyers to purchase a single-family home within the City of Pittsburgh.
- c. Encouraging HACP families to acquire appreciable assets and move toward the goal of economic self-sufficiency and eventual independence from government assistance programs.

## **III.**                      **OUTREACH**

Outreach will be conducted by the HACP's Homeownership Office to encourage participation in the Program. Informational flyers and brochures as well as the web site <http://www.hacp.org/housing-options/home-ownership> have been developed to target those persons interested in participating in the Program. The Program will also be promoted by the Resident Self-Sufficiency (RSS) Department through its newsletters and referrals by Service Coordinators. The HACP will also highlight the program periodically in other agency publications such as the "News and Views".

#### **IV. APPLICATION AND ENROLLMENT**

Interested persons may apply to participate in the Program by contacting a Department of Housing and Urban Development (HUD)-approved housing counseling agency to enroll in the required homeownership education class. Participants will receive initial assessments of their credit rating provided by the HUD-approved education and credit counseling service provider.

The HACP will consider the participant enrolled in the Program on the date the participant completes the required homebuyer education class and satisfies the HACP eligibility requirements as outlined in Section V. The HUD approved education provider shall issue a certificate of satisfactory completion to each participant and maintain a copy of the certificate on file. The HACP will consider the participant a “buyer” when the participant obtains a loan pre-approval letter.

#### **V. ELIGIBILITY**

Program participants must meet one of the following four (4) criteria:

- be a current LIPH resident;
- be an HCV resident;
- be a person who is on the HACP waitlist for LIPH or HCV who has received an eligibility letter from HACP’s Occupancy Department for the HCV or LIPH Program;
- In the event that either waitlist is closed, a non-resident must be otherwise eligible to receive HCV or LIPH assistance as determined by HACP’s Occupancy Department in order to participate in the Program. Non-residents must receive an eligibility letter from HACP’s Occupancy Department for Homeownership Purposes only. An appointment will be arranged for non-residents with HACP’s Occupancy department after their participation in homeownership counseling and first mortgage pre-approval have been verified (see Section VII. below).

The following additional eligibility requirements for participation in the Program shall also apply:

##### **A. First-Time Homeowner**

Each LIPH and HCV waiting list or otherwise eligible family must be a first-time homebuyer. A first-time homeowner means that no family member of the household owned any present ownership interest in a residence of any family member during the three (3) years preceding commencement of homeownership assistance. However, a single parent or displaced homemaker who, while married, owned a home with his/her spouse (or resided in a home owned by a spouse) is considered a "first-time homeowner" for purposes of the Program.

If HACP determines that a family member with a disability requires homeownership assistance as a reasonable accommodation, the first-time homeowner requirement may not apply.

## **B. Minimum Income Requirements**

At the time the family obtains a mortgage pre-approval letter, the head of household, spouse, and/or other adult household members who will purchase the home must have a minimum gross annual income of \$17,000 per year.

A family whose head, spouse or sole member is a person with a disability may be exempt from the minimum income requirement provided there exists a sufficient combination of monthly household income and initial down payment money to satisfy the lending institution's pre-approval requirements for the purchase of the property and all other applicable HACP requirements relating to eligibility are met.

## **C. Welfare Assistance Income**

Welfare assistance income shall be included only for those adult elderly or families with members having disabilities who will own the home. Stated otherwise, with the exception of elderly and families with members having disabilities, the HACP will disregard any "welfare assistance" income in determining whether the family meets the minimum income requirement. Welfare assistance includes assistance from Temporary Assistance for Needy Families (TANF); Supplemental Security Income (SSI) that is subject to an income eligibility test; food stamps; general assistance; or other welfare assistance defined by HUD. The disregard of welfare assistance income shall affect the determination of minimum monthly income in determining eligibility for the Program.

## **D. Employment Requirement**

With the exception of families having members with disabilities and elderly households, each family must demonstrate that one or more adult members of the family who will own the home at commencement of homeownership assistance is employed full-time (an average of thirty (30) hours per week). Families with one (1) or more members who are self-employed shall be eligible under this section if they meet all other requirements as stated herein.

The HACP will also consider an interruption of employment of no more than one (1) month during the prior one (1) year as meeting the definition of "full time employment" if the employed family member has been continuously employed for a period of at least one (1) year prior to the interruption and is currently employed at the time of the execution of the sales agreement.

## **E. Prior Mortgage Default**

The HACP will not approve a homeownership sales agreement where the head of household, the head of household's spouse or other adult member of the family defaulted on a mortgage loan within the previous three (3) years. Such actions will render the family ineligible to participate in the Program.

## **F. PHA Debts**

Prospective participants in the Program shall be ineligible for participation in the Program if they owe any debt or portion of a debt to the HACP or any other PHA (Public Housing Authority). Except as provided in HACP's Admissions and Continued Occupancy (ACOP) Policy and Housing Choice Voucher Program Administrative (Admin) Plan, nothing in this provision will preclude participants who have fully repaid such debt(s) from participating in the Program.

## **G. Ownership Interest**

Except for cooperative members who have acquired cooperative membership shares at the commencement of homeownership assistance, no family member may have a present ownership interest in a residence at the commencement of participation in the homeownership program. This requirement does not apply to the family's right to purchase title to the residence under a lease-purchase agreement. "Present ownership interest" means that no member of the household has had an "interest in a home", including title to a home in the past three (3) years.

## **H. Eligible Properties**

Eligible properties shall include residentially zoned single-family homes, row homes, condominiums, and townhomes within the City of Pittsburgh. Multifamily or non-residential properties are ineligible.

The HACP may sell existing scattered sites as identified on Exhibit A attached hereto to buyers within the Program. In the event a HACP scattered sites property is not sold through the Program, the property may be reoccupied for lease.

## **I. Buyer's Annual Recertification Date**

The date the buyer obtains a lender's mortgage pre-approval letter shall be the program participant's annual recertification date for purposes of calculating homeownership assistance amounts. The annual recertification date will be used to calculate the HACP's assistance benefits and/or soft-second mortgage amount. The lender or the HACP shall verify the buyer's income and employment status during the mortgage pre-approval process and the lender shall provide buyer's income and employment status to the HACP upon request. If a buyer's income increases or declines subsequent to a lender issuing a mortgage pre-approval letter, the HACP at its discretion may require recalculation of assistance amounts.

## **VI.**

## **PRE-HOMEOWNERSHIP ASSISTANCE REQUIREMENTS**

### **A. Homeownership Counseling**

Before a family is eligible for homeownership, the family must attend and successfully complete a pre-assistance HUD approved homeownership and housing counseling program. Such homeownership and housing counseling program will be provided or approved by the HACP prior to the commencement of assistance and will include instruction relating to home maintenance; budgeting and money management; credit counseling; negotiating purchase price; securing mortgage financing and loan approvals; finding a home including information about schools and transportation; fair housing laws and local enforcement agencies; the advantages of purchasing and locating homes in areas that do not have a high concentration of low-income families; and the Real Estate Settlement Procedures Act; state and Federal truth-in-lending law; and how to avoid loans with oppressive terms and conditions.

### **B. First Mortgage Pre-approval**

Upon completion of the Homeownership Counseling Program, the participant is to complete a mortgage pre-approval application to determine if they qualify for a first mortgage. Participant is to provide the HACP with a first mortgage pre-approval letter and closing cost estimate which will detail the cost associated with obtaining the mortgage. The HACP requires tenant buyers to request a mortgage pre-approval letter and closing cost estimate that reflects the highest amount of first mortgage they are eligible to receive.

### **C. Home Purchase and Sales Agreement**

Participants in the Program will be required to locate and purchase a home or execute a contract of sale or lease purchase a home, within the limits of the City of Pittsburgh. “Homeownership eligibility” begins on the date when the buyer has obtained a mortgage pre-approval letter and completed the approved homebuyer education class. It is the responsibility of the buyer to notify and discuss the sales transaction with the HACP prior to the buyer signing an agreement of sale to remain eligible for Homeownership Program benefits.

### **D. Home Inspection**

The buyer shall select and pay for an independent professional inspection in accordance with the sales agreement. Such independent inspectors must be qualified by the American Society of Home Inspectors (ASHI) or possess equivalent credentials acceptable to the HACP. The independent inspectors must furnish a copy of the inspection results to both the buyer and HACP. HACP must review the independent inspector’s report and determine whether to go forward or terminate the sales agreement based upon its review.

A contingency clause in the sales agreement must provide that the buyer is not obligated to pay for any necessary repairs. If the Seller is the HACP then the HACP, in its sole discretion, may pay for any deficiencies found in the inspection report or HACP may terminate the sales agreement. Similarly, the buyer has the right to cancel the sales agreement without penalty if HACP is unwilling to make all necessary repairs cited in the inspection.

## **VII. FINANCING REQUIREMENTS**

### **A. General**

The HACP may not require participants to use a certain lender or a certain type of financing. However, financing for purchases under this Program must generally comply with secondary mortgage market requirements. The HACP will only approve a fixed interest rate “Qualified Mortgage” provided by a lender. A Qualified Mortgage shall be insured by FHA, Guaranteed by VA, or funded by Fannie Mae, Freddie Mac, or other governmental entity, state or local housing finance agency, nonprofit organization, or a regional Federal Home Loan Bank under one of its affordable housing programs. The HACP will not approve any lending practices that it determines, in its reasonable discretion, to be abusive or predatory including loans offered at a rate above Prime to individuals who do not qualify for Prime Rate loans, i.e., subprime loans. Seller financing will be on a case-by-case basis, including instances where the HACP or nonprofit organization is the seller. It is the goal of the Program for participants to utilize all other assistance for which they are eligible prior to receiving assistance from this Program.

If the HACP is the seller, then the Program may provide for below-market purchase prices or below-market financing to facilitate below-market purchases. Discounted purchase prices may be determined on a unit-by-unit basis, based on the particular buyer’s ability to pay, or may be determined by any other fair and reasonable method. Below-market financing may include any type of public or private financing, including but not limited to purchase-money mortgages, non-cash second mortgages, promissory notes, guarantees of mortgage loan from other lenders, shared equity, land installment contract or lease-purchase arrangements.

### **B. Financing Terms**

The proposed loan terms must be submitted to and approved by the HACP and the HACP will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate in view of current market conditions. Participants are required to provide the HACP with a copy of their loan application also known as the Uniform Residential Loan Application/ Fannie Mae form 1003 so that this determination can be made. If a mortgage is not funded by Fannie Mae or Freddie Mac or FHA-insured, or VA-guaranteed, the HACP may require lenders to comply with generally accepted mortgage underwriting standards consistent with HUD/FHA, Fannie Mae, Freddie Mac, RHS, or the Federal Home Loan Bank requirements. Seller financing will be reviewed on a case-by-case basis.



### **C. Determining Affordability: Buyer's Monthly Homeownership Expense**

The HACP will determine, in its sole discretion, the affordability of the family's proposed loan terms and whether they are appropriate in view of current market conditions. In making such determination, HACP may take into account other family expenses, including but not limited to child care, unreimbursed medical expenses, education, and training expenses. The monthly expenses of Program Participants and those who are listed on the lender's mortgage application, should not exceed a total estimated housing expenses debt ratio of thirty-five percent (35%) of the combined gross monthly income of adult members of the household. The housing debt expense should include mortgage principal, mortgage interest, property taxes, homeowner's insurance condominium or association fees, monthly capital improvement expense (\$20 per month), monthly maintenance expense (\$20 per month), and a monthly utilities estimate obtained from the most recent HACP Program utility allowance schedule for the appropriate unit type.

### **D. Down Payment**

Buyers must contribute from their own funds at least one percent (1%) of the net sales price of either a HACP owned property or a private market property. The family may use an Individual Development Account (IDA) or Family Self-Sufficiency (FSS) escrow account for their down payment. LIPH program participants who established homeownership "lease-purchase" accounts prior to January 1, 2007, may utilize these accounts for their down payment.

### **E. Refinancing**

No buyer while receiving an HACP second mortgage assistance may refinance their mortgage(s) or incur additional debt secured by the home without the prior written approval of HACP.

## **VIII. ASSISTANCE COMPONENTS**

### **A. Assistance Components Available To All Qualifying Program Participants.**

#### **1. Home Warranty And Closing Costs Assistance:**

The maximum amount of financial assistance is \$8,000 for home warranty and closing costs assistance.

The HACP may approve the prepayment of a home warranty for a property prior to closing. It is the responsibility of the tenant/buyer to provide HACP with a written quotation from the vendor for these services prior to closing. Subject to budgetary constraints, the HACP may pay closing costs one time per buyer and if a buyer fails to close on their sales agreement, buyer is not eligible to receiving additional closing costs assistance for a new sales agreement for one (1) year.

#### **2. Foreclosure Prevention Fund**

The maximum amount of financial assistance is \$3,000 for foreclosure prevention.

In the event a buyer defaults on their mortgage and receives notice of default by their lender within five (5) years of their closing date, they receive up to six (6) months of HACP mortgage assistance if they apply for and comply with all requirements of the Pennsylvania Homeowners' Emergency Mortgage Assistance Program (HEMAP). As a Program safeguard, if in the event 10% or more of program buyers default upon their mortgage(s), Section VII C will be amended to decrease the maximum buyer debt ratio for new buyers to thirty-percent (30%) of gross monthly income.

### **B. Financing With A Soft-Second Mortgage Calculation**

The maximum amount of a soft-second mortgage is \$ 52,000.

Subject to budgetary constraints, the HACP may provide soft-second mortgage financing to eligible participants. Such financing shall be secured in most cases by a second mortgage (the "Second Mortgage"). However, in some cases, the HACP mortgage will be recorded as a third mortgage subordinate to mortgages securing bank and other government financing provided, for example, by the Urban Redevelopment Authority (URA) of Pittsburgh. In the event a first or second mortgage does not exist, HACP's mortgage will be recorded as a first mortgage.

The Homeownership Expense includes principal, interest, taxes, Homeowners insurance, mortgage insurance premium if required (PITI); this information will be obtained from the Lenders pre-approval and Closing Cost Estimate. In addition to these expenses a monthly utility allowance, routine home maintenance allowance, and major repairs allowance, are also a part of the Homeownership Expense.

If the first mortgage Lenders proposed (PITI) payment causes participants estimated Homeownership Expense ratio to exceed thirty-five percent (35%) of gross monthly income HACP may provide a soft-second mortgage to lower the buyer's monthly debt obligation to the lender. HACP may also provide a soft- second mortgage to increase the buyers purchase capacity as appropriate in view of current market conditions.

### **C. Calculating Soft-Second Mortgage using the Housing Assistance Payment**

The HACP Second Mortgage loan amount shall be determined and calculated by using the Housing Assistance Payment which is equal to the lower of the payment standard or the actual monthly Homeownership Expense Payment for the unit minus the Total Tenant Payment (TTP). The Homeownership Program will use the currently in effect Housing Choice Voucher Payment Standard.

The Utility Allowance for the unit will be determined using a monthly utilities estimate obtained from the most recent HACP Housing Choice Voucher Program Utility Allowance schedule for Tenant Furnished Utilities for the appropriate unit size. Standard Utility Allowances for detached house type assumes natural gas heating, natural gas cooking, other electric (lights and appliances), air conditioning, natural gas water heating, water, sewer, trash, tenant supplied range and refrigerator. The Gross Aid Standard is obtained from the most recent HACP Section 8 Housing Choice Voucher Program Voucher Payment Standards.

- Second Mortgage Loan Amount Calculation for a buyer: Homeownership Expense Payment or Voucher Program Payment Standard for unit size (whichever is less) minus the Total Tenant Payment (TTP) x 12 months x 10 years = maximum Second Mortgage loan amount (not to exceed \$52,000)
- The Second Mortgage Loan Amount Calculation above shall be determined during buyer's loan pre-approval process and participant will be provided a written estimated soft second mortgage eligibility and soft second mortgage eligibility amount. The notice will also advise whether the soft second mortgage is to be applied to decrease the 1<sup>st</sup> mortgage debt obligation and/or increase purchase capacity. This notice is to be shared with the buyer's prospective lender and/or Real Estate agent prior to buyer selecting a home to purchase.
- Prior to submitting a sales agreement to the seller to purchase a home the buyer must provide a copy of the sales agreement to HACP for review. The HACP will issue a final approval notice advising of amount of assistance the buyer is to receive based on the selected Property and cost associated with the purchase. After the primary lender has made a mortgage loan commitment in accordance with the buyer's sales agreement, the buyer is not eligible to request or have the HACP recalculate the buyer's HACP Second Mortgage amount.

- The HACP Second Mortgage shall be reduced each month (1/120) by the amount (eligible monthly MAP) used in the Second Mortgage Loan Amount Calculation above; provided that, buyer remains in good standing in the Program, continues to occupy the property as their primary residence, and is not in default under the mortgage. In the event of a mortgage default or if the buyer is no longer residing in the home, no further HACP Second Mortgage debt reduction shall occur while such default or non-occupancy condition continues. The buyer in this program who defaults on their mortgage will not be eligible for housing assistance through the HACP (or through any HUD funded housing assistance program) until the outstanding obligation on the HACP 2<sup>nd</sup> mortgage has been satisfied.
- Once a buyer completes a home purchase, interim and monthly re-certifications of income and annual Housing Quality Standard (HQS) inspections are no longer required.

Note: Program participants who established homeownership 'lease-purchase' accounts prior to January 1, 2007 may utilize such accounts towards their down payment or closing costs.

#### **D. The Homeownership Waiting List**

A participant's position on the Homeownership Program Waiting List will be determined by the date of their pre-approval letter that they have obtained from a bank.

The participant will have sixty (60) days from the date of their mortgage pre-approval letter to execute a sales agreement on the property of their choice and provide the HACP with a copy of the sales agreement.

The participant/buyer must have a settlement within ninety (90) days from the date that the mortgage application package is submitted to underwriting.

Persons failing to sign a sales agreement, complete a mortgage application in a timely manner as per the sales agreement, or reach settlement within the allotted time period will be removed from the list. Participants can get a new pre-approval letter and will be put back on the list based on the new date of the new pre-approval letter.

Anyone on the Homeownership Waiting List when annually budgeted funds become exhausted will remain on the list for the subsequent budget year. If a participant/buyer does not meet the stated deadlines for performance in the program, the HACP will review on a case by case basis to determine if and what remedies are available to assist in the completion of the transaction.

### **E. Portability**

A current HCV Program family who qualifies for homeownership assistance may Port to another jurisdiction and purchase a home outside HACP's jurisdiction through another PHA's program, provided the receiving PHA is administering a homeownership program, is accepting new families into its homeownership program, and considers the family eligible based upon the receiving PHA's eligibility requirements. Participants porting to other jurisdictions are not eligible for Homeownership Program Assistance from the HACP.

## **IX. TENANT/BUYER SELECTION FOR VACANT HACP SCATTERED SITES HOMES**

Upon the HACP's approval to release for sale a HACP-owned property, **as they become vacant**, the Program staff collects applicants for a Buyer's List of interested mortgage pre-approved tenant buyers for each home address during a minimum of five (5) business days prior to HACP finalizing and closing the Buyer's List. The Buyer's List is to be utilized in the event two or more mortgage pre-approved applicant buyers desire to purchase the same property. A tenant buyer shall only be on one property Buyer's List or sign one sales agreement at a time. A buyer is only eligible to sign a Buyer's List if the tenant buyer's mortgage pre-approval letter states a loan amount that is at least equal to or exceeds the property net sales price after applying applicable discounts and other Program benefits. If there are no buyers for a vacant unit, HACP may lease that unit as a standard LIPH scattered site rental unit to the next eligible family on the LIPH waiting list.

After collecting interested tenant/buyers for up to five (5) business days, HACP shall select from the Buyer's List the buyer based upon the following criteria:

- The date of their mortgage pre-approval letter shall be the first priority for the selection of any tenant/buyer that HACP enters into a sales agreement from the property Buyer's List.
- In the event that two tenant/buyers have the same date on their mortgage pre-approval letter, HACP shall select the tenant/buyer based upon the tenant/buyer with a lower total debt-to-purchase price ratio.

In the event that a home does not sell during its initial sales offering, HACP may collect additional interested mortgage qualified tenant/buyers from either low income public housing residents or Section 8 voucher holders for an additional five (5) business day period and form a new Buyer's List to repeat the buyer selection process at HACP's discretion.

### **A. Tenant/Buyer Notification**

The tenant/buyer who is selected by the HACP to enter into a property sales agreement shall be notified by HACP and requested to execute a sales agreement.

**B. Tenant/Buyers Not Selected From Buyer's List**

Once the HACP enters into a sales agreement with a tenant/buyer from the Buyer's List, the remainder of tenant/buyers not selected are released from this Buyer's List and are eligible to sign up for a new property Buyer's List.

**C. Tenant/Buyer Fails To Comply With Sales Agreement**

If the HACP enters into a sales agreement with a tenant/buyer and the tenant/buyer fails to fulfill the terms and conditions of the sales agreement, the tenant/buyer shall not be eligible to participate in the Program for one (1) year following the date of the sales agreement. If a tenant/buyer fails to complete the sales process and the tenant/buyer's sales agreement is terminated, the HACP will review the property Buyer's List and the Homeownership staff will offer the property to the next qualified buyer as outlined in the Tenant/Buyer Selection Process. If no other tenant/buyers are remaining on the Buyer's List, the HACP will form a new property Buyer's List, or will lease the unit as a standard LIPH scattered site rental unit to the next eligible family on the waiting list.

**X. HACP OCCUPIED SCATTERED SITE TENANT/BUYER SELECTION**

**A. Occupied Scattered Site**

If an HACP public housing tenant is currently leasing a scattered site, the occupying tenant has the right of first refusal to purchase the scattered site property. If the current family leasing the unit chooses not to purchase the unit in which they reside but want to remain in good standing as a tenant, they may remain in the unit as leasing tenants. If an occupying tenant exercises the right of first refusal and fails to purchase the property, they may remain in the unit as a low-income public housing tenant as long as they continue as a tenant in good standing. In no case shall a tenant participating in the homeownership program who fails to purchase a home gain any rights to their dwelling beyond those rights of a low-income public housing tenant.

**XI. HOPE VI**

No MTW Homeownership Program benefits may be applied to HOPE VI programs.

**XII. RECAPTURE OF HOMEOWNERSHIP ASSISTANCE**

The HACP does not participate in the recapture of home value appreciation.

### **XIII.**

### **BUYER FILES**

Buyer files should contain copies of the following items and be maintained by the HACP for a period of no less than ten (10) years following closing.

- a) Homebuyer education certificate from a HUD approved education provider
- b) Mortgage pre-approval letter from a lender
- c) Signed agreement of sale and purchase
- d) Buyer debt ratio calculation
- e) Documentation that buyer meets HACP eligibility
- f) HACP financial checks issued to or on behalf of buyer
- g) HUD-1 settlement statement
- h) Home Inspection Report
- i) Second mortgage calculation
- j) Closing costs assistance form

### **XIV.**

### **ACCOMMODATIONS FOR PERSONS WITH A DISABILITY**

HACP is committed to ensuring the Program is accessible to persons with disabilities and will make outreach efforts to market the Program to such persons. HACP will address requests from those persons with disabilities through its reasonable accommodation policy and procedure to assure equal access to the homeownership program.

## Appendix III. Units Approved for Homeownership Disposition

Units approved for homeownership disposition

(showing those units still in the housing stock as of August 2019)

### PA-28-P001-022

PA Number	Zip	Address	All Units Pittsburgh, PA
PA-28-P001-022	15210	1603 BALLINGER ST #1	
PA-28-P001-022	15210	1611 BALLINGER ST #2	
PA-28-P001-022	15216	219 SEBRING AVE #4	
PA-28-P001-022	15206	252 AMBER ST #5	
PA-28-P001-022	15206	250 AMBER ST #6	
PA-28-P001-022	15206	248 AMBER ST #7	
PA-28-P001-022	15206	45 PENN CIRCLE WEST #8	
PA-28-P001-022	15206	246 AMBER ST #10	
PA-28-P001-022	15206	33 PENN CIRCLE WEST #12	
PA-28-P001-022	15206	39 PENN CIRCLE WEST #16	
PA-28-P001-022	15206	43 PENN CIRCLE WEST #17	
PA-28-P001-022	15206	35 PENN CIRCLE WEST #18	
PA-28-P001-022	15214	411 CHAUTAUQUA ST #19	
PA-28-P001-022	15233	1217 SHEFFIELD ST #20	
PA-28-P001-022	15233	1219 SHEFFIELD ST #21	
PA-28-P001-022	15233	1216 HAMLIN ST #22	
PA-28-P001-022	15233	1218 HAMLIN ST #23	
PA-28-P001-022	15206	6535 ROWAN ST #24	
PA-28-P001-022	15216	2534 NEELD AVE #27	
PA-28-P001-022	15210	712 MONTTOOTH ST #28	
PA-28-P001-022	15210	714 MONTTOOTH ST #29	
PA-28-P001-022	15210	716 MONTTOOTH ST #30	
PA-28-P001-022	15210	718 MONTTOOTH ST #31	
PA-28-P001-022	15210	720 MONTTOOTH ST #32	
PA-28-P001-022	15210	722 MONTTOOTH ST #33	
PA-28-P001-022	15210	724 MONTTOOTH ST #34	
PA-28-P001-022	15210	726 MONTTOOTH ST #35	
PA-28-P001-022	15210	728 MONTTOOTH ST #36	
PA-28-P001-022	15210	730 MONTTOOTH ST #37	
PA-28-P001-022	15212	1429 SANDUSKY ST #38	
PA-28-P001-022	15212	1431 SANDUSKY ST #39	
PA-28-P001-022	15216	142 SEBRING ST #40	
PA-28-P001-022	15210	212 CLOVER ST #41	
PA-28-P001-022	15210	214 CLOVER ST #42	
PA-28-P001-022	15210	216 CLOVER ST #43	
PA-28-P001-022	15210	218 CLOVER ST #44	
PA-28-P001-022	15210	213 ROTHMAN ST #45	
PA-28-P001-022	15210	215 ROTHMAN ST #46	
PA-28-P001-022	15210	217 ROTHMAN ST #47	
PA-28-P001-022	15210	219 ROTHMAN ST #48	
PA-28-P001-022	15207	515 FRAYNE ST #49	
PA-28-P001-022	15207	517 FRAYNE ST #50	



PA Number	Zip	Address	All Units Pittsburgh, PA
PA-28-P001-022	15207	521 FRAYNE ST #51	
PA-28-P001-022	15207	523 FRAYNE ST #52	
PA-28-P001-022	15207	527 FRAYNE ST #53	
PA-28-P001-022	15207	529 FRAYNE ST #54	
PA-28-P001-022	15207	533 FRAYNE ST #55	
PA-28-P001-022	15207	535 FRAYNE ST #56	
PA-28-P001-022	15226	2337 WOLFORD ST #58	
PA-28-P001-022	15212	3564 BRIGHTON RD #60	
PA-28-P001-022	15226	952 BAYRIDGE AVE #61	
PA-28-P001-022	15210	1602 FIAT ST #62	
PA-28-P001-022	15226	2069 WOODWARD AVE #63	
PA-28-P001-022	15216	1309 METHYL ST #64	
PA-28-P001-022	15201	112 SCHENLEY MANOR DR #65	
PA-28-P001-022	15212	1323 OAKHILL ST #66	
PA-28-P001-022	15226	1541 CHELTON AVE #67	
PA-28-P001-022	15210	221 WAYSIDE ST #68	
PA-28-P001-022	15216	1415 KENBURMA AVE #69	
PA-28-P001-022	15201	111 SCHENLEY MANOR DR #70	
PA-28-P001-022	15235	7314 SOMERSET ST #71	
PA-28-P001-022	15216	948 SHADYCREST RD #72	
PA-28-P001-022	15220	1245 CRANE AVE #73	
PA-28-P001-022	15217	3773 BEECHWOOD BLVD #74	
PA-28-P001-022	15210	2113 ECCLES ST #76	
PA-28-P001-022	15210	2115 ECCLES ST #77	
PA-28-P001-022	15210	2119 ECCLES ST #78	
PA-28-P001-022	15210	2121 ECCLES ST #79	
PA-28-P001-022	15210	2125 ECCLES ST #80	
PA-28-P001-022	15210	2127 ECCLES ST #81	
PA-28-P001-022	15210	2133 ECCLES ST #82	
PA-28-P001-022	15210	2135 ECCLES ST #83	
PA-28-P001-022	15212	223 CARRINGTON ST #84	
PA-28-P001-022	15212	225 CARRINGTON ST #85	
PA-28-P001-022	15212	227 CARRINGTON ST #86	
PA-28-P001-022	15212	229 CARRINGTON ST #87	

## PA-28-P001-038

PA Number	Zip	Address
PA-28-P001-038	15207	926 JOHNSTON AVE #259
PA-28-P001-038	15207	930 JOHNSTON AVE #260

## PA-28-P001-039

PA Number	Zip	Address
PA-28-P001-039	15226	738 WOODBOURNE AVE #3
PA-28-P001-039	15210	700 LILLIAN ST #4
PA-28-P001-039	15216	1512 ROCKLAND AVE #6
PA-28-P001-039	15201	4290 COLERIDGE ST #7
PA-28-P001-039	15216	2724 STRACHAN ST #8
PA-28-P001-039	15206	27 PENN CIRCLE WEST #9

PA-28-P001-039	15211	447 SWEETBRIAR ST #10
PA-28-P001-039	15211	449 SWEETBRIAR ST #11
PA-28-P001-039	15211	453 SWEETBRIAR ST #12
PA-28-P001-039	15211	455 SWEETBRIAR ST #13
PA-28-P001-039	15204	3828 MERLE STREET #15
PA-28-P001-039	15226	2010 PIONEER AVE #16
PA-28-P001-039	15211	116 WILBERT ST #17
PA-28-P001-039	15216	1318 ORANGEWOOD AVE #18
PA-28-P001-039	15210	2159 WHITED ST #19
PA-28-P001-039	15210	2161 WHITED ST #20
PA-28-P001-039	15226	958 NORWICH ST #21
PA-28-P001-039	15216	2367 SARANAC AVE #22
PA-28-P001-039	15216	2344 PALM BEACH AVE #23
PA-28-P001-039	15226	1676 PIONEER AVE #24
PA-28-P001-039	15216	2393 SARANAC AVE #25
PA-28-P001-039	15204	3740 MERLE ST #26
PA-28-P001-039	15226	517 ROSSMORE AVE #28
PA-28-P001-039	15210	2073 WALTON AVE #29
PA-28-P001-039	15201	1159 WOODBINE ST #30
PA-28-P001-039	15204	802 STANHOPE ST #31
PA-28-P001-039	15221	8331 VIDETTE ST #32
PA-28-P001-039	15216	1630 DAGMAR AVE #33
PA-28-P001-039	15208	114 N DALLAS AVE #34
PA-28-P001-039	15226	2216 WOODWARD ST #35
PA-28-P001-039	15204	2728 STAFFORD ST #36
PA-28-P001-039	15204	2730 STAFFORD ST #37
PA-28-P001-039	15221	1969 ROBINSON BLVD #38
PA-28-P001-039	15226	707 DUNSTER ST #39
PA-28-P001-039	15204	2736 MERWYN AVE #40
PA-28-P001-039	15204	2738 MERWYN AVE #41
PA-28-P001-039	15210	315 ROCHELLE ST #42
PA-28-P001-039	15212	1233 HODGKISS ST #43
PA-28-P001-039	15212	1219 MARSHALL AVE #44
PA-28-P001-039	15212	3851 HIAWATHA ST #45
PA-28-P001-039	15204	3176 LADOGA ST #48
PA-28-P001-039	15201	118 SCHENLEY MANOR DR #49
PA-28-P001-039	15208	7152 MCPHERSON BLVD #51
PA-28-P001-039	15219	512 MORGAN STREET #52
PA-28-P001-039	15204	1253 BERRY ST #53
PA-28-P001-039	15214	3527 COLBY ST #55
PA-28-P001-039	15206	5461 CLARENDON PL #57
PA-28-P001-039	15206	7216 MINGO ST #59
PA-28-P001-039	15201	4307 COLERIDGE ST #60

## PA-28-P001-050

PA Number	Zip	Address
PA-28-P001-050	15216	1605 CANTON AVE #1
PA-28-P001-050	15216	1607 CANTON AVE #2
PA-28-P001-050	15216	1609 CANTON AVE #3
PA-28-P001-050	15216	1611 CANTON AVE #4
PA-28-P001-050	15216	1613 CANTON AVE #5

PA-28-P001-050	15216	1615 CANTON AVE #6
PA-28-P001-050	15207	4634 MONONGAHELA ST #7
PA-28-P001-050	15207	4632 MONONGAHELA ST #8
PA-28-P001-050	15207	4630 MONONGAHELA ST #9
PA-28-P001-050	15207	4628 MONONGAHELA ST #10
PA-28-P001-050	15207	4626 MONONGAHELA ST #11
PA-28-P001-050	15207	4624 MONONGAHELA ST #12
PA-28-P001-050	15207	4622 MONONGAHELA ST #13
PA-28-P001-050	15207	4620 MONONGAHELA ST #14
PA-28-P001-050	15207	4618 MONONGAHELA ST #15
PA-28-P001-050	15207	4616 MONONGAHELA ST #16
PA-28-P001-050	15207	4732 SYLVAN AVE #17
PA-28-P001-050	15207	4730 SYLVAN AVE #18
PA-28-P001-050	15207	147 ALLUVIAN ST #19
PA-28-P001-050	15207	149 ALLUVIAN ST #20
PA-28-P001-050	15207	151 ALLUVIAN ST #21
PA-28-P001-050	15207	153 ALLUVIAN ST #22
PA-28-P001-050	15207	155 ALLUVIAN ST #23
PA-28-P001-050	15207	157 ALLUVIAN ST #24
PA-28-P001-050	15207	315 FLOWERS AVE #25

## PA-28-P001-051

PA Number	Zip	Address
PA-28-P001-051	15204	1212 STANHOPE ST #1
PA-28-P001-051	15204	1212 1/2 STANHOPE ST #2
PA-28-P001-051	15204	1214 STANHOPE ST #3
PA-28-P001-051	15204	1214 1/2 STANHOPE ST #4
PA-28-P001-051	15204	1111 FAULKNER ST #5
PA-28-P001-051	15204	1113 FAULKNER ST #6
PA-28-P001-051	15204	1115 FAULKNER STREET #7
PA-28-P001-051	15204	1117 FAULKNER ST #8
PA-28-P001-051	15204	2703 SACRAMENTO AVE #9
PA-28-P001-051	15204	324 WYCKOFF AVE #10
PA-28-P001-051	15204	326 WYCKOFF AVE #11
PA-28-P001-051	15204	2649 GLASGOW ST #14
PA-28-P001-051	15204	2651 GLASGOW ST #15
PA-28-P001-051	15204	2700 SACRAMENTO AVE #16
PA-28-P001-051	15204	2702 SACRAMENTO AVE #17
PA-28-P001-051	15204	2704 SACRAMENTO AVE #18
PA-28-P001-051	15204	2706 SACRAMENTO AVE #19
PA-28-P001-051	15204	2708 SACRAMENTO AVE #20
PA-28-P001-051	15204	2710 SACRAMENTO AVE #21
PA-28-P001-051	15204	1208 FAULKNER ST #22
PA-28-P001-051	15204	1210 FAULKNER ST #23
PA-28-P001-051	15204	1212 FAULKNER ST #24
PA-28-P001-051	15204	1214 FAULKNER ST #25

**Housing Authority of the City of Pittsburgh**  
**2020 Moving to Work Annual Plan**  
**Rental Assistance Demonstration**

The Housing Authority of the City of Pittsburgh (HACP) is amending its FY 2020 Moving to Work (MTW) Annual Plan to incorporate additional information as required by the U.S. Department of Housing and Urban Development (HUD) concerning the planned conversion of certain HACP public housing units to project-based assistance under the Rental Assistance Demonstration (RAD) program.

**Background**

On February 14, 2020, HUD issued a RAD award letter to the HACP that approved the applications for conversion of 86 public housing units, subject to the HACP meeting all of the conditions and requirements of the RAD program. The award letter serves as HUD's Commitment to Enter into a Housing Assistance Payments Contract (CHAP) for the subject public housing development. Accordingly, the HACP intends to proceed with the RAD conversion under the guidelines of PIH Notice H-2019-09/PIH 2019-23, REV-4 issued by HUD.

One of the conditions of the CHAP is that the HACP must submit an Amendment to its approved MTW Annual Plan that incorporates important information on the HACP's RAD conversion plan. The information included in this document provides the required information and serves as the HACP's RAD Amendment. The HACP is providing a thirty-day public comment period and will conduct a Public Hearing on September 9, 2020 to allow residents and the general public an opportunity to review and comment on the RAD Amendment. Following this period, the HACP Board of Commissioners will conduct a vote on the RAD Amendment at the September 24, 2020 Board Meeting.

**RAD Conversion Plan**

HUD has approved the conversion of a public housing community to project-based assistance under the RAD program.

Attachment 1 includes current information on the Manchester Redevelopment that is proposed for RAD conversion. Attachment 1 includes the following information:

<i>Current Units:</i>	Total number of units, bedroom size distribution and unit type
<i>Post-Conversion Units:</i>	If applicable, any changes proposed to the current number of units, the bedroom size distribution or the unit type including de minimis reductions
<i>Transfer of Assistance:</i>	Whether HACP intends to transfer assistance to another development as part of the RAD conversion and, if so, the location, number of units, bedroom size distribution, and unit type where known.
<i>PBV or PBRA:</i>	Whether HACP intends to convert the development to the Project Based Voucher (PBV) program or to the Project Based Rental Assistance (PBRA) program, along with information on resident rights, resident participation, waiting list and grievance procedures applicable to each program. A more detailed discussion of PBV and PBRA follows below.
<i>Capital Fund Impact:</i>	The current amount of Capital Fund dollars received prior to RAD conversion. Developments converted through the RAD program are not eligible for Public Housing Capital Funds. A more detailed discussion of the projected Capital Fund impact of RAD conversion follows below.
<i>Transfer of Waiting List:</i>	How existing waiting lists will be addressed as part of the conversion

## **Conversion to Project-Based Vouchers**

Public housing developments that are converted to Project-based Voucher (PBV) assistance will no longer be subject to HUD rules and regulations pertaining to the public housing program. Upon conversion to RAD, the former public housing units will be subject to the rules and regulations pertaining to the Housing Choice Voucher (HCV) PBV programs. HUD has modified the PBV program rules and regulations to incorporate additional provisions that apply solely to units converted under RAD. These additional provisions provide important protections to current residents of public housing that are impacted by a RAD conversion.

HACP currently plans to convert the RAD units listed in Attachment 1 to the PBV program. As part of the conversion initiative, the HACP will adopt all required RAD PBV rules, and will modify its existing HCV Program Administrative Plan (Admin Plan) as needed to incorporate these requirements, including, but not limited to resident rights, resident participation, waiting list, lease, grievance processes and other matters.

Attachment 2 provides information on the PBV program related to: resident screening and right to return; phasing in of rent increases if applicable; eligibility for Family Self Sufficiency (FSS) and the Resident Opportunity for Self Sufficiency (ROSS) program services; resident participation rights including the right to operate a resident organization and be eligible for resident participation funding; lease renewal and termination provisions; grievance processes; earned income disregard continued eligibility; and, establishment of a waiting list.

## **Certifying Statement**

Site Selection and Neighborhood Standards Review: The HACP does not intend to transfer RAD assistance to another location; therefore, specific site and neighborhood selection standards do not apply at this time. However, if the HACP chooses to exercise its rights to transfer the HAP contract, RAD Use Agreement, and all or part of the rental assistance provided under RAD to another property at a future date, the HACP will apply applicable policies for site selection and neighborhood standards, and if necessary will amend the applicable, MTW Annual Plan to accommodate any programmatic changes related to planned transfers.

**2020 Moving to Work Annual Plan  
Rental Assistance Demonstration  
Attachment 1 – Project Based Vouchers (PBV)**

Name of Public Housing Project:  Manchester Commons	PIC Development ID:  PA001000072	Conversion Type:  PBV	Transfer of Assistance:  No
Total Units: 86	Pre- RAD Unit Type (i.e., Family, Senior, etc.):  Family	Post-RAD Unit Type if different (i.e., Family, Senior, etc.):  Family & Senior	Capital Fund allocation of Development:  \$152,630.34
Bedroom Type	Number of Units Pre-Conversion	Number of Units Post-Conversion	Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, etc.)  N/A
Studio/Efficiency	0	0	N/A
One Bedroom	24	24	N/A
Two Bedroom	19	19	N/A
Three Bedroom	30	30	N/A
Four Bedroom	13	13	N/A
Five Bedroom	0	0	N/A
Six Bedroom	0	0	N/A
(If performing a Transfer of Assistance):	N/A		

**2020 Moving to Work Annual Plan**  
**Rental Assistance Demonstration**  
**Attachment 2 – Project Based Vouchers (PBV)**

The following information regarding conversion of public housing units to the Project Based Voucher (PBV) program under the Rental Assistance Demonstration (RAD) program is taken directly from the HUD RAD program instructions found at PIH Notice H-2019-09/PIH 2019-23, REV-4.

**Section 1.6.C PBV Resident Rights and Participation**

- 1. No Rescreening of Tenants upon Conversion.** Pursuant to the RAD Statute, at conversion, current households cannot be excluded from occupancy at the Covered Project based on any rescreening, income eligibility, or income targeting. With respect to occupancy in the Covered Project, current households in the Converting Project will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.<sup>36</sup> Post-conversion, the tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in this Notice (e.g., rent phase-in provisions). For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, Section 8(o)(4) of the 1937 Act and 24 CFR § 982.201, concerning eligibility and targeting of

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<sup>36</sup>These protections (as well as all protections in this Notice for current households) also apply when a household is relocated to facilitate new construction or repairs following conversion and subsequently returns to the Covered Project.

tenants for initial occupancy, will not apply for current households. Once the grandfathered household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement. Further, so as to facilitate the right to



return to the assisted property, HUD waives Section 8(o)(4) and 24 CFR § 982.201 to the extent necessary for this provision to apply to current public housing residents of the Converting Project that will reside in non-RAD PBV units or non-RAD PBRA units placed in a project that contain RAD PBV units or RAD PBRA units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR Part 983 for non-RAD PBV units and the PBRA requirements governing the applicable contract for non-RAD PBRA units.

2. **Right to Return.** See Section 1.4.A.5.b. and the RAD Fair Housing, Civil Rights, and Relocation Notice regarding a resident's right to return. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.
3. **Phase-in of Tenant Rent Increases.** If, purely as a result of conversion, the amount a tenant would pay for rent and utilities under the PBV program (the tenant's TTP) would increase the tenant's TTP by more than the greater of 10 percent or \$25, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase-in period at three years, five years or a combination depending on circumstances and must communicate such policy in writing to affected residents. For example, a PHA may create a policy that uses a three-year phase-in for smaller increases in rent and a five-year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

The method described below explains the set percentage-based phase-in a Project Owner must follow according to the phase-in period established. For purposes of this section "Calculated PBV TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058. If a family in a project converting from Public Housing to PBV was paying a flat rent immediately prior to conversion, the PHA should use the flat rent amount to calculate the phase-in amount for Year 1 (the first recertification following conversion), as illustrated below.

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full Calculated PBV TTP<sup>37</sup>

Five Year Phase in:

1. Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
2. Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP
3. Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
4. Year 4: Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
5. Year 5 AR and all subsequent recertifications – Full Calculated PBV TTP

*Please Note:* In either the three-year phase-in or the five-year phase-in, once the Calculated PBV TTP is equal to or less than the previous TTP, the phase-in ends, and tenants will pay full TTP from that point forward. MTW agencies must also implement a three or five-year phase-in for impacted residents but may alter the terms above as long as it establishes a written policy setting forth the alternative terms. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

4. **Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are currently FSS participants will continue to participate in the PHA's FSS program.

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<sup>37</sup> For example, where a resident's most recently paid TTP is \$100, but the Calculated PBV TTP is \$200 and remains \$200 for the period of the resident's occupancy, (i.e. no changes in income) the resident would continue to pay the same rent and utilities for which it was responsible prior to conversion. At the first recertification following conversion, the resident's contribution would increase by 33% of \$100 to \$133. At the second AR, the resident's contribution would increase by 50% of the \$66 differential to the standard TPP, increasing to \$166. At the third AR,

the resident's contribution would increase to \$200 and the resident would continue to pay the Calculated PBV TTP for the duration of their tenancy.

The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted by RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that until provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act are implemented, there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR part 984 (current, or as amended), the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100.<sup>38</sup> Further, upon conversion to PBV, if the PHA no longer has a public housing program, funds already escrowed for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.<sup>39</sup>

For information on FSS PIC reporting requirements for RAD conversions, see Notice PIH 2016-08 at <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2016-08.pdf>.

Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants,

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<sup>38</sup> The funding streams for the PH FSS Program and the HCV FSS Program were first merged pursuant to the FY 2014 appropriations act. As a result, PHAs can serve both PH residents and HCV participants, including PBV participants, with FSS funding awarded under the FY 2014 FSS Notice of Funding Availability (FSS NOFA) and any other NOFA under which the combination of funds remains in the applicable appropriations act. For PHAs that

had managed both programs separately and now have a merged program, a conversion to PBV should not impact their FSS participants.

<sup>39</sup> Where the PHA maintains a public housing program, any forfeited funds that had been escrowed prior to conversion would revert to the PHA's Operating Reserves.

which, by statute, can only serve public housing residents. At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local Resident Association and this consequence of a RAD conversion may impact those entities. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

- **Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with assistance converted to PBV will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.
- **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum (HUD Form 52530-c), as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.
  - a. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD and to non-RAD PBV units located at the Covered Project. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be :
    - i. A reasonable period of time, but not to exceed 30 days:
      - 1 If the health or safety of other tenants, Project Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
      - 2 In the event of any drug-related or violent criminal activity or any felony conviction;
    - ii. Not less than 14 days in the case of nonpayment of rent; and

- iii. Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

- b. **Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional resident procedural rights to comply with section 6 of the Act.

For the termination of assistance and several other PHA determinations, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(v),<sup>40</sup> an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
  - 1 For any hearing required under 24 CFR § 982.555(a)(1)(i)-(v), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
  - 2 For any additional hearings required under RAD, the Project Owner will perform the hearing.
- ii. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or Contract Administrator.
- iii. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- iv. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

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<sup>40</sup> § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate program has been repealed.

To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

- 7. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID after conversion, in accordance with regulations at 24 CFR § 5.617. Upon the expiration of the EID for such families, the rent adjustment shall not be subject to rent phase-in, as described in Section 1.6.C.4; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in 24 CFR § 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants that move into the property following conversion or tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion due to loss of employment) is covered by this waiver. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

- 8. Jobs Plus.** Jobs Plus grantees awarded FY14 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance unless significant relocation and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project. If the program is continued, the Project Owner must agree to continue to implement the program according to HUD's program requirements. Jobs Plus target public housing projects must enroll public housing residents into the Jobs Plus rent incentive, JPEID, prior to conversion. Any

resident of the Covered Project that had not enrolled prior to conversion is not eligible to enroll in JPEID but may utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the Covered Project may voluntarily utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion.

- 9. When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may select an occupied unit to be included under the PBV HAP Contract only if the unit's occupants are eligible for housing assistance payments (24 CFR § 983.53(c)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent) (24 CFR § 983.258). Since the rent limitation under this Section of the Notice may result in a family's TTP equaling or exceeding the gross rent for the unit, for residents living in the Converting Project prior to conversion and who will return to the Covered Project after conversion, HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP Contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that until such time that the family's TTP falls below the gross rent, the rent to the owner for the unit will equal the lesser of (a) the family's TTP, less the Utility Allowance, or (b) any applicable maximum rent under LIHTC regulations. During any period when the family's TTP falls below the gross rent, normal PBV rules shall apply. As necessary to implement this alternative provision, HUD is waiving the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR § 983.301 as modified by Section 1.6.B.5 of this Notice.<sup>41</sup> In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP Contract. The PHA is required to process these individuals through the Form 50058 submodule in PIC. To facilitate the uniform treatment of residents and units at a Covered Project, any non- RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

Unless a waiver is requested and approved as described below, any new admission to the Covered Project must meet the eligibility requirements at 982.201 and require a subsidy payment at admission to the program, which means their TTP may not equal or exceed the gross rent for the unit at that time. Further, a PHA must remove



a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an

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<sup>41</sup> For example, a public housing family residing in a property converting under RAD has a TTP of \$600. The property has an initial Contract Rent of \$500, with a \$50 Utility Allowance. Following conversion, the residents are still responsible for paying \$600 in tenant rent and utilities.

alternative requirement that the PHA must reinstate the unit after the family has left the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating units have been permitted, Section 1.6.B.10 of the Notice.

A PHA may request a waiver from HUD for the Covered Project in order to admit otherwise eligible families whose TTP exceeds gross rent and to allow the units those families occupy to remain under the HAP contract even if the PHA has not made a housing assistance payment for a family in 180 days.

For a Covered Project that consists of 100 percent RAD PBV units, the PHA must demonstrate that a waiver is necessary in order to avoid an undue concentration of poverty at the Covered Project. A PHA may evidence this by providing data showing, for example:

- how eligible income-certified applicants on the waiting list must be passed over because their incomes result in zero HAP at admission causing a higher concentration of poverty at the covered project; or
- how the income of newly admitted families is causing a markedly higher concentration of poverty than the PHA's non-RAD PBV projects.

The resulting impact on the property must be compared with the concentration of poverty at non-RAD PBV projects in the PHA's jurisdiction. If there are no non-RAD PBV projects in the PHA's jurisdiction, the PHA may alternatively demonstrate that the median income of families that could be admitted to the Covered Project is significantly lower than the median income of new admissions from the waiting list to the PHA's HCV program since the time of the RAD conversion.

For any other Covered Project, the PHA must demonstrate that the property contains specific units (e.g., units suitable for large families or accessible units) for which there are insufficient alternative housing opportunities.

If the waiver is approved, the new admission[s] families covered under the waiver are participants under the program and all of the family obligations and protections under RAD and PBV apply to the family, and the unit is subject to all program requirements. Such waiver requests should be submitted to the PIH Field Office in accordance with Notice PIH 2018-16.

**10. Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived for current residents remaining or returning to the Covered Project. MTW agencies may not modify this requirement. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

**D. PBV: Other Miscellaneous Provisions**

- 1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs and the Project Owner must cooperate with any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
- 2. Ongoing PHA Board Review of Operating Budget.** The Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. The PHA's Board must confirm that the Project Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.<sup>42</sup>
- 3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** These sections have been moved to 1.4.A.13 and 1.4.A.14.
- 4. Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions shall apply unless the project is covered by a remedial

order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:

- a. Transferring an existing site-based waiting list to a new site-based waiting list.

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<sup>42</sup> For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of monitoring and evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

- b. Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
- c. Transferring an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD.
- d. Informing applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

For any applicants on the public housing waiting list that are likely to be ineligible for admission to a Covered Project converting to PBV because the household's TTP is likely to exceed the RAD gross rent, the PHA shall consider transferring such household, consistent with program requirements for administration of waiting lists, to the PHA's remaining public housing waiting list(s) or to another voucher waiting list, in addition to transferring such household to the waiting list for the Covered Project.

To the extent any wait list relies on the date and time of application, the applicants shall have priority on the wait list(s) to which their application was transferred in accordance with the date and time of their application to the original waiting list.

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify applicants on the waiting list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the Covered Project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).<sup>43</sup>

When using a site-based waiting list, PHAs should consider waiting list and transfer policies that expand opportunities for tenants seeking an emergency transfer under, or consistent with, the PHA's Emergency Transfer Plan. This includes allowing for easier moves between assisted properties.

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c). To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations.

5. **Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.
6. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of secured debt during the HAP Contract term to ensure

the financing is consistent with long-term preservation of the Covered Project. With respect to any financing contemplated at the time of conversion (including any permanent financing which is a conversion or take-out of construction financing), such consent may be evidenced through the RCC, but HUD review of liens must be performed prior to execution.

**7. Administrative Fees for Public Housing Conversions During the Year of Conversion.** For the remainder of the Calendar Year in which the HAP Contract becomes effective (i.e., the “year of conversion”), RAD PBV projects will be funded

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<sup>43</sup> For more information on serving persons with LEP, please see HUD’s Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

with public housing funds. For example, if the project’s assistance converts effective July 1, 2015, the public housing ACC between the PHA and HUD will be amended to reflect the number of units under HAP Contract, but will be for zero dollars, and the RAD PBV HAP Contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

PHAs operating an HCV program typically receive administrative fees for units under a HAP Contract, consistent with recent appropriation act references to “section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Work Responsibility Act of 1998” and 24 CFR § 982.152(b). During the year of conversion mentioned in the preceding paragraph, these provisions are waived. PHAs will not receive Section 8 administrative fees for PBV RAD units during the year of conversion.

After the year of conversion, the Section 8 ACC will be amended to include Section 8 funding that corresponds to the units covered by the Section 8 ACC. At that time, the regular Section 8 administrative fee funding provisions will apply.

**8. Choice-Mobility.** One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, the PHA must offer the family the opportunity for continued tenant-based rental assistance, in the form of either assistance under the voucher program or other comparable tenant-based rental assistance.

If as a result of participation in RAD a significant percentage of the PHA's HCV program becomes PBV assistance, it is possible for most or all of a PHA's turnover vouchers to be used to assist those RAD PBV families who wish to exercise mobility. While HUD is committed to ensuring mobility remains a cornerstone of RAD policy, HUD recognizes that it remains important for the PHA to still be able to use tenant-based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing the following alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP Contract administered by the PHA exceeds 20 percent of the PHA's authorized units under its HCV ACC with HUD: The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. While a voucher agency is not required to establish a voucher inventory

turnover cap, if such a cap is implemented, the voucher agency must create and maintain a waiting list in the order in which the requests from eligible households were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

To effectuate this provision, HUD is providing an alternative requirement to Section 8(o)(13)(E) of the Act and 24 CFR § 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement.

- 9. Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.
- 10. Initial Certifications and Tenant Rent Calculations.** The Contract Administrator uses the family's public housing tenant rent (reflected on line 10f of the family's most recent HUD Form 50058) at the date of the conversion to calculate the PBV HAP and tenant rent until the effective date of the earlier of the family's first regular or interim recertification following the date of conversion. At the earlier of the family's first regular or interim recertification, the Contract Administrator will use the family's TTP based on the recertification and the HCV utility allowance (or the PBV site-specific utility allowance, if applicable) to determine the PBV HAP and tenant rent. This means that the family pays the same tenant rent as the family was paying under the public housing program until the earlier of first regular or interim reexamination following conversion, at which point the normally applicable PBV calculation for the tenant rent becomes effective. (Under the PBV program, the monthly HAP is the rent to owner minus the tenant rent, and the tenant rent is the family TTP minus the utility allowance.) To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same property as the Covered Project shall be subject to the terms of this provision. To effectuate this provision, HUD is waiving 24 CFR 5.601 and 983.3(c)(6)(iii).



**2020 Moving to Work Annual Plan**  
**Rental Assistance Demonstration**  
**Attachment 3 –PIH Notice H-2016-17, PIH 2016-17**

The following information regarding tenant protections is taken directly from the HUD Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions found at PIH Notice H-2016-17, PIH 2016-17.

**SECTION 6. RELOCATION REQUIREMENTS**

In some cases, as explained in this Section, the activities associated with the RAD transaction may require the relocation of residents. In the event of acquisition, demolition, construction or rehabilitation activities performed in connection with a RAD conversion, the PHA and/or Project Owner<sup>66</sup> should plan such activities to reasonably minimize any disruption to residents' lives, to ensure that residents are not exposed to unsafe living conditions and to comply with applicable relocation, fair housing and civil rights requirements. As discussed in Section 6.1, below, a written relocation plan is required in some circumstances and strongly encouraged for any conversion resulting in resident moves or relocation. Further, the obligations due to relocating residents under RAD are broader than URA relocation assistance and payments and RAD specifies requirements which are more protective of residents than standard URA requirements, including additional notices (see Section 6.6) and a right to return (see Section 6.2). This Notice requires that certain information be provided to all households, beginning prior to submission of the RAD application.

Any resident who moves as a direct result of acquisition, rehabilitation or demolition for an activity or series of activities associated with a RAD conversion may, depending on the circumstances and length of time of the relocation, be eligible for relocation assistance and payments under the URA. Additionally, Section 104(d) relocation and one-for-one replacement

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<sup>66</sup> Under the URA, the term “displacing agency” refers to the agency or person that carries out a program or project which will cause a resident to become a displaced person. Projects vary and, for any specific task

described in this Notice, the displacing agency may be either the PHA or the Project Owner, as determined by the allocation of roles between the PHA and Project Owner. housing requirements may also apply when CDBG- or HOME-funds are used in connection with a RAD conversion. The applicability of the URA or Section 104(d) to RAD conversions is fact-specific, which must be determined in accordance with the applicable URA and Section 104(d) regulations.<sup>67</sup>

Eligibility for specific protections under this Notice applies to any person residing in a Converting Project who is legally on the public housing lease, has submitted an application to be added to an existing lease, or is otherwise in lawful occupancy at the time of the issuance of the CHAP and at any time thereafter until conversion of assistance under RAD. All such residents of a Converting Project have a right to return and are eligible for relocation protections and assistance as provided by this Notice. The eligibility criteria set forth in this paragraph apply to the protections under this Notice regardless of whether residents or household members meet the statutory and regulatory requirements for eligibility under URA.<sup>68</sup>

## 6.1. Planning

If there is a possibility that residents will be relocated as a result of acquisition, demolition, or rehabilitation for a Converting Project, PHAs must undertake a planning process in conformance with the URA statutory and regulatory requirements in order to minimize the adverse impact of relocation (*see* 49 § C.F.R. 24.205). PHAs must also ensure that their relocation planning is conducted in compliance with applicable fair housing and civil rights requirements.

The PHA shall prepare a written relocation plan if the RAD conversion involves permanent relocation (including, without limitation, a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than one year. While a written relocation plan is not required for temporary relocation lasting one year or less, HUD strongly encourages PHAs, in consultation with any applicable Project Owners, to prepare a written relocation plan for all RAD conversions to establish their relocation process clearly and in sufficient detail to permit consistent implementation of the relocation process and accurate communication to the residents. Appendix II contains recommended elements of a relocation plan.

During the planning stages of a RAD transaction and based on the results of this planning process, a PHA must submit applicable portions of the Checklist described in Section 5.3(B) to HUD, together with any required backup documentation, as early as possible once the information covered in the applicable part is known.<sup>69</sup> All parts of the Checklist must be submitted to HUD prior to submission of the Financing Plan. The Checklist will allow HUD to assist the PHA to comply, and to evaluate the PHA's compliance, with relocation requirements, including civil rights requirements related to relocation.

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<sup>67</sup> 42 U.S.C. § 4601 *et seq.*, 42 U.S.C. § 5304(d), and their implementing regulations at 49 C.F.R Part 24 and 24 C.F.R. Part 42 subpart C.

<sup>68</sup> A nonexclusive listing of persons who do not qualify as displaced persons under URA is at 49 C.F.R. 24.2(a)(9)(ii). See also, Paragraph 1-4(J) of HUD Handbook 1378. See Section 6.5 of this Notice for discussion of the date of “initiation of negotiations.”

<sup>69</sup> The Checklist refers to the existing FHEO Accessibility and Relocation Checklist until a revised Checklist is approved for use pursuant to the Paperwork Reduction Act.

The following presents a general sequencing of relocation planning activities within the RAD conversion process for informational and planning purposes only. Specific requirements are set forth in the provisions of this Notice.

Stage	Activities
1. Prior to submission of RAD application	<ul style="list-style-type: none"> <li>• Determine potential need for relocation in connection with proposed conversion plans.</li> <li>• Meet with residents to discuss proposed conversion plans, communicate right to return, and solicit feedback.</li> <li>• Provide the <i>RAD Information Notice</i> (RIN) to residents as described in Section 6.6(A) of this Notice.</li> </ul>
2. After submission of RAD application	<ul style="list-style-type: none"> <li>• Assess the need for relocation planning in connection with proposed conversion plans. Determine if technical assistance would be beneficial to ensuring compliance with relocation requirements.</li> <li>• Survey residents to inform relocation planning and relocation process.</li> <li>• Develop a relocation plan (see Appendix II for recommended content).</li> <li>• Prepare Significant Amendment to PHA Plan and engage with the Resident Advisory Board, residents, and the public regarding Plan amendment.<sup>70</sup></li> </ul>
3. Following issuance of the CHAP, or earlier if warranted	<ul style="list-style-type: none"> <li>• Provide the <i>General Information Notice</i> (GIN) to residents when the project involves acquisition, rehabilitation, or demolition as described in Section 6.6(B) of this Notice and</li> <li>• relocation may be required.</li> </ul>

4. While preparing Financing Plan	<ul style="list-style-type: none"> <li>• Discuss the outlines of the conversion plans and their impact on relocation with the HUD transaction manager.</li> <li>• Refine the plan for relocation and integrate the construction schedule into the relocation strategy; seek to minimize off- site or disruptive relocation activities.</li> <li>• Identify relocation housing options .</li> <li>• Budget for relocation expenses and for compliance with accessibility requirements.</li> <li>• Submit the Checklist and, where applicable, the relocation plan.</li> <li>• If the conversion involves acquisition, at the discretion of the Project Owner issue Notice of Intent to Acquire (NOIA).</li> <li>• If a NOIA is issued, at the discretion of the Project Owner provide residents with appropriate relocation notices as</li> </ul>
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<sup>70</sup> Alternatively, the PHA may submit a new PHA Five-Year or Annual Plan, especially if it is on schedule to do so. Under any scenario, the PHA must consult with the Resident Advisory Board and undertake the community participation process.

Stage	Activities
	described in Section 6.6(C) through 6.6(E) of this Notice at this time.
5. From RAD Conversion Commitment (RCC) to Closing	<ul style="list-style-type: none"> <li>• Meet with residents to describe approved conversion plans and discuss required relocation.</li> <li>• The effective date of the RCC marks the date of “Initiation of Negotiations” (ION), as defined in the URA (49 § C.F.R. 24.2(a)(15)).</li> <li>• If no NOIA was provided while preparing the Financing Plan, provide residents with appropriate relocation notices as described in Section 6.6(C) through 6.6(E) of this Notice.</li> <li>• Resident relocation may begin following the effective date of the RCC, subject to applicable notice requirements.</li> </ul>
6. Post-Closing	<ul style="list-style-type: none"> <li>• Ongoing implementation of relocation</li> <li>• Notify the residents regarding return to the Covered Project as described in Section 6.6(F) of this Notice</li> <li>• Implementation of the residents’ right to return</li> </ul>

## 5. Resident Right to Return

Any public housing or Section 8 assisted resident that may need to be relocated temporarily to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is complete.<sup>71</sup> Permanent involuntary displacement of public housing or Section 8 assisted residents may not occur as a result of a project’s conversion of assistance. The Project Owner satisfies the RAD right to return to a Covered Project if the Project Owner offers the resident household either: a) a unit in the Covered Project in which the household is not under-housed; or b) a unit in the Covered Project which provides the same major features as the resident’s unit in the Converting Project prior to the implementation of the RAD conversion. In the case of a transfer of assistance to a new site, residents of the Converting Project have the right to reside in an assisted unit meeting the requirements set forth in this paragraph at the Covered Project (the new site) once the Covered Project is ready for occupancy in accordance with applicable PBV or PBRA requirements.

If proposed plans for a Converting Project would preclude a resident from returning to the Covered Project, the resident must be given an opportunity to comment and/or object to such plans. Examples of project plans that may preclude a resident from returning to the Covered Project include, but are not limited to:

- Changes in bedroom distribution which decrease the size of units such that the resident would be under-housed;<sup>72</sup>

<sup>71</sup> The right to return is not a right to any specific unit in the Covered Project. Tenancies other than public housing or Section 8 assisted residents (such as commercial tenants) do not hold a right to return and are subject to standard relocation requirements applicable to such tenants under the URA.

<sup>72</sup> See the RAD Notice for a description of the procedures that must be undertaken if a resident is over-housed.

- 2 Where a) the PHA is reducing the number of assisted units at a property (if authorized to do so under Section 1.5.B of the RAD Notice) and b) the resident cannot be accommodated in the remaining assisted units;
- 3 The imposition of income eligibility requirements, such as those associated with LIHTC or other program financing, under which the current resident may not be eligible;<sup>73</sup> and
- 4 Failure to provide reasonable accommodation to an individual with disabilities, in violation of applicable law, which reasonable accommodation may include installation of accessibility features that are needed by the individual with disabilities.<sup>74</sup>

If the resident who would be precluded from returning to the Covered Project objects to such plans, the PHA must alter the project plans to accommodate the resident's right to return to the Covered Project.

If the resident who would be precluded from returning to the Covered Project prefers to voluntarily and permanently relocate rather than object to the project plans, the PHA must secure informed, written consent to a voluntary permanent relocation in lieu of returning to the Covered Project and must otherwise comply with all the provisions of Section 6.10, below, regarding alternative housing options. The PHA cannot employ any tactics to pressure residents into relinquishing their right to return or accepting alternative housing options. A PHA may not terminate a resident's lease if the PHA fails to obtain the resident's consent and the resident seeks to exercise the right to return.

In the case of a multi-phase transaction, the resident has a right to return to the Covered Project or to other converted phases of the property which have converted and are available for occupancy at the time the resident is eligible to exercise the right to return. A relocated resident should get the benefit of improvements facilitated by the resident's relocation and conversion and completion of future phases cannot be assured. In most cases, this means that the resident's right to return must be accommodated within the Covered Project associated with resident's original unit. However, in those cases where improvements to multiple phases of a site are occurring simultaneously, the PHA or Project Owner may treat multiple Covered Projects on the same site as one for purposes of the right to return. If the PHA or Project Owner seeks to have the resident exercise the right of return at a future phase, the PHA or Project Owner would need to secure the resident's consent to such plan as an alternative housing option pursuant to Section 6.10, below.

In implementing the right of return, the Project Owner shall comply with all applicable fair housing laws and implementing regulations, including, but not limited to, the Fair Housing Act,

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<sup>73</sup> In these cases, a PHA may elect to exclude some units from the applicable financing program,

for example, claiming LIHTC for a subset of the units and not claiming tax credits in connection with the units occupied by households over the LIHTC maximum eligibility of 60% of AMI.

<sup>74</sup> Refer to the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Modifications Under the Fair Housing Act (March 5, 2008), at [http://www.hud.gov/offices/fheo/disabilities/reasonable\\_modifications\\_mar08.pdf](http://www.hud.gov/offices/fheo/disabilities/reasonable_modifications_mar08.pdf) for additional detail regarding applicable standards for reasonable accommodations and accessibility features which must be provided. If the resident has paid for installation of accessibility features in the resident's prior unit, the PHA or Project Owner shall pay for the installation of comparable features in the new unit. Violations of law may also result in other sanctions.

Title VI of the Civil Rights Act, Section 504 of the Rehabilitation Act, and Titles II and III of the Americans with Disabilities Act.

### **6.3 Admissions and Continued Occupancy Requirements**

Resident households may not be denied relocation housing or the right to return based on rescreening, income eligibility, or income targeting. PHAs may only offer housing options with screening, income eligibility or income targeting requirements if the impacted residents meet the admission and occupancy policies applicable to such housing. However, whether or not in a temporary relocation situation, the household remains subject to the applicable program policies regarding continued occupancy of an assisted unit by an incumbent resident of the unit.

### **6.4 Types of Moves and Relocation**

Any time project plans require a resident to move from their current unit, the resident is eligible for assistance as described in this Notice. Assistance may vary depending on the options provided to residents, whether the relocation is temporary or permanent and, if applicable, the length of time the resident is in temporary accommodations.<sup>75</sup> In all circumstances, the move or relocation must be in compliance with applicable requirements of this Notice and consistent with applicable fair housing and civil rights requirements. Each type of move is discussed below.

#### **A) *Moves within the same building or complex of buildings***<sup>76</sup>

Temporary or permanent moves within the same building or complex of buildings may be appropriate given the extent of work to be completed to permit phasing of rehabilitation or construction. Moves within the same building or complex of buildings are not considered relocation under RAD and a tenant generally does not become displaced under the URA. Whether permanent (i.e., the tenant will move to and remain in an alternative unit) or temporary (i.e., the tenant will move to another unit and return to their original unit), the PHA or Project Owner must reimburse residents for all reasonable out-



of-pocket expenses incurred in connection with any move and all other terms and conditions of the move(s) must be reasonable.<sup>77</sup> The final move must be to a unit which satisfies the right to return requirements specified in Section 6.2 of this Notice.

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<sup>75</sup> PHAs should note that the definitions of “permanent” vary between the URA and RAD. For example,

“permanent displacement” under the URA includes moves from the original building or complex of buildings lasting more than one year. The RAD Notice, meanwhile, considers “permanent relocation” to be separation from the

RAD-assisted unit upon completion of the conversion and any associated rehabilitation and construction. The duration of a temporary move may exceed one year. In the case of a transfer of assistance, it is not permanent relocation under RAD when the resident must move from the original complex of buildings to the destination site in order to retain occupancy of the RAD-assisted unit.

<sup>76</sup> An example of relocation within the same building or complex of buildings would be if one floor of a multi-story building is vacant, and the PHA is moving residents from another floor to the vacant units.

<sup>77</sup> Failure to reimburse residents for moving or other out-of-pocket expenses and any other terms and conditions of the move which may be unreasonable may result in the resident becoming a displaced person under the URA if the resident subsequently moves from the property.

*B) Temporary relocation lasting one year or less*

If a resident is required to relocate temporarily, to a unit not in the same building or complex of buildings, for a period not expected to exceed one year in connection with the RAD conversion, the resident’s temporarily occupied housing must be decent, safe, and sanitary and the resident must be reimbursed for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation. These expenses include, but are not limited to, moving expenses, increased housing costs (e.g., rent and utilities), meals if the temporary housing lacks cooking facilities (e.g., during a short hotel stay, whether or not on an emergency basis) and other applicable expenses.<sup>78</sup>

*C) Temporary relocation initially expected to last one year or less, but which extends beyond one year*

In the event that a resident has been temporarily relocated, to a unit not in the same building or complex of buildings, for a period which was anticipated to last one year or less but the temporary relocation in fact exceeds one year, the resident qualifies as a “displaced person” under the URA and as a result immediately becomes eligible for all permanent relocation assistance and payments as a “displaced person” under the URA, including notice pursuant to Section 6.6(E). This

assistance would be in addition to any assistance the person has already received for temporary relocation and may not be reduced by the amount of any temporary relocation assistance.

In such event, the PHA or Project Owner shall offer the resident the opportunity to choose to voluntarily permanently relocate with the offered URA assistance or to choose to remain temporarily relocated based on updated information from the PHA or Project Owner about when they can return to the completed RAD unit. The PHA or Project Owner must present this opportunity to the resident when the temporary relocation extends beyond one year and each time thereafter that the temporary relocation extends beyond the previously anticipated duration. In presenting such opportunity, the PHA or Project Owner must inform the resident in writing that his or her acceptance of voluntary permanent relocation, with the associated assistance, would terminate the resident's right to return to the Covered Project. The PHA or Project Owner must provide the resident with at least 30 days to decide whether to remain in temporary relocation status or to voluntarily relocate permanently.

*D) Temporary relocation anticipated to last more than one year*

When the PHA anticipates that the temporary relocation, to a unit not in the same building or complex of buildings, will last more than one year, but the resident is retaining the resident's right to return to the Covered Project, the resident is considered temporarily relocated under RAD and is eligible to receive applicable temporary relocation assistance and payments. Under the URA, the resident becomes eligible to receive applicable relocation assistance and payments as a "displaced person" when the temporary relocation period exceeds one year and each time thereafter that the temporary relocation extends beyond the previously anticipated duration, at

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<sup>78</sup> HUD Handbook 1378, Chapter 2, Section 2-7 governs activities subject to URA requirements and informs, but is not binding upon, any RAD activities not governed by the URA. PHAs may also refer to HUD Form 40030.

which time the PHA or Project Owner shall offer the resident the opportunity to choose to voluntarily permanently relocate or to remain temporarily relocated, as described in Section 6.4(C), above.

In order to allow residents to make the election earlier than required under the URA (thereby avoiding a year in temporary relocation housing prior to electing voluntary permanent relocation), if the PHA or Project Owner anticipates that temporary relocation will last more than one year, the PHA or Project Owner shall provide the

resident with an initial option to (a) be temporarily relocated, retain the right to return to the Covered Project when a unit becomes available and receive assistance, including temporary housing and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation, or (b) accept RAD voluntary permanent relocation assistance and payments equivalent to what a “displaced person” would receive under the URA. The PHA or Project Owner must inform the resident in writing that his or her acceptance of voluntary permanent relocation, with the associated assistance, would terminate the resident’s right to return to the Covered Project. The PHA or Project Owner must provide the resident with at least 30 days to decide whether to remain in temporary relocation status or to voluntarily relocate permanently.

*E) Permanent moves in connection with a transfer of assistance*

In cases solely involving a transfer of assistance to a new site, resident relocation from the Converting Project to the Covered Project is not, by itself, generally considered involuntary permanent relocation under RAD. However, the URA and/or Section 104(d) is likely to apply in most cases. In cases of a transfer of assistance to a new site where it has also been determined that the URA and/or Section 104(d) apply to the transfer of assistance, residents may be eligible for all permanent relocation assistance and payments for eligible displaced persons under the URA and/or Section 104(d). If the URA applies to a move of this type, the PHA or Project Owner must make available at least one, and when possible, three or more comparable replacement dwellings pursuant to 49 C.F.R. § 24.204(a). However, provided the transfer of assistance unit meets the URA definition of a comparable replacement dwelling pursuant to 49

C.F.R. § 24.2(a)(6), that unit could in fact represent the most comparable replacement dwelling as determined by the agency for purposes of calculating a replacement housing payment, if any, under 49 C.F.R. § 24.402.

Whether or not the URA and/or Section 104(d) apply, under RAD the residents are entitled to relocation assistance and payments, including counseling in preparation for the relocation, written notices of the relocation (including a 90-day RAD Notice of Relocation), and reimbursement for all reasonable out-of-pocket expenses, including moving expenses, incurred in connection with the move. It should be noted that the RAD relocation assistance and payments provided to transferring residents in this paragraph differ from those required under the URA and/or Section 104(d) as described above. Where both frameworks apply, the residents must receive the more extensive

protections offered under either framework.

If HUD determines that the distance from the Converting Project to the site of the Covered Project is significant and the resident could not reasonably be required to move to the new site, then HUD will require the PHA to adjust project plans to accommodate the resident in an assisted unit (e.g., a public housing unit, some other project-based Section 8 unit or a market unit

with a housing choice voucher) within a reasonable distance of the site of the Converting Project. HUD will evaluate whether this requirement applies on a case by case basis, considering whether the distance would impose a significant burden on residents' access to existing employment, transportation options, schooling, or other critical services. Accommodating the resident may also be satisfied by the resident's consent to an alternative housing option pursuant to Section 6.10.

The requirement set forth in this paragraph is in addition to all protections, including, for example, the offer of comparable replacement dwellings, which are required in all instances where a transfer of assistance is subject to the URA and/or Section 104(d).

#### *F) Voluntary permanent relocation*

A resident may elect to relinquish their right of return and consent to voluntary permanent relocation pursuant to an alternative housing option offered and accepted according to the procedures described in Section 6.10, which Section specifies protections to ensure the resident's decision is fully informed. By selecting voluntary permanent relocation, the resident is electing to receive RAD permanent relocation assistance and payments which are equivalent to the relocation payments and assistance required to be provided to a "displaced person" pursuant to the regulations implementing the URA.

### **6.5 Initiation of Negotiations (ION) Date**

Eligibility for URA relocation assistance is effective on the date of initiation of negotiations (ION) (49 C.F.R. § 24.2(a)(15)). For Converting Projects, the ION date is the effective date of the RCC. The ION date is also typically the date when PHAs can begin to issue RAD Notices of Relocation (except in the case of acquisitions when the PHA can issue a Notice of Intent to Acquire and RAD Notices of Relocation prior to the ION date). Any person who is in lawful occupancy on the ION date is presumed to be entitled to relocation payments and other assistance.

PHAs and Project Owners should note that prior to the ION date, a

resident may be eligible as a displaced person for permanent relocation assistance and payments under the URA if HUD determines, after analyzing the facts, that the resident's move was a direct result of the project. However, resident moves taken contrary to specific instructions from the PHA or Project Owner (for example, contrary to instructions not to move if contained in a General Information Notice) are generally not eligible as a displaced person under the URA.

## **6.6 Resident Relocation Notification (Notices)**

PHAs and Project Owners are encouraged to communicate regularly with the residents regarding project plans and, if applicable, the resulting plans for relocation. When residents may be relocated for any time period (including, without limitation, a move in connection with a transfer of assistance), written notice must be provided to the resident heads of households, including the notices listed below as applicable.<sup>79</sup> PHAs and Project Owners are also encouraged to provide

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<sup>79</sup> The notices required under Sections 6.6(B) through 6.6(E) must be delivered in accordance with URA resident notification requirements, including the requirement that the notice be personally served or delivered by certified or registered first class mail return receipt requested. All notices must be delivered to each household (i.e., posting in

additional relocation notices and updates for the residents' benefit as appropriate for the specific situation.

To ensure that all residents understand their rights and responsibilities and the assistance available to them, consistent with URA requirements at 49 C.F.R. § 24.5 and civil rights requirements, PHAs and Project Owners must ensure effective communication with individuals with disabilities, including through the provision of appropriate auxiliary aids and services, such as interpreters and alternative format materials. Similarly, PHAs and Project Owners are required to take reasonable steps to ensure meaningful access for LEP persons in written and oral materials. Each notice shall indicate the name and telephone number of a person to contact with questions or for other needed help and shall include the number for the telecommunication device for the deaf (TDD) or other appropriate communication device, if applicable, pursuant to 24 C.F.R. §8.6(a)(2).

The purpose of these notifications is to ensure that residents are informed of their potential rights and, if they are to be relocated, of the relocation assistance available to them. Two initial notices launch this effort and provide critical information regarding residents' rights. The first, the RAD Information Notice, is to be provided at the very

beginning of the RAD conversion planning process in order to ensure residents understand their rights, to provide basic program information and to facilitate residents' engagement with the PHA regarding project plans. The GIN, meanwhile, provides information specifically related to protections the URA provides to impacted residents. Subsequent notices provide more detailed information regarding relocation activities specific to the household, including tailored information regarding eligibility and timelines for relocation.

PHAs should note that a resident move undertaken as a direct result of the project may be eligible to receive relocation assistance and payments under the URA even though the PHA has not yet issued notices to them. Sample notices which may be used as-is or modified to fit the peculiarities of each situation are provided on the RAD website at [www.hud.gov/rad](http://www.hud.gov/rad).

#### *A) RAD Information Notice*

The RAD Information Notice is to be provided to residents at the very beginning of the RAD conversion planning process in order to convey general written information on potential project plans and residents' basic rights under RAD, and to facilitate residents' engagement with the PHA regarding the proposed RAD conversion. The PHA shall provide a RAD Information Notice to all residents of a Converting Project prior to the first of the two meetings with residents required by the RAD Notice, Section 1.8.2, and before submitting a RAD Application. This RAD Information Notice shall be provided without regard to whether the PHA anticipates any relocation of residents in connection with the RAD conversion. The RAD Information Notice must do the following:

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common areas is insufficient) and methods of delivery (e.g., certified mail, U.S. mail, or hand delivery) must be documented in the PHA's or Project Owner's files.

- Provide a general description of the conversion transaction (e.g., the Converting Project, whether the PHA anticipates any new construction or transfer of assistance, whether the PHA anticipates partnering with a developer or other entity to implement the transaction);
- Inform the resident that the early conceptual plans are likely to change as the PHA gathers more information, including, among other items, resident opinions, analysis of the capital needs of the property and financing options;
- Inform the resident that the household has a right to remain in the unit or, if any relocation is required, a right to return to an assisted unit in the Covered Project (which may be at the new site in the case of a transfer of assistance);
- Inform the resident that they will not be subject to any rescreening as a result of the conversion;
- Inform the resident that the household cannot be required to move permanently without the resident's consent, except in the case of a transfer of assistance when the resident may be required to move a reasonable distance, as determined by HUD, in order to follow the assisted unit;
- Inform the resident that if any relocation is involved in the transaction, the resident is entitled to relocation protections under the requirements of the RAD program and, in some circumstances, the requirements of the URA, which protections may include advance written notice of any move, advisory services, payment(s) and other assistance as applicable to the situation;
- Inform the resident that any resident-initiated move from the Converting Project could put any future relocation payment(s) and assistance at risk and instruct the resident not to move from the Converting Project; and
- Inform the resident that the RAD transaction will be completed consistent with fair housing and civil rights requirements and provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

*B) General Information Notice (49 C.F.R. § 24.203(a))*

The purpose of the General Information Notice (GIN) is to provide information about URA protections to individuals who may be displaced as a result of federally-assisted projects involving acquisition, rehabilitation, or demolition. A GIN provides a general description of the project, the activities planned, and the relocation assistance that may become available.

A GIN shall be provided to any person scheduled to be displaced *as soon as feasible* based on the facts of the situation. In certain instances, such as when the PHA knows that a project will involve acquisition, rehabilitation, or demolition, “as soon as feasible” may be simultaneous with issuance of the RAD Information Notice. For any RAD conversion involving acquisition, rehabilitation, or demolition, “as soon as feasible” shall be no later than 30 days following the issuance of the CHAP. In instances where acquisition, rehabilitation or



demolition is not anticipated at the time of the CHAP but project plans change to include such activities, pursuant to this Notice the PHA shall provide the GIN as soon as feasible following the change in project plans.

For RAD, the GIN must do at least the following:

- Inform the resident that he or she may be displaced for the project and generally describe the relocation payment(s) for which the resident may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the displaced resident successfully relocate;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will not be required to move without 90 days advance written notice;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available;
- Inform the resident that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child (see 49 C.F.R. § 24.208(h) for additional information);
- Describe the resident's right to appeal the PHA's determination as to a resident's eligibility for URA assistance; and
- Inform the resident that the RAD transaction will be completed consistent with fair housing and civil rights requirements and provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

Because of the potential confusion caused by evolving policy directions in the RAD program regarding delivery of the GIN, for actions taken prior to the issuance of this Notice, HUD will consider the facts and circumstances of each conversion, with emphasis on the underlying URA requirements, in monitoring and enforcing a PHA's compliance with this requirement.

*C) Notice of Intent to Acquire (49 C.F.R. § 24.203(d))*

For conversions involving acquisition, the Project Owner (the "acquiring agency") may provide to residents of the Converting Project a Notice of Intent to Acquire (NOIA).<sup>80</sup> The NOIA may be provided no earlier than 90 days prior to the PHA's reasonable

estimate of the date of submission of a complete Financing Plan. While eligibility for URA relocation assistance is generally effective on the effective date of the RCC (the ION date), a prior issuance of a NOIA establishes a resident's eligibility for relocation assistance and payments on the date of issuance of the NOIA and prior to the ION date.

*D) RAD Notice of Relocation*

If a resident will be relocated to facilitate the RAD conversion, the PHA shall provide written notice of such relocation by means of a RAD Notice of Relocation. The RAD Notice of

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<sup>80</sup> Acquisition includes a new ownership entity's purchase of the Covered Project from the PHA, such as a purchase by a single purpose entity, an affiliate, or a low-income housing tax credit ownership entity.

Relocation may not be issued until 1) the effective date of the RCC (the ION date) if the

conversion does not involve acquisition; or 2) the earlier of the issuance of the Notice of Intent to Acquire (see Section 6.6(C)) or the effective date of the RCC (the ION date) if the conversion involves acquisition. Prior to issuance of the RAD Notice of Relocation, PHAs and Project Owners should meet with each resident household to provide preliminary relocation advisory services and to determine their needs and preferences.<sup>81</sup>

A RAD Notice of Relocation is not required for residents who will not be relocated. As a best practice, PHAs or Project Owners should notify residents that they are not being relocated once that determination has been made if they were previously informed by the GIN and/or by other methods that relocation was a possibility.<sup>82</sup>

A RAD Notice of Relocation shall provide either: 1) 30-days' notice to residents who will be relocated for twelve months or less; or 2) 90-days' notice to residents who will be relocated for more than twelve months.<sup>83</sup> The RAD Notice of Relocation must conform to the following requirements:

- (1) The notice must state the anticipated duration of the resident's relocation.
- (2) The notice must specify which entity (the PHA or the Project Owner) is primarily responsible for management of the resident's relocation and for compliance with the relocation obligations during different periods of time (i.e., before vs. after Closing).
- (3) For residents who will be relocated for twelve months or less:

- The PHA or Project Owner must provide this notice a minimum of 30 days prior to relocation.<sup>84</sup> PHAs or Project Owners may deem it appropriate to provide longer notice periods for persons who will be temporarily relocated

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<sup>81</sup> PHAs and Project Owners should note the URA relocation advisory services requirement for personal interviews. *See* Section 6.7 of this Notice. In sequencing the RAD Notice of Relocation, PHAs and Project Owners wishing to offer alternative housing options pursuant to Section 6.10 should also note the additional complexity in the timeline of notices. Pursuant to Section 6.10(D), the resident can consent to an alternative housing option only after issuance of the NOIA or the effective date of the RCC and 30 days after presentation of the alternative housing options. In some cases, for example, when the resident would not otherwise be relocated for over twelve months, the RAD Notice of Relocation must include both the information described in Section 6.6(D)(3) and the information in Section 6.6(D)(4). The PHA or Project Owner should consider discussing the alternative housing options prior to issuing the RAD Notice of Relocation so that the RAD Notice of Relocation can be tailored to the resident's situation.

<sup>82</sup> The RAD program does not require a "notice of non-displacement," which HUD relocation policy generally uses for this purpose.

<sup>83</sup> The 90-day notice is required for residents relocated for more than twelve months, whether or not they intend to return to the Covered Project and whether or not they are eligible for assistance and payments as a displaced person under URA. Recipients of the 90-day notice would include those residents who have voluntarily accepted a permanent relocation option as well as those residents who are relocated within the same building or complex of buildings.

<sup>84</sup> Note that residents may elect to move to the relocation housing before the 30 days have elapsed. However, a PHA may not require a resident to move prior to this time.

for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.

- 5 The notice must explain that the PHA or Project Owner will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move (including, but not limited to, increased housing costs and moving costs).
- 6 The notice must explain the reasonable terms and conditions under which the resident may exercise the right to return to lease and occupy a unit in the Covered Project.

(4) For residents who will be relocated for more than twelve months, including for residents who may wish to voluntarily accept a permanent relocation option:

- The PHA or Project Owner must provide this notice a minimum of 90 days prior to relocation of residents.<sup>85</sup>
- notice must offer the choice to be temporarily relocated, thereby preserving the resident's right to return, or the choice to be voluntarily permanently relocated pursuant to the procedures set forth in Section 6.10, together with guidance that the resident has at least thirty (30) days to consider the choice.
- For residents who voluntarily elect to be permanently relocated, the 90-day notice period may only begin once the PHA or Project Owner has

made available at least one comparable replacement dwelling consistent with 49 C.F.R. § 24.204(a).<sup>85</sup>

- The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.
- The notice must comply with all requirements for a URA Notice of Relocation Eligibility as described in 49 C.F.R. § 24.203(b).

(5) The notice must inform the resident that the relocation will be completed consistent with fair housing and civil rights requirements, and it must provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

For short-term relocations, the RAD Notice of Relocation may also contain the information required in the Notice of Return to the Covered Project (see Section 6.6(F)).

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<sup>85</sup> Note that residents may elect to move to the relocation housing before the 90 days have elapsed. However, a PHA may not compel a resident to move prior to this time.

<sup>86</sup> PHAs should note that URA regulations also require, where possible, that three or more comparable replacement dwellings be made available before a resident is required to move from his or her unit.

*E) URA Notice of Relocation Eligibility – for residents, whose temporary relocation exceeds one year (49 C.F.R. § 24.203(b))*

After a resident has been temporarily relocated for one year, notwithstanding a prior issuance of a RAD Notice of Relocation, the PHA or Project Owner must provide an additional notice: the notice of relocation eligibility in accordance with URA requirements (“URA Notice of Relocation Eligibility”). The URA Notice of Relocation Eligibility is not required if the resident has already accepted permanent relocation assistance.<sup>87</sup>

The URA Notice of Relocation Eligibility must conform to URA requirements as set forth in 49 C.F.R. part 24 and shall:

- iv. Provide current information as to when it is anticipated that the resident will be able to return to the Covered Project.
- v. Give the resident the choice to remain temporarily relocated based upon the updated information or to accept permanent URA relocation assistance at that time instead of exercising the right to return at a later time.

If the resident chooses to accept permanent URA relocation assistance and this choice requires the resident to move out of their temporary relocation housing, the URA requires that the PHA or Project Owner make available at least one, and when possible, three or more comparable

replacement dwellings pursuant to 49 C.F.R. § 24.204(a), which comparability analysis is in reference to the resident's original unit. The URA further requires that the resident receive 90 days' advance written notice of the earliest date they will be required to move pursuant to 49 C.F.R. § 24.203(c).

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<sup>87</sup> To illustrate, consider the following examples.

- Example 1: The household is expected to be relocated for 11 months. The resident would receive a RAD Notice of Relocation offering only temporary relocation. Construction delays result in the extension of the relocation such that, in fact, it exceeds 12 months. When the temporary relocation exceeds 12 months, the resident must receive a URA Notice of Relocation Eligibility offering a choice between continuation in temporary relocation status and permanent relocation.
- Example 2: The household is expected to be relocated for 14 months. The resident would receive a RAD Notice of Relocation offering a choice between temporary relocation status and permanent relocation. If the household elects temporary relocation, the URA Notice of Relocation Eligibility is required as an additional notice following twelve months in temporary relocation status.
- Example 3: The household is expected to be relocated for 14 months. The resident would receive a RAD Notice of Relocation offering a choice between temporary relocation status and permanent relocation. If the household elects permanent relocation, the URA Notice of Relocation Eligibility is not required.
- Example 4: The household can be accommodated with temporary relocation of 3 months but has been offered and seeks to accept permanent relocation pursuant to an alternative housing option. This resident would receive a RAD Notice of Relocation under Section 6.6(D)(4) offering a choice between temporary relocation status (the default option) and permanent relocation (the alternative housing option), instead of the RAD Notice of Relocation under Section 6.6(D)(3) which would be expected absent a permanent relocation option. The URA Notice of Relocation Eligibility is not required in either case because a temporary relocation exceeding 12 months was never anticipated nor experienced.

#### *F) Notification of Return to the Covered Project*

With respect to all temporary relocations, the PHA or Project Owner must notify the resident in writing reasonably in advance of the resident's expected return to the Covered Project, informing the resident of:

- The entity (the PHA or the Project Owner) with primary responsibility for managing the resident's relocation;
- The address of the resident's assigned unit in the Covered Project and, if different from the resident's original unit, information regarding the size and amenities of the unit;
- The date of the resident's return to the Covered Project or, if the precise date is not available, a reasonable estimate of the date which shall be supplemented with reasonable additional notice providing the precise date;
- That the PHA or Project Owner will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with the return relocation; and
- The resident's options and the implications of those options if the resident determines that he or she does not want to return to the Covered Project and wants to decline the right of return.<sup>88</sup>

Reasonable advance notice shall be 15% of the duration of the resident's temporary relocation or 90 days, whichever is less. For short-term relocations, the PHA or Project Owner may include this information within the RAD Notice of Relocation.

#### 6.7. Relocation Advisory Services

Throughout the relocation planning process, the PHA and Project Owner should be in communication with the residents regarding the evolving plans for relocation. Notwithstanding this best practice, certain relocation advisory services, described below, are required by the URA.

The URA regulations require the PHA or Project Owner to carry out a relocation assistance advisory program that includes specific services determined to be appropriate to residential or nonresidential displacements. The specific advisory services to be provided, as determined to be appropriate, are outlined at 49 C.F.R. § 24.205(c). For residential displacement under the URA, a personal interview is required for each displaced resident household to determine the relocation needs and preferences of each resident to be displaced. The resident household shall be provided an explanation of the relocation payments and other assistance for which the resident may be eligible, the related eligibility requirements, and the procedures for obtaining such assistance. Advisory counseling must also inform residents of their fair housing rights and be carried out in

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<sup>88</sup> If the resident declines to return to the Covered Project upon completion of the period of temporary relocation, the resident shall be considered to have voluntarily moved out of the property, without the benefit of further relocation assistance. For example, a PHA or Project Owner may have rented a market-rate apartment as a temporary relocation resource for a six-month period. In such a situation, the resident may decline to return to the Covered Project and choose to remain in the market-rate apartment at the expiration of the six-month period, but shall not be eligible for any further relocation assistance and payments (including rent differential payments) under this Notice, the URA or Section 104(d), if applicable, in connection with the resident's decision to remain in the temporary housing and not return to the Covered Project.

a manner that satisfies the requirements of Title VI of the Civil Rights Act of 1964, the Fair Housing Act, and Executive Order 11063 (49 C.F.R. § 24.205(c)(1)).<sup>89</sup> Such advisory services under the URA may include counseling to ensure that residents affected by the project understand their rights and responsibilities and the assistance available to them (49 C.F.R. § 24.205(c)). In addition, the PHA or Project Owner should inform residents that if they believe they have experienced unlawful discrimination, they may contact HUD at 1-800-669-9777 (Voice) or 1-800-927-9275 (TDD) or at <http://www.hud.gov>.

#### 6.8 Initiation of Relocation

PHAs and Project Owners **may not initiate any involuntary physical relocation until both the RCC is in effect and the applicable RAD Notice of Relocation period has expired** (i.e., after either 30 or 90 days' notice as applicable depending on nature of the relocation, as described above). This prohibition applies to all types of RAD transactions, regardless of whether the RAD Notice of Relocation is provided after issuance of a NOIA (for conversions involving acquisition) or following the effective date of the RCC (for all other conversions). PHAs are advised to account for the required 30-day or 90-day written notice periods in their planning



process, to ensure that notices which satisfy all applicable requirements are issued prior to taking any action to initiate relocation.

**Neither involuntary nor voluntary relocation for the project shall take place prior to the effective date of the RCC,** unless moves are authorized under Section 7, below (“Applicability of HCV and Public Housing Requirements”) or unless HUD provides explicit approval which will only be provided in extraordinary circumstances. The PHA must wait until the RAD Notice of Relocation period has expired before it may initiate any involuntary relocation. However, a resident may request to move voluntarily, and the PHA may honor a resident’s request to move, before the applicable 30-day or 90-day period has elapsed, provided that the PHA may not take any action to encourage or coerce a resident to make such a request. If a resident has elected an alternative housing option, PHAs are advised to ensure that any consent to voluntary permanent relocation does not expire prior to the date of the relocation, as described in Section 6.10.

HUD may use administrative data to identify and investigate projects where relocation may be occurring prior to RCC.

## 6.9 Records and Documentation; Resident Log

HUD may request from the PHA or Project Owner written records and documentation in order to evidence the PHA’s and/or Project Owner’s compliance, as applicable, with this Notice and the URA.<sup>90</sup> HUD may request to review some or all of such records in the event of compliance

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<sup>89</sup> For example, under fair housing and civil rights laws, the PHA and Project Owner may be required to inform residents about and provide reasonable accommodations for individuals with disabilities, such as search assistance; take appropriate steps to ensure effective communication with individuals with disabilities, such as through the provision of auxiliary aids and services, such as interpreters and alternate format documents; provide advisory counseling services in accessible locations and in an accessible manner for individuals with disabilities; and take reasonable steps to ensure meaningful access for LEP persons. See Section 4 of this Notice for more information on these requirements.

<sup>90</sup> Chapter 6 of HUD Handbook 1378 includes guidance on URA recordkeeping requirements. concerns, in the event a project is identified for additional review based on administrative data, in the event of audits for purposes of monitoring the RAD program as a whole, upon selection of a random sample of projects and/or at other times at HUD’s sole discretion. The records shall include resident files for all households relocated in connection with RAD and a resident log as described in this Section.

As part of such written record, the PHA or Project Owner must maintain data sufficient to deliver to HUD a resident log of every household that resides at the Converting Project at the time of the first required resident meeting on the proposed conversion pursuant to Section 1.8 of the RAD Notice (the “First Resident Meeting”) and of every household that moves into the Converting Project after the First Resident Meeting and before the conversion of assistance under RAD. If any relocation is required, the log shall track resident status through completion of rehabilitation and construction, including re-occupancy after relocation. The resident log must include, but need not be limited to, the following information:



- Name of head of household
- PHA's resident identification number and/or the last four digits of the head-of-household's Social Security Number
- The head of household's race and ethnicity as reported on the HUD Form 50058 or the HUD Form 50058 MTW (the "Form 50058"). For purposes of the resident log, all references to the Form 50058 shall be to the form most recently prepared at the time of the First Resident Meeting or, for residents who moved in after the First Resident Meeting, the form most prepared at the time of the resident's initial occupancy.
- A Yes/No indication if there is any household member reported as having a disability on the Form 50058.
- A Yes/No indication if there is any household member reported as under the age of 18 on the effective date of action of the Form 50058;
- The household's relevant unit address, unit size and household size at the following times:
  - The time of the First Resident Meeting or the time of a resident's initial occupancy if after the First Resident Meeting
  - The time of the issuance of the CHAP or the time of a resident's initial occupancy if after the issuance of the CHAP
  - Proximate and prior to the PHA or Project Owner having authority to initiate involuntary relocation activities (i.e., at the time of issuance of the RCC unless otherwise approved by HUD upon extraordinary circumstances)
  - Completion of the relocation process following construction or rehabilitation and with return of all households exercising the right of return
- The household's residence status at the time of issuance of the RCC (e.g., in residence at the Converting Project, transferred to other public housing, moved out, evicted or other with explanation)
- The household's residence status upon completion of re-occupancy (e.g., in residence at the Covered Project/never relocated, in residence at the Covered Project/temporarily relocated and returned, transferred to other public housing, moved out, evicted, permanently relocated or other with explanation)
- The following dates for each resident household, as applicable:

- Date of the RAD Information Notice
- Date of the GIN
- Date of the CHAP
- Date of NOIA
- Date of RAD Notice of Relocation
- Date of URA Notice of Relocation Eligibility
- Date of most recent consent to voluntary permanent relocation<sup>91</sup>
- Date of relocation away from the Converting Project or Covered Project
- Dates of any intermediate relocation moves
- Date of return to the Covered Project or to the household's post-closing permanent address.<sup>92</sup>
- The following information for each resident household, as applicable:
  - The type of move (e.g., the types identified in Section 6.4, above)
  - The form of any temporary relocation housing (e.g., hotel, assisted housing, market-rate housing)
  - The address and unit size of any temporary relocation housing
  - Whether alternative housing options were offered consistent with Section 6.10, below
  - Any material terms of any selected alternative housing options
  - The type and amount of any payments for
    - Moving expenses to residents and to third parties
    - Residents' out-of-pocket expenses
    - Rent differential payments or other payments for temporary or permanent rental assistance, together with the rent and utilities (if applicable) that were the basis for the calculations
    - Any other relocation-related compensation or assistance

#### **6.10. Alternative Housing Options**

Under the RAD Notice, “involuntary permanent relocation” is prohibited and each resident must be able to exercise his or her right of return to the Covered Project. A PHA or Project Owner is permitted to offer a resident alternative housing options when a resident is considering his or her future housing plans, provided that at all times prior to the resident's decision, the PHA and Project Owner preserve the resident's ability to exercise his or her right of return to the Covered Project.

##### *A) Requirements for Any Offer of Alternative Housing Options*

All residents who are similarly situated must be given the same offer of alternative housing options. If the PHA or Project Owner seeks to limit the number of households that accept the

<sup>91</sup> The most recent consent must be within 180 days of the actual relocation date, as discussed in Section 6.10(D).

<sup>92</sup> In the case of voluntary permanent relocation, the date of “return” may be the same as the date of relocation away from the Converting Project.

offer of alternative housing options, the PHA or Project Owner shall determine a fair and reasonable method for selection among similarly situated residents.<sup>93</sup>

In connection with any offer and acceptance of alternative housing options, the PHA or Project Owner must ensure that the residents’ decisions are: 1) fully informed; 2) voluntary; and 3) carefully documented. Any alternative housing option must include, at a minimum, all relocation assistance and payments required under this Notice, the URA and Section 104(d), as applicable, and may include other elements. Funds administered by HUD may not be used to pay any monetary elements not required under this Notice, the URA or Section 104(d).

Acceptance of an alternative housing option is considered voluntary permanent relocation and the accompanying RAD relocation assistance and payments for which the resident may be eligible must be administered in accordance with all requirements for an eligible displaced person under the URA and its implementing regulations and, where applicable, Section 104(d) and its implementing regulations.

PHAs may not propose or request that a displaced person waive rights or entitlements to relocation assistance under the URA or Section 104(d). The PHA must provide a written notice of URA or Section 104(d) relocation assistance and payments for which the resident may be eligible so that the resident may make an informed housing choice. The resident must be provided at least thirty (30) days to consider the offer of voluntary permanent relocation and the resident’s acceptance of the PHA’s offer of voluntary permanent relocation must be in writing signed by the head of the household for that unit.

#### *B) Assisted Housing Options as Alternatives*

Alternative housing option packages may include a variety of housing options and PHAs and Project Owners shall take particular care to ensure program compliance with the regulations applicable to the alternative housing options. Examples of alternative housing options may include:

- Transfers to public housing
- Admission to other affordable housing properties subject to the program rules applicable to such properties
- Housing Choice Vouchers (HCVs) subject to standard HCV program administration requirements. PHAs must operate their HCV programs, including any HCVs offered as an alternative housing option, in accordance with their approved policies as documented in their Section 8 Administrative Plan and HUD regulations at 24 C.F.R. part 982. Any offer of an HCV as an alternative housing option must be made consistent with the

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<sup>93</sup> For example, if the RAD conversion is financed by LIHTC and a few residents would not meet LIHTC program requirements, the PHA and Project Owner may want to offer these household alternative voluntary permanent relocation options. However, they must offer the same alternative housing options to all such households. As a second example, if the PHA and Project Owner seek to create two on-site vacancies of a particular unit size in order to facilitate temporary relocation on-site, the PHA may offer an alternative housing option of a housing choice voucher to all residents of applicably sized units (assuming that to do so is consistent with the PHA's voucher administration policies), and conduct a lottery to select the two households which will receive the vouchers.

PHA's admission preferences and other applicable policies and procedures set forth in the Section 8 Administrative Plan.

- Homeownership programs subject to the applicable program rules
- Other options as may be identified by the PHA and/or Project Owner

*C) Monetary Elements Associated With Alternative Housing Options*

A PHA or a Project Owner may include a monetary element in an alternative housing option package, provided that:

- Any monetary element associated with the alternative housing option shall be completely distinct from and in addition to any required RAD, URA or Section 104(d) relocation payments and benefits for which the resident is eligible ("Required Relocation Payments").
- No funds administered by HUD may be used to pay for any monetary element associated with the alternative housing option other than Required Relocation Payments.
- Any monetary element associated with the alternative housing option other than Required Relocation Payments must be the same amount offered to all similarly situated households.<sup>94</sup>
- Any alternative housing option package must comply fully with the disclosure and agreement provisions of this Notice.

*D) Disclosure and Agreement to Alternative Housing Options*

In providing an offer of alternative housing options to a resident, the PHA or Project Owner must inform the resident in writing of: a) his or her right to return;<sup>95</sup> b) his or her right to comment on and/or object to plans which would preclude the resident from returning to the Covered Project;

c) the requirement that if the resident objects to such plans, the PHA or Project Owner must alter the project plans to accommodate the resident in the Covered Project; and d) a description of both the housing option(s) and benefits associated with the right of return and the alternative housing options and benefits being offered. In the description of the available housing options and benefits, the PHA or Project Owner shall include a description of any temporary housing options associated exercising the right of return and a description of any

permanent alternative housing options as well as a reasonable estimate of the financial implications of all temporary and permanent options on the resident long-term.

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<sup>94</sup> Monetary payments other than Required Relocation Payments are considered “temporary, nonrecurring or sporadic income” pursuant to 24 C.F.R. § 5.609(c)(9) and consequently are excluded from income for purposes of eligibility and assistance calculations under certain HUD programs. Residents should be reminded that monetary payments other than URA relocation payments may be taxable under the Internal Revenue Code, that monetary payments, including required relocation payments, may affect residents’ eligibility for other assistance programs and that the resident should seek knowledgeable guidance on these matters, including guidance on the taxation of monetary payments under state law.

<sup>95</sup> In the case of a transfer of assistance to a new site a significant distance from the Converting Project as described in Section 6.4(E), the resident shall be informed of the resident’s right to return to the Covered Project at the new site and of the resident’s right to an assisted unit within a reasonable distance of the site of the Converting Project, as described in Section 6.4(E).

The written notification may request written consent from the resident to exercise the alternative housing option and receive permanent relocation assistance and payments pursuant to RAD, the URA and/or Section 104(d), as applicable, in addition to any benefits associated with the alternative housing option. As part of any voluntary consent, the resident head of household must acknowledge in writing that acceptance of such assistance terminates the resident’s right to return to the Covered Project. In order to ensure that the resident has sufficient time to seek advice and consider the alternative housing options, any consent to an alternative housing option executed within 30 days of the written presentation of the options shall be invalid.

Any offer of alternative housing options must be made in writing and the acceptance of the alternative must be voluntary and in writing. The offer of an alternative housing option must contain the following elements:

- The resident is informed of his or her right to return to the Covered Project and that neither the PHA nor the Project Owner can compel the resident to relinquish his or her right to return. The offer of alternative housing options must clearly state that acceptance of any alternative would relinquish the resident’s right to return to the Covered Project.
- The offer of an alternative housing option must be accompanied by identification of comparable housing units which the resident may use to understand the nature of housing options available to them and the rent and estimated utility costs associated with such housing options. This information must also be accompanied by a reasonable estimate of any replacement housing payment or “gap payment” for which the resident may be eligible.
- The offer of an alternative housing option must be accompanied by information regarding moving payments and assistance that would be available if the resident exercises the right of return and if the resident accepts the alternative housing option.
- Residents must be offered advisory assistance to consider their options.

- To be fully informed, the offer must outline the implications and benefits of each alternative housing option being made available (i.e., of accepting each alternative housing option as compared to exercising his or her right to return) as well as a reasonable estimate of when the resident's relocation might occur. Implications and benefits include payment amounts, differences in rent calculations, differences in program rules, housing location, and potential long-term implications such as household housing expenses multiple years in the future.
- To be fully voluntary, the resident must have at least thirty (30) days following delivery of the written offer to consider their options. LEP persons must be provided a written translation of the offer and oral interpretation of any meetings or counseling in the appropriate language. In addition, PHAs must comply with their obligation to ensure effective communication with persons with disabilities.
- The resident cannot be asked to make a decision which will be implemented at a distant future time. Consequently, the resident may not provide written consent to an alternative housing option (and consequently, consent to voluntary permanent relocation) until after

the earlier of issuance of the NOIA or the effective date of the RCC.<sup>96</sup> If a resident signs a written consent to accept an alternative housing option, that written consent is valid for 180 days. If relocation (after the applicable notice periods) has not occurred within this 180-day period, then the PHA or Project Owner must secure a new consent to accept an alternative housing option. New relocation notices are generally not required.

- The acceptance must be in writing signed by the resident head of household, including a certification of facts to document that the household is relinquishing its right to return and that the decision and the acceptance of the alternative housing option was fully informed and voluntary.
- Residents accepting alternative housing options to relinquish their right to return will be considered to have voluntarily and permanently relocated. Such residents are to be provided applicable RAD, URA and/or Section 104(d) relocation assistance and payments.

The information included with the offer of alternative housing options is to aid the resident in making decisions regarding the desirability of the alternative housing options and neither satisfies nor replaces the relocation notices and information required to be provided to residents pursuant to this Notice, the URA or Section 104(d).

While HUD does not require PHAs to submit documentation of alternative housing options offered to residents or the residents' elections, PHAs must keep auditable written records of such consultation and decisions. HUD may request this documentation at any time, including as part of a review of the Checklist or if relocation concerns arise.

#### 6.11. Lump Sum Payments

PHAs and Project Owners should note that certain relocation payments to displaced residential tenants may be subject to 42 USC § 3537c (“Prohibition of Lump-Sum Payments”) and must be disbursed in installments. The PHA or Project Owner may determine the frequency of the disbursements which must be made in installments. Handbook 1378, Chapter 3-7(D) provides guidance on the manner and frequency of disbursing payments subject to this requirement.

Any monetary element beyond Required Relocation Payments which may be associated with an alternative housing option described in Section 6.10, above, is not relocation assistance and is therefore not subject to the requirements regarding lump sum payments.