

RESOLUTION 18-890

**A RESOLUTION APPROVING THE 2019 ANNUAL PLAN FOR THE HOUSING
AUTHORITY OF THE CITY OF YAKIMA**

WHEREAS, the Housing Authority of the City of Yakima, is mandated by the U.S. Dept. of Housing and Urban Development to submit an annual plan, and

WHEREAS, the Housing Authority of the City of Yakima has prepared the plan in accordance with the requirements of the Quality Housing and Work Responsibility Act of 1998.


NOW THEREFORE, be it resolved by the Board of Commissioners of the Housing Authority of the City of Yakima, in a regular meeting, a quorum being present does hereby adopt the annual plan for 2019.

PASSED AND ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF YAKIMA THIS 26th DAY OF SEPTEMBER, 2018.


Chairman, Board of Commissioners

9-26-18
Date

Attest:


Secretary

Streamlined Annual PHA Plan (HCV Only PHAs)

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

OMB No. 2577-0226
Expires 02/29/2016

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-HCV is to be completed annually by **HCV-Only PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, Small PHA, or Qualified PHA do not need to submit this form. Where applicable, separate Annual PHA Plan forms are available for each of these types of PHAs.

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 and 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. | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| A.1 | <p> PHA Name: <u>Housing Authority of the City of Yakima</u> PHA Code: <u>WA042</u> PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>01/2019</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Housing Choice Vouchers (HCVs) <u>1,022</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission </p> <p> Availability of Information. In addition to the items listed in this form, 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. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at the main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. </p> <p> Yakima Housing Authority Administrative Office 810 North 6th Avenue Yakima, Washington 98902 </p> <p> YHA website at www.yakimahousing.org </p> <p> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below) </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 25%;">Participating PHAs</th> <th style="width: 10%;">PHA Code</th> <th style="width: 25%;">Program(s) in the Consortia</th> <th style="width: 20%;">Program(s) not in the Consortia</th> <th style="width: 20%;">No. of Units in Each Program</th> </tr> </thead> <tbody> <tr> <td>Lead HA:</td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <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 | Lead HA: | | | | | | | | | | | | | | | | | | | | | | | | |
| Participating PHAs | PHA Code | Program(s) in the Consortia | Program(s) not in the Consortia | No. of Units in Each Program | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lead HA: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| B. | Annual Plan. | | | | |
| B.1 | <p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual Plan submission?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input checked="" type="checkbox"/> <input 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 checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Informal Review and Hearing Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.</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 element(s):</p> <p>Admissions and Occupancy Policy – Revised the policy for Housing Opportunities Through Modernization Act provisions and PIH Notice 2012-32.</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 type="checkbox"/> <input checked="" type="checkbox"/> Project Based Vouchers.</p> <p>(b) If this activity is planned for the current Fiscal Year, describe the activities. 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>Not applicable</p> | | | | |
| B.3 | <p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N N/A</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/></p> <p>(b) If yes, please describe:</p> <p>The initial Schedule of Expenditures of Federal Awards (SEFA) was overstated by approximately \$2.8 million. This was primarily due to the inclusion of a \$1.3 million non-federal forgivable loan, inclusion of an award related to a discretely presented component unit, including the beginning and ending balance of a federal loan and the exclusion of a federal loan. The SEFA also contained errors in the identification of programs. A loan was identified using the Catalogue of Federal Domestic Assistance number for a rental assistance program and the FSS program was incorrectly identified as a ROSS award. The initial Financial Data Schedule did not include all required component units in the discretely presented component unit column.</p> | | | | |
| B.4 | <p>Civil Rights Certification</p> <p><u>Form HUD-50077</u>, <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.</p> | | | | |

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|------------|--|
| B.5 | Certification by State or Local Officials. <u>Form HUD 50077-SL</u> , <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. |
| B.6 | Progress Report. Provide a description of the PHA's progress in meeting its Mission and Goals described in its 5-Year PHA Plan. YHA has made progress in meeting the mission and goals in its 5-Year Plan in the following ways: <ul style="list-style-type: none"> • Continue to maintain a "high" performance rating in SEMAP – YHA currently has a "high" performing rating in SEMAP. • Maintain a leasing or authorized budget authority utilization rate of not less than 98% for Section 8 – YHA's Section 8 utilization for calendar year 2018 is 105%. • Increase Section 8 vouchers through requests for incremental and/or special needs vouchers – YHA has applied for special needs vouchers in the past. Most recently, YHA applied for 50 Family Unification Program vouchers. • Begin a home ownership program utilizing Section 8 vouchers for not less than 10 families – YHA is in the process of developing its home ownership program and began implementing it during calendar year 2016. • Continue to house homeless through 75 project-based vouchers – YHA has set-aside 75 project-based vouchers for housing the homeless throughout Yakima County. • Continue to lease all of the remaining 78 VASH vouchers in connection with the Veteran's Affairs Office – YHA currently has leased 64 VASH vouchers (93 Total, with 10 project-based) and is working with the VA to lease the remaining VASH vouchers. • Begin a Family Self-Sufficiency program for at least 125 families on Section 8 – YHA is currently in its sixth year under an FSS award and has 130 families in the program. • Maintain compliance with all applicable program requirements – There was one finding regarding the reconciliation of the Schedule of Expenditures of Federal Awards and HUD Financial Data Schedule to underlying financial records, grant agreements and loan documents during YHA's most recent audit for calendar year 2017. |
| B.7 | Resident Advisory Board (RAB) Comments. (a) Did the RAB(s) provide comments to the PHA Plan? Y N <input checked="" type="checkbox"/> <input type="checkbox"/> (a) 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. See attached |

Instructions for Preparation of Form HUD-50075-HCV Annual PHA Plan for HCV Only PHAs

A. PHA Information. All PHAs must complete this section. (24 CFR §903.23(4)(e))

A.1 Include the full **PHA Name**, **PHA Code**, **PHA Type**, **PHA Fiscal Year Beginning** (MM/YYYY), **Number of Housing Choice Vouchers (HCVs)**, **PHA Plan Submission Type**, and the **Availability of Information**, specific location(s) of all information relevant to the public hearing and proposed PHA Plan.

PHA Consortia: Check box if submitting a Joint PHA Plan and complete the table. (24 CFR §943.128(a))

B. Annual Plan. All PHAs must complete this section. (24 CFR §903.11(c)(3))

B.1 Revision of PHA Plan Elements. PHAs must:

Identify specifically which plan elements listed below that have been revised by the PHA. To specify which elements have been revised, mark the "yes" box. If an element has not been revised, mark "no."

☐ **Housing Needs and Strategy for Addressing Housing Needs.** Provide a statement addressing the housing needs of low-income, very low-income families who reside in the PHA's jurisdiction and other families who are on the Section 8 tenant-based waiting list. The statement must identify the housing needs of (i) families with incomes below 30 percent of area median income (extremely low-income), (ii) elderly families and families with disabilities, and (iii) households of various races and ethnic groups residing in the jurisdiction or on the waiting list based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location. (24 CFR §903.7(a)(1) and 24 CFR §903.7(a)(2)(i)). Provide a description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. (24 CFR §903.7(a)(2)(ii))

☐ **Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.** A statement of the PHA's policies that govern resident or tenant eligibility, selection and admission including admission preferences for HCV. (24 CFR §903.7(b))

☐ **Financial Resources.** A statement of financial resources, including a listing by general categories, of the PHA's anticipated resources, such as PHA HCV funding and other anticipated Federal resources available to the PHA, as well as tenant rents and other income available to support tenant-based assistance. The statement also should include the non-Federal sources of funds supporting each Federal program, and state the planned use for the resources. (24 CFR §903.7(c))

☐ **Rent Determination.** A statement of the policies of the PHA governing rental contributions of families receiving tenant-based assistance, discretionary minimum tenant rents, and payment standard policies. (24 CFR §903.7(d))

☐ **Operation and Management.** A statement that includes a description of PHA management organization, and a listing of the programs administered by the PHA. (24 CFR §903.7(e)(3)(4)).

☐ **Informal Review and Hearing Procedures.** A description of the informal hearing and review procedures that the PHA makes available to its applicants. (24 CFR §903.7(f))

☐ **Homeownership Programs.** A statement describing any homeownership programs (including project number and unit count) administered by the agency under section 8y of the 1937 Act, or for which the PHA has applied or will apply for approval. (24 CFR §903.7(k))

☐ **Self Sufficiency Programs and Treatment of Income Changes Resulting from Welfare Program Requirements.** A description of any PHA programs relating to services and amenities coordinated, promoted, or provided by the PHA for assisted families, including those resulting from the PHA's partnership with other entities, for the enhancement of the economic and social self-sufficiency of assisted families, including programs provided or offered as a result of the PHA's partnerships with other entities, and activities under section 3 of the Housing and Community Development Act of 1968 and under requirements for the Family Self-Sufficiency Program and others. Include the program's size (including required and actual size of the FSS program) and means of allocating assistance to households. (24 CFR §903.7(l)(i)) Describe how the PHA will comply with the requirements of section 12(c) and (d) of the 1937 Act that relate to treatment of income changes resulting from welfare program requirements. (24 CFR §903.7(l)(iii)).

☐ **Substantial Deviation.** PHA must provide its criteria for determining a "substantial deviation" to its 5-Year Plan. (24 CFR §903.7(r)(2)(i))

☐ **Significant Amendment/Modification.** PHA must provide its criteria for determining a "Significant Amendment or Modification" to its 5-Year and Annual Plan. Should the PHA fail to define 'significant amendment/modification', HUD will consider the following to be 'significant amendments or modifications': a) changes to rent or admissions policies or organization of the waiting list; or b) any change with regard to homeownership programs. See guidance on HUD's website at: [Notice PIH 1999-51](#). (24 CFR §903.7(r)(2)(ii))

If any boxes are marked "yes", describe the revision(s) to those element(s) in the space provided.

B.2 New Activity. If the PHA intends to undertake new activity using Housing Choice Vouchers (HCVs) for new Project-Based Vouchers (PBVs) in the current Fiscal Year, mark "yes" for this element, and describe the activities to be undertaken in the space provided. If the PHA does not plan to undertake this activity, mark "no." (24 CFR §983.57(b)(1) and Section 8(13)(C) of the United States Housing Act of 1937.

☐ **Project-Based Vouchers (PBV).** Describe any plans to use HCVs for new project-based vouchers. If using PBVs, provide the projected number of project-based units and general locations, and describe how project-basing would be consistent with the PHA Plan.

B.3 Most Recent Fiscal Year Audit. If the results of the most recent fiscal year audit for the PHA included any findings, mark "yes" and describe those findings in the space provided. (24 CFR §903.11(c)(3), 24 CFR §903.7(p))

B.4 Civil Rights Certification. Form HUD-50077, *PHA Certifications of Compliance with the PHA Plans and Related Regulation*, must be submitted by the PHA as an electronic attachment to the PHA Plan. This includes all certifications relating to Civil Rights and related regulations. A PHA will be considered in compliance with the AFFH Certification if: it can document that it examines its programs and proposed programs to identify any impediments to fair housing choice within those programs; addresses those impediments in a reasonable fashion in view of the resources available; works with the local jurisdiction to implement any of the jurisdiction's initiatives to affirmatively further fair housing; and assures that the annual plan is consistent with any applicable Consolidated Plan for its jurisdiction. (24 CFR §903.7(o))

B.5 Certification by State or Local Officials. Form HUD-50077-SL, *Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan*, including the manner in which the applicable plan contents are consistent with the Consolidated Plans, must be submitted by the PHA as an electronic attachment to the PHA Plan. (24 CFR §903.15)

B.6 Progress Report. For all Annual Plans following submission of the first Annual Plan, a PHA must include a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year PHA Plan. (24 CFR §903.11(c)(3), 24 CFR §903.7(r)(1))

B.7 Resident Advisory Board (RAB) comments. If the RAB provided comments to the annual plan, mark "yes," submit the comments as an attachment to the Plan and describe the analysis of the comments and the PHA's decision made on these recommendations. (24 CFR §903.13(c), 24 CFR §903.19)

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced the Annual PHA Plan. The Annual PHA Plan provides 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 for serving the needs of low-income, very low-income, and extremely low-income families.

Public reporting burden for this information collection is estimated to average 4.5 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

Privacy Act Notice. The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality.

**Certification by State or Local
Official of PHA Plans Consistency
with the Consolidated Plan or
State Consolidated Plan
(All PHAs)**

U. S Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 2/29/2016

**Certification by State or Local Official of PHA Plans
Consistency with the Consolidated Plan or State Consolidated Plan**

I, Archie Matthews, the ONDS Manager
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Housing Authority of the City of Yakima
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
Impediments (AI) to Fair Housing Choice of the

City of Yakima
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State
Consolidated Plan and the AI.

The plan targets households with income under 50% of MFI, expanding housing opportunities with areas
outside of poverty and minority concentrations

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

Name of Authorized Official

Archie Matthews

Title

Office of Neighborhood Development
Services Manager

Signature



Date

9/27/18

PHA Certifications of Compliance with PHA Plans and Related R e g u l a t i o n s

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 08/30/2011

PHA Certifications of Compliance with the PHA Plans and Related Regulations: Board Resolution to Accompany the PHA 5-Year and Annual PHA Plan

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or ☒ Annual PHA Plan for the PHA fiscal year beginning, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA certifies that there has been no change, significant or otherwise, to the Capital Fund Program (and Capital Fund Program/Replacement Housing Factor) Annual Statement(s), since submission of its last approved Annual Plan. The Capital Fund Program Annual Statement/Annual Statement/Performance and Evaluation Report must be submitted annually even if there is no change.
4. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Board or Boards in developing the Plan, and considered the recommendations of the Board or Boards (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
5. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
6. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
7. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
8. For PHA Plan that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2006-24);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
9. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
10. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
11. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
12. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

13. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
14. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
15. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
16. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
17. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
18. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
19. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
20. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
21. The PHA provides assurance as part of this certification that:
 - (i) The Resident Advisory Board had an opportunity to review and comment on the changes to the policies and programs before implementation by the PHA;
 - (ii) The changes were duly approved by the PHA Board of Directors (or similar governing body); and
 - (iii) The revised policies and programs are available for review and inspection, at the principal office of the PHA during normal business hours.
22. The PHA certifies that it is in compliance with all applicable Federal statutory and regulatory requirements.

Housing Authority of the City of Yakima

WA042

PHA Name

PHA Number/HA Code

5-Year PHA Plan for Fiscal Years 20 - 20

Annual PHA Plan for Fiscal Years ~~2017~~ 2019

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

| | |
|-----------------------------|-----------------|
| Name of Authorized Official | Title |
| Robert Ponti | YHA Board Chair |
| Signature | Date |
| Robert Ponti | 10/25/18 |

RESOLUTION 18-884
**REVISING THE SECTION 8 ADMINISTRATIVE PLAN OF THE HOUSING
AUTHORITY OF THE CITY OF YAKIMA**

WHEREAS, The Yakima Housing Authority (YHA) is required to periodically revise its Section 8 Administrative Plan; and

WHEREAS, In an effort to streamline efficiencies in business processes, the Yakima Housing Authority has found it necessary to update and revise portions of the Section 8 Administrative Plan. Specifically- Chapter 17- Project-Based Vouchers (PBV) and Rental Assistance Demonstration Units (RAD).

NOW THEREFORE, be it resolved that the Housing Authority of the City of Yakima, in a regular meeting, a quorum being present, does hereby adopt the attached revision to the Section 8 Administrative Plan.

**PASSED AND ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF
YAKIMA BOARD OF COMMISSIONERS THIS 27th DAY OF JUNE, 2018.**



Chairman, Board of Commissioners

6/27/18

Date

Attest:



Secretary

Chapter 17

PROJECT-BASED VOUCHERS (PBV) AND RENTAL ASSISTANCE DEMONSTRATION UNITS (RAD)

PART I: PROJECT BASED-VOUCHERS

17.1.A.INTRODUCTION

The Project-Based Voucher Program was enacted in 1998 as part of the Quality Housing and Work Responsibility Act (QHWRA), with substantial revisions under the FY 2001 Appropriations Act. Based on a proposed rule and public comment, HUD published the Final Rule on November 14, 2005 and amended the rule in July, 2014. Further guidelines for implementation are to be found in PIH Notices 2009-52, 2011-28, 20011-65, 2012-21, 2012-32 rev 3, 2013-27, 2014-17, 2015-18, 2016-05 and 2017-21. These policies include the latest provisions provided under Housing Opportunities Through the Modernization Act (HOTMA).~~PIH Notices 2011-54, 2012-32 rev, 2013-11, 2014-17 and 2015-5.~~

The Program may be administered by Housing Authorities that already administer a Tenant-Based Voucher Program under an Annual Contributions Contract (ACC) with HUD. The significant difference between the programs is that assistance is “attached to the structure” in the Project-Based Program while assistance is considered “portable” in the Tenant-Based Program. Under HUD Regulations at 24 CFR 983, a Housing Authority may commit up to 20% of its budget authority under the ACC to Project-Based Vouchers. Under HOTMA, this has been increased to 30% under specific conditions. Participation is allowed at the discretion of the individual Housing Authority. No additional funding is provided by HUD for the administration of the Program.

The YHA will utilize this Program to further its mission of creating and preserving affordable housing in its jurisdiction. This chapter defines the procedures and the criteria for acceptance of units to the program. The administrative procedures are set for per the HUD Final Rule and PIH RAD Notices. The chapter also provides policy and regulatory differences between the Project-Based and Tenant-Based Voucher Programs that are significant for owners and participants.

The YHA will operate a project-based voucher (PBV) program with up to the maximum twenty percent (20%) of its Housing Choice Voucher Program budget authority. In addition, YHA will explore the opportunity to increase to 30% under the revised regulations, , now that HUD allows it under the HOTMA provisions~~once HUD places them into final format.~~ In the event HUD increases the level of allowed budget authority that may be used for PBV assistance, the YHA may increase the PBV program up to the maximum level allowed by HUD.

PBV program is subject to the regulations at 24 CFR part 983, which includes regulations governing policies and procedures that are not specified in this Administrative Plan.

In addition to the policies and procedures stated below, and other PBV regulations stated at 24 CFR part 983, YHA's PBV program is subject to most of the requirements of the Housing Choice Voucher Program, as specified in this Administrative Plan and in other HUD regulations.

Description of the YHA PBV Program Commitment and Priorities [24 CFR 983.5]

YHA's PBV program is designed to ensure that PBV assistance is used to support goals that could not be equally achieved through the use of tenant-based voucher assistance. YHA's PBV program is committed to the following priorities:

1. Expand the supply of affordable housing and increase the affordable housing choices of residents within the jurisdiction
2. Support projects which further revitalize neighborhoods, promote the deconcentration of poverty and generally provide increased housing and economic opportunities.
3. Work with the community to identify and serve populations with particular housing needs, including but not limited to the provision of supportive services to promote self-sufficiency and supportive housing for families with disabilities.
4. Preserve affordable housing stock in the community served by YHA

YHA will periodically issue a Request for Proposals (RFP) for the PBV Program to owners and developers of existing, newly constructed, or rehabilitated multi-family housing. The RFP and selection process will be administered in compliance with the YHA Procurement Policy. Sites will be selected according to the criteria set forth in this chapter of the YHA Administrative Plan.

YHA will enter into a one- to fifteen-year HAP contract with the owner(s) of existing housing or newly constructed or rehabilitated housing selected under the Program criteria. The YHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, for an additional term of up to 15 years if the YHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 15 years. YHA may provide for multiple extensions; however, in no circumstance may such extensions exceed 15 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension term provided that not more than 24 months prior to the expiration of the previous extension contract, the YHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations described in this paragraph. Any extension of the term must be on the form and subject to the conditions prescribed by HUD at the time of the

extension. In the case of YHA-owned units, any extension of the initial term of the HAP contract shall be determined in accordance with §983.59

In the case of newly constructed or rehabilitated housing sites which are not completed prior to their selection by YHA, the development must be completed under an Agreement between the owner and the YHA. In the Agreement, YHA will agree to execute a HAP contract after the owner completes the construction or rehabilitation of the units according to HQS and the other standards set forth in the YHA PBV Program.

17.1.B. WHEN THE TENANT-BASED VOUCHER APPLIES [24 CFR 983.2].

24 CFR Part 982 is the basic regulation for the tenant-based voucher program. All of part 982 applies to the PBV program except for the following:

- (1) Provisions on issuance or use of a voucher;
- (2) Provisions on portability;
- (3) Provisions on the following special housing types: shared housing, cooperative housing, manufactured home space rental, and the homeownership option. YHA may not provide PBV program assistance to these types of housing (24 CFR 983.9)
- (4) Other exceptions as specified in 983.2.

17.1.C. PBV DEFINITIONS [24 CFR 983.3]

Admission. The point when the family becomes a participant in the YHA's tenant-based or project-based voucher program (initial receipt of tenant-based or project-based assistance). After admission, and so long as the family is continuously assisted with tenant-based or project-based voucher assistance from the YHA, a shift from tenant-based or project-based assistance to the other form of voucher assistance is not a new admission.

Agreement to enter into HAP contract (Agreement). The Agreement is a written contract between YHA and the owner in the form prescribed by HUD. The Agreement defines requirements for development of housing to be assisted under the Program. When the development is completed by the owner in accordance with the Agreement, YHA enters into a HAP contract with the owner. The Agreement is not used for existing housing assisted under this section. HUD will keep the public informed about changes to the Agreement and other forms and contracts related to this program through appropriate means.

Comparable rental assistance. A subsidy or other means to enable a family to obtain decent housing in YHA jurisdiction renting at a gross rent that is not more than 40 percent of the family's adjusted monthly gross income.

Contract units. The housing units covered by a HAP contract.

Development. Construction or rehabilitation of PBV housing after the proposal selection date.

Excepted units. Units in a multifamily building not counted against the 25 percent per-project cap. See §983.56(b)(2)(i).

Existing housing. Housing units that already exist on the proposal selection date and that substantially comply with the HQS on that date. (The units must fully comply with the HQS before execution of the HAP contract.)

Household. The family and any YHA-approved live-in aide.

Housing assistance payment. The monthly assistance payment for a PBV unit by YHA, which includes:

- (1) A payment to the owner for rent to owner under the family's lease minus the tenant rent; and
- (2) An additional payment to or on behalf of the family, if the utility allowance exceeds the total tenant payment, in the amount of such excess.

Housing credit agency. For purposes of performing subsidy layering reviews for proposed PBV projects, a housing credit agency includes a State housing finance agency, a State participating jurisdiction under HUD's HOME program (see 24 CFR part 92), or other State housing agencies that meet the definition of "housing credit agency" as defined by section 42 of the Internal Revenue Code of 1986.

Housing quality standards (HQS). The HUD minimum quality standards for housing assisted under the program. See 24 CFR 982.401.

Lease. A written agreement between an owner and a tenant for the leasing of a PBV dwelling unit by the owner to the tenant. The lease establishes the conditions for occupancy of the dwelling unit by a family with housing assistance payments under a HAP contract between the owner and the YHA.

Multifamily building. A building with five or more dwelling units (assisted or unassisted).

Newly constructed housing. Housing units that do not exist on the proposal selection date and are developed after the date of selection pursuant to an Agreement between YHA and owner for use under the PBV program.

YHA-owned unit. HOTMA provided changes to the definition of YHA owned units. For a unit that is YHA-owned according to the HOTMA definition, the YHA must identify and use an independent entity to perform certain functions. Attachment B of PIH 2017-21 discusses the responsibilities of independent entities for YHA-owned units. ~~A dwelling unit owned by YHA that administers the voucher program. YHA-owned means that YHA or its officers, employees, or agents hold a direct or indirect interest in the building in which the unit is located, including an interest as titleholder or lessee, or as a stockholder, member or general or limited partner, or~~

~~member of a limited liability corporation, or an entity that holds any such direct or indirect interest.~~

The provisions of this Attachment A of PIH 2017-21 apply to the PBV program and to the HCV program (including the Homeownership Option), except where otherwise noted.

- (1) Definition of YHA-owned units. In accordance with HOTMA, a unit is “owned by YHA” if the unit is in a project that is:
- (a) Owned by YHA (which includes YHA having a “controlling interest” in the entity that owns the unit);
 - (b) Owned by an entity wholly controlled by the YHA; or
 - (c) Owned by a limited liability company (LLC) or limited partnership in which the YHA (or an entity wholly controlled by the YHA) holds a controlling interest in the managing member or general partner.

“Controlling interest” means:

- (a) Holding more than 50 percent of the stock of any corporation; or
- (b) Having the power to appoint more than 50 percent of the members of the board of directors of a non-stock corporation (such as a non-profit corporation); or
- (c) Where more than 50 percent of the members of the board of directors of any corporation also serve as directors, officers, or employees of the YHA; or
- (d) Holding more than 50 percent of all managing member interests in an LLC; or
- (e) Holding more than 50 percent of all general partner interests in a partnership; or
- (f) Having equivalent levels of control in other ownership structures. Most ownership structures are already covered in the categories listed above. This last category is meant to cover any ownership structure not already listed in the categories above. Also, under this category (f), a PHA must have more than 50 percent control in that ownership structure (an equivalent level of control) for the project to be considered PHA-owned.

Project. A project is a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land. *Contiguous* in this definition includes “adjacent to”, as well as touching along a boundary or a point.

Project-based certificate (PBC) program. The program in which project-based assistance is attached to units pursuant to an Agreement executed by YHA and owner before January 16, 2001 (see §983.10).

Proposal selection date. The date YHA gives written notice of PBV proposal selection to an owner whose proposal is selected in accordance with the criteria established in this chapter of the YHA Administrative Plan.

Qualifying families (for purpose of exception to 25 percent per-project cap). See §983.56(b)(2)(ii).

Rehabilitated housing. Housing units that exist on the proposal selection date, but do not substantially comply with the HQS on that date, and are developed, pursuant to an Agreement between YHA and owner, for use under the PBV program.

Release of funds (for purposes of environmental review). Release of funds in the case of the project-based voucher program, under 24 CFR 58.1(b)(6)(iii) and §983.58, means that HUD approves the local YHA's Request for Release of Funds and Certification by issuing a Letter to Proceed (in lieu of using form HUD-7015.16) that authorizes the YHA to execute an "agreement to enter into housing assistance payment contract" (AHAP) or, for existing housing, to directly enter into a HAP with an owner of units selected under the PBV program.

Rent to owner. The total monthly rent payable by the family and the YHA to the owner under the lease for a contract unit. Rent to owner includes payment for any housing services, maintenance, and utilities to be provided by the owner in accordance with the lease. (Rent to owner must not include charges for non-housing services including payment for food, furniture, or supportive services provided in accordance with the lease.)

Responsible entity (RE) (for environmental review). The unit of general local government within which the project is located that exercises land use responsibility or, if HUD determines this infeasible, the county or, if HUD determines that infeasible, the state.

Single-family building. A building with no more than four dwelling units (assisted or unassisted).

Site. The grounds where the contract units are located, or will be located after development pursuant to the Agreement.

Special housing type. Subpart M of 24 CFR part 982 states the special regulatory requirements for single-room occupancy (SRO) housing, congregate housing, group homes, and manufactured homes. Subpart M provisions on shared housing, manufactured home space rental, and the homeownership option do not apply to PBV assistance under this part.

Tenant-paid utilities. Utility service that is not included in the tenant rent (as defined in 24 CFR 982.4), and which is the responsibility of the assisted family.

Total tenant payment. The amount described in 24 CFR 5.628.

Utility allowance. See 24 CFR 5.603.

Utility reimbursement. See 24 CFR 5.603.

Wrong-size unit. A unit occupied by a family that does not conform to the YHA's subsidy guideline for family size, by being either too large or too small compared to the guideline.

17.1.D. OTHER FEDERAL REQUIREMENTS [24 CFR 983.4]

The following provisions apply to assistance under the PBV program.

Civil money penalty. Penalty for owner breach of HAP contract. See 24 CFR 30.68.

Debarment. Prohibition on use of debarred, suspended, or ineligible contractors. See 24 CFR 5.105(c) and 2 CFR part 2424.

Definitions. See 24 CFR part 5, subpart D.

Disclosure and verification of income information. See 24 CFR part 5, subpart B.

Environmental review. See 24 CFR parts 50 and 58 (see also provisions on PBV environmental review at §983.58).

Fair housing. Nondiscrimination and equal opportunity. See 24 CFR 5.105(a) and section 504 of the Rehabilitation Act.

Fair market rents. See 24 CFR part 888, subpart A.

Fraud. See 24 CFR part 792. YHA retention of recovered funds.

Funds. See 24 CFR part 791. HUD allocation of voucher funds.

Income and family payment. See 24 CFR part 5, subpart F (especially §5.603 (definitions), §5.609 (annual income), §5.611 (adjusted income), §5.628 (total tenant payment), §5.630 (minimum rent), §5.603 (utility allowance), §5.603 (utility reimbursements), and §5.661 (section 8 project-based assistance programs: approval for police or other security personnel to live in project)).

Labor standards. Regulations implementing the Davis-Bacon Act, Contract Work Hours and Safety Standards Act (40 U.S.C. 3701-3708), 29 CFR part 5, and other federal laws and regulations pertaining to labor standards applicable to development (including rehabilitation) of a project comprising nine or more assisted units.

Lead-based paint. Regulations implementing the Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846) and the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856). See 24 CFR part 35, subparts A, B, H, and R.

Lobbying restriction. Restrictions on use of funds for lobbying. See 24 CFR 5.105(b).

Noncitizens. Restrictions on assistance. See 24 CFR part 5, subpart E.

Program accessibility. Regulations implementing Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794). See 24 CFR parts 8 and 9.

Protection for victims of domestic violence, dating violence, and stalking. See 24 CFR part 5, subpart L.

Relocation assistance. Regulations implementing the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655). See 49 CFR part 24.

Section 3—Training, employment, and contracting opportunities in development. Regulations implementing Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u). See 24 CFR part 135.

Uniform financial reporting standards. See 24 CFR part 5, subpart H.

Waiver of HUD rules. See 24 CFR 5.110.

17.1.E. MAXIMUM AND MINIMUM AMOUNT OF PBV ASSISTANCE [24 CFR 983.6]

The project-based voucher (PBV) program allows PHAs that already administer a tenant-based voucher program under an annual contributions contract (ACC) with HUD to take up to 20 percent of its authorized units and attach the funding to specific units rather than using it for tenant-based assistance [24 CFR 983.6]. PHAs may only operate a PBV program if doing so is consistent with the PHA's Annual Plan, and the goal of deconcentrating poverty and expanding housing and economic opportunities [42 U.S.C. 1437f(o)(13)].

YHA Policy

The YHA will operate a project-based voucher program using up to 20 percent of its authorized units for project-based assistance, and further may use the additional flexibility provided under HOTMA for the 10% increase under limited circumstances.

PBV assistance may be attached to existing housing or newly constructed or rehabilitated housing [24 CFR 983.52]. If PBV units are already selected for project-based assistance either under an agreement to enter into HAP Contract (Agreement) or a HAP contract, the YHA is not required to reduce the number of these units if the amount of authorized units is subsequently reduced. However, the YHA is responsible for determining the amount of budget authority that is available for project-based vouchers and ensuring that the amount of assistance that is

attached to units is within the amounts available under the ACC, regardless of whether the YHA has vouchers available for project-basing [FR Notice 1/18/17].

Additional Project-Based Units [FR Notice 1/18/17]

The YHA may project-base an additional 10 percent of its units above the 20 percent program limit, if the units:

- Are specifically made available to house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302).
- Are specifically made available to house families that are comprised of or include a veteran.
 - Veteran means an individual who has served in the United States Armed Forces.
- Provide supportive housing to persons with disabilities or elderly persons as defined in 24 CFR 5.403.
- Are located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year Estimates.

YHA Policy

The YHA may set aside units above the 20 percent program limit, as funding and program requirements allows.

Units Not Subject to the PBV Program Limitation [FR Notice 1/18/17]

PBV units under the RAD program and HUD-VASH PBV set-aside vouchers do not count toward the 20 percent limitation when PBV assistance is attached to them.

In addition, units that were previously subject to certain federal rent restrictions or were receiving another type of long-term housing subsidy provided by HUD are not subject to the cap. In order to be excepted, the unit must meet the following conditions:

- The unit must be covered under a PBV HAP contract that first became effective on or after 4/18/17; and
- In the five years prior to the date the PHA either issued the RFP or selected the project, the unit either:
 - Received Public Housing Capital or Operating Funds, Project-Based Rental Assistance, Housing for Elderly (Section 202), Housing for Persons with Disabilities (section 811), Rent Supplement (Rent Supp), or Rental Assistance Program (RAP); or
 - The unit was subject to a rent restriction through a loan or insurance program as a result of Section 236, Section 221(d)(3) or (d)(4) BMIR, Housing for Elderly

Persons (Section 202), or Housing for Persons with Disabilities (Section 811)

Units that have previously received either PBV or HCV assistance are not covered under the exception. RAD conversion units do not count against the 20% limitation.

YHA Policy

The YHA may project-base any of the above unit types and may use the flexibility under HOTMA.

~~The YHA may select owner proposals to provide project-based assistance for up to 20 percent of the amount of budget authority allocated to the YHA by HUD in the YHA voucher program. YHA is not required to reduce the number of PBV units selected under an Agreement or HAP contract if the amount of budget authority is subsequently reduced. All Project-based Certificate (PBC) and project-based voucher units for which the YHA has issued a notice of proposal selection or which are under an Agreement or HAP contract for PBC or project-based voucher assistance count against the 20 percent maximum.~~

~~The YHA is responsible for determining the amount of budget authority that is available for project-based vouchers and for ensuring that the amount of assistance that is attached to units is within the amounts available under the ACC. Before the YHA issues a Request for Proposals in accordance with §983.51(b)(1) or makes a selection in accordance with §983.51(b)(2), the YHA must submit the following information to a HUD field office for review:~~

- ~~(1) The total amount of annual budget authority;~~
- ~~(2) The percentage of annual budget authority available to be project-based; and~~
- ~~(3) The total amount of annual budget authority the YHA is planning to project-base pursuant to the selection and the number of units that such budget authority will support.~~

17.1.F. UNIFORM RELOCATION ACT [24 CFR 983.7]

All households displaced as a result of the Agreement or HAP contract must be provided relocation assistance at the levels described in and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and implementing regulations at 49 CFR part 24.

The cost of required relocation assistance may be paid with funds provided by the owner, or with local public funds, or with funds available from other sources. Relocation costs may not be paid from voucher program funds; however, provided payment of relocation benefits is consistent with state and local law, YHA may use their administrative fee reserve to pay for relocation assistance after all other program administrative expenses are satisfied. Use of the administrative

fee reserve in this manner must be consistent with legal and regulatory requirements, including the requirements of 24 CFR 982.155 and other official HUD issuances.

The YHA must require the owner to comply with the URA and 49 CFR part 24. In computing a replacement housing payment to a residential tenant displaced as a direct result of privately undertaken rehabilitation or demolition of the real property, the term "initiation of negotiations" means the execution of the Agreement between the owner and the YHA.

17.1.G. PROPOSAL SELECTION PROCEDURES [24 CFR 983.51]

The YHA's Administrative Plan must describe the procedures for owner submission of PBV proposals and for YHA selection of PBV proposals. Before selecting a PBV proposal, the YHA must determine that the PBV proposal complies with HUD program regulations and requirements, including a determination that the property is eligible housing (§§983.53 and 983.54), complies with the cap on the number of PBV units per project (§983.56), and meets the site selection standards (§983.57).

The YHA must select PBV proposals in accordance with the selection procedures in the YHA Administrative Plan. The YHA must select PBV proposals by either of the following two methods.

(1) ***YHA request for PBV Proposals.*** The YHA may not limit proposals to a single site or impose restrictions that explicitly or practically preclude owner submission of proposals for PBV housing on different sites.

(2) ***Selection based on previous competition.*** The YHA may select, without competition, a proposal for housing assisted under a federal, State, or local government housing assistance, community development, or supportive services program that required competitive selection of proposals (e.g., HOME, and units for which competitively awarded low-income housing tax credits (LIHTCs) have been provided), where the proposal has been selected in accordance with such program's competitive selection requirements within 3 years of the PBV proposal selection date, and the earlier competitively selected housing assistance proposal did not involve any consideration that the project would receive PBV assistance.

(3) Units Selected Non-Competitively [FR Notice 1/18/17]

For certain public housing projects where the YHA has an ownership interest or control and will spend a minimum amount per unit on rehabilitation or construction, the YHA may select a project without following one of the two processes above.

Public notice of YHA request for PBV proposals. If the YHA will be selecting proposals under the request for PBV proposals, YHA procedures for selecting PBV proposals must be designed

and actually operated to provide broad public notice of the opportunity to offer PBV proposals for consideration by the YHA. The public notice procedures may include publication of the public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice. The public notice of the YHA request for PBV proposals must specify the submission deadline. Detailed application and selection information must be provided at the request of interested parties.

YHA notice of owner selection. The YHA must give prompt written notice to the party that submitted a selected proposal and must also give prompt public notice of such selection. Public notice procedures may include publication of public notice in a local newspaper of general circulation and other means designed and actually operated to provide broad public notice.

YHA-owned units. YHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the YHA-owned units were appropriately selected based on the selection procedures specified in the YHA administrative plan. Under no circumstances may PBV assistance be used with a public housing unit. PBV may be used in the conversion of Public Housing to the PBV Program under RAD.

Public review of YHA selection decision documentation. The YHA must make documentation available for public inspection regarding the basis for the YHA selection of a PBV proposal. Owner proposal selection does not require submission of form HUD-2530 or other HUD previous participation clearance.

Other Criteria

The YHA, YHA-affiliates, or developers engaged by the YHA to redevelop YHA property, may submit PBV proposals and be awarded vouchers under any RFP published by the YHA or be awarded vouchers if the proposed project was competitively selected under another federal, state, or local housing assistance program in accordance with 24 CFR 983.51(b)(2). Proposals submitted by the YHA, an YHA-affiliate, or developer engaged by the YHA to redevelop public housing, must conform to the submission guidelines stated in the full RFP document and shall be evaluated under the same selection criteria as all other proposals. No YHA, or YHA-affiliate, employee responsible for preparing the response to the RFP shall be involved in the evaluation or selection of proposals or the award of the vouchers. Provided, however, that any selection process for YHA-owned units shall be approved by HUD in accordance with 24 CFR Part 983.

Proposals for PBV assistance may have been independently selected for housing assistance as described above may be submitted to YHA on a rolling basis. Additionally, the YHA may also directly contact specific owners that have already been selected for federal, state or local housing assistance based on a previously held competition to inform them of available PBV assistance.

YHA's selection of proposals under the alternative competitive processes may be contingent upon the owner providing additional information required according to YHA's selection requirements and HUD and YHA requirements for PBV assistance. YHA will inform owners of

any additional requirements at the time their proposals are submitted. Housing owned by YHA, a YHA-affiliate, or a developer engaged by YHA may also be awarded vouchers under this Section. Provided, however, that any selection process for YHA-owned units shall be approved by HUD in accordance with 24 CFR Part 983.

Selection Criteria

Proposals will be selected according to the following selection criteria:

- The housing must promote one of YHA's priorities for its PBV program;
- The proposal must comply with all HUD program regulations and requirements;
- The property must be eligible housing in accordance with 24 CFR 983.53 and 983.54.
- The proposal must comply with the HUD cap on PBV units per project at 24 CFR 983.56;
- The housing site must meet the site selection standards detailed at 24 CFR 983.57;
- Proposals for new construction or rehabilitation projects must demonstrate capacity, experience, and successful outcomes in prior projects that indicate their ability to complete the construction work effectively and within the proposed schedule;
- Proposals for all housing must demonstrate capacity, experience, and successful outcomes in property management, particularly management of housing targeted to low income persons and families;
- Proposals for supportive housing must demonstrate the capacity, experience, and successful outcomes of the supportive services provider that indicate its ability to effectively provide sufficient supportive services. More detailed information about minimum supportive services guidelines is provided later in this addendum.
- Proposals must provide evidence of sufficient financing commitments (for construction, operations, and supportive services if applicable) to demonstrate the project's long-term viability.
- The owner is good standing with HUD and YHA.

YHA reserves the right to reduce the number of project-based units that have been requested.

Housing Types

The YHA may attach PBV assistance for units in existing housing or for newly constructed or rehabilitated housing developed under and in accordance with an Agreement.

Existing housing—A housing unit is considered an existing unit for purposes of the PBV program, if at the time of notice of YHA selection the units substantially comply with HQS.

(1) Units for which rehabilitation or new construction began after owner's proposal submission but prior to execution of the AHAP do not subsequently qualify as existing housing.

(2) Units that were newly constructed or rehabilitated in violation of program requirements also do not qualify as existing housing.

New Construction or Rehabilitated Housing as found in 983 Subpart D

17.1.H. PROHIBITION OF ASSISTANCE FOR INELIGIBLE UNITS [24 CFR 983.53]

YHA will not attach or pay PBV assistance for units in the following types of housing:

- (1) Shared housing;
- (2) Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- (3) Nursing homes or facilities providing continuous psychiatric, medical, nursing services, board and care, or intermediate care. However, YHA may attach PBV assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
- (4) Units that are owned or controlled by an educational institution or its affiliate and are designated for occupancy by students of the institution;
- (5) Manufactured homes;
- (6) Transitional Housing

Prohibition against assistance for owner-occupied unit. The YHA may not attach or pay PBV assistance for a unit occupied by an owner of the housing. A member of a cooperative who owns shares in the project assisted under the PBV program shall not be considered an owner for purposes of participation in the PBV program.

Prohibition against selecting unit occupied by an ineligible family. Before the YHA selects a specific unit to which assistance is to be attached, the YHA must determine whether the unit is occupied and, if occupied, whether the unit's occupants are eligible for assistance. The YHA must not select or enter into an Agreement or HAP contract for a unit occupied by a family ineligible for participation in the PBV program.

Prohibition against assistance for units for which commencement of construction or rehabilitation occurred prior to AHAP. The YHA may not attach or pay PBV assistance for units for which construction or rehabilitation has commenced as defined in §983.152 after proposal submission and prior to execution of an AHAP

YHA will not attach or pay PBV assistance to units in any of the following types of subsidized housing:

- (a) A public housing dwelling unit;
- (b) A unit subsidized with any other form of Section 8 assistance (tenant-based or project-based);
- (c) A unit subsidized with any governmental rent subsidy (a subsidy that pays all or any part of the rent);
- (d) A unit subsidized with any governmental subsidy that covers all or any part of the operating costs of the housing;
- (e) A unit subsidized with Section 236 rental assistance payments (12 U.S.C. 1715z-1). However, YHA may attach assistance to a unit subsidized with Section 236 interest reduction payments;
- (g) A Section 202 project for elderly or non-elderly persons with disabilities (assistance under Section 162 of the Housing and Community Development Act of 1987, (12 U.S.C. 1701q);
- (h) Section 811 project-based supportive housing for persons with disabilities (42 U.S.C. 8013);
- (i) A Section 101 rent supplement project (12 U.S.C. 1701s);
- (j) A unit subsidized with any form of tenant-based rental assistance (as defined at 24 CFR 982.1(b)(2)) (e.g., a unit subsidized with tenant-based rental assistance under the HOME program, 42 U.S.C. 12701 et seq.);
- (l) A unit with any other duplicative federal, state, or local housing subsidy, as determined by HUD or by YHA in accordance with HUD requirements. For this purpose, "housing subsidy" does not include the housing component of a welfare payment; a social security payment; or a federal, state, or local tax concession (such as relief from local real property taxes).

17.1.I. SUBSIDY LAYERING REVIEW [24 CFR 983.55]

Subsidy layering requirements. The YHA may provide PBV assistance only in accordance with HUD subsidy layering regulations (24 CFR 4.13) and other requirements. The subsidy layering review is intended to prevent excessive public assistance for the housing by combining (layering) housing assistance payment subsidy under the PBV program with other governmental housing assistance from federal, state, or local agencies, including assistance such as tax concessions or tax credits. The subsidy layering requirements are not applicable to existing housing. A further subsidy layering review is not required for housing selected as new construction or rehabilitation of housing, if HUD's designee has conducted a review, which included a review of PBV assistance, in accordance with HUD's PBV subsidy layering review guidelines.

The YHA must submit the necessary documentation to HUD for a subsidy layering review. Except in cases noted above, the YHA may not enter into an agreement to enter into a HAP contract or a HAP contract until HUD, or a HUD-approved housing credit agency (HCA), has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements. However, in order to satisfy applicable requirements, HCAs must conduct subsidy layering reviews in compliance with

the guidelines set forth in the *Federal Register* notice published July 9, 2010, and current PIH notices.

When subsidy layering review is conducted. The YHA may not enter into an Agreement or HAP contract until HUD or a housing credit agency approved by HUD has conducted any required subsidy layering review and determined that the PBV assistance is in accordance with HUD subsidy layering requirements.

Owner certification. The HAP contract must contain the owner's certification that the project has not received and will not receive (before or during the term of the HAP contract) any public assistance for acquisition, development, or operation of the housing other than assistance disclosed in the subsidy layering review in accordance with HUD requirements.

17.1.J. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT (HOTMA) [24 CFR 983.56]

25 percent per Project Cap. In general, the YHA may not select a proposal to provide PBV assistance for units in a project or enter into an agreement to enter into a HAP or a HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP contract is more than the greater of 25 units or 25 percent of the number of dwelling units (assisted or unassisted) in the project.

Exceptions to 25 Percent per Project Cap (FR Notice 1/18/17)

Exceptions are allowed and PBV units are not counted against the 25 percent or 25-unit per project cap if:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
- The project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates

The Housing Opportunity Through Modernization Act of 2016 (HOTMA) eliminated the project cap exemption for projects that serve disabled families and modified the exception for supportive services. Projects where these caps were implemented prior to HOTMA may continue to use the former exemptions and may renew their HAP contracts under the old requirements, unless the YHA and owner agree to change the conditions of the HAP contract. However, this change may not be made if it would jeopardize an assisted family's eligibility for continued assistance in the project.

YHA must include in the PHA administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. The project must make supportive services available to all families receiving PBV assistance in the project, but the family does not actually have to accept and receive supportive services for the exception to apply to the unit. It is not necessary that the services be provided at or by the project, but must be reasonably available to families receiving PBV assistance at the project and designed to help families in the project achieve self-sufficiency or live in the community as independently as possible. YHA may not require participation in the supportive service as a condition of living in the excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the YHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.

Projects not Subject to a Project Cap [FR Notice 1/18/17]

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

- Be covered by a PBV HAP contract that first became effective on or after 4/18/17; and
- In the five years prior to the date the YHA either issued the RFP under which the project was selected or the YHA selected the project without competition, the unit met at least one of the two following conditions:
 - The unit received Public Housing Capital or Operating Funds, Project-Based Rental Assistance, Housing for the Elderly (Section 303), Housing for Persons with disabilities (Section 811), the Rental Supplement program,
 - The unit was subject to a rent restriction as a result of one of the following HUD loans or insurance programs: Section 236, Section 221(d)(3) or (d)(4) BMIR, Housing for the Elderly (Section 202), or Housing for Persons with Disabilities (Section 811)

Units that were previously receiving PBV assistance are not covered by the exception. Both existing and rehabilitation units are eligible for this exception. Newly constructed units qualify if they meet the definition of *replacement unit* described in FR Notice 1/18/17.

YHA Policy

The YHA may have PBV units that are subject to the per project cap exception.

Promoting Partially-Assisted Projects [24 CFR 983.56(c)]

YHA may establish local requirements designed to promote PBV assistance in partially assisted projects. A *partially assisted project* is a project in which there are fewer units covered by a HAP contract than residential units [24 CFR 983.3].

YHA may establish a per-project cap on the number of units that will receive PBV assistance or other project-based assistance in a multifamily project containing excepted units or in a single-family building. YHA may also determine not to provide PBV assistance for excepted units, or the YHA may establish a per-project cap of less than 25 percent.

25 percent per project cap. Except as provided in the regulations and RAD conditions, YHA will not select a proposal to provide PBV assistance for units in a building or enter into an Agreement or HAP contract to provide PBV assistance for units in a project, if the total number of dwelling units in the project that will receive PBV assistance during the term of the PBV HAP is more than 25 percent of the number of dwelling units (assisted or unassisted) in a project.

Excepted Units. In the following cases, PBV units are not counted against the 25 percent per project cap:

- Units in a single-family building (1-4 units);
- Excepted units in a multifamily project.

“Excepted units” means units in a multifamily building that are specifically made available for qualifying families. “Qualifying families” means:

- Elderly or disabled families; or
- Families receiving supportive services.

YHA must include in the administrative plan the type of services offered to families for a project to qualify for the exception and the extent to which such services will be provided. It is not necessary that the services be provided at or by the project, if they are approved services. To qualify, a family must have at least one member receiving at least one qualifying supportive service. YHA may not require participation in medical or disability-related services other than drug and alcohol treatment in the case of current abusers as a condition of living in an excepted unit, although such services may be offered.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received, FSS supportive services or any other supportive services as defined in the YHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. If a family in an excepted unit fails without good cause to complete its FSS contract of participation or if the family fails to complete the supportive services requirement as outlined in the YHA administrative plan, the YHA will take the actions provided under §983.262(d), and the owner may terminate the lease in accordance with §983.257(c).

~~Also, at the time of initial lease execution between the family and the owner, the family and the YHA must sign a statement of family responsibility. The statement of family responsibility must contain all family obligations including the family's participation in a service program under this section. Failure by the family without good cause to fulfill its service obligation will require the YHA to terminate assistance. If the unit at the time of such termination is an excepted unit, the exception continues to apply to the unit as long as the unit is made available to another qualifying family.~~

~~*Set aside for qualifying families.* In leasing units in a multifamily building pursuant to the PBV HAP, the owner must set aside the number of excepted units made available for occupancy by qualifying families. YHA may refer only qualifying families for occupancy of excepted units.~~

17.1.K. SUPPORTIVE SERVICES FOR FAMILIES IN EXCEPTED UNITS AND GUIDELINES AND REQUIREMENTS [24 CFR 983.56]

Pursuant to HUD regulations, project-based assistance will ordinarily be limited to 25% of the units contained within the proposed project. However, for projects housing elderly families, disabled families or for projects providing supportive services, each unit that is occupied by elderly, disabled or families receiving qualified supportive services shall be an "excepted unit" and shall not apply towards the 25% cap. Furthermore, buildings with four (4) or fewer units are excluded from the 25% cap.

Qualifying Supportive Services

Qualifying and Supportive services include an array of activities to transition families to a better quality of life or movement to self-sufficiency including but not limited to:

- Participation in any of the YHA's Housing Choice Voucher Program FSS programs
- Child care – child care of a type that provides sufficient hours of operation and serves an appropriate range of ages;
- Transportation – transportation necessary to enable a participating family to receive available services, or to commute to their places of employment;
- Education – remedial education; education for completion of secondary or post-secondary schooling, English as Second Language (ESL) classes;
- Employment – job training, preparation, and counseling; job development and placement; and follow-up assistance after job placement and completion of the contract of participation;
- Personal Welfare – substance/alcohol abuse treatment and counseling;
- General health care and services – mental health services; HIV/AIDS related services; behavior assessments
- Household skills and management – training in homemaking and parenting skills; household management; money management; nutrition; obtaining and retaining government, financial and medical benefits; family counseling;

-
- Legal Services
 - Other services – any other services and resources, including case management, or reasonable accommodations for individuals with disabilities, that the YHA determines to be appropriate in assisting families to achieve economic independence and self-sufficiency.

It is not necessary that the above services be provided by or at the project. However, to qualify for as an “excepted unit” a family must have at least one member receiving at least one qualifying supportive service. Proposals that include supportive services should identify the particular services that will be provided and the service provider(s). YHA will evaluate proposals including supportive housing units on the basis of the specific services provided, the intensity of the services and the target population to be served. YHA will also evaluate supportive housing proposals based on the history and track record of the proposed service providers and the need for the supportive housing at the proposed site.

Supportive services for exempted units must be in addition to those provided by YHA. They may be coordinated by a supportive services coordinator employed by the owner or management-company, or provided by a qualified non-profit service agency as determined by YHA.

Supportive services provided by YHA include the Family Self-Sufficiency Program, the computer literacy classes, job readiness classes, computer-based job training and adult basic education classes offered onsite in YHA’s public housing development. All tenant-based and project-based voucher residents, regardless of disabilities or limitations, are eligible for these services.

Supportive services proposed by the owner, property manager, or a non-profit service agency must be specified in the response to the project-based RFP. If the services are approved and the proposed units are accepted as exempt by YHA, the services are described as a required component in the Agreement and HAP contract. To qualify as an excepted unit, the owner or provider agency must demonstrate a reasonable likelihood of funding for the approved supportive services for families occupying the unit throughout the term of the HAP contract.

To qualify as an YHA approved supportive service in excepted units, services must be directed to helping the family achieve the ability to live independently as possible in consideration of their disability. It must be based on case management which accurately assesses family needs, makes appropriate referrals for serving those needs, encourages family participation, and accurately tracks and records family participation and progress on a monthly basis. It is not necessary that the services be provided at or by the project, if they are approved by YHA.

Participation in the approved supportive service is mandatory for families of excepted units. To qualify for an excepted unit, a family must have at least one adult member receiving at least one qualifying supportive service. YHA will not require participation in medical or disability-related services as a condition of living in an excepted unit, other than drug and alcohol treatment in the case of current abusers.

If a family at the time of initial tenancy is receiving, and while the resident of an excepted unit has received supportive services as defined here, and successfully completes the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. If a family in an excepted unit fails to complete the supportive services requirement as outlined herein, YHA will take the actions provided under Sec. 983.261(d) that includes termination from the program, and the owner may terminate the lease in accordance with Sec. 983.257(c).

At the time of initial lease execution between the family and the owner, the family and YHA will sign a statement of family responsibility. The statement of family responsibility must contain all family obligations including the family's participation in a service program under this section. Failure by the family without good cause to fulfill its service obligation will require YHA to terminate assistance. If the unit at the time of such termination is an excepted unit, the exception continues to apply to the unit as long as the unit is made available to another qualifying family.

YHA will monitor the excepted family's continued receipt of supportive services and take appropriate action regarding those families that fail without good cause to complete their supportive services requirement. YHA will visit sites with excepted units annually to verify continued operation of the program and compliance with the requirements of the HAP contract. This site visit will include an interview with the program or case manager, and a review of a representative portion of case files and the system for tracking family participation.

Family Responsibility

At the time of the initial lease execution between the family and the owner, the family and YHA must sign a Statement of Family Responsibility. The Statement of Family Responsibility must contain all family obligations including the family's participation in a service program as contemplated within this administrative plan.

At the family's annual income recertification, YHA will require written documentation from the service provider or the owner indicating the family's continued compliance with the terms of the supportive services plans. Project owners will also be expected to provide some level of monitoring of the services provided. This monitoring should be detailed in the proposal, and will be evaluated as part of the selection process. At YHA's discretion, YHA may request additional documentation of compliance with supportive service obligations.

The unit eligible for status as an "excepted unit" so long as at the time of the occupying family's initial tenancy at least one member of the family is receiving a qualifying supportive service. If the family completes an FSS contract of participation or the supportive services requirement, the unit will continue to count as an "excepted unit" for as long as the family resides in that unit.

Family Failure to Comply with Supportive Service Requirements

Failure without good cause by a family to complete or comply with its supportive service participation requirements will result in termination of the project based assistance for that unit and may result in the termination of the lease by the project owner.

17.1.L. HUD AND YHA SITE SELECTION CRITERIA [24 CFR 983.57]

YHA will only select proposals which demonstrate consideration of and compliance with the site selection standards at 24 CFR 983.57, as such may be amended or revised, which shall ensure that selected proposals will meet the above program goals of deconcentrating poverty, expanding housing and economic opportunities, and otherwise providing needed housing support.

YHA will not select a proposal for existing, newly constructed, or rehabilitated PBV housing on a site or enter into an Agreement or HAP contract for units on the site, unless YHA has determined that:

(1) Project-based assistance for housing at the selected site is consistent with the goal of de-concentrating poverty and expanding housing and economic opportunities. The standard for de-concentrating poverty and expanding housing and economic opportunities must be consistent with YHA Agency Plan and the YHA Administrative Plan. In developing the standards to apply in determining whether a proposed PBV development will be selected, a YHA will consider the following:

- (a) Whether the census tract in which the proposed PBV development will be located is in a HUD-designated Enterprise Zone, Economic Community, or Renewal Community;
- (b) Whether a PBV development will be located in a census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition;
- (c) Whether the census tract in which the proposed PBV development will be located is undergoing significant revitalization;
- (d) Whether state, local, or federal dollars have been invested in the area that has assisted in the achievement of the statutory requirement;
- (e) Whether new market rate units are being developed in the same census tract where the proposed PBV development will be located and the likelihood that such market rate units will positively impact the poverty rate in the area;
- (f) If the poverty rate in the area where the proposed PBV development will be located is greater than 20 percent, YHA will consider whether in the past five years there has been an overall decline in the poverty rate;
- (g) Whether there are meaningful opportunities for educational and economic advancement in the census tract where the proposed PBV development will be located.

(2) The site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629); and HUD's implementing regulations at 24 CFR parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652) and HUD's implementing regulations at 24 CFR part 107. The site must meet the section 504 site selection requirements described in 24 CFR 8.4(b)(5).

(3) The site meets the HQS site standards at 24 CFR 982.401(l).

(4) The site selection will meet AFFH conditions and goals.

Existing and rehabilitated housing site and neighborhood standards. A site for existing or rehabilitated housing must meet the following site and neighborhood standards. The site must:

(1) Be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities and streets must be available to service the site. (The existence of a private disposal system and private sanitary water supply for the site, approved in accordance with law, may be considered adequate utilities.)

(2) Promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(3) Be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(4) Be so located that travel time and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers is not excessive. While it is important that housing for the elderly not be totally isolated from employment opportunities, this requirement need not be adhered to rigidly for such projects.

New construction site and neighborhood standards. A site for newly constructed housing must meet the following site and neighborhood standards:

(1) The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed, and adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

(2) The site must not be located in an area of minority concentration, except as permitted under paragraph (3) of this section, and must not be located in a racially

mixed area if the project will cause a significant increase in the proportion of minority to non-minority residents in the area.

(3) A project may be located in an area of minority concentration only if:

(a) Sufficient, comparable opportunities exist for housing for minority families in the income range to be served by the proposed project outside areas of minority concentration; or

(b) The project is necessary to meet overriding housing needs that cannot be met in that housing market area (see paragraph (e) (3)(vi) of this section for further guidance on this criterion).

(c) As used in paragraph (3)(i) of this section, "sufficient" does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population.

(d) Units may be considered "comparable opportunities," as used in paragraph (3)(i) of this section, if they have the same household type (elderly, disabled, family, large family) and tenure type (owner/renter); require approximately the same tenant contribution towards rent; serve the same income group; are located in the same housing market; and are in standard condition.

(e) Application of this sufficient, comparable opportunities standard involves assessing the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice:

- A significant number of assisted housing units are available outside areas of minority concentration.
- There is significant integration of assisted housing projects constructed or rehabilitated in the past 10 years, relative to the racial mix of the eligible population.
- There are racially integrated neighborhoods in the locality.

- Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.
- Minority families have benefited from local activities (e.g., acquisition and write-down of sites, tax relief programs for homeowners, acquisitions of units for use as assisted housing units) undertaken to expand choice for minority families outside of areas of minority concentration.
- A significant proportion of minority households has been successful in finding units in non-minority areas under the tenant-based assistance programs.
- Comparable housing opportunities have been made available outside areas of minority concentration through other programs.

Application of the “overriding housing needs” criterion, for example, permits approval of sites that are an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood and of sites in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”). An “overriding housing need,” however, may not serve as the basis for determining that a site is acceptable, if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.

(4) The site must promote greater choice of housing opportunities and avoid undue concentration of assisted persons in areas containing a high proportion of low-income persons.

(5) The neighborhood must not be one that is seriously detrimental to family life or in which substandard dwellings or other undesirable conditions predominate, unless there is actively in progress a concerted program to remedy the undesirable conditions.

(6) The housing must be accessible to social, recreational, educational, commercial, and health facilities and services and other municipal facilities and services that are at least equivalent to those typically found in neighborhoods consisting largely of unassisted, standard housing of similar market rents.

(7) Except for housing designed for elderly persons, travel time, and cost via public transportation or private automobile from the neighborhood to places of employment providing a range of jobs for lower-income workers, must not be excessive.

17.1.M. ENVIRONMENTAL REVIEW [24 CFR 983.58]

Activities under the PBV program are subject to HUD environmental regulations in 24 CFR parts 50 and 58. The City, County or HUD is the “responsible entity” or “RE” responsible for the federal environmental review under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and related applicable federal laws and authorities in accordance with 24 CFR 58.5 and 58.6. If YHA objects in writing to having the RE perform the federal environmental review, or if the RE declines to perform it, then HUD may perform the review itself. (24 CFR 58.11).

In the case of existing housing, the RE must determine whether or not PBV assistance is categorically excluded from review under the National Environmental Policy Act and whether or not the assistance is subject to review under the laws and authorities listed in 24 CFR 58.5.

YHA may not enter into an Agreement or HAP contract with an owner, and the YHA, the owner, and its contractors may not acquire, rehabilitate, convert, lease, repair, dispose of, demolish, or construct real property or commit or expend program or local funds for PBV activities under this part, until one of the following occurs:

- (1) The RE has completed the environmental review procedures required by 24 CFR part 58, and HUD has approved the environmental certification and request for release of funds;
- (2) The RE has determined that the project to be assisted is exempt under 24 CFR 58.34 or is categorically excluded and not subject to compliance with environmental laws under 24 CFR 58.35(b); or
- (3) HUD has performed an environmental review under 24 CFR part 50 and has notified YHA in writing of environmental approval of the site.

HUD will not approve the release of funds for PBV assistance under this part if YHA, the owner, or any other party commits funds (i.e., enters an Agreement or HAP contract or otherwise incurs any costs or expenditures to be paid or reimbursed with such funds) before YHA submits and HUD approves its request for release of funds (where such submission is required).

YHA will supply all available, relevant information necessary for the RE (or HUD, if applicable) to perform any required environmental review for any site. YHA will require the owner to carry out mitigating measures required by the RE (or HUD, if applicable) as a result of the environmental review.

17.1.N. YHA-OWNED UNITS (HOTMA) [24 CFR 983.59]

A YHA-owned unit may be assisted under the PBV program only if the HUD field office or HUD-approved independent entity reviews the selection process and determines that the YHA-owned units were appropriately selected based on the selection procedures specified in the YHA administrative plan. If the YHA selects a proposal for housing that is owned or controlled by the YHA, the YHA must identify the entity that will review the YHA proposal selection process and perform specific functions with respect to rent determinations and inspections.

In the case of YHA-owned units, the term of the HAP contract and any HAP contract renewal must be agreed upon by the YHA and a HUD-approved independent entity. In addition, an independent entity must determine the rent to owner, the redetermined rent to owner, and reasonable rent. Housing quality standards inspections must also be conducted by an independent entity.

The independent entity that performs these program services may be the unit of general local government for the YHA jurisdiction (unless the YHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

YHA Policy

The YHA may submit a proposal for project-based housing that is owned or controlled by the YHA. If the proposal for YHA-owned housing is selected, the YHA will use an independent third party to review the PHA selection and to administer the PBV program. The YHA will obtain HUD approval of the City of Yakama or other independent third party prior to selecting the proposal for YHA-owned housing.

The YHA may only compensate the independent entity from YHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). The YHA may not use other program receipts to compensate the independent entity for its services. The YHA and independent entity may not charge the family any fee for the appraisal or the services provided by the independent entity.

Selection of YHA-owned units. The selection of YHA-owned units must be done in accordance with the proposal selection procedures set forth in this chapter of the Administrative Plan (24 CFR 983.51(e)). In the case of YHA-owned units, the following program services may not be performed by the YHA, but must be performed instead by an independent entity approved by HUD.

- (1) **Determination of rent to owner for the YHA-owned units.** Rent to owner for YHA-owned units is determined pursuant to Sec. 983.301 through 983.305 in accordance with the same requirements as for other units, except that the independent entity approved by HUD must establish the initial contract rents based on an appraisal by a licensed, state-certified appraiser;

(2) *Initial and renewal HAP contract term.* The term of the HAP contract and any HAP contract renewal for YHA-owned units must be agreed upon by the YHA and the independent entity approved by HUD. Any costs associated with implementing this requirement must be paid for by the YHA; and

(3) *Inspection of YHA-owned units* as required by Sec. 983.103(f).

The independent entity that performs these program services may be the unit of general local government for YHA jurisdiction (unless YHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.
Selection of YHA-owned units. The selection of YHA-owned units must be done in accordance with the proposal selection procedures set forth in this chapter of the Administrative Plan (24 CFR 983.51(e)). In the case of YHA-owned units, the following program services may not be performed by the YHA, but must be performed instead by an independent entity approved by HUD.

(1) — *Determination of rent to owner for the YHA-owned units.* Rent to owner for YHA-owned units is determined pursuant to Sec. 983.301 through 983.305 in accordance with the same requirements as for other units, except that the independent entity approved by HUD must establish the initial contract rents based on an appraisal by a licensed, state-certified appraiser;

— *Initial and renewal HAP contract term.* The term of the HAP contract and any HAP contract renewal for YHA-owned units must be agreed upon by the YHA and the independent entity approved by HUD. Any costs associated with implementing this requirement must be paid for by the YHA; and

— (3) *Inspection of YHA-owned units* as required by Sec. 983.103(f).

The independent entity that performs these program services may be the unit of general local government for YHA jurisdiction (unless YHA is itself the unit of general local government or an agency of such government) or another HUD-approved public or private independent entity.

YHA may compensate the independent entity and appraiser from YHA ongoing administrative fee income (including amounts credited to the administrative fee reserve). YHA may not use other program receipts to compensate the independent entity and appraiser for their services. The YHA, independent entity, and appraiser may not charge the family any fee for the appraisal or the services provided by the independent entity.

17.1.O. HOUSING QUALITY STANDARDS [24 CFR 983.101]

HQS applicability. Except as otherwise provided in this section, 24 CFR 982.401 (housing quality standards) applies to the PBV program. The physical condition standards at 24 CFR 5.703 do not apply to the PBV program.

HQS for special housing types. For special housing types assisted under the PBV program, housing quality standards in 24 CFR part 982 apply to the PBV program.

Lead-based paint requirements. The lead-based paint requirements at Sec. 982.401(j) do not apply to the PBV program. The Lead-based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at 24 CFR part 35, subparts A, B, H, and R, apply to the PBV program.

(4) HQS enforcement. Parts 982 and 983 do not create any right of the family or any party, other than HUD or YHA, to require enforcement of the HQS requirements or to assert any claim against HUD or YHA for damages, injunction, or other relief for alleged failure to enforce the HQS.

Minimum Standards. HQS establishes the minimum federal housing quality standards for PBV housing. However, YHA may elect to establish additional requirements for quality, architecture, or design of PBV housing. Any such additional requirements must be specified in the Agreement.

17.1.P. HOUSING ACCESSIBILITY FOR PERSONS WITH DISABILITIES [24 CFR 983.102]

The housing must comply with program accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8. YHA shall ensure that the percentage of accessible dwelling units complies with the requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as implemented by HUD's regulations at 24 CFR part 8, subpart C. Housing first occupied after March 13, 1991, must comply with design and construction requirements of the Fair Housing Amendments Act of 1988 and implementing regulations at 24 CFR 100.205, as applicable.

17.1.Q. INSPECTING UNITS [24 CFR 983.103]

YHA will examine the proposed site before the proposal selection date. If the units to be assisted already exist, YHA will inspect all the units before the proposal selection ~~date, and date and~~ must determine whether the units substantially comply with the HQS. To qualify as existing housing, units must substantially comply with the HQS on the proposal selection date. However, YHA may not execute the HAP contract until the units fully comply with the HQS.

YHA will inspect each contract unit before execution of the HAP contract. YHA may not enter into a HAP contract until every unit covered by the contract fully complies with the HQS.

Turnover inspections. Before providing assistance to a new family in a contract unit, YHA will inspect the unit. YHA may not provide assistance on behalf of the family until the unit fully complies with the HQS.

Annual/Biennial inspections. At least annually/biennially during the term of the HAP contract, YHA will inspect a random sample, consisting of at least 20 percent of the contract units in each **building** to determine if the contract units and the premises are maintained in accordance with the HQS. Turnover inspections are not counted toward meeting this annual inspection requirement. If more than 20 percent of the annual sample of inspected contract units in a **building** fail the initial inspection, YHA will re-inspect 100 percent of the contract units in the building.

Other inspections. YHA may inspect contract units whenever it determines an inspection is needed to comply with the HQS and that the owner is providing maintenance, utilities, and other services in accordance with the HAP contract. YHA will take into account complaints from residents and any other information coming to its attention in scheduling inspections.

Follow-up Inspections. YHA will conduct follow-up inspections needed to determine if the owner (or, if applicable, the family) has corrected an HQS violation, and must conduct inspections to determine the basis for exercise of contractual and other remedies for owner or family violation of the HQS. (Family HQS obligations are specified in 24 CFR 982.404(b)).

Quality Control Inspections. In conducting supervisory quality control HQS inspections, YHA shall include a representative sample of both tenant-based and project-based units.

Inspecting YHA-owned units. In the case of YHA-owned units, the inspections required under this section must be performed by an independent agency designated in accordance the above section on YHA-owned units (24 CFR 983.59). The independent entity must furnish a copy of each inspection report to YHA and to the HUD field office where the project is located. YHA will take all necessary actions in response to inspection reports from the independent agency, including exercise of contractual remedies for violation of the HAP contract by YHA as owner.

Mixed-finance properties. In the case of a property assisted with project-based vouchers (authorized at 42 U.S.C. 1437f(o)(13)) that is subject to an alternative inspection, the YHA may rely upon inspections conducted at least triennially to demonstrate compliance with the inspection requirement of 24 CFR 982.405(a).

17.1.R. SUBPART D- REQUIREMENTS FOR REHABILITATED AND NEWLY CONSTRUCTED UNITS

This Subpart D applies to PBV assistance for newly constructed or rehabilitated housing. This Subpart D does not apply to PBV assistance for existing housing. Housing selected under this subpart cannot be selected as existing housing, as defined in §983.52, at a later date.

The Agreement to Enter into a HAP Contract (24 CFR 983.152 - 983.154)

For units that do not substantially comply with HQS on the proposal selection date, an agreement to enter into a Housing Assistance Payment (HAP) Contract may be made. This includes newly constructed or rehabilitated housing sites which are not completed prior to their selection by YHA. In such cases the development must be completed under an Agreement between the owner and the YHA. The Agreement must be in the form required by HUD headquarters (see 24 CFR 982.162). In the Agreement the owner agrees to develop the contract units to comply with HQS, and YHA agrees that, upon timely completion of such development in accordance with the terms of the Agreement, YHA will enter into a HAP contract with the owner for the contract units.

Commencement of construction or rehabilitation. The YHA may not enter into an agreement if commencement of construction or rehabilitation has commenced after proposal submission. Construction begins when excavation or site preparation (including clearing of the land) begins for the housing or rehabilitation begins with the physical commencement of rehabilitation activity on the housing.

At a minimum, the Agreement must include the following for units to be developed (newly constructed or rehabilitated) and assisted under the PBV program:

1. Site description;
2. Location of contract units on site;
3. Number of contract units by area (square feet) and number of bedrooms and bathrooms;
4. Services, maintenance, or equipment to be supplied by the owner without charges in addition to the rent to owner;
5. Utilities available to the contract units, including a specification of utility services to be paid by owner (without charges in addition to rent) and utility services to be paid by the tenant;
6. Indication of whether or not the design and construction requirements of the Fair Housing Act and implementing regulations at 24 CFR 100.205 and the accessibility requirements of section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR 8.22 and 8.23 apply to units under the Agreement. If these requirements are applicable, any required work item resulting from these requirements must be included in the description of work to be performed under the Agreement,
7. Estimated initial rents to owner for the contract units;
8. Anticipated term of the initial HAP contract
9. Description of the work to be performed under the Agreement. If the Agreement is for rehabilitation of units, the work description must include the site plan and rehabilitation work write up and, where determined necessary by the YHA, specifications, and plans. If the Agreement is for new construction, the work description must include the working drawings and specifications. At a minimum, the housing must comply with the

HQS. YHA may elect to establish additional requirements for quality, architecture, or design of PBV housing, over and above the HQS, and any such additional requirement must be specified in the Agreement.

10. Deadlines for completion by the owner, and for the owner to submit the required evidence of completion.

When Agreement is Executed

The agreement must be promptly executed, in accordance with the following conditions:

(a) ***Prohibition of excess subsidy.*** The YHA may not enter the Agreement with the owner until the subsidy layering review is completed (see §983.55).

(b) ***Environmental approval.*** The YHA may not enter the Agreement with the owner until the environmental review is completed and the YHA has received the environmental approval (see §983.58).

(c) ***Prohibition on construction or rehabilitation.*** The YHA shall not enter into the Agreement with the owner if construction or rehabilitation has commenced after proposal submission.

Conduct of Development Work (24 CFR 983.154)

The development will comply with conditions under the conduct of development work in the regulations.

In the case of an Agreement for nine or more contract units to be newly constructed or substantially rehabbed, the owner must certify that it's contractors and subcontractors will pay Davis-Bacon wages to laborers and mechanics employed in the construction of the contract units. They must also certify they will comply with Section 3 of the Housing and Urban Development Act of 1968. The owner and the owner's contractors and subcontractors must comply with the Contract Work Hours and Safety Standards Act, Department of Labor regulations in 29 CFR part 5, and other applicable federal labor relations laws and regulations. The YHA must monitor compliance with labor standards

The Agreement will include the requirements in 24 CFR 983.154 including certification by the Owner that they and other project principles are not on the US General Services Administration list of parties excluded from federal procurement and non-procurement programs. In addition, the owner must disclose any possible conflict of interest that would be a violation of the Agreement, the HAP Contract, or HUD regulations.

The Agreement will specify that, at a minimum, the housing must comply with the HQS and obtain a final certificate of occupancy from the City/County after passing City/County inspections for compliance with the City's/County's adopted building and property maintenance codes.

YHA may not enter the Agreement with the owner until the subsidy layering review is completed by HUD and the environmental review is completed and the YHA has received the environmental approval from the RE. The Agreement will be executed promptly by YHA after it gives notice of proposal selection to the owner, and receives the subsidy layering review approval from HUD and the environmental review approval from RE.

17.1.S. COMPLETION AND ACCEPTANCE OF UNITS [24 CFR 983.155 - 983.156]

The owner must complete the housing in accordance with the terms of the Agreement. Evidence of completion will include the following in the form and manner required by YHA:

- (1) Owner certification that the work has been completed in accordance with the HQS and all requirements of the Agreement;
- (2) Owner certification that the owner has complied with the labor standards and equal opportunity requirements set forth in the Agreement;
- (3) A permanent certificate of occupancy from the City/County
- (4) An architect's certification that the housing complies with:
 - a) HUD Housing Quality Standards;
 - b) All applicable building codes;
 - c) Zoning;
 - d) The rehabilitation work write-up (for rehabilitated housing) or the plans and specifications (for newly constructed housing); or any additional design or quality requirements required by YHA pursuant to the Agreement.
 - e) Any additional design or quality requirements pursuant to the Agreement

When YHA has received owner notice that the housing is completed:

- 1) YHA will inspect to determine if the housing has been completed in accordance with the Agreement, including compliance with the HQS and any additional requirement imposed by YHA under the Agreement.
- 2) YHA will determine if the owner has submitted all required evidence of completion.
- 3) If the work has not been completed in accordance with the Agreement, YHA will not enter into the HAP contract.

A request for YHA approval of any change in the project design or configuration which alters the terms of the Agreement (e.g. a reduction in the size or number of units) must be received by YHA 30 days in advance of the planned implementation of the change during construction. YHA

shall have 10 business days to review such request. YHA may terminate the Agreement if such change, in the sole opinion of YHA, substantially alters the scope of the project, reduces the quality of the housing to be provided, or increases YHA's administrative requirements.

The owner must inform YHA 30 days in advance of any projected delay in the completion of the site, and request an extension of the Agreement. At YHA's discretion, the Agreement may be extended for a 30 day period. YHA may extend the Agreement for a total of three 30 day periods if it determines at the end of each period that there is reasonable cause for the delays. Extensions beyond 90 days are not permitted and YHA will advise the owner to re-submit the site in a future YHA PBV proposal round when it is completed.

If YHA determines that the housing has been completed in accordance with the Agreement and that the owner has submitted all required evidence of completion, the YHA will submit the HAP contract for execution by the owner and then execute the HAP contract.

17.1.T. THE HAP CONTRACT [24 CFR 983.201 – 983.208]

After YHA approves and accepts the units, it will enter into a HAP contract with the owner. The HAP contract must be in the form required by HUD headquarters (see 24 CFR 982.162). YHA will make housing assistance payments to the owner in accordance with the HAP contract. Housing assistance is paid for contract units leased and occupied by eligible families during the contract term.

The HAP contract must specify:

- 1) The total number of contract units by number of bedrooms;
- 2) Information needed to identify the site and the building or buildings where the contract units are located. The information must include the project's name, street address, city or county, state and zip code, block and lot number (if known), and any other information necessary to clearly identify the site and the building;
- 3) Information needed to identify the specific contract units in each building. The information must include the number of contract units in the building, the location of each contract unit, the area of each contract unit, and the number of bedrooms and bathrooms in each contract unit.
- 4) Services, maintenance, and equipment to be supplied by the owner without charges in addition to the rent to owner;
- 5) Utilities available to the contract units, including a specification of utility services to be paid by the owner (without charges in addition to rent) and utility services to be paid by the tenant;

- 6) Features provided to comply with program accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR part 8;
- 7) The HAP contract term;
- 8) The number of units in any building that will exceed the 25 percent per building cap (as described in Sec. 983.56), which will be set-aside for occupancy by qualifying families (elderly or disabled families and families receiving supportive services); and
- 9) The initial rent to owner (for the first 12 months of the HAP contract term).

Before execution of the HAP contract, YHA will inspect each contract unit in accordance with the above section in this Chapter regarding inspecting units (24 CFR 983.103(b)). YHA may not enter into the HAP contract until YHA has determined that the unit complies with the HQS.

In the case of existing housing, the HAP contract must be executed promptly after YHA selection of the owner proposal and YHA inspection and acceptance of the housing.

In the case of newly constructed or rehabilitated housing the HAP contract must be executed after YHA has inspected the completed units and has determined that the units have been completed in accordance with the Agreement and the owner has furnished all required evidence of completion. In the HAP contract, the owner certifies that the units have been completed in accordance with the Agreement.

Term of HAP contract. (24 CFR 983.206)

15-year initial term. The YHA may enter into a HAP contract with an owner for an initial term of up to 15 years for each contract unit. The length of the term of the HAP contract for any contract unit may not be less than one year, nor more than 15 years. In the case of YHA-owned units, the term of the initial HAP contract shall be determined in accordance with §983.59.

YHA Policy

The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.

Extension of term.

At the time of the initial HAP contract term or any time before expiration of the HAP contract, the YHA may extend the term of the contract for an additional term of up to 20 years if the YHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 20 years. YHA may provide for multiple extensions; however, in no circumstances may such extensions exceed 20 years, cumulatively. Extensions after the initial extension are allowed at the end of any extension

term, provided that not more than 24 months prior to the expiration of the previous extension contract the YHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term.

Subsequent extensions are subject to the same limitations. All extensions must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of YHA-owned units, any extension of the term of the HAP contract must be agreed upon by the YHA and the independent entity approved by HUD [24 CFR 983.59(b)(2)].~~Extension of term. YHA may agree to enter into an extension at the time of the initial HAP contract term or any time before expiration of the contract, for an additional term of up to 15 years if the YHA determines an extension is appropriate to continue providing affordable housing for low-income families. A HAP contract extension may not exceed 15 years. YHA may provide for multiple extensions; however, in no circumstance may such extensions exceed 15 years, cumulatively.~~

~~Extensions after the initial extension are allowed at the end of any extension term provided that not more than 24 months prior to the expiration of the previous extension contract, the YHA agrees to extend the term, and that such extension is appropriate to continue providing affordable housing for low-income families or to expand housing opportunities. Extensions after the initial extension term shall not begin prior to the expiration date of the previous extension term. Subsequent extensions are subject to the same limitations described in this paragraph. Any extension of the term must be on the form and subject to the conditions prescribed by HUD at the time of the extension. In the case of YHA-owned units, any extension of the initial term of the HAP contract shall be determined in accordance with §983.59.~~

YHA Policy

When determining whether or not to extend an expiring PBV contract, the YHA will consider several factors including, but not limited to:

- The cost of extending the contract and the amount of available budget authority;
- The condition of the contract units;
- The owner's record of compliance with obligations under the HAP contract and lease(s);
- Whether the location of the units continues to support the goals of deconcentrating poverty and expanding housing opportunities; and
- Whether the funding could be used more appropriately for tenant-based assistance.

Termination by YHA--Insufficient Funding, including new HOTMA provisions.

The HAP contract must provide that the term of the YHA's contractual commitment is subject to the availability of sufficient appropriated funding as determined by HUD or by the YHA in accordance with HUD instructions. For these purposes, sufficient funding means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.

In times of insufficient funding, HUD requires that YHA first take all cost-saving measures prior to failing to make payments under existing PBV HAP contracts. If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, the YHA may terminate the HAP contract by notice to the owner. The termination must be implemented in accordance with HUD instructions.~~Termination by YHA--Insufficient Funding. The HAP contract must provide that the term of the YHA's contractual commitment is subject to the availability of sufficient appropriated funding (budget authority) as determined by HUD or by YHA in accordance with HUD instructions. For purposes of this section, "sufficient funding" means the availability of appropriations, and of funding under the ACC from such appropriations, to make full payment of housing assistance payments payable to the owner for any contract year in accordance with the terms of the HAP contract.~~

~~If it is determined that there may not be sufficient funding to continue housing assistance payments for all contract units and for the full term of the HAP contract, YHA has the right to terminate the HAP contract by notice to the owner for all or any of the contract units. Such notice shall be delivered promptly after making such a determination. Such action by YHA shall be implemented in accordance with HUD instructions.~~

Termination by Owner--Reduction Below Initial Rent. The owner may terminate the HAP contract, upon notice to the YHA, if the amount of the rent to owner for any contract unit, as adjusted in accordance with 24 CFR 983.302, is reduced below the amount of the initial rent to owner (rent to owner at the beginning of the HAP contract term). In this case, the assisted families residing in the contract units will be offered tenant-based voucher assistance.

Statutory Notice Requirements: Contract Termination or Expiration including HOTMA provisions (24 CFR §983.206)

Not less than one year before the HAP contract terminates, or if the owner refuses to renew the HAP contract, the owner must notify the YHA and assisted tenants of the termination. The notice must be provided in the form prescribed by HUD. If the owner does not give timely notice, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of the owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one-year advance notice under such terms as HUD may require.

Upon termination or expiration of the contract, a family living at the property is entitled to receive a tenant-based voucher. Tenant-based assistance would not begin until the owner's required notice period ends. The YHA must provide the family with a voucher and the family must also be given the option by the YHA and owner to remain in their unit with HCV tenant-based assistance as long as the unit complies with inspection and rent reasonableness requirements. The family must pay their total tenant payment (TTP) and any additional amount if the gross rent exceeds the applicable payment standard. The family has the right to remain in the project as-long-as the units are used for rental housing and are otherwise eligible for HCV assistance. The owner may not terminate the tenancy of a family that exercises its right to remain except for serious or repeated lease violations or other good cause. Families that receive a tenant-based voucher at the expiration or termination of the PBV HAP contract are not new admissions to the YHA HCV tenant-based program, and are not subject to income eligibility requirements or any other admission requirements. If the family chooses to remain in their unit with tenant-based assistance, the family may do so regardless of whether the family share would initially exceed 40 percent of the family's adjusted monthly income.**Statutory Notice Requirements: Contract Termination or Expiration (24 CFR §983.206)**

~~Notices required in accordance under termination or expiration must be provided in the form prescribed by HUD. Not less than one year before termination of a PBV or PBC HAP contract, the owner must notify the YHA and assisted tenants of the termination. For purposes of this section, the term "termination" means the expiration of the HAP contract or an owner's refusal to renew the HAP contract. If an owner does not give timely notice of termination, the owner must permit the tenants in assisted units to remain in their units for the required notice period with no increase in the tenant portion of their rent, and with no eviction as a result of an owner's inability to collect an increased tenant portion of rent. An owner may renew the terminating contract for a period of time sufficient to give tenants one year advance notice under such terms as HUD may require.~~

Amendment to Substitute Contract Units. At the discretion of YHA and subject to all PBV requirements, the HAP contract may be amended to substitute a different unit with the same number of bedrooms in the same building for a previously covered contract unit. Prior to such substitution, YHA will inspect the proposed substitute unit and must determine the reasonable rent for such unit.

Amendment to Add Contract Units. At the discretion of the YHA, and provided that the total number of units in a project that will receive PBV assistance will not exceed 25 percent of the total number of dwelling units in the project (assisted and unassisted), (unless units were initially identified in the HAP contract as excepted from the 25 percent limitation in accordance with §983.56(b)), or the 20 percent of authorized budget authority as provided in §983.6, a HAP contract may be amended during the three-year period immediately following the execution date of the HAP contract to add additional PBV contract units in the same project. An amendment to the HAP contract is subject to all PBV requirements (e.g., rents are reasonable), except that a new PBV request for proposals is not required. The anniversary and expiration dates of the HAP

contract for the additional units must be the same as the anniversary and expiration dates of the HAP contract term for the PBV units originally placed under HAP contract.

Addition to Contract Units- HOTMA provision.

The YHA and owner may amend the HAP contract to add additional PBV contract units in projects that already have a HAP contract without having to fulfill the selection requirements found at 24 CFR 983.51(b) for those additional PBV units, regardless of when the HAP contract was signed. The additional PBV units, however, are still subject to the PBV program cap and individual project caps. Prior to attaching additional units without competition, the YHA must submit to the local field office information outlined in FR Notice 1/18/17. The YHA must also detail in the administrative plan their intent to add PBV units and the rationale for adding units to the specific PBV project. The rationale for YHA will include but not be limited to the following:

- It is in the best interest of the YHA and participant to make this housing type available
- It is in the best use of the limited resources provided to the YHA
- It offers additional resources that would not be readily available through other means
- It serves the housing interests of the community

Staged Completion of Contract Units. Even if contract units are placed under the HAP contract in stages commencing on different dates, there is a single annual anniversary for all contract units under the HAP contract. The annual anniversary for all contract units is the annual anniversary date for the first contract units placed under the HAP contract. The expiration of the HAP contract for all the contract units completed in stages must be concurrent with the end of the HAP contract term for the units originally placed under HAP contract.

Condition of Contract Units (24 CFR §983.208)

Owner maintenance and operation. The owner must maintain and operate the contract units and premises in accordance with the HQS, including performance of ordinary and extraordinary maintenance. The owner must provide all the services, maintenance, equipment, and utilities specified in the HAP contract with the YHA and in the lease with each assisted family.

At the discretion of the YHA, the HAP contract may also require continuing owner compliance during the HAP term with additional housing quality requirements specified by the YHA (in addition to, but not in place of, compliance with the HUD-prescribed HQS). Such additional requirements may be designed to assure continued compliance with any design, architecture, or quality requirement specified in the Agreement.

Remedies for HQS violation. The YHA must vigorously enforce the owner's obligation to maintain contract units in accordance with the HQS. The YHA may not make any HAP payment to the owner for a contract unit covering any period during which the contract unit does not

comply with the HQS. If the YHA determines that a contract unit is not in accordance with the housing quality standards (or other HAP contract requirement), the YHA may exercise any of its remedies under the HAP contract for all or any contract units. Such remedies include termination of housing assistance payments, abatement or reduction of housing assistance payments, reduction of contract units, and termination of the HAP contract.

Maintenance and replacement—Owner's standard practice. Maintenance and replacement (including redecoration) must be in accordance with the standard practice for the building concerned as established by the owner.

17.1.U. OWNER RESPONSIBILITIES AND CERTIFICATIONS [24 CFR 983.209-983.210]

The owner is responsible for performing all of the owner responsibilities under the Agreement and the HAP contract. 24 CFR 982.452 (Owner responsibilities) applies.

By execution of the HAP contract, the owner certifies that at such execution and at all times during the term of the HAP contract:

- a) All contract units are in good and tenantable condition. The owner is maintaining the premises and all contract units in accordance with the HQS.
- b) The owner is providing all the services, maintenance, equipment, and utilities as agreed to under the HAP contract and the leases with assisted families.
- c) Each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family referred by the YHA, and the lease is in accordance with the HAP contract and HUD requirements.
- d) To the best of the owner's knowledge, the members of the family reside in each contract unit for which the owner is receiving housing assistance payments, and the unit is the family's only residence.
- e) The owner (including a principal or other interested party) is not the spouse, parent, child, grandparent, grandchild, sister, or brother of any member of a family residing in a contract unit.
- f) The amount of the housing assistance payment is the correct amount due under the HAP contract.
- g) The rent to owner for each contract unit does not exceed rents charged by the owner for other comparable unassisted units.

- h) Except for the housing assistance payment and the tenant rent as provided under the HAP contract, the owner has not received and will not receive any payment or other consideration (from the family, the YHA, HUD, or any other public or private source) for rental of the contract unit.
- i) The family does not own or have any interest in the contract unit. The certification required by this section does not apply in the case of an assisted family's membership in a cooperative.
- j) Repair work on a project selected as an existing project that is performed after HAP execution within such post-execution period as specified by HUD may constitute development activity, and if determined to be development activity, the repair work undertaken shall be in compliance with Davis-Bacon wage requirements.

Removal of the Unit From HAP Contract (24 CFR §983.211)

Units occupied by families whose income has increased during their tenancy resulting in the tenant rent equaling the rent to the owner, shall be removed from the HAP Contract 180 days following the last housing assistance payment on behalf of the family.

If the project is fully assisted, the YHA may reinstate the unit removed to the HAP contract after the ineligible family vacates the property. If the project is partially assisted, the YHA may substitute a different unit for the unit removed to the HAP contract when the first eligible substitute becomes available.

A reinstatement or substitution of units under the HAP contract, must be permissible under §983.207. The anniversary and expirations dates of the HAP contract for the unit must be the same as it was when it was originally placed under the HAP contract. The YHA must refer eligible families to the owner in accordance with the YHA's selection policies.

17.1.V. TENANT SELECTION [24 CFR 983.251]

YHA may select families who are participants in the YHA's tenant-based voucher program and families who have applied for admission to the voucher program- including the PBV Program. Except for voucher participants (determined eligible at original admission to the voucher program), the YHA may only select families determined eligible for admission at commencement of PBV assistance. The protections for victims of domestic violence, dating violence, or stalking in 24 CFR part 5, subpart L, apply to admission to the project-based program. YHA may not approve a tenancy if the owner (including a principal or other interested party) of a unit is the parent, child, grandparent, grandchild, sister, or brother of any member of the family, unless the YHA determines that approving the unit would provide reasonable accommodation for a family member who is a person with disabilities.

As with the tenant based program, not less than 75 percent of the families admitted to YHA's tenant based and project-based voucher programs during the fiscal year from the YHA waiting

list shall be extremely low-income families. The income-targeting requirements at 24 CFR 982.201(b)(2) also apply to the total of admissions to the YHA's tenant based and project-based voucher programs.

Protection of In-Place Families. The term "in-place family" means an eligible family residing in a proposed contract unit on the proposal selection date. In order to minimize displacement of in-place families, if a unit to be placed under contract that is either an existing unit or one requiring rehabilitation is occupied by an eligible family on the proposal selection date, the in-place family must be placed on the YHA's waiting list (if the family is not already on the list) and, once its continued eligibility is determined, given an absolute selection preference and referred to the project owner for an appropriately sized PBV unit in the project. (YHA may deny assistance for the grounds specified in 24 CFR 982.552 and 982.553.) Admission of such families is not subject to income-targeting under 24 CFR 982.201(b)(2)(i), and such families must be referred to the owner from the YHA's waiting list. YHA shall give such families first priority for admission to the PBV program. This protection does not apply to families occupying the site that are not eligible to participate in the program on the proposal selection date.

Selection from the YHA Waiting List. Applicants who will occupy PBV units must be selected by YHA from the YHA waiting list. The YHA must select applicants from the waiting list in accordance with the policies in the YHA Administrative Plan.

Waiting List Management

The YHA may use separate waiting lists for PBV units in individual projects or buildings (or for sets of such units) or may use a single waiting list for the YHA's whole PBV program. In either case, the waiting list may establish criteria or preferences for occupancy of particular units.

YHA Policy:

- YHA will establish individual site-based waiting lists for each PBV project selected.
- YHA may place families referred by the PBV owner/management entity on its PBV waiting list.
- YHA will offer to place applicants who are listed on the waiting list for tenant-based assistance on the site-based waiting list(s) for PBV assistance upon the opening of such site based waiting list.
- YHA will open and close the site-based waiting lists pursuant to the procedures outlined in Administrative Plan.

- An applicant may be placed on both the tenant-based and project-based waiting list. At the time of application, should the waiting list be open, YHA will offer to place applicants who are listed on the tenant-based waiting list on the PBV waiting list, and vice versa.
 - YHA will establish criteria or preferences for occupancy of particular sites on the PBV waiting list. YHA may place families referred by the PBV owner on its PBV waiting list. In selecting families to occupy PBV units with special accessibility features for persons with disabilities, YHA will first refer families who require such features to the owner (see 24 CFR 8.26 and 100.202)
- ~~—YHA will establish individual site-based waiting lists for each PBV project selected.~~

~~YHA may place families referred by the PBV owner/management entity on its PBV waiting list.~~

~~YHA will offer to place applicants who are listed on the waiting list for tenant-based assistance on the site-based waiting list(s) for PBV assistance upon the opening of such site-based waiting list.~~

~~YHA will open and close the site-based waiting lists pursuant to the procedures outlined in Administrative Plan.~~

~~An applicant may be placed on both the tenant-based and project-based waiting list. At the time of application, should the waiting list be open, YHA will offer to place applicants who are listed on the tenant-based waiting list on the PBV waiting list, and vice versa.~~

~~YHA will establish criteria or preferences for occupancy of particular sites on the PBV waiting list. YHA may place families referred by the PBV owner on its PBV waiting list. In selecting families to occupy PBV units with special accessibility features for persons with disabilities, YHA will first refer families who require such features to the owner (see 24 CFR 8.26 and 100.202).~~

Offer of PBV assistance. If a family refuses the YHA's offer of PBV assistance, such refusal does not affect the family's position on the YHA waiting list for tenant-based assistance.

If a PBV owner rejects a family for admission to the owner's PBV units, such rejection by the owner does not affect the family's position on the YHA waiting list for tenant-based assistance.

YHA may not take any of the following actions against an applicant who has applied for, received, or refused an offer of PBV assistance:

- Refuse to list the applicant on the YHA waiting list for tenant-based assistance;

- Deny any admission preference for which the applicant is currently qualified;
- Change the applicant's place on the waiting list based on preference, date, and time of application, or other factors affecting selection under the YHA selection policy;
- Remove the applicant from the waiting list for tenant-based voucher assistance.

Preference for services offered. In selecting families, YHA will give preference to disabled families who need services offered at a particular project. The prohibition on granting preferences to persons with a specific disability at 24 CFR 982.207(b)(3) continues to apply. The preference shall be limited to the population of families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing; who, without appropriate supportive services, will not be able to obtain or maintain themselves in housing; and for whom such services cannot be provided in a non-segregated setting. Disabled residents shall not be required to accept the particular services offered at the site.

In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project

Preferences/Site Specific Requirements

The YHA may use the same selection preferences that are used for the tenant-based voucher program, establish selection criteria or preferences for the PBV program as a whole, or for occupancy of particular PBV developments or units. The YHA must provide an absolute selection preference for eligible in-place families as described above.

The YHA may establish a selection preference for families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units, provided that preference is consistent with the PHA plan. The YHA may not, however, grant a preference to a person with a specific disability [FR Notice 1/18/17].

In advertising such a project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible disabled persons who may benefit from services provided in the project. In these projects, disabled residents may not be required to accept the particular services offered as a condition of occupancy.

If the YHA has projects with “excepted units” for elderly families or supportive services, the YHA must give preference to such families when referring families to these units [24 CFR 983.261(b); FR Notice 1/18/17].

YHA may establish separate site-based preferences or specific requirements for each PBV project. These preferences may include those for elderly or disabled families, or preferences related to supportive housing programs. Residents on the tenant-based waiting list will be informed of any applicable preferences for each PBV project at the time of the initial opening of the site-based waiting lists. Applicants for assistance shall also be informed of all applicable preferences for each list at the time of application.

For existing housing, any in-place tenant that qualifies will receive the preference for in-place residents at 24 CFR 983.251(b).

~~Any preferences that would be necessary to the operation of the project, or required by a funding source must be disclosed in the proposal. YHA may establish separate site-based preferences or specific requirements for each PBV project. These preferences may include those for elderly or disabled families, or preferences related to supportive housing programs. Preferences may include those outlined in the Administrative Plan. Residents on the tenant based waiting list will be informed of any applicable preferences for each PBV project at the time of the initial opening of the site-based waiting lists. Applicants for assistance shall also be informed of all applicable preferences for each list at the time of application.~~

YHA will have site specific requirements for each site and will be posted at the admission office and at the site. It will include additional supportive services requirements.

~~For existing housing, any in-place tenant that qualifies will receive the preference for in-place residents at 24 CFR 983.251(b).~~

~~Any preferences that would be necessary to the operation of the project, or required by a funding source must be disclosed in the proposal.~~

~~YHA will have site specific requirements for each site and will be posted at the admission office and at the site. It will include additional supportive services requirements.~~

Supportive Housing Related Preferences and Disability

If PBV units include special accessibility features for persons with disabilities, YHA will first refer families who require such accessibility features to the owner. For other units that are designated to receive supportive services, YHA may give preference to disabled families who need services offered at a particular project. Project owners may advertise the project as offering services for a particular type of disability, however, the project must be open to all otherwise eligible persons with disabilities who may benefit from services provided in the project.

Only families that meet the following limits will be eligible for any supportive housing preference:

-
- Families (including individuals) with disabilities that significantly interfere with their ability to obtain and maintain themselves in housing
 - Families that without appropriate supportive services will not be able to obtain or maintain themselves in housing
 - Families for whom such services cannot be provided in a non-segregated setting.

Disabled residents shall not be required to accept the particular services offered at the project.

YHA is prohibited from granting preferences to persons with specific disabilities (see 24 CFR 982.207(b)(3)),

Tenant Selection

In referring families to the owner for admission to excepted units, the YHA must give preference to elderly and/or disabled families, or to families receiving supportive services.

When notified of a vacancy in a PBV unit, YHA will refer tenants from the site specific waiting list based on bedroom size in the following order:

First, applicants that meet the site-based preferences based on time and date of application and any priority.

Second, applicants that meet the tenant-based assistance preferences as set forth in this Administrative Plan based on time and date of application and any priority.

Third, all other applicants based on the time and date of the application

YHA Information for Accepted Family.

Oral briefing. When a family accepts an offer of PBV assistance, the YHA must give the family an oral briefing. The briefing must include information on the following subjects:

- (1) A description of how the program works; and
- (2) Family and owner responsibilities.

Information packet. The YHA must give the family a packet that includes information on the following subjects:

- (1) How the YHA determines the total tenant payment for a family;
- (2) Family obligations under the program; and
- (3) Applicable fair housing information.

Providing information for persons with disabilities. If the family head or spouse is a disabled person, the YHA must take appropriate steps to assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet, including in alternative formats. The YHA shall have some mechanism for referring to accessible PBV units a family that includes a person with mobility impairment.

Providing information for persons with limited English proficiency. The YHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with obligations contained in Title VI of the Civil Rights Act of 1964 and Executive Order 13166.

Tenant Screening

YHA option. The YHA has no responsibility or liability to the owner or any other person for the family's behavior or suitability for tenancy. However, the YHA may opt to screen applicants for family behavior or suitability for tenancy and may deny admission to an applicant based on such screening. The YHA will provide additional information to Managers of YHA owned or substantial controlled units in accordance with the Administrative Plan.

The YHA must conduct any such screening of applicants in accordance with policies stated in the YHA administrative plan.

Owner responsibility. The owner is responsible for screening and selection of the family to occupy the owner's unit. The owner is responsible for screening of families on the basis of their tenancy histories. An owner may consider a family's background with respect to such factors as:

- Payment of rent and utility bills;
- Caring for a unit and premises;
- Respecting the rights of other residents to the peaceful enjoyment of their housing;
- Drug-related criminal activity or other criminal activity that is a threat to the health, safety, or property of others; and
- Compliance with other essential conditions of tenancy;

Providing tenant information to owner. The YHA must give the owner:

- The family's current and prior address (as shown in the YHA records); and
- The name and address (if known to the YHA) of the landlord at the family's current and any prior address.

When a family wants to lease a dwelling unit, the YHA may offer the owner other information in the YHA possession about the family, including information about the tenancy history of family

members or about drug trafficking and criminal activity by family members. The YHA will provide additional information upon written request by the owner.

YHA must give the family a description of the YHA policy on providing information to owners. The YHA policy must provide that the YHA will give the same types of information to all owners.

The protections for victims of domestic violence, dating violence, or stalking in 24 CFR part 5, subpart L, apply to tenant screening.

YHA's policy for providing information to owners about families referred to PBV units is not different than YHA's policies for tenant-based applicants, which are provided in YHA's Administrative Plan.

Leasing of contract units. (24CFR §983.253)

Owner selection of tenants. During the term of the HAP contract, the owner must lease contract units only to eligible families selected and referred by the YHA from the YHA waiting list. The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection.

Size of unit. The contract unit leased to each family must be appropriate for the size of the family under the YHA's subsidy standards.

Vacancies. 24 CFR §983.254

Filling vacant units. The owner must promptly notify the YHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, the YHA must make every reasonable effort to refer promptly a sufficient number of families for the owner to fill such vacancies. The owner must lease vacant contract units only to eligible families on the YHA waiting list referred by the YHA. The YHA and the owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy.

Reducing number of contract units. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the YHA to fill such vacancies), the YHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

Lease. (24CFR §983.256)

Tenant's legal capacity. The tenant must have legal capacity to enter a lease under state and local law. "Legal capacity" means that the tenant is bound by the terms of the lease and may enforce the terms of the lease against the owner.

Form of lease. The tenant and the owner must enter a written lease for the unit. The lease must be executed by the owner and the tenant. If the owner uses a standard lease form for rental to unassisted tenants in the locality or the premises, the lease must be in such standard form, except as provided in the lease addendum and regulations. If the owner does not use a standard lease form for rental to unassisted tenants, the owner may use another form of lease, such as a YHA model lease. In all cases, the lease must include a HUD-required tenancy addendum. The tenancy addendum must include, word-for-word, all provisions required by HUD.

YHA may review the owner's lease form to determine if the lease complies with state and local law. YHA may decline to approve the tenancy if the YHA determines that the lease does not comply with state or local law.

Required information. The lease must specify all of the following:

- (1) The names of the owner and the tenant;
- (2) The unit rented (address, apartment number, if any, and any other information needed to identify the leased contract unit);
- (3) The term of the lease (initial term and any provision for renewal);
- (4) The amount of the tenant rent to owner. The tenant rent to owner is subject to change during the term of the lease in accordance with HUD requirements;
- (5) A specification of what services, maintenance, equipment, and utilities are to be provided by the owner; and
- (6) The amount of any charges for food, furniture, or supportive services.

Tenancy addendum. (1) The tenancy addendum in the lease shall state:

- The program tenancy requirements (as specified in this part);
- The composition of the household as approved by the YHA (names of family members and any YHA-approved live-in aide).

All provisions in the HUD-required tenancy addendum must be included in the lease. The terms of the tenancy addendum shall prevail over other provisions of the lease.

Changes in lease. If the tenant and the owner agree to any change in the lease, such change must be in writing, and the owner must immediately give the YHA a copy of all such changes.

The owner must notify the YHA in advance of any proposed change in lease requirements governing the allocation of tenant and owner responsibilities for utilities. Such changes may be made only if approved by the YHA and in accordance with the terms of the lease relating to its amendment. The YHA must redetermine reasonable rent, in accordance with §983.303(c), based on any change in the allocation of responsibility for utilities between the owner and the tenant, and the redetermined reasonable rent shall be used in calculation of rent to owner from the effective date of the change.

Term of lease. (1) The initial lease term must be for at least one year. The lease must provide for automatic renewal after the initial term of the lease. The lease may provide either:

- For automatic renewal for successive definite terms (e.g., month-to-month or year-to-year); or
- For automatic indefinite extension of the lease term.

The term of the lease terminates if any of the following occurs:

- The owner terminates the lease for good cause;
- The tenant terminates the lease;
- The owner and the tenant agree to terminate the lease;
- The YHA terminates the HAP contract; or
- The YHA terminates assistance for the family.

Lease provisions governing absence from the unit. The lease may specify a maximum period of family absence from the unit that may be shorter than the maximum period permitted by YHA policy. (YHA termination-of-assistance actions due to family absence from the unit are subject to 24 CFR 982.312, except that the unit is not terminated from the HAP contract if the family is absent for longer than the maximum period permitted.)

Owner termination of tenancy and eviction. 24 CFR §983.257

In general, 24 CFR 982.310 applies with the exception that §982.310(d)(1)(iii) and (iv) do not apply to the PBV program. (In the PBV program, “good cause” does not include a business or economic reason or desire to use the unit for an individual, family, or non-residential rental purpose.) 24 CFR 5.858 through 5.861 on eviction for drug and alcohol abuse apply to this part. Part 5, subpart L of 24 CFR, on protection for victims of domestic violence, dating violence, or stalking applies to the PBV Program.

If a family resides in a project-based unit excepted from the 25 percent per-project cap on project-basing because of participation in an FSS or other supportive services program, and the

family fails without good cause to complete its FSS contract of participation or supportive services requirement, such failure is grounds for lease termination by the owner.

Continuation of housing assistance payments. 24 CFR§983.258

Housing assistance payments shall continue until the tenant rent equals the rent to owner. The cessation of housing assistance payments at such point will not affect the family's other rights under its lease, nor will such cessation preclude the resumption of payments as a result of later changes in income, rents, or other relevant circumstances if such changes occur within 180 days following the date of the last housing assistance payment by the YHA. After the 180-day period, the unit shall be removed from the HAP contract pursuant to §983.211

Security deposit: amounts owed by tenant. 24 CFR§983.259

The owner may collect a security deposit from the tenant. The YHA may prohibit security deposits in excess of private market practice, or in excess of amounts charged by the owner to unassisted tenants. When the tenant moves out of the contract unit, the owner, subject to state and local law, may use the security deposit, including any interest on the deposit, in accordance with the lease, as reimbursement for any unpaid tenant rent, damages to the unit, or other amounts which the tenant owes under the lease. The owner must give the tenant a written list of all items charged against the security deposit and the amount of each item. After deducting the amount used to reimburse the owner, the owner must promptly refund the full amount of the balance to the tenant. If the security deposit is not sufficient to cover amounts the tenant owes under the lease, the owner may seek to collect the balance from the tenant. However, the YHA has no liability or responsibility for payment of any amount owed by the family to the owner.

Procedures for Families Occupying a Unit of the Wrong Size or an Accessible Unit Whose Accessibility Features Are Not Quite Required by the Family

Family occupancy of wrong-size or accessible unit. The YHA subsidy standards determine the appropriate unit size for the family size and composition. If the YHA determines that a family is occupying a:

- (1) Wrong-size unit, or
- (2) Unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the YHA must promptly notify the family and the owner of this determination, and of the YHA's offer of continued assistance in another unit pursuant to the regulations.

YHA offer of continued assistance. If a family is occupying a:

- Wrong-size unit, or

- Unit with accessibility features that the family does not require, and the unit is needed by a family that requires the accessibility features, the YHA must offer the family the opportunity to receive continued housing assistance in another unit.

The YHA policy on such continued housing assistance is stated in the administrative plan and may be in the form of:

- Project-based voucher assistance in an appropriate-size unit (in the same project or in another project);
- Other project-based housing assistance (*e.g.*, by occupancy of a public housing unit);
- Tenant-based rental assistance under the voucher program; or
- Other comparable public or private tenant-based assistance (*e.g.*, under the HOME program).

YHA termination of housing assistance payments. If the YHA offers the family the opportunity to receive tenant-based rental assistance under the voucher program, the YHA must terminate the housing assistance payments for a wrong-sized or accessible unit at the earlier of the expiration of the term of the family's voucher (including any extension granted by the YHA) or the date upon which the family vacates the unit. If the family does not move out of the wrong-sized unit or accessible unit by the expiration date of the term of the family's voucher, the YHA must remove the unit from the HAP contract.

If the YHA offers the family the opportunity for another form of continued housing assistance in accordance with the regulations (not in the tenant-based voucher program), and the family does not accept the offer, does not move out of the PBV unit within 30 days as determined by the YHA, or both, the YHA must terminate the housing assistance payments for the wrong-sized or accessible unit, at the expiration of a reasonable period as determined by the YHA, and remove the unit from the HAP contract.

Family Right to Move (24CFR§983.261)

The family may terminate the assisted lease at any time after the first year of occupancy. The family must give the owner advance written notice of intent to vacate (with a copy to the YHA) in accordance with the lease. If the family has elected to terminate the lease in this manner, the YHA 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. Before providing notice to terminate the lease, a family must contact the YHA to request comparable tenant-based rental assistance if the family wishes to move with continued assistance. If voucher or other comparable tenant-based rental assistance is not immediately available upon termination of the family's lease of a PBV unit, the YHA must give the family priority to receive the next available opportunity for continued tenant-based rental assistance. If

the family terminates the assisted lease before the end of one year, the family relinquishes the opportunity for continued tenant-based assistance.

When occupancy may exceed 25 percent cap on the number of PBV units in each project. (24 CFR§983.262)

Except as provided in HOTMA and RAD provisions, the YHA may not pay housing assistance under the HAP contract for contract units in excess of 25 units or 25 percent cap pursuant to §983.56(a).

The YHA may not pay housing assistance under a PBV HAP contract for more than the greater of 25 units or 25 percent of the number of dwelling units in a project unless:

- The units are exclusively for elderly families
- The units are for households eligible for supportive services available to all families receiving PBV assistance in the project
- The project is located in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey Five-Year estimates

If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received Family Self-Sufficiency (FSS) supportive services or any other service as defined by the YHA and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit. However, if the FSS family fails to successfully complete the FSS contract of participation or supportive services objective and consequently is no longer eligible for the supportive services, the family must vacate the unit within a reasonable period of time established by the YHA, and the YHA shall cease paying HAP on behalf of the family.

Further, when a family (or remaining members of a family) residing in an excepted unit no longer meets the criteria for a "qualifying family" because the family is no longer an elderly family due to a change in family composition, the YHA has the discretion to allow the family to remain in the excepted unit. If the YHA does not exercise this discretion, the family must vacate the unit within a reasonable period of time established by the YHA, and the YHA must cease paying housing assistance payments on behalf of the non-qualifying family.

Individuals in units with supportive services who choose to no longer participate in a service or who no longer qualify for services they qualified for at the time of initial occupancy cannot subsequently be denied continued housing opportunity because of this changed circumstance. YHA or owner cannot determine that a participant's needs exceed the level of care offered by qualifying services or require that individuals be transitioned to different projects based on service needs.

If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the building in accordance with program requirements; or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations to comply with supportive services requirements must be terminated by the YHA.

YHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly family member or long-term or permanent hospitalization or nursing care), the elderly family member no longer resides in the unit. In this case, the unit may continue to be counted as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualified family.

YHA Policy

YHA will allow families who initially qualified to live in an excepted unit to remain when circumstances change due to circumstances beyond the remaining family members' control.

In all other cases, the YHA will provide written notice to the family and owner within 10 business days of making the determination. The family will be given 30 days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30-day time frame, the YHA will terminate the housing assistance payments at the expiration of this 30-day period.

The YHA may make exceptions to this 30-day period if needed for reasons beyond the family's control such as death, serious illness, or other medical emergency of a family member.

~~Except as provided in §983.56(b) and RAD, the YHA may not pay housing assistance under the HAP contract for contract units in excess of the 25 percent cap pursuant to §983.56(a).~~

~~In referring families to the owner for admission to excepted units, the YHA must give preference to elderly and/or disabled families, or to families receiving supportive services.~~

~~If a family at the time of initial tenancy is receiving and while the resident of an excepted unit has received FSS supportive services or any other service as defined in the YHA administrative plan, and successfully completes the FSS contract of participation or the supportive services requirement, the unit continues to count as an excepted unit for as long as the family resides in the unit.~~

~~A family (or the remaining members of the family) residing in an excepted unit that no longer meets the criteria for a “qualifying family” in connection with the 25 percent per project cap exception (i.e., a family that does not successfully complete its FSS contract of participation or the supportive services requirement as defined in the YHA administrative plan or the remaining members of a family that no longer qualifies for elderly or disabled family status where the YHA does not exercise its discretion must vacate the unit within a reasonable period of time established by the YHA, and the YHA shall cease paying housing assistance payments on behalf of the non-qualifying family. If the family fails to vacate the unit within the established time, the unit must be removed from the HAP contract unless the project is partially assisted, and it is possible for the HAP contract to be amended to substitute a different unit in the project in accordance with §983.207(a); or the owner terminates the lease and evicts the family. The housing assistance payments for a family residing in an excepted unit that is not in compliance with its family obligations (e.g., a family fails, without good cause, to successfully complete its FSS contract of participation or supportive services requirement) shall be terminated by the YHA.~~

~~The YHA may allow a family that initially qualified for occupancy of an excepted unit based on elderly or disabled family status to continue to reside in a unit, where through circumstances beyond the control of the family (e.g., death of the elderly or disabled family member or long term or permanent hospitalization or nursing care), the elderly or disabled family member no longer resides in the unit. In this case, the unit may continue to count as an excepted unit for as long as the family resides in that unit. Once the family vacates the unit, in order to continue as an excepted unit under the HAP contract, the unit must be made available to and occupied by a qualifying family.~~

Inspections

The YHA will inspect PBV units in accordance with the regulations at 24 CFR 983.103 and Housing Quality Standards (HQS) at 24 CFR 983.101 and 982.401 and this Administrative Plan:

- Pre-Selection. For new construction or rehabilitated units, the YHA will inspect the site prior to making the proposal selection. For existing housing, all units must substantially comply with HQS prior to proposal selection.
- Prior to entering the HAP Contract. All units must fully comply with HQS standards prior to executing the HAP Contract.
- Turnover. Each time a family moves out of a PBV unit, the YHA will inspect the unit before providing assistance to a new family.
- Biennial/Annual Inspections. The YHA will inspect at least 20% of the contract units in each building, turnover inspections are not counted towards meeting the 20%. If more than 20% of the inspected units fail inspection, the YHA must re-inspect all units in the building.

- As needed. The YHA will inspect units as needed to ensure that the units comply with HQS. The YHA will take into account complaints and other information when scheduling inspections.

YHA-owned units shall be inspected by an independent third party approved by HUD.

Rent

Rent to the owner shall be set in accordance with 24 CFR 983.301, such that the initial rent shall not exceed:

- 1) 110% of the applicable fair market rent for the unit minus the utility allowance;
- 2) the reasonable rent; or
- 3) the rent requested by the owner.

The tenant portion of the rent shall be determined in accordance with 24 CFR 983.353 and the policies in this Administrative Plan.

The YHA shall not make vacancy payments for units that are unoccupied beyond the month of move-out. Owners may request vacancy payments for the month of move out provided that the owner properly notifies the YHA of the vacancy and provided that the vacancy was not caused by any action of the owner.

Rent shall be re-determined in accordance with 24 CFR 983.302:

- Upon the owner's request upon the annual anniversary of the HAP Contract.
- When there is a 5% or greater decrease in the published fair market rents

17.1.W. RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM (PIH 2012-32 REV 3) ~~**17.1.W. RENTAL ASSISTANCE DEMONSTRATION (RAD) PROGRAM (PIH 2012-32 REV)**~~

YHA has converted previous public housing to RAD PBV.

~~**PBV Conversions.** Where the YHA converts assistance of a public housing project to Section 8 PBVs, the project will be administered by the agency on whose Annual Contributions Contract (ACC) the vouchers are assigned (which in many cases will be the same agency that is converting assistance). Contract rents will be established according to the terms described in PIH 2012-32 rev 1 and will be adjusted annually by an operating cost factor at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. The initial contract will be for a period of at least 15 years (up to 20 years upon approval of the administering voucher agency) and will be subject to annual appropriations. At expiration of the initial contract, the agency administering the vouchers shall offer, and the YHA shall accept, a renewal contract. Each project with a PBV contract will also carry a concurrent~~

~~renewable RAD Use Agreement. Further, YHA will provide a ChoiceMobility option to residents of covered projects in accordance with PBV program rules. With the exception of provisions identified in PIH 2012-32 rev 1, regulatory and statutory requirements of the PBV program in 24 CFR Part 983 shall apply.~~

~~Under the Demonstration, HUD has the authority to waive or specify alternative public housing requirements, or to establish requirements for converted assistance under the demonstration. Additionally, the RAD statute imposes certain unique requirements. To facilitate the conversion of assistance, HUD is waiving or imposing the following alternative and other public housing program requirements for public housing projects converting assistance:~~

~~**Use of Public Housing Program Funds to Support Conversion.** YHA is permitted under the Demonstration to use available public housing funding, including Operating Reserves, Capital Funds, and Replacement Housing Factor (RHF) funds, as an additional source of capital in the development budget to support conversion, whether for rehabilitation or new construction. Eligible conversion-related uses for these funds include pre-development, development, or rehabilitation costs and establishment of a capital replacement reserve or operating reserve. These funds must be identified in the Financing Plan submitted to HUD for review. (YHA may not use public housing program funds on a project following conversion.) If the YHA requests, in accordance with section 9(j)(2)(A)(ii) of the United States Housing Act of 1937 and the relevant HUD Appropriation Acts, HUD will extend the obligation end date for Capital Funds used in the conversion for up to five years from the point when Capital Funds became available to the YHA for obligation. By extending the obligation end dates, the expenditure end dates will correspondingly be also extended. Such extensions will prevent PHAs from otherwise losing its unobligated Capital Funds prior to conversion.~~

~~Prior to the approval of a project's Financing Plan, YHA may expend up to \$100,000 in public housing program funds in related pre-development conversion costs per project without HUD approval. Predevelopment assistance may be used to pay for materials and services related to proposed development and may also be used for preliminary development work. Public housing program funds spent prior to the effective date of the HAP are subject to public housing procurement rules. Approval of the Financing Plan constitutes approval of the expenditure of necessary additional predevelopment costs supported by public housing funds.~~

~~In the case YHA is converting all units under ACC, there is no restriction on the amount of public housing funds that may be contributed to the converting project(s) at the point of conversion, i.e., the YHA may convey all program funds to the project undergoing conversion. In the case where the YHA will continue to maintain other units in its inventory under public housing ACC, a contribution to the converting project of Operating Funds that exceeds the average amount the project has held in Operating Reserves over the past three years will trigger a subsidy layering review under 24 CFR § 4.13. Similarly, any contribution of Capital Funds, including RHF funds, will trigger a subsidy layering review.~~

~~In addition, following execution of the HAP, YHA is authorized to use Operating and~~

~~Capital Funds to make HAP payments for the remainder of the calendar year of conversion. Otherwise, YHA may not contribute public housing program funds to the covered project unless such funding has been identified in the approved Financing Plan.~~

~~**Inapplicability of Section 18 of the Act for Properties Converting All or Substantially All Units.** Conversion of assistance does not require approval through Section 18, unless the proposal would reduce the number of assisted units by more than a de minimis amount. Section 18 will similarly not apply for any units that will be replaced off-site. A de minimis reduction is defined as the greater of five percent of the number of project units under ACC immediately prior to conversion or five units. A unit is excluded from this de minimis threshold if any of the following apply:~~

~~1. The unit has already received approval from HUD under Section 18 for Demolition or Disposition;~~

~~**Ineligibility for Asset Repositioning Fee (ARF) or Replacement Housing Factor (RHF) Fee.** YHA may not apply for ARF and will be ineligible to receive Capital Fund RHF grants for converted units/projects as is otherwise described in 24 CFR § 990.190(h) and 24 CFR § 905.10(i), respectively. RAD does not affect ARF or RHF fees for projects and PHAs previously receiving those fees.~~

~~**Effect of Conversion on YHA's Faircloth Limit.** Section 9(g)(3) of the Act limits the construction of new public housing units, referred to as the "Faircloth Limit." Under the Faircloth Limit, the YHA may not use funds allocated under the Capital or Operating Funds for the purpose of constructing any new public housing units if the construction of those units would result in a net increase in the number of units the YHA owned, assisted, or operated as of October 1, 1999.~~

~~Conversions under the Demonstration will reduce YHA's Faircloth Limit. For example, YHA with a pre-RAD Faircloth Limit of 1,000 public housing units would have its Faircloth Limit reduced to 900 units if it converted a 100-unit project. (Units not converted under the de minimis provision would continue to count under the PHA's Faircloth cap.)~~

~~**Conversion is a Significant Amendment to Annual/Five Year Plan.** Conversion of assistance under the Demonstration will be considered a significant amendment to the YHA's Five-Year Plan for qualified and non-qualified PHAs, the Annual Plan for non-qualified PHAs, and the Moving to Work (MTW) Plan for MTW PHAs. As such, qualified and nonqualified PHAs, as well as MTW PHAs, are subject to the Consolidated Plan requirements and the public notice and Resident Advisory Board consultation requirements outlined in 24 CFR Part 903. If the conversion will require changes to the YHA's Admissions and Continued Occupancy Policy (ACOP) and/or Section 8 Administrative Plan, these changes must also be submitted with the significant amendment. YHA must submit this amendment to HUD within 60 days following the delivery of the CHAP. In addition to the information already required by 24 CFR Part 903 for YHA Plan amendments, all PHAs shall be required to provide the information listed in their~~

Significant Amendment.

HUD will review all significant amendments for compliance with civil rights laws, Executive Orders, and regulations. YHA may be asked to provide further information on how the proposed conversion will meet civil rights requirements including, but not limited to, how the proposed conversion will: meet the applicable site and neighborhood requirements; provide housing in the most integrated setting appropriate to the needs of qualified persons with disabilities in accordance with 24 CFR § 8.4(d); and affirmatively further fair housing.

In addition, any substantial change to the conversion plan is required to undergo the significant amendment process or other HUD review if the substantial changes involve a transfer of assistance, a change in the number of assisted units, or a change in eligibility or preferences for new applicants.

Moving-To-Work (MTW) Agencies. If an MTW agency chooses to convert assistance to PBRA under this Demonstration, the covered project(s) will no longer be included as part of the PHA's MTW program. If an MTW agency chooses to convert assistance to PBV, the covered project(s) will continue to be included in the PHA's MTW program. However, in the event that there's a conflict between the MTW Agreement and this final Notice, this final Notice will prevail for the covered project and HUD will work with the PHA to amend any of its MTW Agreements as needed.

Outstanding Debt Incurred Under Section 4 of the Act. For any outstanding principal balance and interest due on loans held by HUD issued to finance original development or modernization of the covered project under Section 4 of the Act, HUD will exercise its waiver authority under Section 4 of the Act to forgive the loan upon conversion.

Resident Opportunities and Self-Sufficiency Service Coordinators (ROSS-SC) and Public Housing Family Self-Sufficiency (PH-FSS) programs. So that residents currently participating in ROSS-SC or PH-FSS may continue to do so upon conversion, HUD is waiving provisions in section 34 of the Act that limit ROSS-SC and PH-FSS to Public Housing. Additionally, PHAs may not terminate or withhold assistance for noncompliance with the FSS contract for PH-FSS participants who convert to the HCV-FSS program; as such, HUD is waiving 24 CFR 984.303(b)(5)(iii) for these participants.

Public Housing Assessment System (PHAS). Upon issuance of a CHAP, all public housing units covered by the CHAP shall not be issued scores for the fiscal year in which the CHAP was issued, nor any subsequent fiscal year until such time as conversion, at which point the units shall be subject to applicable Section 8 program requirements. If HUD revokes the CHAP, HUD reserves the right to reassess and rescore all PHAS indicators and issue a new PHAS score and designation for all fiscal years concerning these units covered by the CHAP. HUD is therefore waiving 24 CFR 902, Subpart A in order to effectuate this treatment.

Immediately after the issuance of the CHAP, PHAs must identify the units covered by a CHAP by submitting an application in the Inventory Removals module in PIC as either "RAD Conversion PBV" or "RAD Conversion PBRA."

~~Section 33 Required Conversion Review. While Section 33 of the Act would require that YHA annually review its inventory to identify projects that should undergo the Required conversion process, YHA will not be required to assess projects that have been issued a CHAP or are covered by a Portfolio or Multi-phase Award because HUD considers the RAD conversion process to fulfill the requirements of Section 33 of the Act. Accordingly, HUD is waiving 24 CFR 972, Subpart A for projects covered by a CHAP, a Portfolio Award, or a Multi-phase Award.~~

Special Provisions Affecting Conversions to PBVs

Under the Demonstration, HUD has the authority to waive statutory and regulatory provisions governing the PBV program, or to establish alternative requirements for the effective conversion of assistance. Additionally, the RAD statute imposes certain unique requirements and authorizes HUD to establish requirements for converted assistance under the Demonstration.

Listed below are the “special” requirements applicable to public housing projects converting assistance to long-term PBVs assistance under the public housing conversion to RAD first component of the Demonstration, with reference to the affected statute and/or regulation, where applicable. Special requirements 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 ~~shall~~ apply, including environmental review, lead-based paint requirements, Davis-Bacon, and fair housing requirements.~~resident choice, environmental review, relocation assistance, and fair housing requirements.~~

MTW agencies will be able to apply activities impacting the PBV program that are approved in its MTW Plan to these properties as long as they do not conflict with RAD requirements. RAD requirements include RAD statutory requirements, provisions of the PBV program specifically addressed in PIH 2013-32 rev 3 (including provisions explicitly listed in Section 1.6 of PIH 2013-32 rev 3 as provisions of the PBV program that MTW agencies may not alter under RAD), other conditions and requirements of PIH 2013-32 rev 3, or RAD contract forms or riders. With respect to any existing PBV regulations that are waived or modified in this Section 1.6 pursuant to RAD authority, except where explicitly noted below, MTW agencies may modify these or other requirements of the PBV program if the activity is approved in its MTW Plan. All other RAD Requirements listed below or elsewhere in PIH 2013-32 rev 3 shall apply to MTW agencies.

A. PBV Project Selection

1. PBV Percentage Limitation. Covered Projects do not count against the percentage limitation applicable to the PBV program. To implement this provision, 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, the YHA 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 that may be project-based for non-RAD PBV. ~~Maximum Amount of PBV assistance.~~ Covered projects do not count against the maximum amount of assistance YHA may utilize for the PBV program, which is currently set at 20 percent of the amount of budget authority allocated to YHA under the Housing Choice Voucher program. To implement this provision, HUD is waiving section 8(o)(13)(B) of the Act as well as 24 CFR § 983.6.

1.

2. Cap on the Number of PBV Units in Each Project. There is no cap on the number of units that may receive PBV assistance in each project. To implement these provisions, 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).

3. Owner Proposal Selection Procedures. HUD is waiving 24 CFR § 983.51. With respect to site selection standards, HUD requires compliance with the site selection standards as set forth in PIH 2013-32 rev 3.

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.

~~—Cap on the Number of PBV Units in Each Project.~~ The 25 percent limitation on the number of units that may receive PBV assistance in a project is increased to 50 percent. An assisted household cannot be involuntarily displaced as a result of this provision. An owner may still project base 100 percent of the units provided at least 50 percent of the units at the project qualify for the exceptions for elderly, disabled, or families receiving supportive services, or are within single family properties. For applicable program rules for complying with the supportive services exception, see 24 CFR § 983.56(b)(2)(II)(B).

~~—For purposes of RAD, the requirement that a family must actually receive services to reside in the excepted unit has been modified. Families living in units subject to a proposed RAD conversion must be given the option to receive supportive services. If such services are~~

~~declined by the household, the unit shall remain under the HAP contract, the household shall not be terminated from the PBV program, and the decision to decline an offer to receive supportive services shall not represent a ground for lease termination. Once the initial household residing in the excepted unit under RAD vacates such unit, all PBV program requirements related to the required receipt of supportive services shall apply in accordance with 24 CFR §§ 983.56, 983.257(e), 983.261(a) and (d).~~

~~— To implement these provisions, HUD is waiving section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR §§ 983.56, 983.257(e), 983.261(a) and (d) for initial occupancy in the RAD converted project.~~

~~— **Owner Proposal Selection Procedures.** Selections of covered projects shall be made in accordance with program requirements outlined in PIH 2012-32 rev 1. To implement this provision, HUD is waiving 24 CFR § 983.51.~~

~~3. **Site selection— Compliance with PBV Goals, section 8(o)(13)(C)(ii) of the Act and 24 CFR § 983.57(b)(1) and (e).** HUD waives these provisions having to do with deconcentration of poverty and expanding housing and economic opportunity, for the existing site.~~

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 YHA Project Owner and with approval by the agency administering the vouchers administering Voucher Agency). To implement this provision, HUD is waiving specifying alternative requirements for section 8(o)(13)(F) of the Act (which establishes a maximum term of 15 years) as well as 24 CFR § 983.205(a) (which governs contract term). Project Owners of covered projects 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 HUD approval. Any HUD approval of thea YHA's request post-conversion to reduce the number of assisted units under the contract shall be is subject to conditions that HUD may impose and is reviewed by HUD in the regular contract course of administration of the PBV program. MTW agencies may not alter this requirement.

1.

2. Mandatory Contract Renewal. In accordance with the RAD Statute, upon 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. Consequently, section 8(o)(13)(G) of the Act, as well as 24 CFR § 983.205(b), governing the YHA's

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. The ability to extend the HAP Contract term consistent with these provisions does not negate, in any way, the mandatory renewal provision. MTW agencies may not alter this requirement.~~By statute, upon contract expiration, the agency administering the vouchers shall offer, and the YHA shall 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. Consequently, section 8(o)(13)(G) of the Act, as well as 24 CFR § 983.205(b), governing the YHA discretion to renew the contract for terms of up to 15 years, will not apply.~~

3. **Ownership or Control.** This section has been moved to Section 1.4.A.11 of the PIH 2012-32 rev 3, and further conditioned on changes in the definition allowed by HOTM.~~Pursuant to the RAD statute, during the initial term and all renewal terms of the HAP contract, HUD will require ownership or control of assisted units by a public or non-profit entity. However, as HUD, in its sole discretion, determines necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations of, or default under, the HAP contract, HUD will require ownership or control of assisted units in the following priority: (1) a capable public entity; and (2) a capable non-public entity (e.g., a private entity), as determined by the Secretary. HUD may allow ownership of the project to be transferred to a for-profit entity to facilitate such entity's use of tax credits, but only if the YHA preserves its interest in the property in a manner approved by the Secretary. All current and future ownership entities are subject to the eligibility requirements of Section 1.3 of PIH 2012-32 rev1, including the civil rights threshold requirement.~~As.
4. **RAD Use Agreement.** Pursuant to the RAD statute, covered projects shall have an initial RAD Use Agreement that will:
 - i. Be recorded in a superior position to all liens on the property. The Use Agreement shall be recorded prior to the Security Instrument or any other mortgage or security instrument relating to an FHA-insured loan or a Risk-share loan;
 - ii. Run until the conclusion of the initial term of the HAP Contract, automatically renew upon extension or renewal of the HAP Contract for a term that coincides with the renewal term of the HAP Contract, and remain in effect

even in the case of abatement or termination of the HAP Contract (for the term the HAP Contract would have run, absent the abatement or termination), unless the Secretary approves termination of the RAD Use Agreement in the case of a transfer of assistance;

iii. Provide that in the event that the HAP Contract is removed due to breach, non-compliance or insufficiency of Appropriations, for all units previously covered under the HAP Contract new tenants must have incomes at or below eighty percent (80%) of the area median income (AMI) at the time of admission and rents may not exceed thirty percent (30%) of eighty percent (80%) of AMI for an appropriate-size unit for the remainder of the term of the RAD Use Agreement; and

iv. Require compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing

~~Will be recorded superior to other liens on the property;~~

~~Will run for the same term as the initial HAP contract, automatically renew upon extension or renewal of the HAP contract for a term that runs with the renewal term of the HAP contract, and remain in effect even in the case of abatement or termination of the HAP contract (for the term the HAP contract would have run, absent the abatement or termination), unless the Secretary provides approval for the RAD Use Agreement to be terminated when an owner requests a transfer of assistance;~~

~~Requires that in the event that the HAP contract is removed due to breach, noncompliance or insufficiency of Appropriations, for all units previously covered under the HAP contract, new tenants must have incomes at or below 80 percent of the area median income (AMI) at the time of admission and rents may not exceed 30% of 80% of median income for an appropriate size unit for the remainder of the term of the RAD Use Agreement; and~~

~~Requires compliance with all applicable fair housing and civil rights requirements, including the obligation to affirmatively further fair housing and all applicable site selection and neighborhood standards requirements.~~

5. Initial Contract Rent Setting. HUD has calculated initial contract rents for every public housing project based on each project's subsidy under the public housing program. (See Attachment 1C for a full description of the methodology.) All RAD applications, including applications for Portfolio or Multi-phase awards, will have initial contract rents based on their "RAD rent base year." ~~For all RAD applications received prior to December 31, 2013, including applications for Portfolio or Multi-phase Awards, this calculation is based on FY 2012 funding for each public housing~~

~~project.¹ Accordingly, these rents will be established in HAP contracts for any conversions that occur in calendar year (CY) 2013. For applications received in CY 2013 where the conversion closes in CY 2014 or later, the HAP contract will carry these rents adjusted by the Operating Cost Adjustment Factor (OCAF).~~

- ~~• All properties awarded under the original 60,000 unit cap have initial contract rents based on FY 2012 funding levels ("FY 12 RAD rent base year"). These rents will be adjusted each year by HUD's published OCAF starting in CY 14 and established in the HAP Contracts at the time of conversion. Thus, for a project in this category that closes in 2015, the initial contract rents will be based on 2012 funding, with an OCAF adjustment for both 2014 and 2015.~~
- ~~• All properties awarded above HUD's original 60,000 unit cap but subject to the increased 185,000 cap in effect as of the date of PIH 2013-32 rev 3 will have initial contract rents based on FY 2014 funding levels ("FY 14 RAD rent base year"). These rents will be adjusted each year by HUD's published OCAF starting in CY 15 and established in the HAP Contracts at the time of conversion. Thus, for a project in this category that closes in 2015, the initial contract rents will be based on 2014 funding, with an OCAF adjustment for 2015.~~
- ~~• Subsequent to authority to convert additional units, properties will have initial contract rents based on a future RAD rent base year in HUD's sole discretion.~~

YHA has additional discretion in establishing initial contract rents using the following flexibilities:

9.

~~Notwithstanding HUD's calculation, initial PBV contract rents are subject to the statutory and regulatory PBV requirements governing contract rents (see 24 CFR § 983.301). 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 YHA, not to exceed 110 percent of the applicable FMR (or applicable exception payment standard), minus any utility allowance; or (c) the rent requested by the owner.~~

~~Within these parameters, PHAs have additional discretion in establishing initial contract rents using the following flexibilities:~~

iii.i. MTW Fungibility. MTW agencies may use their MTW block grant funds to set their initial contract rents, subject to applicable program caps. The agency

¹ FY 2012 funding calculation adds back in the Operating Subsidy Allocation Adjustment.

must use existing voucher funding to supplement rents; ~~(no additional voucher funding will be provided). Any use of MTW block grant funds in setting initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in PIH Notice 2013-02 or successor notice. agencies may only exercise this flexibility to set initial contract rents when they have submitted an application for two or more projects. Any use of MTW block grant funds in setting initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in PIH Notice 201302.~~

- iv.ii. Rent Bundling.** YHA may adjust subsidy (and initial contract rents) across multiple projects as long as the YHA does not exceed the aggregate subsidy for all of the projects the YHA has submitted for conversion under RAD. This use, which HUD refers to as “bundled” rents, is permissible when the YHA submits applications for two or more projects. There is no limit to the number of projects that the YHA may bundle. The conversion of the donor property must close prior to or simultaneous with the conversion of the recipient property.~~PHAs may adjust subsidy (and contract rents) across multiple projects as long as the YHA does not exceed the aggregate subsidy for all of the projects the YHA has submitted for conversion under RAD. This use, which HUD refers to as “bundled” rents, is permissible when a YHA submits applications for two or more projects. There is no limit to the number of projects that a YHA may bundle.~~

For example, assume that the YHA 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 YHA could bundle the two projects such that the initial contract rents for both projects will be \$550.~~NRHA is considering bundling two identical projects, both consisting of 100 units. In Project A, the contract rent is \$500 and the subsidy is \$200; and in Project B, the contract rent is \$600 and the subsidy is \$300. The YHA could bundle the two projects such that the rent at both projects will be \$550 and the subsidy provided to each project is \$250.~~

See Section 1.9 of PIH 2013-32 rev 3 for instructions on submitting applications with bundled rents.

- iii. Future Replacement Housing Factor (RHF) or Demolition Disposition Transition Funding (DDTF).** 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 of PIH Notice 2013-32 rev 3 for the calculation of how RHF or DDTF funding may offset increased RAD rent funds. PHAs that are scheduled to receive ongoing RHF funding in future years may choose to forgo any ongoing RHF grants and repurpose the foregone subsidy to augment the RAD rent. See Attachment 1C for the calculation of how foregone RHF funding may augment the RAD rent.

Notwithstanding HUD's calculation or the above-mentioned flexibilities, 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). 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 YHA, not to exceed 110 percent of the applicable FMR (or applicable exception payment standard, or rent cap approved in an MTW Plan), minus any utility allowance; or (c) the rent requested by the owner

10.6. Method of Adjusting Contract Rents. Contract rents will be adjusted annually by HUD's OCAF at each anniversary of the HAP contract, subject to the availability of appropriations for each year of the contract term. 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 private market, as determined by the Contract Administrator in accordance 24 CFR § 983.303. However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract. MTW agencies may not alter this requirements

7. Transfer of Assistance. This section has been moved to Section 1.4.A.12 of PIH 2013-32 rev 3 Pursuant to the RAD statute, in order to facilitate the financing, development, and preservation of decent, safe, and affordable housing, with HUD and lender and/or investor approval, after consultation with residents, and consistency with the Consolidated Plan, YHA (as owner) may transfer part or all of a rental assistance contract and a RAD Use Agreement to unassisted units owned or controlled by a public or non-profit entity. HUD may only approve a transfer if the project is economically non-viable, physically obsolete, severely distressed, or uninhabitable due to unforeseen circumstances such as natural disasters, or the

transfer is in the best interest of the project's residents. YHA may only request a transfer of assistance at conversion or after 10 years from the effective date of the initial contract (unless a transfer is needed sooner as a result of a natural disaster). A project to which assistance is transferred is subject to all of the contract terms as described in the HAP, RAD Conversion Commitment (RCC) (see section 1.12), and Use Agreement, as well as all applicable site and neighborhood standards (including, but not limited to, site selection requirements of the Fair Housing Act and Title VI of the Civil Rights Act of 1964, including implementing regulations at 24 CFR §§ 1.4(b)(3) and 983.57). Any transfer of assistance at the time of initial conversion must be included in the significant amendment to the YHA's Annual Plan.

~~11.~~

8. 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 YHA and Project Owner typically will enter into a HAP Contract before construction begins. Until the work is complete, standard HAP Contract funding procedures will be used for occupied units. Units that are not occupied at any point during the period of work identified in the approved Financing Plan and RAD Conversion Commitment 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. During the period of rehabilitation or construction as identified in the RCC and the HAP Contract, 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.

Following the earlier of the end of the construction period identified in the HUD-approved Financing Plan or actual construction, the YHA will no longer be eligible to receive RAD Rehab Assistance Payments, and all units under contract will be eligible for payment only for occupied units or for vacancy payments, as applicable. MTW agencies may not alter this requirement

9. 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. 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.

12. Floating Units. For mixed-income Converting Projects where YHA is currently exercising their discretion to allow subsidized units to float within a project redeveloped with funding under a Choice Neighborhoods Implementation or HOPE VI grant, or as part of a Mixed-Finance project, upon the request of 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 Section 504 accessible unit only to another Section 504 accessible unit that has the same bedroom size and accessibility features. Units that float are not specifically designated under the HAP Contract. Therefore, the requirements in 24 CFR § 983.203(c) 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 RAD units, including the same number and type of Section 504 accessible units. Floating units are subject to all of the requirements in PIH 2013-32 rev 3 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. Units that are not occupied and will be undergoing rehabilitation or construction as identified in the approved Financing Plan and RAD

10.

Conversion Commitment will be eligible for assistance 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 approved Financing Plan and RCC, the maximum RAD Rehab Assistance YHA may receive (i.e. for occupied units, units eligible for vacancy payments, or units eligible for Rehab Assistance Payments) is limited to the number of units eligible for Operating Fund subsidy prior to conversion. As a result, not all units

13.

C. PBV Resident Rights and Participation

1. No Re-screening 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. Post-conversion, the tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in PIH 2013-32 rev 3 (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, 24 CFR § 982.201, concerning eligibility and targeting of tenants for initial occupancy, will not apply for current households. Once the grandfathered household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement. Further, so as to facilitate the right to return to the assisted property, this provision shall apply to current public housing residents of the Converting Project that will reside in non-RAD PBV units or non-RAD PBRA units placed in a project that contain RAD PBV units or RAD PBRA units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR § 983 for non-RAD PBV units and the PBRA requirements governing the applicable contract for non-RAD PBRA units 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, 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.

~~1.~~

2. Right to Return. See section 1.4.A.5(ii) of PIH 2013-32 rev 3 and the RAD Fair Housing, Civil Rights, and Relocation Notice regarding a resident's right to return. Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to 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 (see Section 1.6.B.7 and Section 1.7.A.8 of PIH 2-12-32 rev1 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 YHA 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.~~

3. **Renewal of Lease.** ~~Since publication of the PIH Notice 2012-32 Rev 1, the regulations under 24 CFR part 983 have been amended requiring Project Owners to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement. Under current regulations at 24 CFR § 983.257(b)(3), upon lease expiration, YHA can choose not to renew the lease, without good cause. In such a case, the regulatory consequence is the loss of the assisted unit. Under RAD, the YHA must renew all leases upon lease expiration, unless cause exists. Consequently, 24 CFR § 983.257(b)(3) will not apply. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.~~
4. **Phase-in of Tenant Rent Increases.** If a tenant'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 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. YHA must create a policy setting the length of the phase in period at three years, five years or a combination depending on circumstances. For example, YHA 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.

YHA Policy

YHA will use the three (3) year phase in during the conversion

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

~~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 TTP, 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.~~

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. ~~Note: In either the three-year phase-in or the five-year phase-in, once the 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. ~~Family Public Housing Family Self Sufficiency (PH-FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.~~
Public Housing residents that are currently FSS participants will continue to be eligible for FSS once their housing is converted under RAD. The YHA 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, YHA should follow the normal closeout procedures outlined in the grant agreement. If the YHA continues to run an FSS program that serves PH and/or HCV participants, the YHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding and may use that funding to serve PH, HCV and/or PBRA participants in its FSS program. 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. Current PH FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds granted previously or pursuant to the FY 2013 PH FSS NOFA, to serve those FSS participants who live in units converted by RAD and who will as a result be moving to the HCV FSS program, subject to the following:

However, YHA 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 YHA must follow such requirements accordingly. YHA 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.

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>.

~~5.—~~

~~— If YHA has an HCV FSS program, YHA must convert the PH FSS program participants at the covered project to their HCV FSS program. Please see future FSS~~

~~Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.~~

~~— If YHA does not have an HCV FSS program, the YHA must establish an HCV FSS program and convert the PH FSS program participants at the covered project into their HCV FSS program. PHAs are not required to offer enrollment in FSS to residents in converting projects and other HCV participants, other than to residents in converting projects that were enrolled in the PH FSS program. Please see future FSS Notices of Funding Availability and other guidance for additional details, including FSS coordinator funding eligibility of PHAs under a RAD conversion.~~

~~All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984 and in accordance with the participants' contracts of participation. However, residents who were converted from the PH FSS program to the HCV FSS program through RAD may not be terminated from the HCV FSS program or have HCV assistance withheld due to the participant's failure to comply with the contract of participation. Consequently, 24 CFR 984.303(b)(5)(iii) does not apply to FSS participants in converted properties.~~

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, BHAs 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~~public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants.~~

6. **Resident Participation and Funding.** In accordance with PIH ~~2012-32~~2013-32 rev ~~34~~ Attachment 1B, residents of covered projects converting assistance to PBVs 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.
7. **Resident Procedural Rights.** The following items must be incorporated into both the Section 8 Administrative Plan and the 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.

- i. 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 BHAs provide adequate written notice of termination of the lease which shall be owner termination of tenancy and eviction, as modified by the waiver in Section 1.6(C)(3) above, the termination procedure for RAD conversions to PBV will require that YHA provide adequate written notice of termination of the lease which shall not be less than:

i.

a. i. A reasonable period of time, but not to exceed 30 days:

i. If the health or safety of other tenants, YHA employees, or persons residing in the immediate vicinity of the premises is threatened; or

ii. In the event of any drug-related or violent criminal activity or any felony conviction

Not less than 14 days in the case of nonpayment of rent; and

b.

Not less than If the health or safety of other tenants, YHA 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;

iv. 14 days in the case of nonpayment of rent; and

v.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.

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

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

~~a. i.~~ In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi),² an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to YHA (as 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.

~~i.~~ 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).

~~i.~~ For any additional hearings required under RAD, the YHA (as owner) will perform the hearing.

~~—Th~~

~~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.~~

~~For any additional hearings required under RAD, the YHA (as 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. An informal hearing will not be required for class grievances or to disputes between residents not involving the YHA (as owner) or contract administrator. This hearing requirement shall not apply to and is not intended as a forum for initiating or negotiating policy changes between a group or groups of residents and the YHA (as owner) or contract administrator.

~~c.~~ The YHA (as owner) give 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).

~~ii.~~

~~iii.d.~~ The YHA (as owner) provide opportunity for an informal hearing before an eviction.

Current PBV program rules require that hearing procedures must be outlined in

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

the YHA's Section 8 Administrative Plan.

- 1. 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, instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time as described in PIH 2013-32 rev1 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 to only 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 only disabled persons is waived. The waiver and resulting alternative requirement only applies 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 waive

- 2. 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 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
- 3. When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the YHA 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, the YHA 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. 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 PIH 2013-32 rev 3. 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 YHA 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, the YHA 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 YHA must reinstate the unit after the family has vacated the property. If the project is partially assisted, the YHA 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 PIH 2013-32 rev 3

- 4. 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. MTW agencies may not modify this requirement

8. —

~~Under the Housing Choice Voucher program, the EID exclusion is limited to only 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 only disabled persons is waived. The waiver and resulting alternative requirement only applies 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.~~

~~**Capital Fund Education and Training Community Facilities (CFCF) Program.** CFCF provides capital funding to PHAs for the construction, rehabilitation, or purchase of facilities to provide early childhood education, adult education, and job training programs for public housing residents based on an identified need. Where a community facility has been developed under CFCF in connection to or serving the residents of an existing public housing project converting its assistance under RAD, residents will continue to qualify as "YHA residents" for the purposes of CFCF program compliance. To the greatest extent possible the community facility should continue to be available to public housing residents~~

D. PBV: Other Miscellaneous Provisions

- 1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** YHA and the Project Owner must cooperate with 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. Please see Appendix IV for reporting units in Form HUD-50058.
- 2. Additional Monitoring Requirement.** The Owner must submit to the administering YHA and the YHA's Board must approve the operating budget for the Covered Project annually ~~The YHA's Board must approve the operating budget for the covered project annually~~ in accordance with HUD requirements.

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- 3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** This section has been moved to 1.4.A.13 and 1.4.A.14. of PIH 2013-32 rev 3. ~~Under existing PBV program rules, projects that qualify as “existing housing” under 24 CFR § 983.52(a) are not subject to Davis-Bacon (prevailing wages, the Contract Work Hours and Safety Standards Act, and other related regulations, rules, and requirements) or Section 3 (24 CFR Part 135). However, the Davis-Bacon Act and Section 3 shall apply to all initial repairs that are identified in the Financing Plan to the extent that such repairs qualify as construction or rehabilitation, regardless of whether the project qualifies as “existing housing.” Developmental requirements under 24 CFR § 983.154 and fair housing provisions under 24 CFR § 983.152(e)(vi) continue to apply.~~
- 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 YHA shall consider the best means to transition applicants from the current public housing waiting list, including ~~In establishing the waiting list for the converted project, the YHA shall utilize the project-specific waiting list that existed at the time of conversion, unless the assistance is being transferred to another neighborhood. If a project-specific waiting list does exist, but the YHA is transferring the assistance to another neighborhood, the YHA 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. In addition, the waiting list must be established and maintained in accordance with PBV program requirements.~~
- 5.** ~~If a project-specific waiting list for the project does not exist, the YHA shall establish a waiting list in accordance 24 CFR § 903.7(b)(2)(ii) (iv) to ensure that applicants on the YHA’s public housing community-wide waiting list have been offered placement on the converted project’s initial waiting list. For the purpose of establishing the initial waiting list, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, YHA resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to the YHA’s policies for waiting list management, including the obligation to affirmatively further fair housing.~~

~~6. A YHA 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 centralized public housing waiting list who wish to be placed onto the newly established waiting list are 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 accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).~~

~~7.~~

~~4. To implement this provision, HUD is waiving 24 CFR § 983.251(e)(2). However, after the initial waiting list has been established, the YHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(e):~~

- ~~i. Transferring an existing site-based waiting list to a new site-based waiting list.~~
- ~~ii. Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list~~
- ~~iii. 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 BHAs converting their entire portfolio under RAD~~
- ~~iv. 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 YHA shall consider transferring such household, consistent with program requirements for administration of waiting lists, to the YHA'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 YHA 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 YHA must notify applicants on the wait-list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, BHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the YHA's public housing community-wide waiting list have been offered placement on the Covered Project's initial waiting list. In all cases, YHA has the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, YHA resources, and admissions requirements of the projects being converted under RAD. The YHA 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).

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

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 YHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c).

YHA Policy

YHA shall use a centralized waiting list and will notify all applicants currently on the waiting list of the opportunity to now participate in the HCV PBV program upon conversion under RAD.

8.

- 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.~~
- 6. Agreement Waiver.** This section has been moved to 1.6.B.8 of PIH 2012-32 rev 3~~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.** Owners must receive HUD approval for any refinancing or restructuring of permanent-secured debt within the HAP contract term to ensure the financing is consistent with long-term ~~preservation~~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.~~-(Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)~~
- 8. 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 YHA 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, BHAs should not report leasing and expenses into VMS during this period, and YHA will not receive section 8 administrative fee funding for converted units during this time~~For the initial Calendar Year in which a project’s assistance has been converted, RAD PBV projects will be funded with public housing money. Since the public housing funding will not have been transferred to the TBRA account and since this funding is not~~

~~section 8 assistance the annual contributions contract (ACC) between the YHA and HUD will cover the project units, but be for zero dollars. For this transition period, the ACC will primarily serve as the basis for covering the units and requiring YHA compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that PHAs will be receiving full public housing funding for the PBV units during this transition period, PHAs will not receive ongoing section 8 administrative fee funding during this time.~~

YHA that is operating 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. YHA 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

- 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 YHA 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.

8.

If as a result of participation in RAD a significant percentage of the YHA’s HCV program becomes PBV assistance, it is possible for most or all of the YHA’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 YHA 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 BHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP Contract administered by the YHA exceeds 20 percent of the YHA’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 YHA's administrative plan.

YHA Policy

In case the total number of PBV units (including RAD PBV units) under HAP Contract administered by the YHA exceeds 20 percent of the YHA's authorized units under its HCV ACC with HUD, YHA will limit the choice mobility.

YHA will use the alternative mobility policy and limit the number of choice mobility vouchers to no more than three-quarters of its turnover vouchers in any single year to residents of covered properties.

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

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.

Generally, PHAs receive ongoing 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 ACC will be amended to include section 8 funding that corresponds to the units covered by the ACC. At that time, the regular section 8 administrative fee funding provisions will apply.

17.1.X. YHA INFORMATION TO ACCEPTED FAMILIES [24 CFR 983.252]

Before a family accepts an offer of PBV assistance, YHA will give the family the similar information provided in the YHA tenant-based program. This will include an oral briefing with a description of how the program works and Family and owner responsibilities, and a packet with information on how YHA determines the total tenant payment for a family, family obligations under the program; and applicable fair housing information.

Providing Information for Persons with Disabilities. If the family head or spouse is a disabled person, YHA will take appropriate steps to assure effective communication, in accordance with 24 CFR 8.6, in conducting the oral briefing and in providing the written information packet, including alternative formats.

Providing Information for Persons with Limited English Proficiency. YHA should take reasonable steps to assure meaningful access by persons with limited English proficiency in accordance with obligations contained in Title VI of the Civil Rights Act of 1964 and Executive Order 13166.

17.1.Y. OWNER SELECTION OF TENANTS [24 CFR 983.253, 983.255]

During the term of the HAP contract, the owner must lease contract units only to eligible families selected and referred by YHA from the YHA waiting list.

The owner is responsible for adopting written tenant selection procedures that are consistent with the purpose of improving housing opportunities for very low-income families and reasonably related to program eligibility and an applicant's ability to perform the lease obligations. An owner must promptly notify in writing any rejected applicant of the grounds for any rejection. The contract unit leased to each family must be appropriate for the size of the family under the YHA's subsidy standards.

17.1.Z. VACANCIES [24 CFR 983.254]

As in the tenant-based program, YHA and the owner must make reasonable good faith efforts to minimize the likelihood and length of any vacancy. The owner must promptly notify the YHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, YHA will make every reasonable effort to refer promptly a sufficient number of families for the owner to fill such vacancies. The owner must lease vacant contract units only to eligible families on YHA waiting list referred by the YHA.

Reducing the Number of Contract Units. If any contract units have been vacant for a period of 120 or more days since owner notice of vacancy (and notwithstanding the reasonable good faith efforts of the YHA to fill such vacancies), YHA may give notice to the owner amending the HAP contract to reduce the number of contract units by subtracting the number of contract units (by number of bedrooms) that have been vacant for such period.

17.1.AA. DETERMINING AND RE-DETERMINING THE RENT TO OWNER [24 CFR 983.301 - .302]

Initial and redetermined rents. The amount of the initial and redetermined rent to owner is determined in accordance with section §983.301 and §983.302.

The amount of the initial rent to owner is established at the beginning of the HAP contract term. For rehabilitated or newly constructed housing, the Agreement states the estimated amount of the initial rent to owner, but the actual amount of the initial rent to owner is established at the beginning of the HAP contract term.

The rent to owner is redetermined at the owner's request for a rent increase in accordance with this section and §983.302. The rent to owner is also redetermined at such time when there is a five percent or greater decrease in the published FMR in accordance with §983.302.

Amount of rent to owner. Except for certain tax credit units as provided in this section, the rent to owner must not exceed the lowest of:

- (1) An amount determined by the YHA, not to exceed 110 percent of the applicable fair market rent (or any exception payment standard approved by the Secretary) for the unit bedroom size minus any utility allowance;
- (2) The reasonable rent; or
- (3) The rent requested by the owner.

Rent to owner for certain tax credit units. This section applies if:

- A contract unit receives a low-income housing tax credit under the Internal Revenue Code of 1986 (see 26 U.S.C. 42);
- The contract unit is not located in a qualified census tract;
- In the same building, there are comparable tax credit units of the same unit bedroom size as the contract unit and the comparable tax credit units do not have any form of rental assistance other than the tax credit; and
- The tax credit rent exceeds the applicable fair market rental (or any exception payment standard) as determined in accordance with paragraph (b) of this section.

In the case of a contract unit described in this section, the rent to owner must not exceed the lowest of:

- The tax credit rent minus any utility allowance;
- The reasonable rent; or
- The rent requested by the owner.

The “tax credit rent” is the rent charged for comparable units of the same bedroom size in the building that also receive the low-income housing tax credit but do not have any additional rental assistance (e.g., additional assistance such as tenant-based voucher assistance).

A “qualified census tract” is any census tract (or equivalent geographic area defined by the Bureau of the Census) in which:

- At least 50 percent of households have an income of less than 60 percent of Area Median Gross Income (AMGI); or
- Where the poverty rate is at least 25 percent and where the census tract is designated as a qualified census tract by HUD.

Rent to owner for other tax credit units. Except in the case of a tax-credit unit described in paragraph 983.301(c)(1) of the regulation, the rent to owner for all other tax credit units may be determined by the YHA pursuant to the regulations.

Reasonable rent. The YHA shall determine the reasonable rent in accordance with §983.303. The rent to the owner for each contract unit may at no time exceed the reasonable rent, except in cases where, the YHA has elected within the HAP contract not to reduce rents below the initial rent to owner and, upon redetermination of the rent to owner, the reasonable rent would result in a rent below the initial rent. If the YHA has not elected within the HAP contract to establish the initial rent to owner as the rent floor, the rent to owner shall not at any time exceed the reasonable rent.

Use of FMRs and utility allowance schedule in determining the amount of rent to owner—
(1) Amounts used. (i) Determination of initial rent (at beginning of HAP contract term). When determining the initial rent to owner, the YHA shall use the most recently published FMR in effect and the utility allowance schedule in effect at execution of the HAP contract. At its discretion, the YHA may use the amounts in effect at any time during the 30-day period immediately before the beginning date of the HAP contract.

Redetermination of rent to owner. When redetermining the rent to owner, the YHA shall use the most recently published FMR and the YHA utility allowance schedule in effect at the time of redetermination. At its discretion, the YHA may use the amounts in effect at any time during the 30-day period immediately before the redetermination date.

Exception payment standard and YHA utility allowance schedule. Any HUD-approved exception payment standard amount under 24 CFR 982.503(c) applies to both the tenant-based and project-based voucher programs. HUD will not approve a different exception payment standard amount for use in the PBV program. The YHA may not establish or apply different utility allowance amounts for the PBV program. The same YHA utility allowance schedule applies to both the tenant-based and PBV programs.

YHA-owned units. For YHA-owned PBV units, the initial rent to owner and the annual redetermination of rent at the annual anniversary of the HAP contract are determined by the independent entity approved by HUD in accordance with §983.59. The YHA must use the rent to owner established by the independent entity.

Redetermination of rent to owner. (24CFR §983.302)

The YHA must redetermine the rent to owner:

- (1) Upon the owner's request; or
- (2) When there is a five percent or greater decrease in the published FMR in accordance with §983.301.

Rent increase. The YHA may not make any rent increase other than an increase in the rent to owner as determined pursuant to §983.301. (Provisions for special adjustments of contract rent pursuant to 42 U.S.C. 1437f(b)(2)(B) do not apply to the voucher program.)

The owner must request an increase in the rent to owner at the annual anniversary of the HAP contract by written notice to the YHA. The length of the required notice period of the owner request for a rent increase at the annual anniversary may be established by the YHA. The request must be submitted in the form and manner required by the YHA.

The YHA may not approve and the owner may not receive any increase of rent to owner until and unless the owner has complied with all requirements of the HAP contract, including compliance with the HQS. The owner may not receive any retroactive increase of rent for any period of noncompliance.

Rent decrease. If there is a decrease in the rent to owner, as established in accordance with §983.301, the rent to owner must be decreased, regardless of whether the owner requested a rent adjustment.

If the YHA has elected within the HAP contract to not reduce rents below the initial rent to owner, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP contract, except:

- To correct errors in calculations in accordance with HUD requirements;

- 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; or
- 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.

Notice of rent redetermination. Rent to owner is redetermined by written notice by the YHA to the owner specifying the amount of the redetermined rent (as determined in accordance with §§983.301 and 983.302). The YHA notice of the rent adjustment constitutes an amendment of the rent to owner specified in the HAP contract.

Contract year and annual anniversary of the HAP contract. The contract year is the period of 12 calendar months preceding each annual anniversary of the HAP contract during the HAP contract term. The initial contract year is calculated from the first day of the first calendar month of the HAP contract term.

The annual anniversary of the HAP contract is the first day of the first calendar month after the end of the preceding contract year. The adjusted rent to owner amount applies for the period of 12 calendar months from the annual anniversary of the HAP contract.

See §983.207(c) for information on the annual anniversary of the HAP contract for contract units completed in stages.

17.1.BB. REASONABLE RENT [24 CFR 983.303].

Comparability requirement. At all times during the term of the HAP contract, the rent to the owner for a contract unit may not exceed the reasonable rent as determined by the YHA, except that where the YHA has elected in the HAP contract to not reduce rents below the initial rent under the initial HAP contract, the rent to owner shall not be reduced below the initial rent in accordance with §983.302(e)(2).

Redetermination. The YHA must redetermine the reasonable rent:

- (1) Whenever there is a five percent or greater decrease in the published FMR in effect 60 days before the contract anniversary (for the unit sizes specified in the HAP contract) as compared with the FMR in effect one year before the contract anniversary;
- (2) Whenever the YHA approves a change in the allocation of responsibility for utilities between the owner and the tenant;
- (3) Whenever the HAP contract is amended to substitute a different contract unit in the same building or project; and
- (4) Whenever there is any other change that may substantially affect the reasonable rent.

How to determine reasonable rent. The reasonable rent of a contract unit must be determined by comparison to rent for other comparable unassisted units.

In determining the reasonable rent, the YHA must consider factors that affect market rent, such as:

- The location, quality, size, unit type, and age of the contract unit; and
- Amenities, housing services, maintenance, and utilities to be provided by the owner.

Comparability analysis. For each unit, the YHA comparability analysis must use at least three comparable units in the private unassisted market, which may include comparable unassisted units in the premises or project. The YHA must retain a comparability analysis that shows how the reasonable rent was determined, including major differences between the contract units and comparable unassisted units. The comparability analysis may be performed by YHA staff or by another qualified person or entity. A person or entity that conducts the comparability analysis and any YHA staff or contractor engaged in determining the housing assistance payment based on the comparability analysis may not have any direct or indirect interest in the property.

Owner certification of comparability. By accepting each monthly housing assistance payment from the YHA, the owner certifies that the rent to owner is not more than rent charged by the owner for comparable unassisted units in the premises. The owner must give the YHA information requested by the YHA on rents charged by the owner for other units in the premises or elsewhere.

Determining reasonable rent for YHA-owned units. For YHA-owned units, the amount of the reasonable rent must be determined by an independent agency approved by HUD in accordance with §983.59, rather than by the YHA. The reasonable rent must be determined in accordance with this section. The independent entity must furnish a copy of the independent entity determination of reasonable rent for YHA-owned units to the YHA and to the HUD field office where the project is located.

17.1.CC. OTHER SUBSIDY: EFFECT ON RENT TO OWNER [24 CFR 983.304]

General. In addition to the rent limits established in accordance with §983.301 and 24 CFR 982.302, the following restrictions apply to certain units.

HOME. For units assisted under the HOME program, rents may not exceed rent limits as required by the HOME program (24 CFR 92.252).

Subsidized projects. This paragraph (c) applies to any contract units in any of the following types of federally subsidized project:

- An insured or non-insured Section 236 project;

- A formerly insured or non-insured Section 236 project that continues to receive Interest Reduction Payment following a decoupling action;
- A Section 221(d)(3) below market interest rate (BMIR) project;
- A Section 515 project of the Rural Housing Service;
- Any other type of federally subsidized project specified by HUD.

The rent to owner may not exceed the subsidized rent (basic rent) as determined in accordance with requirements for the applicable federal program listed in paragraph (c)(1) of this section.

Combining subsidy. Rent to owner may not exceed any limitation required to comply with HUD subsidy layering requirements. See §983.55.

Other subsidy: rent reduction. To comply with HUD subsidy layering requirements, at the direction of HUD or its designee, a YHA shall reduce the rent to owner because of other governmental subsidies, including tax credits or tax exemptions, grants, or other subsidized financing.

Prohibition of other subsidy. For provisions that prohibit PBV assistance to units in certain types of subsidized housing, see §983.54.

Rent to owner: effect of rent control and other rent limits. (24CFR §983.305)

In addition to the limitation to 110 percent of the FMR in §983.301(b)(1), the rent reasonableness limit under §§983.301(b)(2) and 983.303, the rental determination provisions of §983.301(f), the special limitations for tax credit units under §983.301(c), and other rent limits under this part, the amount of rent to owner also may be subject to rent control or other limits under local, state, or federal law.

17.1.DD. YHA PAYMENT TO OWNER OF OCCUPIED UNIT [24 CFR 983.351]

When payments are made. During the term of the HAP contract, the YHA shall make housing assistance payments to the owner in accordance with the terms of the HAP contract. The payments shall be made for the months during which a contract unit is leased to and actually occupied by an eligible family. Except for discretionary vacancy payments in accordance with §983.352, the YHA may not make any housing assistance payment to the owner for any month after the month when the family moves out of the unit (even if household goods or property are left in the unit).

Monthly payment. Each month, the YHA shall make a housing assistance payment to the owner for each contract unit that complies with the HQS and is leased to and occupied by an eligible family in accordance with the HAP contract.

Calculating amount of payment. The monthly housing assistance payment by the YHA to the owner for a contract unit leased to a family is the rent to owner minus the tenant rent (total tenant payment minus the utility allowance).

Prompt payment. The housing assistance payment by the YHA to the owner under the HAP contract must be paid to the owner on or about the first day of the month for which payment is due, unless the owner and the YHA agree on a later date.

Owner compliance with contract. To receive housing assistance payments in accordance with the HAP contract, the owner must comply with all the provisions of the HAP contract. Unless the owner complies with all the provisions of the HAP contract, the owner does not have a right to receive housing assistance payments.

17.1.EE. VACANCY PAYMENT [24 CFR 983.352.]

Payment for move-out month. If an assisted family moves out of the unit, the owner may keep the housing assistance payment payable for the calendar month when the family moves out ("move-out month"). However, the owner may not keep the payment if YHA determines that the vacancy is the owner's fault.

Vacancy payment at YHA discretion. At the discretion of YHA, the HAP contract may provide for vacancy payments to the owner (in the amounts determined in accordance with the regulations for an YHA-determined period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month.

The vacancy payment to the owner for each month of the maximum two-month period will be determined by YHA, and cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment may cover only the period the unit remains vacant.

YHA may make vacancy payments to the owner only if:

- The owner gives YHA prompt, written notice certifying that the family has vacated the unit and containing the date when the family moved out (to the best of the owner's knowledge and belief);
- The owner certifies that the vacancy is not the fault of the owner and that the unit was vacant during the period for which payment is claimed;
- The owner certifies that it has taken every reasonable action to minimize the likelihood and length of vacancy; and

- The owner provides any additional information required and requested by YHA to verify that the owner is entitled to the vacancy payment.

The owner must submit a request for vacancy payments in the form and manner required by YHA and must provide any information or substantiation required by YHA to determine the amount of any vacancy payment.

17.1.FF. TENANT RENT: PAYMENT TO OWNER [24 CFR 983.353]

YHA determination. The tenant rent is the portion of the rent to owner paid by the family. YHA determines the tenant rent in accordance with HUD requirements. Any changes in the amount of the tenant rent will be effective on the date stated in a notice by YHA to the family and the owner.

Tenant payment to owner. The family is responsible for paying the tenant rent (total tenant payment minus the utility allowance). The amount of the tenant rent as determined by YHA is the maximum amount the owner may charge the family for rent of a contract unit. The tenant rent is payment for all housing services, maintenance, equipment, and utilities to be provided by the owner without additional charge to the tenant, in accordance with the HAP contract and lease. The owner may not demand or accept any rent payment from the tenant in excess of the tenant rent as determined by YHA. The owner must immediately return any excess payment to the tenant. The family is not responsible for payment of the portion of the rent to owner covered by the housing assistance payment under the HAP contract. The owner may not terminate the tenancy of an assisted family for non-payment of YHA housing assistance payment.

Limit of YHA responsibility. YHA is responsible only for making housing assistance payments to the owner on behalf of a family in accordance with the HAP contract. YHA is not responsible for paying the tenant rent, or for paying any other claim by the owner. YHA may not use housing assistance payments or other program funds (including any administrative fee reserve) to pay any part of the tenant rent or to pay any other claim by the owner. YHA may not make any payment to the owner for any damage to the unit, or for any other amount owed by a family under the family's lease or otherwise.

Utility reimbursement. If the amount of the utility allowance exceeds the total tenant payment, YHA shall pay the amount of such excess as a reimbursement for tenant-paid utilities ("utility reimbursement") and the tenant rent to the owner shall be zero. YHA either may pay the utility reimbursement to the family or may pay the utility bill directly to the utility supplier on behalf of the family. If YHA chooses to pay the utility supplier directly, the YHA must notify the family of the amount paid to the utility supplier.

17.1.GG. OTHER FEES AND CHARGES [24 CFR 983.354]

Meals and supportive services. Except as provided in the regulations, the owner may not require the tenant or family members to pay charges for meals or supportive services. Non-payment of such charges is not grounds for termination of tenancy. In assisted living developments receiving project-based assistance, owners may charge tenants, family members, or both for meals or supportive services. These charges may not be included in the rent to owner, nor may the value of meals and supportive services be included in the calculation of reasonable rent. Non-payment of such charges is grounds for termination of the lease by the owner in an assisted living development.

Other charges by owner. The owner may not charge the tenant or family members extra amounts for items customarily included in rent in the local market or provided at no additional cost to unsubsidized tenants in the premises.



"Committed to Safe and Affordable Housing"

**Resident Advisory Board Meeting:
Annual Plan 2019
September 26, 2018 5:30PM,
Yakima Housing Authority Office**

YHA Staff present:

Lowel Krueger, Executive Director
Becky Mares, FSS Coordinator
Carlos Reyes, FSS Supervisor

RAB Members

Raymond Hernandez
Eliza Mancilla
Rayleen Polintan
Micaela Rodriguez
Maria E. Gonzales
Nora C. Lopez

The meeting opened at 5:36 p.m.

- E.D. Krueger welcomed the group
- The annual plan for YHA is a HUD form, and primarily relates to the Section 8 program, and the RAB members are participants in the program.

• 2018 Annual Plan:

A.1: PHA information:

- The legal name of the Yakima Housing Authority is The Housing Authority of the City of Yakima.
- PHA Code - There is a PHA in each state; WA042 is the number assigned by HUD, WA is the abbreviation for Washington State, and 042 defines YHA as the 42nd Housing Authority created in the state of Washington.
- YHA's fiscal year begins January 1; the plan we are reviewing is for fiscal year 2019.
- The number of Housing Choice Vouchers on the annual contributions contract is 1,022; YHA was recently notified of a multifamily program that YHA could potentially administer, which would raise the number of vouchers by 5, to a total of 1,027.
- Plan submission type is annual, and if a revision were necessary, "revised annual submission" would be marked.

B.1 Revision of PHA Plan Elements

- Under section B.1, Revision of Plan Elements, Operations and Management is marked Yes.
- This is due to revisions to the Admissions and Occupancy policy.

B.1 b

- The Admissions and Occupancy policy (Admin Plan) was updated to incorporate the provisions of the Housing Opportunity Through Modernization Act, and PIH Notice 2012-32.

B.2

- Under New Activities, YHA answered no under project based vouchers.

B.3

- YHA did have a finding from the last audit. The initial Schedule of Expenditures of Federal Awards (SEFA) was overstated by approximately \$2.8 million. This was due to the inclusion of a \$1.3 million non-federal forgivable loan. Grants were received for PBRA, Glenn Acres/Naches House, and were included in the audit. They are tax credit projects and should have been included in that audit. The forgivable loan was on a Housing Trust Fund property, and wasn't disclosed as consistently as were others. Family Self Sufficiency was identified incorrectly as a ROSS award. YHA has a consultant to provide assistance and it is anticipated that these issues will be cleared up next year. These issues do not cause YHA to be a high risk entity. It was more of a clerical error.

B.6

- This section acts as a type of progress report to show YHA is making progress meeting its mission and goals. YHA maintains its High Performer status in SEMAP, which is a reporting mechanism for HUD.
- YHA has maintained an HCV utilization rate of 105% for calendar year 2018.
- YHA has applied for 50 Family Unification Program (FUP) vouchers in conjunction with DSHS.
- These vouchers serve those who are aging out of the foster care system as they turn 18.
- The FUP vouchers also provide housing to families who are working to be reunited and require adequate housing.
- 50 FUP vouchers is the number specified by HUD for YHA due to the size of the agency; YHA applied for them and has submitted a grant application.
- Along with YHA and DSHS, Yakima Neighborhood Health and the Statewide Continuum of Care are on board.
- YHA has been working to implement a homeownership program since 2016.
- YHA has 75 project based vouchers that are set aside for the homeless in Yakima and Kittitas Counties.
- YHA has leased 64 of the total number (93) of VASH vouchers with 10 project based vouchers for the Armory and is working with the Veteran's Administration on leasing.
- Under FSS, YHA has 130 participants and the program is in its 6th year.
- 20 participants have graduated from the FSS program during that time.
- YHA has maintained compliance; the audit findings have been indicated.

B.7

- Minutes of this RAB meeting will be attached, along with questions and comments made by the members.

Attachments

- Certification by state/local official is in regards to consistency with the state consolidated plan.
- Yakima is an entitlement city and receives HOME and CDBG fund allocations annually.
- Archie Matthews is the Manager of the Office of Neighborhood Development Services for the City of Yakima, and he reviews the plan each year, and certifies it is in compliance with their 5 year plan.
- The civil rights certification covers whether YHA is complying with Section 504 accessibility in its units; the physical units YHA owns and manages are in compliance, and Section 8 units are inspected by YHA to ensure they are in compliance.

Executive Director Krueger asked if there were any comments, questions or concerns:

Q. Was YHA working with Habitat for Humanity to build homes?

A. E.D. Krueger met with Catholic Charities. They are have a homeownership program that is self help. It is in communities such as Sunnyside, Granger, and possibly Cowiche/Tieton areas. It can't be done in Yakima, and most people would like to live in Yakima. YHA is still forming the necessary partnerships with other agencies. The Washington State Housing Finance Commission is a potential resource for this, as they have a home ownership program with a mortgage program for tenants with credit issues. A YHA board member is also providing assistance. YHA is also working with area banks, to gain understanding of how the banking aspects work, and loan approval criteria, to determine the best one for YHA tenants. Yakima Federal Savings & Loan Bank recently updated their programs, and the money smart classes were restructured as well.

Q. Is YHA sending out information to tenants?

A. A flyer was recently mailed out by YHA, to learn the process and build a foundation towards homeownership. YHA doesn't provide the classes itself, it refers to outside businesses, as certification is required to hold the classes.

Q. People live in YHA units but don't know the procedures or how it works.

A. It is important for YHA to get feedback from the residents.

Q. It would be helpful to have mentors, people who have graduated from FSS already, who can provide information. Mini orientations would also be helpful to teach the information in smaller steps.

A. Working with banks is key, as YHA staff doesn't have banking experience. YHA is working to connect the two sides. A program is being worked out, but there is no agreement in place yet. If Habitat for Humanity can't provide assistance, then Catholic Charities may be able to. FSS Supervisor Reyes feels working with the banks directly is the best way and he would like to be able to provide several financial institutions for residents to work with, because everyone's situation is different.

Q. Banks see that the applicant is on Section 8, and ask about credit.

A. Loan officers will check the applicant's credit, and tell them what they need to work on.

Q. People who are coming out of YHA housing should receive more help. People who are trying to better themselves should get more help.

A. The program is taking longer to develop than expected. Some banks will work with people. YHA is trying to have several banks as options. If people are only referred to one bank, it may not work for everyone. Yakima Federal has grant funding and are trying to decide the best way to utilize it. There are homeownership fairs, there is one this month in Granger. Tenants will receive flyers in the mail. More resource options will be shown at the fair, such as financial literacy classes. Habitat for Humanity is a main partner. It would be helpful to keep the Resident Advisory board going, with future meetings that could be monthly, or quarterly. It may be more helpful to meet monthly and move to quarterly later.

Q. Will the audit finding affect YHA's status and will more audits be required?

A. It doesn't make YHA a high risk agency, YHA provided a draft, consultancy lagged, and the auditors pushed it through and reported it. YHA has provided a response to HUD and the State Auditors office, and doesn't anticipate any more issues of this nature.

Q. There are 130 participants in FSS, but once they are ready, does YHA provide support?

A. Yes-it is a new area of the program and staff is working to determine the best way to work through it. People are referred to the banks, but calculations have changed. YHA has to know what they are to make sure it is workable.

Q. A year ago, I worked for a company full time, was comfortable there and preparing to graduate. The job closed down. I decided to become a full time student and graduated in June with a degree in chemical dependency. Now I am looking for a job to apply the degree. I may have to leave Yakima to do so. I'm nearly done with FSS. I don't want to forfeit my escrow. Carlos has been very helpful in providing guidance.

A. It is a 5 year program, and when life happens, if a family requires additional time, an extension may be granted. The goal is to finish the program as soon as can reasonably be done. But an extension (up to 2 years) can be given. They are reviewed on a case by case basis. If the FSS participant lets them know what is needed, and how long they expect it to take, and the resource is in Yakima, then it can be reviewed.

Q. I've been working on my credit, and paid off \$15,000 in debt. I have a student loan debt of \$27,000. I will have to start paying on it next month. If I show that I paid off other debts, and am working on paying the student loan, how would the banks see that?

A. Student loans are looked at a little differently than consumer debt, as you are furthering yourself.

Q. So it is not counted the same way as credit card debt would be?

A. The debt to income ratio is reviewed. Holding off on any more credit card debt until the home is purchased is a good idea.

Q. Does YHA offer any type of refugee vouchers?

A. HUD would issue the vouchers, and they did provide additional vouchers for those who were displaced by hurricanes last year.

Q. I work with students who are in the U.S. from Mexico on refugee visas. Is this something that YHA could help with?

A. YHA will do whatever it can to help.

FSS Coordinator Becky Mares-These are valid questions. They could be brought to the table during future RAB meetings, if RAB met consistently.

Q. The audit finding was due to a clerical error?

A. The first hint was a call from the auditors to request that the program be handled differently. YHA questioned it at first, and the auditors said to research it further and let them know. YHA did research it, and found the auditors were correct. New auditors have a fresh perspective.

The RAB members decided to schedule a RAB meeting December 19th at 5:30 p.m.

Adjourn: 6:32 p.m.

Respectfully submitted by:

Sally Shelton,
Recording Secretary

Resident Advisory Board (RAB) Meeting

September 19, 2018

SIGN IN

| PRINT NAME | ADDRESS | PHONE NUMBER | HOUSING PROGRAM | EMAIL ADDRESS |
|-------------------|--------------------|--------------|-----------------|--------------------------------|
| Raymond Hernandez | [REDACTED] | [REDACTED] | YHA Family HS | [REDACTED] |
| Eliza Muncall | [REDACTED] | [REDACTED] | Sec. 8 | [REDACTED] |
| Raureen Polvinton | [REDACTED] | [REDACTED] | Sec. 8 | [REDACTED] |
| Micela Rodriguez | [REDACTED] | [REDACTED] | YHA | [REDACTED] |
| Maria Gonzales | [REDACTED] | [REDACTED] | Sec 8 | [REDACTED] |
| Nora Lopez | [REDACTED] | [REDACTED] | Sec. 8 | [REDACTED] |
| Recky Mera | 810 N. 10th Ave | 453-3106.119 | FSS | [REDACTED] |
| Sally Johnson | 810 N. 10th Ave | 453-3106X102 | Admin | Sally.Shea@yakimahousing.org |
| [Signature] | 810 North 6th Ave. | 453-3106 | Admin | Jewel.Kemmer@yakimahousing.org |
| [Signature] | 810 N 6th Ave. | 453-3106 | FSS | carlos_vegas@yakimahousing.org |
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