

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: 02/29/2016
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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, 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. 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 of 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, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 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 exceeds 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>New Rochelle Municipal Housing Authority (NRMHA)</u> PHA Code: <u>NY088</u> PHA Type: <input type="checkbox"/> Standard PHA <input checked="" type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2017</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units: <u>303</u> <u>91 (La Rochelle Place)</u>, <u>112 (Queen City)</u>, <u>100 (Peter Bracey)</u>. Number of Housing Choice Vouchers (HCVs): <u>397</u> Total Combined Units/Vouchers <u>700.</u></p> <p>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 in sections B and C 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>														
	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	<table border="1"> <thead> <tr> <th colspan="2">No. of Units in Each Program</th> </tr> <tr> <th>PH</th> <th>HCV</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	No. of Units in Each Program		PH	HCV						
No. of Units in Each Program															
PH	HCV														

B.	Annual Plan Elements
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B.1

Revision of PHA Plan Elements.

(a) Have the following PHA Plan elements been revised by the PHA?

Y N

- Statement of Housing Needs and Strategy for Addressing Housing Needs
- Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.
- Financial Resources.
- Rent Determination.
- Operation and Management. **(ACOP & Admin Plan) were revised and Board approved in July 2017**
- Grievance Procedures.
- Homeownership Programs.
- Community Service and Self-Sufficiency Programs.
- Safety and Crime Prevention.
- Pet Policy.
- Asset Management.
- Substantial Deviation.
- Significant Amendment/Modification

(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):

Operation and Management: Based on the HUD final rule issued March 8, 2015 “Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing and Community Planning and Development Programs”, the NRMHA will consider options to reduce administrative burden and enable more efficient use of scarce resources through reviewing and revising as applicable, the following:

- Rent determination processes, verification of Social Security numbers for children of applicants, verification of assets and community service completion and grievance procedures.
- The NRMHA revised the Admissions and Continued Occupancy Plan (ACOP) and the Admin Plan during the FY16 Fiscal Year based on mandated updates from HUD and in areas conducive for more effective administration. **The Plans will be Board approved in July 2017.**

Substantial Amendment/Modification: A substantial amendment is any statutory or regulatory change that materially changes Board Approved Policies. In August 2016, the NRMHA forwarded to HUD a Significant Amendment-RAD Conversion NY088001. This Significant Amendment was not approved with the FY2016 Annual Plan and therefore, is being resubmitted with the FY2017 Annual Plan. The NRMHA redefined its definition of Substantial Deviation to exclude the following items:

1. The decision to convert to either Project-Based Rental Assistance or Project-Based Voucher Assistance:
 - 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;
 - Changes to the construction and rehabilitation plan for each approved RAD conversion; and
 - Changes to the financing structure for each approved RAD conversion.

(c) The PHA must submit its Deconcentration Policy for Field Office review.

Exemption for Deconcentration of Poverty Policy: As per 24CFR 903.2(6) " Applicability of Deconcentration of Poverty and Income Mixing Requirements ", the NRMHA is " not subject to deconcentration of poverty and income mixing requirements because it has only one (1) general occupancy, family housing development".

B.2

New Activities.

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

Y N

- Hope VI or Choice Neighborhoods.
- Mixed Finance Modernization or Development.
- Demolition and/or Disposition.
- Designated Housing for Elderly and/or Disabled Families.
- Conversion of Public Housing to Tenant-Based Assistance.
- Conversion of Public Housing to Project-Based Assistance under RAD.
- Occupancy by Over-Income Families.
- Occupancy by Police Officers.
- Non-Smoking Policies.
- Project-Based Vouchers.
- Units with Approved Vacancies for Modernization.
- Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(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.

Four (4) elements were checked yes to include; Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing to Project-Based Assistance under RAD and Occupancy of Over-Income Families.

Mixed Finance Modernization or Development: As a component of the RAD conversion of NY088001, the NRMHA may undertake mixed-finance modernization or development of the property. Although the NRMHA decided to withdraw the RAD CHAP award for NY088003 (Peter Bracey Apartments) at the monthly Board Meeting held April 3, 2017, mixed-finance, to include RAD and/or other Modernization and Development options may still be pursued. The NRMHA may commit and utilize Capital Funds in excess of \$100,000 for the RAD or Section 18 redevelopment process.

Demolition and/or Disposition: The NRMHA is engaged in Section 18 Demolition and Disposition activities at NY088004 and may seek Section 18 approval, of the disposition of NY088003 (Peter Bracey Apartments). Further Demolition and Disposition activity may occur during RAD conversions.

Conversion of Public Housing to Project-Based Assistance under RAD: As previously stated, although the NRMHA received a CHAP Award for NY088001 and NY088003, at the monthly Board Meeting held April 3, 2017, the NRMHA decided to withdraw its RAD CHAP Award in with connection with Peter Bracey Apartments, PIC Development # NY088003. NRMHA may reapply to HUD's RAD program for NY088003 (Peter Bracey Apartments) at a later date.

Occupancy by Over-Income Families: The NRMHA has twelve (12) over-income households. The Housing Authority believes these households definitely contribute to a positive socio-economic environment in the developments they reside in and therefore, desires for them to remain as eligible households.

SEE ATTACHMENT B.2 for Narrative and Chart of Projected RAD activities

<p>B.3</p>	<p>Civil Rights Certification.</p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. (Attachment B.3)</p>
<p>B.4</p>	<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>(a) If yes, please describe: (ATTACHMENT B.4) The Audit Report attached is FYE 06/30/16.</p>
<p>B.5</p>	<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.</p> <p>In FY2016, the Board of Commissioners named a new Interim Executive Director, who has demonstrated a renewed commitment to restore the NRMHA to a viable, high performing Agency. Through the maximization of resources, the NRMHA is continuing to demonstrate significant progress in meeting the mission and goals identified in the Five Year (2015-2019) Plan and the Recovery Agreement. All strategies in FY 2017 are consistent with the referenced Five-Year Plan as they are a continuation of efforts and identified objectives. . More specifically, all activities in FY 2017 will be directed towards continued improvement of all management systems, procedures, and the administrative structure of the Agency.</p> <p>The NRMHA will continue to strive toward addressing the needs of the residents through promoted participation, continued involvement and operating in an environment of transparency. The Resident Advisory Board (RAB) is being restructured and as of May 2017, twelve (12) residents have committed to serve on the interim RAB.</p> <p>Although planned Conversion Activities were addressed in the FY 2016 Annual Plan, a summary of the projected RAD conversion is included in the FY 2017 Plan. See Attachment B.2.</p>
<p>B.6</p>	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N (Attachment B.6) <input checked="" 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>
<p>B.7</p>	<p>Certification by State or Local Officials. (Attachment B.7)</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>

<p>B.8</p>	<p>Troubled PHA. (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A <input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>(c) If yes, please describe: ATTACHMENT B.8 (NEED TO ATTACH MOST RECENT LETTER)</p>
<p>C.</p>	<p>Statement of Capital Improvements. Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).</p>
<p>C.1</p>	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD. The 5-Year Action Plan (HUD-50075.2) was submitted in July 2016. Also, the NRMHA will comply with the HUD requirement to submit CFP information through EPIC.</p>

**Attachment B2: Rental Assistance Demonstration (RAD)
Requirements for RAD-Specific PHA Plan and/or Significant Amendment to the
PHA Plan Submission**

Housing Authority # NY088	Housing Authority Name New Rochelle Municipal Housing Authority	Fiscal Year Begin Date July 1, 2017
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The New Rochelle Municipal Housing Authority for the City of New Rochelle, New York (NRMHA), amended its FY 2015-2019 Five (5) Year Plan in August 2016 by including additional information in the FY 2016 Annual Plan as it was a successful applicant in the Rental Assistance Demonstration (RAD) Program. However, the Significant Amendment was not approved by the Department of Housing and Urban Development (HUD) and therefore, is being resubmitted with the FY 2017 Annual Plan. This information is included as Attachment B2 as the NRMHA is still projecting to convert to Project-Based Voucher (PBV) Assistance under the guidelines of PIH Notice 2012-32/H 2017-03 REV-3 and any successor Notices.

Upon conversion to PBV, the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32/H 2017-03 REV-3 and Joint Housing PIH Notice H-2014-09/PIH-2014-17). These resident rights, participation, waiting list and grievance procedures are included or appended with this Attachment. Additionally, NRMHA is currently compliant with all fair housing and civil rights requirements and is **not** under a Voluntary Compliance Agreement (VAC), therefore, compliance will not be negatively impacted by conversion activities.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing NRMHA with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the NRMHA's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that NRMHA may also borrow funds to address their capital needs. The NRMHA may contribute Operating Reserves, up to \$100,000 in public housing funds on pre-development conversion costs per CHAP and Capital Funds (CFP) in an amount to be determined towards the conversion.

All other required information and certifications necessary to submit the PHA FY 2017 Annual Plan, including Resident Advisory Board comments and responses to include challenged elements are included as the applicable attachments referenced in the form **HUD-50075-ST**.

Additionally, in accordance with 24 CFR Part 903, the NRMHA during the public hearing held on Monday, July 17, 2017 will perform the following actions in regards to their Capital Funds:

- Notify the public that the current and future Capital Fund Program Grants Budgets, will be reduced as a result of any projects converting to RAD and any potential budget cuts from HUD.
- Provide an estimate of the amount of the current Capital Fund grant that is associated with the proposed project(s) and discussed the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Fund Action Plan.

Significant Amendment Definition:

As a component of the Rental Assistance Demonstration (RAD) and the decision to convert to Project-Based Vouchers (PBV) or Project-Based Rental Assistance (PBRA), the NRMHA is redefining the definition of a substantial deviation from the approved FY 2015-2019 Five Year Plan to exclude the following RAD-specific items. These substantial amendment definitions were stated in the approved FY2016 Annual Plan and are being included in FY2017.

- Changes to the Capital Fund Budgets produced as a result of each approved RAD conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
- Changes to the construction and/or rehabilitation plan for each approved RAD conversion; and
- Changes to the financing structure for each approved RAD conversion.

SPECIFIC DEVELOPMENT DATA

The specific information related to the Public Housing Developments selected for RAD is included in chart form or in subsequent narrative:

1. A description of the units to be converted. The description should include the following:
 - a. The number of units;
 - b. The bedroom distribution of units, and
 - c. The type of units (e.g., family, elderly/disabled, or elderly-only).
2. Any change in the number of units that is proposed as part of the conversion, including:
 - a. De minimis unit reductions;
 - b. Unit reductions that are exempt from the de minimis cap; and
 - c. Any change in the bedroom distribution of units that is proposed as part of the conversion.

3. Changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted.
 - a. If Converting to PBV: This includes any waiting list preferences that will be adopted for the converted project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.6, Attachment 1B of this Notice and the Joint Housing/PIH Notice H-2014-09/ PIH-2014-17. **NRMHA is converting to PBV.**
 - b. If Converting to PBRA: This includes any waiting list preferences that will be adopted for the converted project as well as the Resident Rights and Participation, Tenant Protections for residents stated in Section 1.7 and Attachment 1B of this Notice and the Joint Housing PIH Notice H-2014-09/ PIH-2014-17.

4. If there will be a transfer of assistance at the time of conversion, the significant amendment must include:
 - a. The number of units to be transferred;
 - b. The bedroom distribution of the units in the new building(s);
 - c. The type of units, if changed (e.g., family, elderly/disabled, or elderly-only);
 - d. Any reduction or change in the number of units and what reduction category they fall under (i.e. de minimis); and
 - e. How the waiting list will be transferred and how households will be selected for the An indication of whether the PHA is currently under a voluntary compliance agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and an assurance that compliance will not be negatively impacted by conversion activities.

Development #1

Name of Public Housing Development:	PIC Development ID:	Conversion type:	Transfer of Assistance:
Queen City Towers	NY088001	PBV	None
Total Units:	Pre- RAD Unit Type (i.e., Family, Senior, etc.):	Post-RAD Unit Type if different (i.e., Family, Senior, etc.)	Capital Fund allocation of Development: (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project) To be determined upon conversion
112	Senior/Disabled	Senior/Disabled	

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, NONE)
Studio/Efficiency	64	64	
One Bedroom	48	48	
Two Bedroom			
Three Bedroom			
Four Bedroom			
Five Bedroom			
Six Bedroom			
(If performing a Transfer of Assistance)	(Explain how transferring waiting list) NOT APPLICABLE		

Development #2

Name of Public Housing Development:

PIC Development ID:

Conversion type:

Transfer of Assistance:

La Rochelle Manor

NY 088001

PBV

None

Total Units:**Pre- RAD Unit Type (i.e., Family, Senior, etc.):****Post-RAD Unit Type if different (i.e., Family, Senior, etc.)****Capital Fund allocation of Development:**

91

Senior/Disabled

Senior/Disabled

(Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)

To be determined upon conversion**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, NONE****Studio/Efficiency**

56

56

One Bedroom

35

35

Two Bedroom**Three Bedroom****Four Bedroom****Five Bedroom****Six Bedroom**

(If performing a Transfer of Assistance)

(Explain how transferring waiting list) **NOT APPLICABLE**

PROJECT-BASED VOUCHER ASSISTANCE (PBV)

Project-Based Voucher Requirements for Resident Rights, Participation, Waiting List and Grievance Procedures Converting to PBV: Section 1.6 of PIH Notice 2012-32/2017-03 REV-3 and the Joint Housing PIH Notice H-2014-09/PIH-2014-17.

PBV Resident Rights and Participation

- 1. No Rescreening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current NRMHA households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. 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, based on 24 CFR § 982.201 concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family. **NRMHA will comply with the regulation.**
- 2. Right to Return.** Any NRMHA resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to the development once an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved, (on conditions warranting a transfer of assistance), residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept a NRMHA or Owner's offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed. **NRMHA will comply with the regulation.**
- 3. Renewal of Lease:** Since the release of the publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR 983.257 (b) (3) have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. **NRMHA will comply with the regulation.**
- 4. Phase-in of Tenant Rent Increases.** If a resident's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over three (3) years, which a PHA may extend to five (5) years. To implement this provision, HUD is waiving section 3(a) (1) of the Act, as well as 24 CFR § 880.201 (definition of "total tenant payment"), to the limited extent necessary to allow for the phase-in of tenant rent increases. A PHA create a policy and set the length of the phase-in period to be three years, five years or a combination depending on circumstances. 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. **NRMHA has selected the three (3) year phase-in for any tenant rent increases.**

The below method explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "Calculated Multifamily 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, 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 Total Tenant Payments (TTP) or flat rent and the standard TTP.
- **Year 2:** Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR - 66% of difference between most recently paid TTP and the standard TTP.
- **Year 3:** Year 3 A R and all subsequent recertifications - Full standard TTP.

In either the three year phase-in or the five year phase-in, once standard TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward.

- 5. Public Housing Family Self-Sufficiency (PH FSS) and Resident Opportunities and Self Sufficiency (ROSS- SC) programs.** Current Public Housing residents that are FSS participants will continue to be eligible for FSS once their housing is converted under RAD. And PHAs will be allowed to use any remaining PH FSS funds, to serve those FSS participants who live in units converted by RAD. 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 FY15 Appropriations Act), 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 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, 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. Further, upon conversion to PBV, already escrowed funds 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.

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. **NRMHA will comply with the regulation and but currently does have a ROSS grant.**

- 6. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with converted PBV assistance 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. **The NRMHA Resident Advisory Board will continue to exist under the conversion to RAD.**
- 7. 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, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program. **NRMHA will comply with the regulation and submit the required information to HUD for monitoring purposes.**

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. 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 not be less than:

- a. A reasonable period of time, but not to exceed 30 days:
 - If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction;
- b. 14 days in the case of nonpayment of rent; and
- c. 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.

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

For issues related to tenancy and termination of assistance, program rules require the Project Owner 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:

- a. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), 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)-(vi), 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.
- b. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
 - c. 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).
 - d. The Project Owner provides opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan. **NRMHA will comply with the regulation and submit the required information to HUD for monitoring purposes.**

8. **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 section 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 who at one time received the EID but are not receiving the EID exclusion at the time of conversion e.g., due to loss of employment; tenants that move into the property following conversion, etc.) is covered by this waiver. **NRMHA will comply with the regulation.**

9. **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 at that site unless significant re-location 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. **NRMHA does not have a Jobs Plus Program.**

10. When Total Tenant Payment Exceeds Gross Rent. Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR §983.53(d)). 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 often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e. residents living in the public housing property prior to 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 than the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, 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. 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. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance. The PHA is required to process these individuals through the Form- 50058 submodule in PIC.

Following conversion, 24 CFR §983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not 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 vacated the property; and, 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 this Notice. **NRMHA will comply with the regulation as applicable, based on conversion to PBV.**

11. Under-Occupied Unit. If a family is in an under-occupied unit under 24 CFR 983.259 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 983.259 is waived. **NRMHA will comply with the regulation as applicable, based on conversion to PBV.**

C. PBV: Other Miscellaneous Provisions

1. **Access to Records, including Requests for Information Related to Evaluation of Demonstration.** PHAs must agree to 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. **NRMHA will comply with the regulation.**
2. **Additional Monitoring Requirement:** The PHA's Board must approve the operating budget for the Covered Project annually in accordance with HUD requirements. **NRMHA will comply with the regulation.**
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** The Davis- Bacon Act (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) and Section 3 (24 CFR Part 135) apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation. (The Davis-Bacon Act only applies for projects with nine or more units.) **NRMHA will comply with the regulation.**
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 will 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:
 - Transferring an existing site-based waiting list to a new site-based waiting list. If the PHA is transferring the assistance to another neighborhood, the PHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at the new project site or other sites. Applicants on a project-specific waiting list for a project where the assistance is being transferred shall have priority on the newly formed waiting list for the new project site in accordance with the date and time of their application to the original project's waiting list.
 - Informing applicants on the site-based waiting list on how to apply for a PBV program-wide or HCV program-wide waiting list.
 - Informing applicants on a public housing community-wide waiting list on how to apply for a voucher-wide, PBV program-wide, or site-based waiting list. 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 converted 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. Applicants on the agency's public housing community-wide waiting list who wish to be placed onto the newly-established site-based waiting list must be done so in accordance with the date and time of their original application to the centralized public housing waiting list. 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).

A PHA must maintain any site-based waiting list in accordance with all applicable civil rights and fair housing laws and regulations unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies.

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 converted project in accordance with 24 CFR § 983.251(c). **NRMHA will comply with the regulation and ensure that all policies to include the Administrative Plan, is updated accordingly.**

Applicants will be selected from the waiting list based on the highest number of preference points and based on the date their application was received by NRMHA. Preferences are cumulative. For applications with no preference indicated the applicants will be placed on the waiting list by date received by NRMHA. Applications equal in date received will be ranked by NRMHA's current computer software program.

5. **Mandatory Insurance Coverage.** The 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 property of a project, except with the written approval of HUD to the contrary. **NRMHA will comply with the regulation.**
6. **Agreement Waiver.** 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 Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D. are waived.

7. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of permanent debt during the HAP contract term, to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.) **NRMHA will comply with the regulation.**

8. **Administrative Fees for Public Housing Conversions during Transition Period.** For the remainder of the Calendar Year in which the HAP Contract is effective (i.e. “transition period”), 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 Annual Contributions Contract (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 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.

For fiscal years 2014 and 2015, PHAs operating HCV program received 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 Responsibility Act of 1998" and 24 CFR § 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units. After this transition period, 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. **NRMHA will comply with the regulation.**

9. **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 an 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) and 24 CFR part 983.261(c). Please note that this alternative requirement does not apply to PBVs entered into outside of the context of RAD. MTW agencies may not alter this requirement. **NRMHA will comply with the regulation.**

- 10. 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 covered under a General Depository Agreement (HUD- 51999) 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 and as directed by HUD. **NRMHA will comply with the regulation.**
- 11. Site Selection and Neighborhood Standards Review: This review is not applicable to the NRMHA selected developments targeted for RAD conversion.**
- 12. Relocation Plans:** NRMHA has not developed the final Relocation Plans. The Plans will be developed as applicable and submitted with the Financing Plan.
- 13. Resident Advisory Board:** The Resident Advisory Board (RAB) is comprised of representatives from the NRMHA sites. The Residents are excited and looking forward to all of the changes that will occur based on the RAD conversion. Meetings have been held at every NRMHA affected site and the Residents on the RAB representing those sites have been included, in every component of the process. The RAB will be continuously updated on the progress of the RAD conversion as required.
- 14. Impact on Current Five-Year Plan:** The NRMHA's RAD conversion narrative was not approved in the FY 2016 Annual Plan and is being included in entirety in the FY 2017 Annual Plan. It is categorized as a Significant Amendment to the (FY 2015-2019) Five-Year Plan.
- 15. Resident Notification:** Prior to submitting an application to participate in the Demonstration, HUD requires a PHA to:

- Notify residents of projects proposed for conversion and legitimate resident organizations of the PHA's intent to pursue a conversion. **The NRMHA is compliance with the regulation.**

- Conduct at least two (2) meetings with residents of projects proposed for conversion to discuss conversion plans and provide opportunity for comment. **Meetings were conducted with the RAB and will continue to be scheduled to ensure full resident participation.**

- Prepare comprehensive written responses to comments received in connection with the required resident meetings on the proposed conversion to be submitted with the RAD Application. **NRMHA will comply with the regulation.**

- Once a PHA is selected to participate in the Demonstration, it must have at least one more meeting with residents before HUD will execute a HAP contract. In addition, a PHA must have an additional meeting with residents if there is a substantial change to the conversion plans. A substantial change includes, but is not limited to:
 1. Transfer of assistance or ownership;
 2. Change in the number of assisted units; or
 3. A substantial change in the scope of work.**NRMHA will comply with the regulation.**

- Upon issuance of the RAD Conversion Commitment (see Section 1.12 of this Notice), the PHA must notify each affected household that conversion of the project has been approved, and inform households of the specific rehabilitation or construction plans and any impact the conversion may have on them. Households in the affected project(s) who do not want to transition to a new program may be offered, if available, the opportunity to move to other public housing. **NRMHA will comply with the regulation.**