

Annual PHA Plan <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 03/31/2024
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA’s operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA’s mission, goals and objectives for serving the needs of low- income, very low-income, and extremely low- income families.

Applicability. The Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceed 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceed 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.																										
A.1	<p> PHA Name: <u>Housing Authority of Kansas City, MO</u> PHA Code: <u>MO002</u> PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>01/2025</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>1723</u> Number of Housing Choice Vouchers (HCVs) <u>8617</u> Total Combined Units/Vouchers <u>10340</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> Availability of Information. PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. </p> <p> <input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below) </p> <table border="1" data-bbox="245 1541 1541 1908"> <thead> <tr> <th rowspan="2">Participating PHAs</th> <th rowspan="2">PHA Code</th> <th rowspan="2">Program(s) in the Consortia</th> <th rowspan="2">Program(s) not in the Consortia</th> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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B.	Plan Elements					
B.1	<p>Revision of Existing PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Grievance Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>					
B.2	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Conversion of Public Housing to Project-Based Rental Assistance or Project-Based Vouchers under RAD.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Occupancy by Over-Income Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Project-Based Vouchers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project-based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p> <p>Hope VI or Choice Neighborhoods Regarding the Chouteau Courts CNI grant, HAKC has worked with its People administrative partner – United Way of Greater Kansas City, to prepare an Endowment Plan for the remaining CNI People funds in the grant (approximately 1.2 million dollars). United Way has also obtained \$270K in commitments for matching local foundation funds for the Plan. The Plan has been approved by HUD. The funds will be used to sustain case management and key programs from partner agencies in the areas of employment, health, education, and self-sufficiency through approximately 2027. These services will be provided to both former Chouteau Court households, and new households in the seven phases of Chouteau Court replacement housing developments.</p> <p>HAKC was awarded a CNI Planning Grant for West Bluff townhomes and Kansas City's Westside neighborhood in 2023. In 2024 HAKC implemented the Choice Neighborhoods Transformation Plan process. This includes establishing the People, Housing, and Neighborhood Task Forces with West Bluff and Westside residents and community partners. The Task Forces will make recommendations to be included in the Transformation Plan. These will address West Bluff replacement, neighborhood improvements, and supportive services for residents. HAKC will submit the Transformation Plan to HUD in 2025 and seek a Choice Neighborhoods Implementation Grant.</p>					

Mixed Finance Modernization or Development

Cardinal Ridge is a 160-unit mixed-income development completed in 2001 with HOPE VI funding and LIHTC. Sixty-nine (69) of the units are currently operated as public housing. HAKC through its affiliate Affordable Housing of Kansas City (AHKC) and the National Housing Partnership Foundation (NHPF) partnered for the purchase and redevelopment of Cardinal Ridge. The Partnership's plans for Cardinal Ridge in 2024-2025 include: (1) obtain a RAD CHAP to convert the public housing units to project-based rental assistance under the RAD program, and potentially utilize a RAD/Section 18 Blend, as shown in the RAD Attachment; (2) seek re syndication with 4% or 9% LIHTC and gap financing in the form of HOME funds and Housing Trust Funds in an application to the Missouri Housing Development Commission; and (4) rehabilitate Cardinal Ridge to preserve this HAKC affordable housing asset.

The Michael's Organization, original owner/developer of HOPEVI/LIHTC-funded Beacon Park Townhomes, Willow Glen Apartments and Willow Glen Townhomes plans to sell its interests in the properties. These three mixed-income properties currently have a total of 41 public housing units. HAKC is seeking a new partner in 2024 to purchase and redevelop the three sites. HAKC will seek a RAD CHAP in 2024 for Willow Glen Apartments to stabilize rents and support a 2025 application for LIHTC to rehabilitate the site.

HAKC will continue to review opportunities to redevelop the vacant land and the 74 aging townhomes of the Wayne Miner development. HAKC will consider issuing an RFP late 2024 or 2025 for the redevelopment of the public housing townhomes and approximately 6 acres of vacant land in a mixed-income setting utilizing LIHTC and RAD or a RAD/Section 18 Blend.

While HAKC will dispose of obsolete scattered site units as discussed below, a scattered site replacement plan will be developed with replacement units built or acquired in non-impacted neighborhoods of KCMO. Financing may involve a combination of program income funds, Capital Funds, and possible RAD conversion.

Demolition and/or Disposition

HAKC continues to coordinate with the City to determine the best use for the now vacant former site of Chouteau Court. Once determined, HAKC intends to submit an application for disposition to the HUD Special Applications Center (SAC) in 2024 or 2025. The Chouteau Court site will be combined with the vacated Belvidere Park to create a 15-acre redevelopment district. Both sites were accepted for the Missouri Brownfields/Voluntary Cleanup Program in 2022 which provided funding for extensive environmental assessment and preparation of a Risk Management Plan. The Risk Management Plan was accepted by the Missouri Department of Natural Resources in June 2024.

HAKC anticipates three scattered sites units may be considered for disposition due to the conditions of the units and costs to rehab. Two units are in MO002000338; one located at 5001 Bellefontaine and the other unit at 716 Cleveland. The third unit is in MO002000738 and located at 7024 NE 51st Terrace.

Previously, HAKC received authorizations from HUD SAC to dispose of the 6-acre vacant portion of Guinotte Manor known as "Phase 3". HAKC issued a Request for Proposals (RFP) for the property in 2023. RFP responses were evaluated for both purchase offer price and compatibility of the proposed development with the surrounding neighborhood, including Guinotte Manor immediately to the east of the site. HAKC approval of the final proposal selection and predevelopment activities occurred in 2023 and a contingent contract for sale of the property was executed in February 2024. HUD SAC provided an updated disposition approval according to the terms of the contract on April 15, 2024. The developer's final due diligence is in process with an anticipated purchase closing in the fourth quarter of 2024. In 2025 HAKC will monitor the developer's progress according to the terms and schedule in the Development Agreement.

Conversion of Public Housing to Project-Based Assistance under RAD

The Housing Authority anticipates continuing to convert portions of its public housing portfolio to Project-Based Vouchers (PBV) utilizing the RAD program. HAKC originally received a HUD-issued RAD portfolio award reserving 465 public housing units for conversion through RAD. To date HUD Commitment(s) to Enter into Housing Assistance Payments (CHAP) or PBV contracts have been received for 120 public housing units at Villa Del Sol, Brookwood at Antioch, and Sam Rodgers Place. These three projects have since closed with RAD Control Agreements in 2023 and 2024. HAKC has 345 units remaining in its RAD Portfolio Reservation. HAKC will submit acceptable RAD applications for the remaining units covered under the RAD portfolio reservation. HAKC may withdraw and/or substitute certain projects in the RAD portfolio reservation, and switch projects between the active and pending portions of the portfolio; therefore, the number of RAD applications submitted to HUD may be subject to change. Conversion to RAD is contingent on the financial feasibility of the conversion plan for each site.

The currently approved and anticipated conversions, and adoption of the applicable PBV-specific resident rights, participation, waiting list, and grievance procedures listed in the corresponding sections of PIH Notice 2019-23 (HA), REV-4, and any successor notices, are detailed in the RAD Attachment to this Plan. HAKC submission of a RAD application for Cardinal Ridge, will occur after satisfaction of all RAD requirements including resident meetings and HAKC board approval. RAD applications for Wayne Miner, Brush Creek, Willow Glen Apartments and Pemberton Heights are also anticipated to occur over the next two years, subject to the same RAD requirements. HAKC anticipates requesting that Willow Glen Townhomes and Beacon Park Townhomes may be added to the RAD Portfolio because they are for sale by the current owner and will eventually require LIHTC re-syndication.

Over-Income Families

HAKC fully implemented the requirements of HOTMA providing that the tenancy of families that are over-income for two consecutive years will be terminated within six months of the second income determination; or the monthly rent will be the greater of the applicable FMR or the amount of subsidy for the unit from the operating and capital fund as determined by regulations. HAKC will continue to implement all other relevant aspects of HOTMA.

Project-Based Vouchers

The Housing Authority will follow its procedures relating to project-based vouchers as outlined in its HCV Administrative Plan. A Request for Proposals (RFP) to add up to 200 additional project-based voucher units will be issued for FY2025. The RFP will remain open through December 2025. PBV projects are intended to be within HAKC's area of operation and generally within the City of Kansas City, MO. Specific locations are not known but will be identified through the RFP process. Typically, applications for the use of PBV are tied to applications for LIHTC. Missouri's LIHTC applications are generally reviewed and approved in the fourth quarter of each year.

	<p>Units with Approved Vacancies for Modernization The Housing Authority will seek approval of vacancies for modernization as units are vacated and require significant capital improvements in order to reoccupy such units.</p> <p>Other Capital Grant Programs The Housing Authority intends to submit applications for Safety and Security grants as they become available. HAKC will also apply for waivers to the Capital Fund program to allow additional funds to be budgeted in 1406 Operations for anticrime and antidrug activities.</p>
B.3	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan. This is the first report of a new 5-year plan. The progress report for the past 5-year plan is shown in the 2025-2029 5-Year Plan and incorporated herein by reference.</p>
B.4	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan in EPIC and the date that it was approved. The HAKC’s most recent update to its 2024-2028 5-Year Action Plan was submitted into the EPIC system and approved by HUD on June 20, 2024.</p>
B.5	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe: The audit included findings relating to internal compliance controls in the HCV program. The auditor accepted HAKC responses. The responses/corrective actions were also submitted to HUD.</p>
<p>C. Other Document and/or Certification Requirements.</p>	
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) have comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
C.2	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Civil Rights Certification/ Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan.</p> <p>Form HUD-50077-ST-HCV-HP, <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Laws and Regulations Including PHA Plan Elements that Have Changed</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.4	<p>Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public.</p> <p>(a) Did the public challenge any elements of the Plan?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>If yes, include Challenged Elements.</p>

C.5	<p>Troubled PHA.</p> <p>(a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p>						
D.	<p>Affirmatively Furthering Fair Housing (AFFH).</p>						
D.1	<p>Affirmatively Furthering Fair Housing (AFFH).</p> <p>Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item.</p> <table border="1" data-bbox="261 1171 1523 1745"> <tr> <td data-bbox="261 1171 1523 1213"> <p>Fair Housing Goal:</p> </td> </tr> <tr> <td data-bbox="261 1213 1523 1354"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>HAKC continues to increase the pool of non-minority applicants resulting in lessening racial concentration. HAKC will market its housing programs through a variety of social services providers in non-impacted areas of Kansas City to increase the number of non-minority applicants.</p> </td> </tr> <tr> <td data-bbox="261 1381 1523 1423"> <p>Fair Housing Goal:</p> </td> </tr> <tr> <td data-bbox="261 1423 1523 1564"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Increase opportunities for voucher holders to utilize vouchers in non-impacted neighborhoods. HAKC will continue its collaboration with the City of Kansas City and neighboring housing authorities to provide opportunities to use HAKC’s vouchers as project-based vouchers in non-impacted neighborhoods.</p> </td> </tr> <tr> <td data-bbox="261 1591 1523 1633"> <p>Fair Housing Goal:</p> </td> </tr> <tr> <td data-bbox="261 1633 1523 1745"> <p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>HAKC will seek opportunities to build additional affordable housing in non-impacted neighborhoods. This will be a component of the West Bluff CNI planning grant.</p> </td> </tr> </table>	<p>Fair Housing Goal:</p>	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>HAKC continues to increase the pool of non-minority applicants resulting in lessening racial concentration. HAKC will market its housing programs through a variety of social services providers in non-impacted areas of Kansas City to increase the number of non-minority applicants.</p>	<p>Fair Housing Goal:</p>	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>Increase opportunities for voucher holders to utilize vouchers in non-impacted neighborhoods. HAKC will continue its collaboration with the City of Kansas City and neighboring housing authorities to provide opportunities to use HAKC’s vouchers as project-based vouchers in non-impacted neighborhoods.</p>	<p>Fair Housing Goal:</p>	<p><i>Describe fair housing strategies and actions to achieve the goal</i></p> <p>HAKC will seek opportunities to build additional affordable housing in non-impacted neighborhoods. This will be a component of the West Bluff CNI planning grant.</p>
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RAD ATTACHMENT

RAD Provisions of the HAKC Annual and Five-Year Plans

The Housing Authority of Kansas City, Missouri (HAKC) will be converting a portion of its Public Housing portfolio to Project Based Vouchers under the guidelines of H-2019-09 PIH Notice 2019-23 (HA) and any successor Notices (the RAD Notice). The RAD conversions will require changes to the HAKC's Admissions and Continued Occupancy Policy (ACOP) and/or Section 8 Administrative Plan: these changes would include those items indicated under **Sections 1.6.A and 1.6.B. of the RAD Notice** which are appended to this Attachment.

Additionally, upon conversion to Project Based Vouchers, the HAKC will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6.C and 1.6.D of the RAD Notice, and Joint Housing Notice H-2016-17/PIH-2016-17. These resident rights, participation, waiting list and grievance procedures are also appended to this Attachment.

The HAKC certifies that all proposed RAD conversions will comply with all applicable site and neighborhood standards, and the site(s) will be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and HUD regulations issued pursuant thereto. Reviews will be completed with respect to accessibility for persons with disabilities and the design of any proposed site(s) will be consistent with applicable accessibility standards under the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, including implementing regulations at 24 C.F.R. 8.4(b)(5), and the American with Disabilities Act.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing the HAKC with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Housing Authority's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that the HAKC may also borrow funds to address their capital needs.

Significant Amendment Definition

As part of the Rental Assistance Demonstration (RAD), the HAKC is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD-specific items:

- a. The decision to convert to either Project Based Rental Assistance (PBRA) or Project Based Voucher (PBV) assistance;
- b. Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- c. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
- d. Changes to the financing structure for each approved RAD conversion.

Chouteau Court Replacement Housing Phase 6 – Brookwood at Antioch (Chouteau Court CNI Phase 6) was the first RAD conversion to be completed by HAKC. Construction was completed on June 28, 2023. Villa Del Sol was the second RAD conversion to be completed by HAKC. Construction was completed on April 3, 2024. Sam Rodgers Place (Chouteau Court CNI Phase 7) was the third RAD conversion to be completed by HAKC. Construction was completed on June 11, 2024. Long-term operations of the RAD units are subject to the recorded RAD Control Agreement.

A. Public Housing Development(s) selected for RAD under HAKC Existing Portfolio Reservation*

(*subject to RAD Application Requirements including Resident Meetings and comment, and Board Approval)

Development #1

<u>Name of Public Housing Project:</u>	<u>PIC Development ID:</u>	<u>Conversion type (i.e., PBV or PBRA):</u>	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u>
Cardinal Ridge	MO002000037	PBV	No
<u>Total Units:</u>	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u>	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u>	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u>
Public Housing Units: 69 Non-PH Units: 91 Total Units: 160	General Occupancy	Family, Senior	\$109,643
<u>Bedroom Type</u>	<u>Number of Units Pre-Conversion</u>	<u>Number of Units Post-Conversion</u>	<u>Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, etc.)</u>
One Bedroom	45	45	N/A
Two Bedroom	18	18	N/A
Three Bedroom	6	6	N/A
Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A
<p>Designated Housing Changes: Cardinal Ridge currently has a General Occupancy designation. HAKC may adopt a PBV site-based wait list with a Senior preference for the 59 public housing units located in the development’s Senior Manor building upon conversion to PBV. Any preferences will be adopted in compliance with the requirements of 24 CFR 982.207 and included in the Section 8 Administrative Plan.</p> <p>RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.</p> <p>Chouteau Court Units under HUD Converted Awaiting Transfer (CAT) Agreement: Funding for 5 units from the now demolished Chouteau Court public housing development remains preserved under a CAT agreement. Upon completion of Chouteau Court Replacement Housing Phase 7 (Sam Rodgers Place), HAKC will have met the required number of replacement units and replacement bedrooms of the Chouteau Court replacement housing plan under its Choice Neighborhoods Implementation grant. HAKC may consider placement of these 5 remaining units at Cardinal Ridge, subject to all HUD requirements and approval, as well as feasibility of such placement.</p>			

Development #2

<u>Name of Public Housing Project:</u> North Park Place (Willow Glen Apartments)	<u>PIC Development ID:</u> MO002000042	<u>Conversion type (i.e., PBV or PBRA):</u> PBV	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u> Transfer of Assistance may be considered as part of the RAD Conversion and will be consistent with the Consolidated Plan and subject to HUD review and approval.
<u>Total Units:</u> Public Housing Units: 21 Non-PH Units: 35 <hr/> Total Units: 56	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u> Family	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u> Family	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u> \$38,369
<u>Bedroom Type</u>	<u>Number of Units Pre-Conversion</u>	<u>Number of Units Post-Conversion</u>	<u>Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, etc.)</u>
One Bedroom	9	9	N/A
Two Bedroom	12	12	N/A
Three Bedroom	0	8	N/A
Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A
<p>Use of HCV Assistance for Temporary Relocation or Voluntary Permanent Relocation: HAKC may decide to issue HCV assistance to public housing residents affected by the RAD conversion. Doing so will require adoption of a selection preference for such families in the Section 8 Administrative Plan. Upon adoption of the revised Administrative Plan, HAKC may employ the preference and select the affected families from its HCV waiting list.</p>			
<p>RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.</p>			

Development #3

<u>Name of Public Housing Project:</u> Pemberton Heights	<u>PIC Development ID:</u> MO002000025	<u>Conversion type (i.e., PBV or PBRA):</u> PBV	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u> No
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<u>Total Units:</u> Public Housing Units:120 Non-PH Units: 0 Total Units: 120	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u> Elderly/Disabled	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u> PBV site-based waitlist preference for Senior and/or Persons with Disabilities	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u> \$367,927
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.)
One Bedroom	115	115	N/A
Two Bedroom	5	5	N/A
Three Bedroom	0	0	N/A
Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A
<p>Designated Housing Changes: Pemberton Heights currently has an Elderly/Disabled housing designation. HAKC may establish a PBV site-based wait list with preferences for Seniors and/or Persons with Disabilities for the development upon conversion to PBV. Any preferences will be adopted in compliance with the requirements of 24 CFR 982.207 and included in the Section 8 Administrative Plan.</p> <p>RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.</p>			

Development #4

<u>Name of Public Housing Project:</u> Brush Creek	<u>PIC Development ID:</u> MO00200002	<u>Conversion type (i.e., PBV or PBRA):</u> PBV	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u> No
<u>Total Units:</u> Public Housing Units:135 Non-PH Units: 0 Total Units: 135	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u> Elderly/Disabled	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u> PBV site-based waitlist preference for Senior and/or Persons with Disabilities	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u> \$377,266
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.)
One Bedroom	135	135	N/A

Two Bedroom	0	0	N/A
Three Bedroom	0	0	N/A
Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A

Designated Housing Changes: Brush Creek currently has an Elderly/Disabled housing designation. HAKC may establish a PBV site-based wait list with preferences for Seniors and/or Persons with Disabilities for the development upon conversion to PBV. Any preferences will be adopted in compliance with the requirements of 24 CFR 982.207 and included in the Section 8 Administrative Plan.

RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.

B. Public Housing Development(s) selected for substitution in an amendment of the existing HAKC RAD Portfolio Reservation if the above developments do not move forward or if there are surplus RAD units available in the Reservation, or for inclusion in a new RAD Portfolio Reservation request to HUD*.

*(*subject to RAD Application Requirements including Resident Meetings and comment, and Board Approval)*

Alternatively, HAKC may seek to utilize the Faircloth-to-RAD provision to reserve RAD conversion authority without the use of a Portfolio Award*.

**Faircloth to RAD transactions are subject to Board Approval and an alternative set of required resident notification and engagement procedures.*

Development #1

<p><u>Name of Public Housing Project:</u></p> <p>West Bluff</p>	<p><u>PIC Development ID:</u></p> <p>MO002000008</p>	<p><u>Conversion type (i.e., PBV or PBRA):</u></p> <p>PBV</p>	<p><u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u></p> <p>Transfer of Assistance may be considered as part of the RAD Conversion and will be consistent with the Consolidated Plan and subject to HUD review and approval.</p>
<p><u>Total Units:</u></p> <p>Public Housing Units: 99 Non-PH Units: 1 Total Units: 100</p>	<p><u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u></p> <p>Family</p>	<p><u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u></p> <p>Family</p>	<p><u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u></p> <p>\$376,372</p>

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.)
One Bedroom			TBD
Two Bedroom			TBD
Three Bedroom			TBD
Four Bedroom			TBD
Five Bedroom			TBD

Choice Neighborhoods: HAKC was awarded a HUD Choice Neighborhoods Planning Grant for West Bluff and the surrounding Westside neighborhood in 2023. HAKC anticipates completing the West Bluff / Westside Choice Transformation Plan and applying for a HUD Choice Neighborhoods Implementation Grant in 2025. If awarded, HAKC will pursue the RAD conversion of the West Bluff public housing units and their replacement in new mixed-income developments on the West Bluff site and possibly in one or more offsite locations.

Use of HCV Assistance for Temporary Relocation or Voluntary Permanent Relocation: HAKC may decide to issue HCV assistance to public housing residents affected by the RAD conversion. Doing so will require adoption of a selection preference for such families in the Section 8 Administrative Plan. Upon adoption of the revised Administrative Plan, HAKC may employ the preference and select the affected families from its HCV waiting list.

RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.

Development #2

<u>Name of Public Housing Project:</u> Wayne Miner (Included in Theron B. Watkins AMP & PIC #)	<u>PIC Development ID:</u> MO002000006	<u>Conversion type (i.e., PBV or PBRA):</u> PBV	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u> Transfer of Assistance may be considered as part of the RAD Conversion and will be consistent with the Consolidated Plan and subject to HUD review and approval.
<u>Total Units:</u> Public Housing Units: 74 Non-PH Units: 0 Total Units: 74	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u> Family	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u> Family	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u> \$268,028

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.)
One Bedroom	0	0	N/A
Two Bedroom	0	0	N/A
Three Bedroom	60	60	TBD
Four Bedroom	14	14	TBD
Five Bedroom	0	0	N/A
<p>Use of HCV Assistance for Temporary Relocation or Voluntary Permanent Relocation: HAKC may decide to issue HCV assistance to public housing residents affected by the RAD conversion. Doing so will require adoption of a selection preference for such families in the Section 8 Administrative Plan. Upon adoption of the revised Administrative Plan, HAKC may employ the preference and select the affected families from its HCV waiting list.</p> <p>RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.</p>			

Development #3

<u>Name of Public Housing Project:</u>	<u>PIC Development ID:</u>	<u>Conversion type (i.e., PBV or PBRA):</u>	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u>
Willow Glen Townhomes	MO002000040	PBV	Transfer of Assistance may be considered as part of the RAD Conversion and will be consistent with the Consolidated Plan and subject to HUD review and approval.
<u>Total Units:</u>	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u>	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u>	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u>
Public Housing Units: 15 Non-PH Units: 30 Total Units: 45	Family	Family	\$32,868
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.)
One Bedroom	0	0	N/A
Two Bedroom	7	7	N/A
Three Bedroom	8	8	N/A

Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A
<p>Use of HCV Assistance for Temporary Relocation or Voluntary Permanent Relocation: HAKC may decide to issue HCV assistance to public housing residents affected by the RAD conversion. Doing so will require adoption of a selection preference for such families in the Section 8 Administrative Plan. Upon adoption of the revised Administrative Plan, HAKC may employ the preference and select the affected families from its HCV waiting list.</p> <p>RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.</p>			

Development #4

<u>Name of Public Housing Project:</u>	<u>PIC Development ID:</u>	<u>Conversion type (i.e., PBV or PBRA):</u>	<u>Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)</u>
Beacon Park	MO002000043	PBV	Transfer of Assistance may be considered as part of the RAD Conversion and will be consistent with the Consolidated Plan and subject to HUD review and approval.
<u>Total Units:</u>	<u>Pre- RAD Unit Type (i.e., Family, Senior, etc.):</u>	<u>Post-RAD Unit Type if different (i.e., Family, Senior, etc.)</u>	<u>Capital Fund allocation of Development: (Annual Capital Fund Grant attributable to the Project, if known):</u>
Public Housing Units: 5 Non-PH Units: <u>40</u> Total Units: 45	Family	Family	\$11,319
<u>Bedroom Type</u>	<u>Number of Units Pre-Conversion</u>	<u>Number of Units Post-Conversion</u>	<u>Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, etc.)</u>
One Bedroom	0	0	N/A
Two Bedroom	2	2	N/A
Three Bedroom	3	3	N/A
Four Bedroom	0	0	N/A
Five Bedroom	0	0	N/A
<p>Use of HCV Assistance for Temporary Relocation or Voluntary Permanent Relocation: HAKC may decide to issue HCV assistance to public housing residents affected by the RAD conversion. Doing so will require adoption of a selection preference for such families in the Section 8 Administrative Plan. Upon adoption of the revised Administrative Plan, HAKC may employ the preference and select the affected families from its HCV waiting list.</p>			

RAD/Section 18 Construction Blend: Should the development qualify, and it be proven beneficial for the long-term financial feasibility of the development, HAKC may partially dispose of the project through Section 18 under the RAD/Section 18 Blend and replace the specified number of units on-site with PBVs set at HAKC Payment Standards/Fair Market Rents. The balance of public housing units not disposed of through Section 18 will convert to PBV or PBRA at the pre-determined site-specific RAD Contract Rents.

Chouteau Court Units under HUD Converted Awaiting Transfer (CAT) Agreement: Funding for 5 units from the now demolished Chouteau Court public housing development remains preserved under a CAT agreement. Upon completion of Chouteau Court Replacement Housing Phase 7 (Sam Rodgers Place), HAKC will have met the required number of replacement units and replacement bedrooms of the Chouteau Court replacement housing plan under its Choice Neighborhoods Implementation grant. HAKC may consider placement of these 5 remaining units at Beacon Park, subject to all HUD requirements and approval, as well as the feasibility of such placement.

Special Provisions Affecting Conversions to PBVs

(H-2019-09 PIH Notice 2019-23 (HA), REV-4 Section 1.6.A & 1.6.B)

The “special” requirements applicable to public housing projects converting assistance to long-term PBV assistance under the First Component of the Rental Assistance Demonstration (RAD), with reference to the affected statute and/or regulation, where applicable, are grouped into four categories: **Project Selection, Contract Terms, Resident Rights and Participation, and Other Miscellaneous Provisions.** All other regulatory and statutory requirements of the PBV program in 24 CFR part 983 and section 8(o)(13) of the Act apply, including environmental review, lead-based paint requirements, Davis-Bacon, and fair housing requirements.

So as to facilitate the uniform treatment of residents and units at a RAD-converting Project (Covered Project), any non-RAD PBV units located in the Covered Project shall be subject to the same waivers and alternative requirements where noted below.

Finally, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and HUD’s implementation notices³⁰ (“HOTMA Implementation Notice”) modified the PBV program in ways that partially or completely obviate the need for certain prior waivers or alternative requirements adopted in RAD. These are noted below.

³⁰ See "January 18, 2017 HOTMA implementation notice, 82 Fed. Reg. 5458," and the "July 14, 2017 technical correction and clarification notice, 82 Fed. Reg. 32461." Also see Notice PIH 2017-21.

A. PBV Project Selection.

- 1. PBV Percentage Limitation.** Covered Projects do not count against the percentage limitation applicable to the PBV program. The HOTMA Implementation Notice excludes formerly assisted properties from the percentage limitation.

For any Covered Projects not otherwise covered under the HOTMA Implementation Notice, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(B) of the Act as well as 24 CFR § 983.6 with respect to Covered Projects. As a result, a PHA that is administering RAD PBV assistance does not take the RAD PBV into consideration when calculating the percent limitation for any non-RAD PBV actions that are subject to the percent limitation. In other words, RAD PBV is excluded from both the numerator and the denominator

when calculating the percent of vouchers that may be project-based for non-RAD PBV.

2. Cap on the Number of PBV Units in Each Project. There is no cap on the number of units that may receive RAD PBV assistance in each project. Under the HOTMA Implementation Notice, certain formerly assisted properties are excepted from the project cap. For any Covered Projects not covered under the HOTMA Implementation Notice, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR §§ 983.56, 983.257(b), 983.262(a) and (d). Accordingly, units under the contract may not be “excepted” for a specified purpose.

3. Owner Proposal Selection Procedures. In addition to situations already covered under the HOTMA Implementation Notice (e.g., attaching PBV assistance to PHA- owned units that were formerly assisted under the public housing program), HUD is waiving 24 CFR § 983.51 so that a RAD PBV HAP contract is never subject to competitive selection requirements. With respect to site selection standards, HUD requires compliance with the site selection standards as set forth in this Notice.

4. Site selection – Compliance with PBV Goals, section 8(o)(13)(C)(ii) of the Act and 24 CFR § 983.57(b)(1) and (c)(2). HUD waives these provisions having to do with deconcentration of poverty and expanding housing and economic opportunity, for the existing site. 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.

B. PBV Contract Terms.

1. Length of Contract. Covered Projects shall have an initial HAP Contract term of at least 15 years (up to 20 years upon request of the Project Owner and with approval by the administering Voucher Agency). To implement this provision, HUD is specifying alternative requirements for section 8(o)(13)(F) of the Act (which permits a minimum term of one year) as well as 24 CFR § 983.205(a) (which governs contract term). Project Owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the contract and may not reduce the number of assisted units without written HUD approval. Any HUD approval of a PHA’s request post-conversion to reduce the number of assisted units under the contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.

2. Mandatory Contract Renewal. In accordance with the RAD Statute, at or prior to the expiration of the initial contract and each renewal contract, the administering Voucher Agency must offer, and the Project Owner must accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. The renewal contract(s) shall be for the prescribed number and mix of units but may, upon request of the Project Owner and subject to HUD and Contract Administrator approval, be on one or more transfer of assistance sites in lieu of the project site subject to the expiring contract. Consequently, section 8(o)(13)(G) of the Act, as well as 24 CFR § 983.205(b), governing the PHA discretion to renew the contract, will not apply to the extent that these provisions make renewal or extension decisions purely discretionary. However, Contract Administrators and Project Owners may choose to extend the initial HAP Contract term consistent with these provisions and are encouraged to do so a minimum of one year prior to the expiration of the contract so as to avoid unnecessary notice to residents per 24 CFR 983.206. The ability to extend the HAP Contract term consistent with these provisions does not negate, in any way, the mandatory renewal provision detailed in the first sentence of this paragraph. MTW agencies may not alter this requirement.

3. **Ownership or Control.** This section has been moved to Section [1.4.A.11 of the RAD Notice](#)

4. **RAD Use Agreement.** This section has been moved to Section [1.4.A.13 of the RAD Notice](#)

5. **Initial Contract Rent Setting.** No additional or incremental funding is associated with this Demonstration. HUD has calculated initial contract rents for every public housing project based on each project's subsidy under the public housing program. All RAD applications, including applications for Portfolio Awards, will have initial contract rents based on their "RAD rent base year" described in [Attachment 1C](#). PHAs have additional discretion in establishing initial contract rents using the following flexibilities:

a. ~~**MTW-Fungibility.**~~ (Not Applicable to HAKC)

b. **Rent Bundling.** Subject to HUD approval, PHAs may adjust subsidy (and initial contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD. For example, assume that a PHA is considering bundling two identical projects, both consisting of 100 units. In Project A, the contract rent is \$500; and in Project B, the contract rent is \$600. The PHA could bundle the two projects such that the initial contract rents for both projects will be \$550. This use, which HUD refers to as "bundled" rents, can occur under the following scenarios:

- i. When a PHA is converting two or more properties within its public housing portfolio. The execution and effective date of the HAP Contract for the donor HAP Contract must occur prior to or simultaneous with the effective date of the recipient HAP Contract;
- ii. When PHAs have formed a Partnership in accordance with Section 1.5.M and are bundling rents between two or more converting projects. The execution and effective date of the HAP Contract for the donor HAP Contract must occur prior to or simultaneous with the effective date of the recipient HAP Contract; and
- iii. When a PHA bundles rents between a converting project and non-RAD Project-Based Vouchers. In such a case, the PHA must use its own voucher funding to supplement the higher RAD rent that is being offset by the lower PBV rent for the non-RAD PBV project or projects; no additional voucher funding will be provided through RAD. HUD will review the rents proposed for the non-RAD PBV HAP Contract to ensure that the PHA does not exceed the aggregate subsidy otherwise available for all of the rent-bundled projects. Except as provided in section 1.6.B.d below, the execution and effective date of the HAP Contract for the donor project must occur prior to or simultaneous with the effective date of the recipient HAP Contract. The owner of the property with the non-RAD PBV HAP Contract must request an initial rent (or redetermined rent if the contract has already been executed) in accordance with 24 CFR §§ 983.301(b)(3) and 983.302 that reflects the amount approved by HUD. To ensure that aggregate HAP costs do not exceed the costs incurred absent this provision, the owner of the property with the non-RAD PBV HAP Contract must agree not to request, in accordance with 24 CFR § 983.301(b)(3), a redetermined rent that exceeds the OCAF-adjusted rent. This OCAF limitation is in addition to the existing PBV rent limitations in 24 CFR § 983.301(b) more generally. The donor HAP Contract must have a remaining contract term at least as long as the recipient HAP Contract.

iv. Where an Agreement to enter into a HAP Contract (AHAP) is used on the non-RAD PBV HAP Contract and the RAD and non- RAD PBV projects are subject to a single financing, the execution and effective date of the AHAP for the donor HAP Contract must occur prior to or simultaneous with the conversion of the recipient HAP Contract. The recipient RAD PBV HAP Contract will include rent schedules for both unadjusted rents and the anticipated rent bundled rents. The unadjusted rents are the initial effective rents for the RAD PBV recipient project. At the completion of rehab/construction of the donor project, where the terms of the AHAP have been satisfied and the PHA and owner of the donor property are ready to execute a HAP contract, the cost-neutral application of the bundled rents will occur. 1) the HAP for the non-RAD PBV HAP Contract will be determined based on the initial rent, which is the PBV rent the project would have been eligible for under the PBV initial rent requirements at 24 CFR § 983.301 reduced by the amount that has been bundled to the RAD HAP Contract. 2) Upon the effective date of the non- RAD PBV donor HAP Contract, the HUD-approved rent bundled rents at the RAD HAP Contract will become effective. For example, assume two 100-unit properties that will be redeveloped under a single financing transaction, one developed under standard PBV through an AHAP and another through RAD. The estimated rents for the standard PBV are \$1,000 while the standard RAD rents are \$500. The PHA plans to rent bundle to increase the RAD rents to \$750. Construction will occur on the same timeline and the RAD PBV HAP Contract will close at the same time as the AHAP is executed. The RAD PBV HAP Contract will include unadjusted, pre-construction rents (\$500) as well as adjusted, post-construction rents (\$750). The AHAP will include estimated PBV rents, adjusted downward by \$250. When construction is completed, the post-construction rents on the RAD HAP Contract will take effect when the donor non-RAD PBV HAP Contract becomes effective. The PHA will determine the initial contract rents for the non-RAD PBV donor project in accordance with PBV requirements and deduct \$250 from that amount.

Please note that per Section 1.13.B.5, regardless of the initial contract rents for the RAD HAP Contract, including as modified by this provision, in the year of conversion the Covered Project will only be assisted by the Operating and Capital Funds obligated to the PHA for that project.

- c. **Future Replacement Housing Factor (RHF) or Demolition Disposition Transition Funding (DDTF).**³¹ PHAs that are scheduled to receive ongoing RHF or DDTF funding (funds that have not been awarded and, with HUD permission, funds that have been awarded but not yet disbursed) may choose to forgo any ongoing RHF or DDTF grants for the purpose of offsetting an increase to the RAD rent. See [Attachment 1C](#) for the calculation of how RHF or DDTF funding may offset increased RAD rent.
- d. **PBV Site-Specific Utility Allowances.** PHAs may elect to establish a site-specific Utility Allowance for any Covered Project. HUD is waiving 24 CFR 983.2(c)(6)(iii), which requires the PHA to apply the HCV Utility Allowance schedule for PBV properties, and HUD is establishing an alternative requirement. The Utility Allowance shall be calculated consistent with Notice H 2015-04 unless PIH promulgates guidance specific to the PBV program. The Project Owner may carry out all of the responsibilities associated with Notice H 2015-04, but the PHA must ensure that the Utility Allowance is calculated correctly. This waiver and alternative requirement shall also apply to non-RAD PBV units located at the Covered Project.

e. **Tenant-Paid Utility Savings.** Where a Covered Project will use a site-specific utility allowance as described in sub-paragraph iv. and the conversion will result in the reduction of one or more utility components (e.g., gas, water & sewer, electric) used to establish the Utility Allowance relative to the utility allowance of the Converting Project (i.e., the public housing project), HUD will permit the RAD contract rent to be increased by a portion of the utility savings. See [Attachment 1C](#) for additional detail.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications to the initial contract rent permitted under this Notice, initial PBV contract rents are subject to the statutory and regulatory PBV requirements governing contract rents (see 24 CFR § 983.301), (except where alternative rent caps have been approved in a MTW Plan or included in an MTW Supplement to the PHA Plan). To this effect, initial contract rents cannot exceed the lower of: (a) the reasonable rent (as defined under 24 CFR § 983.303); (b) an amount determined by the PHA, not to exceed 110 percent of the applicable FMR (or applicable exception payment standard, or rent cap approved in an MTW Plan or included in an MTW Supplement to the PHA Plan), minus any utility allowance; or (c) the rent requested by the owner.

6. **Method of Adjusting Contract Rents.** Contract rents will be adjusted only by HUD's OCAF (which is applied only to the portion of the rent not attributable to debt service) at each anniversary of the HAP Contract, subject to the availability of appropriations for each year of the contract term.³² As such, section 8(o)(13)(I) of the Act and 24 CFR §§ 983.301 and 983.302, concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the Contract Administrator in accordance with 24 CFR § 983.303.³³ However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP Contract.³⁴ MTW agencies may not alter this requirement.
7. **Role of Independent Entity.** Where the Covered Project is PHA-owned in accordance with section 8(o)(11) of the Act as amended by HOTMA (see Attachment A in Notice PIH 2017-21 for guidance on PHA-owned units), in addition to the standard roles described in 24 CFR 983.59(b) (i.e., determining reasonable rents and conducting HQS inspection) the independent entity must also determine the OCAF adjustment.
8. **Transfer of Assistance.** This section has been moved to [Section 1.4.A.12 of the RAD Notice](#).
9. **Agreement Waiver and RAD Rehab Assistance Payments.** For public housing conversions to PBV there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the AHAP, including regulations under 24 CFR part 983 subpart D are waived. Instead, the PHA and Project Owner typically will enter into a HAP Contract before construction begins. During the period of Work identified in the RCC, standard HAP Contract funding procedures will be used for occupied units. Units covered under the HAP Contract that are not occupied at any point during the period of Work identified in the RCC may be eligible, subject to the conditions below, for Rehab Assistance Payments equal to the Public Housing Operating Fund and the Capital Fund amounts that

formed the basis for the calculation of initial contract rents (see [Attachment 1C](#)). During the period of rehabilitation or construction as identified in the RCC, the maximum number of units for which a Project Owner can receive RAD Rehab Assistance Payments is limited to the number of units eligible for Operating Fund or Capital Fund subsidy prior to conversion. As a result, some units in the Covered Project may not be eligible for Rehab Assistance Payments.

The Project Owner will no longer be eligible to receive RAD Rehab Assistance Payments upon the earlier of completion of the Work or expiration of the time period identified in the RCC for completion of all Work, which date is specified in the HAP contract. After such date, all units under the HAP Contract will be eligible for payment only for occupied units or for vacancy payments, as applicable.

10. HQS Inspections. Under current regulations at 24 CFR § 983.103(b) a unit covered under a HAP Contract must be inspected and must meet HQS before assistance can be paid on behalf of a household, unless the PHA is using HOTMA non-life threatening and alternative inspection provisions.³⁵ In addition, section 8(o)(8)(A) of the Act provides that HAP Contract units must be inspected to ensure compliance with HQS prior to payment of any assistance on behalf of a family. When Work is occurring under RAD, HUD requires that all units meet HQS no later than the date of completion of the Work as indicated in the RCC. Consequently, HUD is waiving and establishing an alternative requirement to 24 CFR § 983.103(b) and section 8(o)(8)(A) of the Act in such cases.

11. Floating Units. Upon the request of the owner to the Voucher Agency that will administer the Covered Project, HUD will permit PBV assistance to float among units within the project having the same bedroom size. A unit to which assistance is floated must be comparable in condition to the unit it is replacing (i.e., the unit must be of the same quality and amenities as the unit it is replacing). Assistance may float from a required UFAS accessible unit only to another UFAS accessible unit that has the same bedroom size and accessibility features. If assistance floats to a UFAS accessible unit as a reasonable accommodation for a household that had not previously been in a UFAS unit, the assistance may float back to a non-UFAS unit when there is no longer need for the reasonable accommodation provided the required number of UFAS units is maintained. Units that float are not specifically designated under the HAP Contract. Therefore, the requirements in 24 CFR § 983.203(c)

³² OCAFs are calculated and published each year by HUD in the Federal Register in order to calculate the contract rent for the project in the following fiscal year.

³³ If the Covered Project is deemed to be PHA-owned pursuant to HUD guidance, an independent entity will need to perform the rent-setting and inspection functions set out in 24 CFR § 983.59.

³⁴ The rent to owner may fall below the initial contract rent: 1) to correct errors in calculations in accordance with HUD requirements; 2) if additional housing assistance has been combined with PBV assistance after the execution of the initial HAP Contract and a rent decrease is required pursuant to § 983.55 (Prohibition of excess public assistance); or 3) if a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

³⁵ See Notice PIH-2017-20 for guidance on HOTMA non-life threatening and alternative inspection provisions.

that the HAP Contract provide “the location of each contract unit” and “the area of each contract unit” are waived. Instead, the HAP Contract must specify the number and type of units in the property that are designated as RAD units, including any excepted units. From the time of the initial execution of the PBV RAD HAP Contract, the property must maintain the same number and type of UFAS accessible units. Floating units are subject to all of the requirements in this Notice and the PBV regulations, including physical inspections, rent adjustments, and income-mixing requirements. The alternative requirements with respect to floating units do not apply to non-RAD PBV units.

PBV Resident Rights, Participation, Waiting List and Grievance Procedures

(H-2019-09 PIH Notice 2019-23 (HA), REV-4 Section 1.6.C)

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.³⁶ 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
- 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 TTP³⁷

Five Year Phase in:

- 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
- 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
- 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
- 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
- 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.

³⁶ 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.

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.

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 78100.³⁸ 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.³⁹

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, 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.

5. 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.

6. 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.

³⁷ 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.

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),⁴⁰ 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 an 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.

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.

³⁸ 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.

³⁹ 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.

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

⁴¹ 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.

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.⁴¹ 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 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.

⁴¹ 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.

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.

PBV: Other Miscellaneous Provisions

(H-2019-09 PIH Notice 2019-23 (HA), REV-4 Section 1.6.D)

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.⁴²

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.
- 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).⁴³

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.

⁴² 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.

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 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.

- 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).

⁴³ 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.

Notice H 2016-17; PIH 2016-17 (HA)

Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements applicable to RAD First Component – Public Housing Conversions can be found at: https://www.hud.gov/sites/documents/16-17HSGN_16-17PIHN.PDF