



RENO HOUSING AUTHORITY

ANNUAL PLAN 2024

MTW

Local • Innovative • Solutions

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About

Founded in October 1943, the Housing Authority of the City of Reno (RHA) owns and manages 751 units of Public Housing in eight different locations in the City of Reno and City of Sparks. Using Neighborhood Stabilization Programs (NSP) and other funding, RHA acquired and manages over 160 scattered site rental properties specifically targeted for low-income households. RHA also provides housing subsidies to more than 2,500 low-income families in Reno, Sparks, and Washoe County through various rental assistance programs.

Mission

Provide fair, sustainable, quality housing in diverse neighborhoods throughout Reno, Sparks and Washoe County that offers a stable foundation for low-income families to pursue economic opportunities, become self-sufficient and improve their quality of life.

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INTRODUCTION

SECTION I





I. Introduction

A. What is MTW?

MTW is a demonstration program, established by Congress in 1996, that offers a limited number of “high performing” Public Housing Authorities (PHAs) the opportunity to propose and test innovative, locally designed approaches to administering housing programs and self-sufficiency strategies. The program permits PHAs to combine federal funds from the Public Housing (PH) operating fund, Capital Fund Program (CFP) and Housing Choice Voucher (HCV) program into a single, agency-wide funding source known as a “block grant.” This block grant approach allows MTW PHAs to allocate resources based on a local determination of how to effectively address the needs of the local community. It is important to note that the MTW designation does not provide PHAs with additional funding from the U.S. Department of Housing and Urban Development (HUD), but rather allows each agency to use their funding in a more flexible manner.

With HUD’s approval, PHAs participating in the MTW program can waive certain statutes and regulations in the United States Housing Act of 1937 to explore different and creative ways to improve their housing programs. These policy changes allow PHAs to address challenges for low-income families that are unique to their local needs. In doing so, each of the activities proposed and implemented must address at least one of three MTW statutory objectives.

MTW Statutory Objectives

- Increase housing choices for low-income families.
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.
- Reduce costs and achieve greater cost effectiveness in federal expenditures.

B. RHA’s designation as an MTW agency

After a national competition was held in 2012, RHA was selected and designated as one of four new MTW agencies in 2013. The MTW agreement between RHA and HUD was executed on June 27, 2013. The executed agreement established RHA as an MTW agency through RHA’s FY 2018. On April 14, 2016, RHA received notice that pursuant to Section 239 of Title II, Division L of the Consolidated Appropriations Act, 2016, RHA’s current MTW agreement with HUD was extended through the end of FY 2028.

C. FY 2024 MTW Annual Plan overview

FY 2024 (i.e., the period from July 1, 2023 through June 30, 2024) will be RHA’s eleventh year as an MTW agency. Each year RHA is required to adopt an MTW Annual Plan for HUD’s approval in advance of the start of the fiscal year. This plan, which is organized according to HUD’s requirements as outlined in Form 50900, explains the proposed/amended MTW activities for the coming year, and provides updates on current MTW activities that have already received approval



from HUD. For this plan, an “MTW activity” is defined as any activity that requires MTW flexibility to be utilized to waive statutory or regulatory requirements.

The MTW Annual Plan is intended to provide PH residents, HCV participants, local officials, the public, and HUD with pertinent information on each of RHA’s proposed and implemented activities. It also serves to provide stakeholders with details on RHA’s operating budget and capital improvement plans.

As part of RHA’s planning process, staff began discussing the FY 2024 MTW Annual Plan, including each of the proposed/amended activities and potential PH repositioning strategies, during Resident Advisory Board and Resident Council meetings in January 2023. Public review and comments are then solicited prior to consideration and approval by RHA’s Board of Commissioners. Following approval from the Board of Commissioners, RHA’s FY 2024 MTW Annual Plan is submitted to HUD for review.¹

D. Overview of RHA’s annual goals and objectives

During its ten years as an MTW agency, RHA implemented activities intended to simplify the administration of both the PH and HCV programs. These activities include, but are not limited to, simplifying medical deductions in both PH and the HCV program, implementing true triennial recertifications for elderly/disabled participants on fixed incomes and waiving rent reasonableness determinations under certain conditions in the HCV program. Furthermore, RHA created a Landlord Incentive Program within the HCV program, began providing an incentive to \$0 Housing Assistance Payment (HAP) households and received approval to use its funding flexibility for Affordable Housing Acquisition, Rehabilitation and Preservation.

Throughout RHA’s participation in the MTW Demonstration, staff have continued to seek innovative activities that are designed to streamline resident requirements and increase the overall efficiency of the agency. To identify ways that approved MTW activities might be improved upon, staff continue to monitor activities following full implementation.

RHA’s proposed/amended FY 2024 MTW activities

RHA is proposing the following new MTW activities in FY 2024:

- ***Time-Limited Workforce Development Vouchers***
RHA is proposing to establish a partnership referral program that would allow the agency to provide time-limited housing assistance to clients referred by one of RHA’s non-profit partners.
- ***Local Project Based Voucher Program***
RHA is implementing several activities surrounding Project Based Vouchers (PBV). Through this activity, RHA is proposing to consolidate each of its implemented PBV activities into one Local Project Based Voucher Program activity.

¹ Additional details on RHA’s public process can be found in Section VI of this plan and the accompanying attachments.



In addition, RHA is amending the following activities in FY 2024 which were previously approved by HUD:

- *Simplify rent calculations and increase the minimum rent*
In 2014, RHA raised the minimum rent from \$50 to \$75 to save HCV HAP expense and PH operating subsidy. Based on current rental market conditions, RHA proposes to increase the minimum rent in FY 2024 to \$100.
- *Landlord Incentive Program*
RHA will amend this activity to allow for an automatic payment of the second month to the landlord. Furthermore, the payment amount will be modified to ensure the landlord receives the actual contract rent amount for the unit rather than the monthly HAP amount. In addition, to provide more of an incentive to landlords who lease to RHA's HCV participants, RHA is proposing to implement a re-lease bonus and a landlord referral bonus.
- *Redetermination of rent reasonableness as a result of a change in contract rent*
RHA will continue to waive the requirement for rent reasonableness determinations provided that the new requested rent amount is a change of 10% or less but proposes to automatically approve requests that are at or below the current HCV payment standard.

MTW goals and objectives

Utilizing the flexibilities available through MTW to expand housing choice, streamline agency operations and develop creative solutions that meet the needs of low-income families in our community remains an ongoing goal of RHA. New initiatives that further both the MTW statutory objectives and RHA's strategic plan will continue to be explored and proposed if feasible.

In November 2022, RHA's Board of Commissioners identified several short-term goals for the agency in the coming year. In FY 2024, leadership will work to address the following specific goals:

- Identify and order the development of future housing projects and provide a financial plan for each development identified
- Increase staffing, reclassify internal positions, and grow employee retention programs as needed
- Develop a portfolio plan for RHA's scattered housing sites
- Begin PH asset repositioning
- Expand RHA's resident services programs

Recently RHA began reviewing its portfolio analysis which was updated based on information provided through a capital needs assessment. The goal of this review is to identify ways RHA can sustain its housing portfolio over time. At this time, several repositioning options are being considered for RHA's PH sites including Section 18 Demolition/Disposition and conversion to HUD's Rental Assistance Demonstration (RAD). Under some conditions, HUD allows these tools to be used in tandem, offering even greater opportunities for long-term preservation.

The RAD program allows housing authorities, with HUD approval, to convert properties from one federal funding platform, Section 9 PH operating subsidy, to another, project-based rental subsidy



within the HCV program. By doing this, PHAs can leverage public and private debt and equity to reinvest in the PH stock. Moving to project-based rental subsidy ensures a more stable, long-term funding source for operating the property and provides opportunities for new investment to rehabilitate aging buildings. Except for any temporary relocation to accommodate major repairs, a RAD conversion is essentially seamless for residents as the following protections are written directly into the RAD requirements:

- Residents have the right to return to the property after work is complete should they need to move out for any renovations.
- Residents are not rescreened and do not lose eligibility.
- Rent calculations remain at 30% of adjusted income.
- Resident processes and rights remain the same, including the grievance process and funding for resident organizations.

Section 18 of the 1937 Housing Act allows for the demolition or disposition of public housing if the property meets certain conditions. Demolition means the removal, in whole or in part, of one or more permanent buildings of a public housing development. Disposition means the conveyance or other transfer by the PHA, by sale or other transaction, of any interest in the real estate of a public housing development.

Disposition under Section 18 describes a process where an existing public housing project is removed from the federal public housing platform to a more sustainable financing program. This repositioning also allows the PHA to apply for Tenant Protection Vouchers (TPVs), which can also allow the agency to leverage more debt for improvements. Like RAD, resident consultation is also a requirement under Section 18, including consultation with:

- Residents who may be affected by the demolition or disposition action.
- Resident organizations for the affected project, if any.
- PHA-wide resident organizations, if any.
- The Resident Advisory Board or equivalent body.

Under Section 18, the PHA must also ensure communications and materials are accessible to individuals with disabilities and take reasonable steps to provide meaningful access to persons with Limited English Proficiency (LEP).

In the coming months, RHA will begin to apply to reposition its PH properties through Section 18 Demolition/Disposition, RAD or a RAD/Section 18 Blend. Each application will follow the prescribed disclosure and public/resident engagement process required by HUD. As resident engagement is required before and during the process, RHA's residents will be the first to know when the applications for any repositioning strategy have been submitted.



As of January 1, 2023, the following repositioning strategies are being considered for each of RHA’s PH properties:

| Property Name | AMP | # of Units | Repositioning Strategy |
|----------------------|---------------|------------|------------------------------------|
| Hawk View Apartments | NV39-P001-007 | 99 | Section 18 Demolition/ Disposition |
| Stead Manor | NV39-P001-006 | 67 | RAD |
| Silverada Manor | NV39-P001-003 | 149 | RAD / Section 18 Blend |
| Essex Manor | NV39-P001-009 | 105 | RAD |
| John McGraw Court | NV39-P001-018 | 34 | RAD |
| Mineral Manor | NV39-P001-001 | 144 | Section 18 Demolition/ Disposition |
| Tom Sawyer Village | NV39-P001-002 | 100 | Section 18 Demolition/ Disposition |
| Myra Birch Manor | NV39-P001-010 | 56 | RAD |

Non-MTW goals and objectives

Non-MTW goals and objectives are those activities that do not require MTW authority or flexibility to implement. In addition to its planned MTW goals and objectives, RHA will:

- Review and update the HCV payment standards to ensure viability with the area’s rental market and maintain adequate lease up levels within the HCV program.
- Continue to evaluate RHA’s scattered site portfolio including appraised value, capital needs, operating efficiency, energy efficiency, etc. Once complete, a strategy will be developed to determine appropriate uses which may include homeownership, non-profit partnerships, and continued operation as affordable housing for those without rental assistance.
- Continue to work toward increasing staff efficiencies by fully implementing an Electronic Document Management System (EDMS) that will manage the use and storage of documents created throughout the organization.
- Fully implement a new software system to automate workflows and streamline agency operations.



GENERAL OPERATING INFORMATION

SECTION II

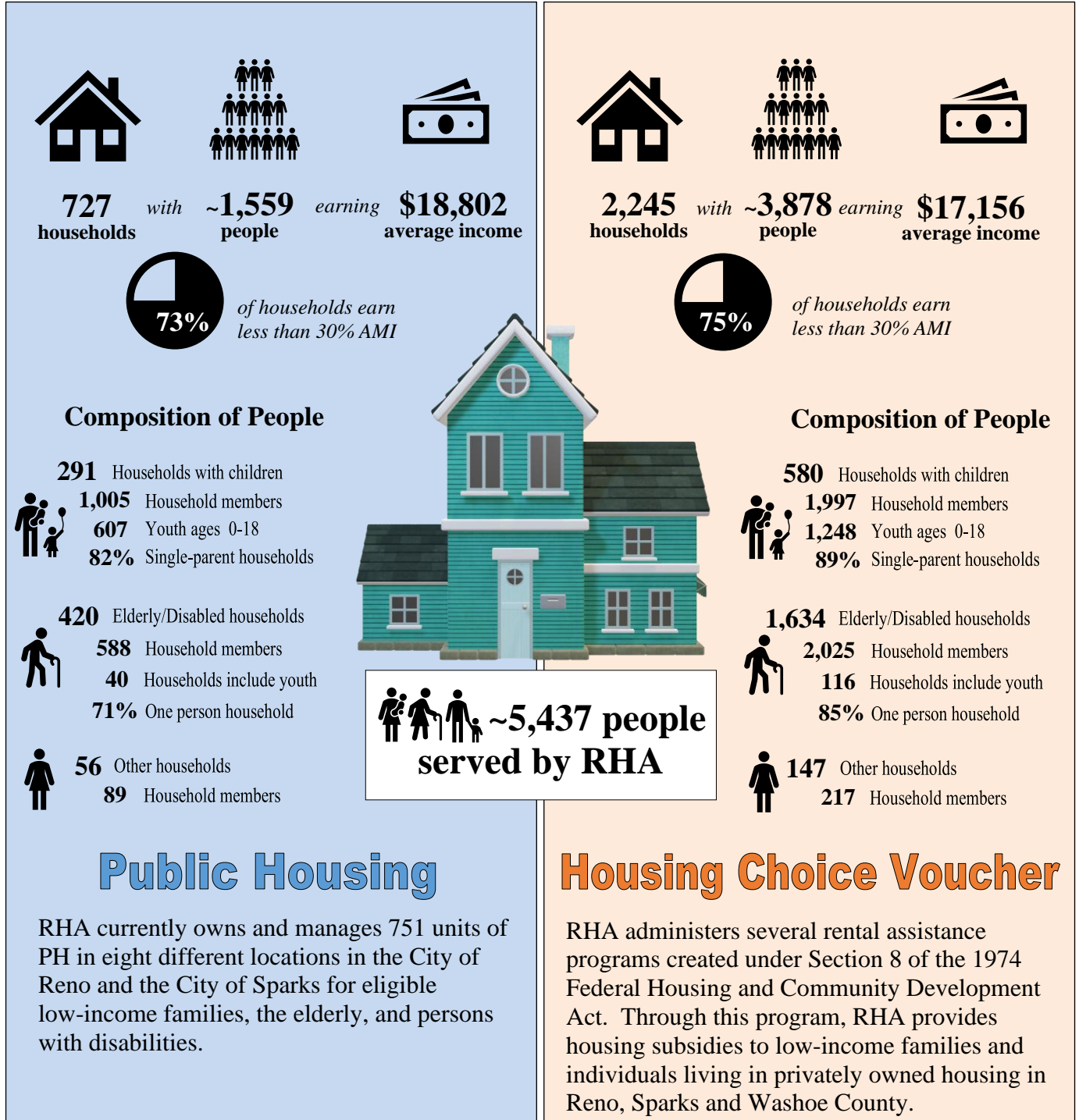




II. General Operating Information

RHA's Housing Assistance Programs

On January 1, 2023, RHA was providing housing assistance to 2,972 active households through its PH and HCV programs.



Public Housing

RHA currently owns and manages 751 units of PH in eight different locations in the City of Reno and the City of Sparks for eligible low-income families, the elderly, and persons with disabilities.

Housing Choice Voucher

RHA administers several rental assistance programs created under Section 8 of the 1974 Federal Housing and Community Development Act. Through this program, RHA provides housing subsidies to low-income families and individuals living in privately owned housing in Reno, Sparks and Washoe County.



In addition to households assisted through its PH and HCV programs, RHA works closely with the local Department of Veterans Affairs (VA) office to provide assistance to over 400 veterans through the HUD-VA Supportive Housing (VASH) Program. Recently, RHA was also awarded 137 Emergency Housing Vouchers to assist unsheltered community members with housing and 15 vouchers through the Foster Youth to Independence Program.

Utilizing NSP along with other funding sources, RHA acquired over 200 scattered site properties throughout the local area; 166 of these properties are still a part of the agency’s housing portfolio. Most of these scattered site rental properties are allocated specifically for very low-income households. In addition to these scattered site units, RHA owns nine unaided multi-family housing properties. Working with a private property management company, these nine properties provide an additional 376 housing units. Although not required to do so, RHA leases each of these properties at levels that are lower than HUD’s Fair Market Rents (FMRs) for Washoe County.

This section includes RHA’s general housing stock, lease-up, and wait list information.

A. Housing Stock Information

i. Planned New Public Housing Units

RHA will not be adding any new PH units in FY 2024.

| ASSET MANAGEMENT PROJECT (AMP) FILL IN NAME AND NUMBER | 0/1 Bdm | 2 Bdm | 3 Bdm | 4 Bdm | 5 Bdm | 6+ Bdm | TOTAL UNITS | POPULATION TYPE** | Section 504 Accessible Units* (Mobility) | Section 504 Units* (Hearing/Vision) |
|--|---------|-------|-------|-------|-------|--------|-------------|-------------------|--|-------------------------------------|
| Name/Number | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| Name/Number | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |
| Name/Number | 0 | 0 | 0 | 0 | 0 | 0 | 0 | N/A | 0 | 0 |

| | |
|---|----------|
| Total Public Housing Units to be Added in the Plan Year: | 0 |
|---|----------|

* The federal accessibility standard under HUD’s Section 504 regulation is the Unifor Federal Accessibility Standards (UFAS) for purposes of Section 504 compliance (24 CFR 8.32). HUD recipients may alternatively use the 2010 ADA Standards for Accessible Design under Title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”) for purposes of Section 504 compliance, <https://www.govinfo.gov/content/pkg/FR-2014-05-23/pdf/2014-11844.pdf>

** Select “Population Type” from: General, Elderly, Disabled, Elderly/Disabled, Other

If “Population Type” is “Other” please describe:

N/A



ii. Planned Public Housing Units to be removed

Over the past year, RHA has been exploring all options to reposition its PH portfolio including RAD and Section 18 Demolition/Disposition. RHA recently submitted an application under RAD/Section 18 for Silverada Manor, and in FY 2024, will continue to apply to HUD to participate in one, both or a blend of repositioning strategies for its other PH properties. As of January 1, 2023, Section 18 Demolition/Disposition is being considered for Hawk View Apartments, Mineral Manor, and Tom Sawyer Village.

A “substantial amendment” to the MTW Annual Plan is attached, which captures the proposed changes to the PH portfolio. This includes identifying the planned PH units to be removed and the number of new PBVs to be assigned.

In FY 2024, RHA plans to remove the following PH units:

| AMP NAME AND NUMBER | NUMBER OF UNITS TO BE REMOVED | EXPLANATION FOR REMOVAL |
|--|-------------------------------|---|
| Hawk View Apartments NV39P001007 | 99 | In FY 2024, RHA plans to submit an application for Section 18 Demolition/Disposition on this property. |
| Silverada Manor NV39P001003 | 149 | In FY 2024, RHA plans to submit an application to convert all units at this senior/disabled property to PBV utilizing RAD and a Section 18 Blend. |
| Essex Manor NV39P001009 | 105 | In FY 2024, RHA plans to submit an application to convert all units at this family property to PBV utilizing RAD. |
| TOTAL: Public Housing Units to be removed in the Plan Year | 353 | |



iii. Planned New Project-Based Vouchers

In FY 2024, RHA anticipates project-basing the following properties pursuant to the agency’s repositioning strategies. These include only those in which at least an Agreement to enter into a Housing Assistance Payment (AHAP) will be in place by the end of the Plan Year. It also indicates whether the unit is included in the Rental Assistance Demonstration (RAD).

| PROPERTY NAME | NUMBER OF VOUCHERS TO BE PROJECT-BASED | RAD? | DESCRIPTION OF PROJECT |
|---|--|------|--|
| Hawk View Apartments | 99 | N | PH family site that will likely be repositioned through Section 18 Demolition/Disposition, although a RAD PBV Section 18 Blend may also be considered. |
| Silverada Manor | 149 | Y | PH senior/disabled site that will be repositioned using RAD PBV/Section 18 Blend. |
| Essex Manor | 105 | Y | PH family site that will be converted to PBV assistance following RAD conversion. |
| TOTAL: Planned new Project Based Units in Plan Year | 353 | | |



iv. Existing Project Based Vouchers

RHA is currently project-basing the following tenant-based vouchers in the Plan Year. These include only those in which at least an AHAP is already in place at the beginning of the Plan Year. It also indicates whether the unit is included in RAD.

| PROPERTY NAME | NUMBER OF PROJECT-BASED VOUCHERS | PLANNED STATUS AT END OF PLAN YEAR* | RAD? | DESCRIPTION OF PROJECT |
|--|----------------------------------|-------------------------------------|------|--|
| Mobility Demonstration | 22 | Leased/Issued | No | PH tenants in good standing are being allowed to move to RHA’s scattered site properties on a PBV. |
| Single-Family Home Project-Based Vouchers | 10 | Leased/Issued | No | RHA has several single-family homes which are shifted to a PBV if/when the unit becomes vacant. |
| Yorkshire Terrace | 12 | Leased/Issued | No | RHA has assigned PBVs to units at Yorkshire Terrace, a 30-unit Low Income Housing Tax Credit (LIHTC) property. |
| Partnerships | 10 | Leased/Issued | No | RHA has formalized agreements with nonprofit community partners and property owners to provide affordable housing. |
| Willie J. Wynn Apartments | 12 | Leased/Issued | No | Affordable housing development designed specifically to support seniors aging in place. |
| Privately Owned Partnerships | 33 | Leased/Issued | No | Privately owned properties being assigned PBVs through a competitive process. |
| Pilgrims Rest | 7 | Leased/Issued | No | Privately owned senior complex managed by RHA. |
| VASH PBV | 75 | Leased/Issued | No | Privately owned properties have been assigned VASH PBVs. |
| TOTAL: Planned existing Project-Based Vouchers | 181 | | | |

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



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

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

| PLANNED OTHER CHANGES TO MTW HOUSING STOCK ANTICIPATED IN THE PLAN YEAR |
|---|
| <p>RHA plans to continue to purchase or repurpose single family homes, duplexes, and condominiums for use with PBVs. Scattered site properties in low poverty neighborhoods, either currently owned or yet to be acquired, may be identified for use in RHA’s Mobility Demonstration. All other properties acquired or repurposed may be used to provide additional housing choice to low-income families through RHA’s PBV program.</p> <p>RHA is also considering the redevelopment of a six-unit existing RHA owned unaided property utilizing 12 of RHA’s 13 available Faircloth Public Housing units. RHA’s decision is dependent on funding applications currently submitted, but not yet awarded. If Faircloth units are utilized, RHA would conder a Faircloth to RAD conversion.</p> |

vi. General Description of All Planned Capital Expenditures during the Plan Year

Narrative general description of all planned capital expenditures of MTW funds during the Plan Year.

| GENERAL DESCRIPTION OF ALL PLANNED CAPITAL EXPENDITURES DURING PLAN YEAR |
|---|
| <p>RHA is planning work on the following capital fund project in FY 2024.</p> <ul style="list-style-type: none"> • HVAC equipment replacement – expected FY 2021 expenditure: \$304,000 HVAC equipment will be replaced at McGraw Court. • RHA will be utilizing remaining FY 2022 and possibly FY 2023 Capital Funds to support relocation and/or other conversion expenses. |



B. Leasing Information

i. Planned Number of Households Served

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

| PLANNED NUMBER OF HOUSEHOLDS SERVED THROUGH: | PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED** |
|---|--|---|
| MTW Public Housing Units Leased | 8,676 | 723 ² |
| MTW Housing Choice Vouchers (HCV) Utilized | 27,936 | 2,328 ³ |
| Local, Non-Traditional: Tenant-Based [^] | 0 | 0 |
| Local, Non-Traditional: Property-Based [^] | 516 | 43 ⁴ |
| Local, Non-Traditional: Homeownership [^] | 0 | 0 |
| Planned Total Households Served: | 37,128 | 3,094 |

* "Planned Number of Unit Months Occupied/Leased" is the total number of months the MTW PHA plans to have leased/occupied in each category throughout the full Plan Year.

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

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

| LOCAL, NON-TRADITIONAL CATEGORY | MTW ACTIVITY NAME/NUMBER | PLANNED NUMBER OF UNIT MONTHS OCCUPIED/LEASED* | PLANNED NUMBER OF HOUSEHOLDS TO BE SERVED* |
|---------------------------------|---|--|--|
| Tenant-Based | N/A | 0 | 0 |
| Property-Based | 2021-03: Partnership to Assist Homeless Youth | 516 | 43 |
| Homeownership | N/A | 0 | 0 |

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

² RHA has 751 ACC units. Lease up is not anticipated to drop below 723 units, or 97% of the MTW baseline of 745. If/when RHA is approved for a RAD conversion, the actual number of households served may fall below the number planned as units are held to accommodate the conversion process.

³ RHA has 2,547 ACC Housing Choice Vouchers. Although our goal is 100% of the established baseline of 2,477, RHA anticipates leasing this program at 94% in the coming year.

⁴ Eddy House has 43 shelter beds; a portion of which are allocated specifically to house youth on a semi-permanent basis up to six months.



ii. Discussion of Any Anticipated Issues/Possible Solutions Related to Leasing

Discussions of any anticipated issues and solutions in the MTW housing programs listed.

| HOUSING PROGRAM | DESCRIPTION OF ANTICIPATED LEASING ISSUES AND POSSIBLE SOLUTIONS |
|----------------------------|---|
| MTW Public Housing | RHA continues to select applicants off the waiting list based on preferences set forth in the Admissions and Continued Occupancy (ACOP) for Public Housing for referral to vacant PH units. Throughout FY 2022, RHA leased this program at 98.13% of the MTW baseline and is currently on track to maintain this lease up figure. Although there are currently no anticipated leasing issues in this program, this may change if/when RHA begins to reposition its PH portfolio which results in units being held offline. |
| MTW Housing Choice Voucher | <p>RHA continues to monitor its payment standards in relation to rental market conditions and promote the Landlord Incentive Program. In FY 2019, based on feedback provided from the local HUD Field Office, RHA implemented a “lease in place” preference for applicants on the waiting list. This preference will continue in the coming year.</p> <p>In FY 2022, RHA leased this program at 93.13% of the MTW baseline, up from 92.26% in FY 2020. Although RHA is currently on track to maintain current lease up figures within this program in FY 2023, staff continues to explore additional solutions that could lead to increased HCV lease up numbers.</p> |
| Local, Non-Traditional | Although RHA does not anticipate any leasing issues related to Activity 2021-03, it is designed to assist homeless youth in both a community living space and 24-hour drop-in center. The very transient nature of the at-risk population being served make it difficult to anticipate any leasing issues that may be encountered. |

C. Wait List Information

The following table reflects RHA’s wait list information as of January 5, 2023.

i. Waiting List Information Anticipated

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

| WAITING LIST NAME | DESCRIPTION | NUMBER OF HOUSEHOLDS ON WAITING LIST | WAITING LIST OPEN, PARTIALLY OPEN OR CLOSED | PLANS TO OPEN THE WAITING LIST DURING THE PLAN YEAR |
|-------------------|---|--------------------------------------|---|---|
| CV Public Housing | 1-, 2-, 3- & -4-bedroom units servicing all populations | 2,644 | Closed | If needed |
| Stead | 2- & 3-bedroom units located at Stead Manor serving all populations | 1,120 | Closed | If needed |



| | | | | |
|-----------------------------------|---|-------|--------|-----------|
| Elderly & Disabled Public Housing | Studio, 1- & 2-bedroom units serving disabled and/or applicants age 55+ | 2,097 | Closed | If needed |
| HCV | Housing Choice Voucher Program serving all populations | 3,602 | Closed | If needed |
| Project-Based Voucher | Unit Based Voucher serving all populations | 2,359 | Closed | If needed |

Please describe any duplication of applicants across waiting lists:

At the time of application, clients may apply for all open waiting lists. Therefore, the number of households reported will reflect some households who have applied for more than one program and/or bedroom size.

ii. Planned Changes to Waiting List in the Plan Year

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

| WAITING LIST NAME | DESCRIPTION OF PLANNED CHANGES TO WAITING LIST |
|------------------------------|--|
| All Waiting Lists | All RHA waiting lists will be opened and closed as needed. |
| Public Housing Waiting Lists | With the conversion to a new database processing software system estimated to be completed in FY 2024, RHA will convert its Public Housing waitlist to site-based waitlists. RHA will follow all HUD regulations regarding notification of applicants currently on impacted waitlists. |



PROPOSED MTW ACTIVITIES

SECTION III





III. Proposed MTW Activities

This section describes RHA's proposed MTW activities for the coming year. Information is included on which MTW statutory objective(s) will be achieved, the anticipated impact of the proposed activity on the stated objective(s) and the anticipated schedules for achieving the stated objective(s). It also details specific waivers to be used along with data collection and evaluation criteria, if applicable.

RHA is proposing the following MTW activities in FY 2024:

2024-01: Time-Limited Workforce Development Vouchers

A. Activity Description

Reno, Sparks and Washoe County, like many communities across the U.S., continue to see members of its population experience homelessness. Increased demand for housing tightened the community's rental market, which, in many ways, made it harder for low-income residents to find affordable units. On a single night in Washoe County at the beginning of 2022, 1,605 people overall were counted as homeless including 417 who were unsheltered - sleeping outside, in a car, or someplace not meant for human habitation. Furthermore, 1,188 people were counted in emergency or transitional housing. Unfortunately, this also included youth⁵.

On this same night, 207 youth were counted as homeless in Washoe County. Of those, 29% were between the ages of 18 to 24 and 6% of this same age group were unsheltered. Sadly, the number of overnight shelters specifically for young people in Washoe County is limited. For those looking to stay out of homelessness, there are a few transitional housing providers who provide temporary housing with supportive services to individuals experiencing homelessness. The goal of these programs are interim stability and support to successfully move to and maintain permanent housing.⁶ However, according to *An In-Depth Guide of Homelessness in Washoe County*, "the robust continuum of care (community plan to organize and deliver housing and services to meet the specific needs of homeless people as they move into stable housing and maximize their self-sufficiency) needed to provide everyone who needs it with housing simply does not exist."⁷

RHA believes that everyone, including youth and young adults, need stable housing, supportive services, and access to connections that will place them on the path to long-term success. In FY 2024, RHA proposes to assist Washoe County's younger population who have successfully completed a community-based education or life-skills program and are at risk of long-term housing instability. To do this, RHA will allow at least 15 tenant-based vouchers to be earmarked to house youth who want to achieve self-sufficiency. Currently, this population is largely unassisted by the agency's traditional housing programs and due to waitlist preferences in place, are very unlikely to receive a traditional voucher. Through this activity, RHA proposes to expand the services already

⁵ <https://www.hudexchange.info/resource/6291/2020-ahar-part-1-pit-estimates-of-homelessness-in-the-us/>

⁶ <https://www.hudexchange.info/homelessness-assistance/coc-esg-virtual-binders/coc-program-components/transitional-housing/>

⁷ *An In-Depth Guide of Homelessness in Washoe County* was prepared by Baran, L., Colling, K., & DuPea, M.



provided to these youth with a structured, goal-oriented program that provides ongoing self-sufficiency support.

RHA's Workforce Development program is the cornerstone of the success of this activity. Consequently, direct referrals for Workforce Development Vouchers will be accepted from established non-profit partnering agencies specifically for these Workforce Development Vouchers. RHA's Workforce Development staff will accept the initial referral from the partnering agency and assist during the entire process from referral, admission, tenancy, and finally, self-sufficiency as they transition off housing assistance. As such, each applicant housed under this activity will receive a time-limited voucher of eight years and be required to participate in RHA's Workforce Development program.

How does this achieve one or more of the statutory objectives(s)?

Implementation of this activity will provide incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient.

Anticipated impact of the proposed MTW activity on the stated objective

RHA anticipates that implementation of this activity will provide at least 15 at-risk youth with permanent housing and access to supportive services through their participation in RHA's Workforce Development Program. Through ongoing participation, the activity is expected to increase employment opportunities, savings, and build wealth among these participants. It is also anticipated that it will improve the number of households transitioning to the final phase of self-sufficiency.

Anticipated schedule for implementing the proposed activity

Following HUD's approval of this activity, RHA will use a competitive process to solicit partnering agencies within the community. As Workforce Development staff will be the single point of contact for referral, each partnering agency will work directly with this department to begin the Admissions process. Due to the time-limited nature of these vouchers, Workforce Development staff will meet with potential participants prior to referral to explain the voucher and corresponding expectations for participation in the Workforce Development program. Once a voucher has been issued, RHA anticipates its partnering agencies will assist their client with their housing search. Finally, RHA's partners must provide the support necessary to ensure their client can overcome any barriers encountered when securing the unit (i.e., security deposits, rental history, etc.).



B. Activity Metrics

The following Standard HUD Metrics were identified and will be tracked for this activity:

| 2024-01 SS #1: Increase in Household Income | | |
|--|---|---|
| Unit of Measurement | Baseline | Benchmark |
| Average earned income of households affected by this policy in dollars (increase). | Average earned income of households affected by this policy prior to implementation of the activity (in dollars). | Expected average earned income of households affected by this policy after implementation of the activity (in dollars). |
| Average earned income of households referred for a Workforce Development voucher. | \$0 | \$30,000 by year 5 |

| 2024-01 SS #2: Increase in Household Savings | | |
|---|--|--|
| Unit of Measurement | Baseline | Benchmark |
| Average amount of savings/escrow of households affected by this policy in dollars (increase). | Average savings/escrow of households affected by this policy prior to implementation of the activity (in dollars). | Expected average savings/escrow of households affected by this policy after implementation of the activity (in dollars). |
| Average amount of savings/escrow of households referred for a Workforce Development voucher. | \$0 | \$6,000 by year 5 |

| 2024-04 SS #3: Increase in Positive Outcomes in Employment Status | | |
|--|---|--|
| <i>Report the Baseline, Benchmark and Outcome data for each type of employment status for those head(s) of households affected by the self-sufficiency activity.</i> | | |
| Unit of Measurement | Baseline | Benchmark |
| | Head(s) of households prior to implementation of the activity (number). | Expected head(s) of households in after implementation of the activity (number). |
| Employed Full-Time | 0 | 15 by year 5 |
| Employed Part-Time | 0 | 0 |
| Enrolled in an Educational Program | 0 | 0 |
| Enrolled in Job Training Program | 0 | 0 |
| Unemployed | 15 | 0 by year 5 |
| Other | N/A | N/A |



| 2024-01 SS #5: Households Assisted by Services that Increase Self-Sufficiency | | |
|--|--|---|
| Unit of Measurement | Baseline | Benchmark |
| Households assisted by services that increase self-sufficiency (increase). | Households receiving self-sufficiency services prior to implementation of the activity (number). | Expected number of households receiving self-sufficiency services after implementation of the activity (number) |
| Number of Workforce Development voucher households assisted by services that increased self-sufficiency. | 0 | 15 |

| 2022-01 SS #8: Households Transitioned to Self-Sufficiency | | |
|---|---|---|
| <p><i>RHA looks at self-sufficiency in two phases. The first phase occurs as household members maintain consistent employment for 12 months or when a reduction in subsidy results in the household being responsible for more than 50% of the rent. The final phase of self-sufficiency occurs automatically once the household is no longer receiving assistance or when the household voluntarily ends participation.</i></p> <p>For this plan and subsequent reporting, only those households are no longer receiving assistance or who voluntarily end participation are counted toward the established benchmark.</p> | | |
| Unit of Measurement | Baseline | Benchmark |
| Number of households transitioned to self-sufficiency (increase). | Households transitioned to self-sufficiency prior to implementation of the activity (number). | Expected households transitioned to self-sufficiency after implementation of the activity (number). |
| Number of Workforce Development voucher households who successfully transitioned to self-sufficiency. | 0 | 15 ⁸ |

Data source from which the metric data will be compiled

RHA will utilize its software system to track participating households internally throughout the year to note any changes in family circumstances that prevent Workforce Development Voucher participants from securing employment, increasing earned income, and potentially becoming self-sufficient.

C. Cost Implications

As each of these young adults will be issued a tenant-based voucher following referral, RHA does not anticipate any additional cost implications related to this activity.

⁸ RHA does not anticipate households to transition to self-sufficiency until their graduation from the Workforce Development program or by the eighth year of participation, whichever is sooner.



D. Need/Justification for MTW Flexibility

Note: All references to authorizations are to the section and paragraph citation of Attachment C of the Standard MTW Agreement.

This activity requires the following authorizations to allow RHA to issue term-limited vouchers, accept direct referrals from RHA's non-profit partnership, and establish and operate its self-sufficiency and training programs exempt from certain HUD requirements. It also allows for the required participation in RHA's Workforce Development Program.

Authorizations Related to Section 8 Housing Choice Vouchers Only

D.1. *Operational Policies and Procedures*

The Agency is authorized to determine basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act.

D.1.b. The Agency is authorized to determine the length of the lease period when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. §§982.303, 982.309, and 983 Subpart F.*

D.1.c. The Agency is authorized to define, adopt and implement a reexamination program that differs from the reexamination program currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8(o)(5) of the 1937 Act and 24 C.F.R. §982.516.*

D.2. *Rent Policies and Term Limits*

D.2.d. The Agency is authorized to implement term limits for HCV units designated as part of the MTW demonstration. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13)(F)-(G) of the 1937 Act and 24 C.F.R. § 982 Subpart L and 983 Subpart E.*

D.4. *Waiting List Policies*

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J), and 8(o)(16) of the 1937 Act and 24 C.F.R. §§982 Subpart E, 982.305 and 983 Subpart F.*

Authorizations Related to Family Self-Sufficiency

E. The Agency is authorized to operate any of its existing self-sufficiency and training programs, including its Family Self-Sufficiency (FSS) Program and any successor programs exempt from certain HUD program requirements. These may include those requirements governing program size or participation, including whether to establish escrow accounts and other rent incentives and whether to establish mandatory self-sufficiency participation requirements. If the Agency receives dedicated funding for an FSS coordinator, such funds must be used to employ a self-sufficiency coordinator. In



developing and operating such programs, the Agency is authorized to establish strategic relationships and partnerships with local private and public agencies and service providers to leverage expertise and funding. However, notwithstanding the above, any funds granted pursuant to a competition must be used in accordance with the NOFA and the approved application and work plan. *This authorization waives certain provisions of Section 23 of the 1937 Act and 24 CFR §984.*

Rent Reform Information

Impact Analysis

As these youth will be referred directly by RHA's non-profit partners, there is no impact anticipated on current HCV participants. RHA does anticipate that once housed and actively participating in the Workforce Development Program, these young adults will experience an increase in financial wealth and personal welfare as they work toward becoming self-sufficient.

To assess an individual's progress toward becoming self-sufficient over the eight-year period, they will be required to join the Workforce Development Program within six months of lease up. Participation in the program is essential to assessing whether progress is being made toward becoming self-sufficient prior to the expiration of their housing assistance. Consequently, should a referral for one of the Workforce Development Vouchers fail to join the Workforce Development Program or become inactive in the program for six consecutive months, RHA staff will initiate termination of assistance. At the end of the eight-year time limit, the individual will be terminated from assistance; however, they can then re-apply to the HCV Program, for placement according to existing waiting list preferences.

Hardship Case Criteria

The hardship policy for the end of assistance will be very limited. If the head or co-head of the family becomes disabled or experiences another life changing event that would require continued housing assistance, a three-person committee will review each request and decide whether an unrestricted voucher will be issued. Other than that, there will be no hardship exemptions from the eight-year limitation.

Description of Annual Reevaluation

RHA will track and evaluate the changing statuses of these young adults to determine whether progress is being made to become self-sufficient prior to voucher expiration.

Transition Period

This activity does not require a transition period. RHA anticipates these vouchers will be issued to at-risk youth following a successful competitive process to establish referring partners.



2024-02: Local Project Based Voucher Program

A. Activity Description

Throughout RHA's participation in MTW, the agency has proposed and implemented several activities directly related to PBVs. These activities allow for the assignment of PBVs to agency owned/controlled properties for ongoing partnerships, PBVs for privately owned properties, and the ability to assign PBVs to agency owned properties without going through a competitive process. This activity serves to combine all of RHA's current PBV activities into one Local Project Based Voucher Program. In doing so, the following program elements will remain in place or be expanded upon:

- To assist in providing additional housing choice for low-income families and allow RHA to make additional dwelling units available, RHA will continue to assign PBVs to non-Public Housing RHA owned/controlled dwelling units without going through the competitive process. Initial contract rents which are at or below the applicable low HOME rents will be set by RHA rather than going through a state-certified appraiser and a HUD-approved independent agency.
- RHA staff conduct inspections on all HCV and PBV units (*Activity 2015-02*) rather than using third party contractors, regardless of ownership or property management status. This policy will remain in effect and apply to all PBV units.
- Per 24 CFR §983.56, PBV assistance for units in a project cannot exceed more than 25% of the number of dwelling units (assisted or unassisted) in the project. In addition, 24 CFR §983.6 specifies that PHAs are limited to project-basing up to 20% of the amount of budget authority allocated to the PHA by HUD in the PHA voucher program. RHA will continue to remove the 25% cap on the number of PBVs that could be allocated to a non-Public Housing RHA-owned property and expand this flexibility to any property awarded PBVs through RHA's competitive process. Furthermore, RHA will also continue to eliminate the 20% limit on the amount of voucher funding that may be utilized under its PBV program.
- RHA will continue to expand its PBV program and allocate PBVs to privately owned properties in exchange for the owner's commitment to provide affordable housing to agency identified at risk populations. Local non-profits and developers can compete for the opportunity to receive an allocation of PBVs which will provide a minimum of a 15-year HAP contract providing rental subsidy to expand affordable housing units. If applicable, each applicant property owner must commit to accepting referrals from RHA's partnering service providers with whom a Memorandum of Understanding (MOU) outlining the provider's responsibilities has been executed. The service provider has agreed to provide the necessary case management to assist each of the individuals and/or families with their long-term stability. The applicant property owners must also agree to work collaboratively with the partnering service provider.

Households referred and assisted with PBVs under this activity will be subject to the regular operational/rent policies that RHA has in place. If necessary, a waiting list may be established and maintained by applicant property owners in compliance with RHA's standards.



In addition, RHA proposes to expand its PBV waivers to allow for floating units within complexes. RHA will certify all floating units meet HQS protocols required by HUD by inspecting a representative sample of 20% of the units in each building, at a minimum. Additionally, as RHA has already waived the limitations put in place by the project caps and budget authority, RHA proposes to simplify the PBV approval process and allow RHA’s Board of Commissioners to assign PBVs to both RHA owned/controlled non-PH units and competitively bid PBV units rather than requiring HUD’s approval of each property. To ensure compliance, RHA will continue to conduct each of the required elements to apply for a PBV including neighborhood site standards, HQS inspections, rent reasonableness, subsidy layering reviews, and environmental reviews, as required, prior to Board approval.

How does this achieve one or more of the statutory objectives(s)?

This activity is expected to reduce costs and achieve greater cost effectiveness in federal expenditures and increase housing choice for low-income families.

Anticipated schedule for implementing the proposed activity

As many of the elements of this activity are already in place, it will be implemented following HUD’s approval of this plan.

B. Activity Metrics

The following Standard HUD Metrics were identified when the activities were initially proposed/approved and will continue to be tracked for this activity:

| 2024-02 CE #1: Agency Cost Savings | | |
|---|--|--|
| Unit of Measurement | Baseline | Benchmark |
| Total cost of task in dollars (decrease). | Cost of task prior to implementation of the activity (in dollars). | Expected cost of task after implementation of the activity (in dollars). |
| Total cost of assigning PBVs to agency owned units without a competitive process. | \$720/property | \$0 |

| 2024-02 HC #4: Displacement Prevention | | |
|---|---|---|
| Unit of Measurement | Baseline | Benchmark |
| Number of households at or below 80% AMI that would lose assistance or need to move (decrease). | Number of households prior to implementation of the activity. | Expected number of households after implementation of the activity. |
| Number of households at or below 80% AMI that would lose assistance or need to move. | 0 | 0 |



| 2024-02 HC #5: Increase in Resident Mobility | | |
|---|---|---|
| Unit of Measurement | Baseline | Benchmark |
| Number of households able to move to a better unit and/or neighborhood of opportunity (increase). | Number of households prior to implementation of the activity. | Expected number of households after implementation of the activity. |
| Number of households able to move to a better unit and/or neighborhood of opportunity. | 0 | 50 |

| 2024-02 HC #7: Households Assisted by Services that Increase Housing Choice | | |
|--|---|---|
| Unit of Measurement | Baseline | Benchmark |
| Number of households receiving services aimed to increase housing choice (increase). | Number of households prior to implementation of the activity. | Expected number of households after implementation of the activity. |
| Number of households receiving services aimed to increase housing choice. | 0 | 50 |

Data source from which the metric data will be compiled

RHA will use its internal software to track units where a PBV has been assigned.

C. Cost Implications

RHA does not anticipate any additional cost implications related to this activity.

D. Need/Justification for MTW Flexibility

Note: All references to authorizations are to the section and paragraph citation of Attachment C of the Standard MTW Agreement.

The following authorizations are required to create a Local Project-Based Voucher Program:

Authorizations Related to Both Public Housing and Section 8 Housing Choice Vouchers

B.4. Transitional/Conditional Housing Program

The Agency may develop and adopt new short-term transitional housing programs, consistent with an eligible use of section 8 and 9 funds, with supportive services in one or more buildings in collaboration with local community-based organizations and government agencies. Successful participants in these programs will be eligible for transfer to the Agency’s public housing or housing choice voucher programs.

Authorizations Related to Section 8 Housing Choice Vouchers Only

D.1. Operational Policies and Procedures

The Agency is authorized to determine basic operational policies and procedures for all Section 8 assistance the Agency is provided under section 8(o) of the 1937 Act.



D.1.b. The Agency is authorized to determine the length of the lease period when vouchers expire and when vouchers will be reissued. *This authorization waives certain provisions of Section 8(o)(7)(a), 8(o)(13)(F) and 8(o)(13)(G) of the 1937 Act and 24 C.F.R. §§982.303, 982.309, and 983 Subpart F.*

D.1.e. The Agency is authorized to determine the percentage of housing voucher assistance that it is permitted to project-base, and criteria for expending funds for physical improvements on those units that differs from the percentage and criteria requirements currently mandated in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Section 8 (o)(13) of the 1937 Act and 24 C.F.R. §983.*

D.2.b. The Agency is authorized to determine contract rents and increases and to determine the content of contract rental agreements that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(7) and 8(o)(13) of the 1937 Act and 24 C.F.R. §§982.308, 982.451 and 983 Subpart E.*

D.4. *Waiting List Policies*

The Agency is authorized to determine waiting list procedures, tenant selection procedures and criteria and preferences, including authorizing vouchers for relocation of witnesses and victims of crime that differ from the currently mandated program requirements in the 1937 Act and its implementing regulations. *This authorization waives certain provisions of Sections 8(o)(6), 8(o)(13)(J), and 8(o)(16) of the 1937 Act and 24 C.F.R. §§982 Subpart E, 982.305 and 983 Subpart F.*

D.5. *Ability to Certify Housing Quality Standards*

The Agency is authorized to certify that housing assisted under MTW will meet housing quality standards established or approved by HUD. The certification form will be approved or provided by HUD. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. §982, Subpart I.*

D.7. *Establishment of an Agency MTW Section 8 Project-Based Program*

The Agency is authorized to develop and adopt a reasonable policy and process for project-basing Section 8 tenant-based leased housing assistance, which includes the components set forth:

D.7.a. The Agency is authorized to project-base Section 8 assistance at properties owned directly or indirectly by the Agency that are not public housing, subject to HUD's requirements regarding subsidy layering. If the Agency chooses to project-base Section 8 assistance at such properties, the Agency recognizes and accepts that such units would no longer be eligible for operating subsidy provided under Section 9(e) of the 1937 Housing Act or for future capital funds provided under Section 9(d) for those units if it chooses to use this authorization. Project-based assistance for such owned units does not need to be competitively bid, nor are the owned units subject to any required assessments for voluntary conversion. *This authorization waives certain provisions of Sections 8(o)(13)(B and D) of the 1937 Act and 24 C.F.R. 982.1, 982.102 and 24 C.F.R. Part 983.*



- D.7.b. The Agency is authorized to establish a reasonable competitive process or utilize an existing local competitive process for project-basing leased housing assistance at units that meet existing Housing Quality Standards, or any standards developed by the Agency pursuant to this MTW Agreement and approved by the Secretary, and that are owned by non-profit, or for-profit housing entities. *This authorization waives certain provisions of 24 C.F.R. §983.51.*
- D.7.c. The Agency is authorized to duly adopt, according to the requirements of local law, alternate standards for determining the location of existing, newly constructed or substantially rehabilitated housing to receive subsidy; provided, however, that in lieu of the Site Selection Standards currently set forth in 24 C.F.R. Section 983.57, the Agency will comply with the following requirements:
- i. The Agency will comply with the Fair Housing Act and Title VI of the Civil Rights Act of 1964, and implementing regulations thereto, in determining the location of newly constructed or acquired public housing units.
 - ii. Units may be located in the agency's jurisdiction, including within, but not limited to, the following types of urban areas: (1) an area of revitalization that has been designated as such by the governing jurisdiction, including Redevelopment Areas and Enhanced Enterprise Communities, (2) an area where public housing units were previously constructed and were demolished, (3) a racially or economically impacted area where the agency plans to preserve existing affordable housing, (4) in connection with HOPE VI or other HUD funded master planned development, (5) in areas where a needs analysis indicates that subsidized housing represents a low percentage of the total number of housing units in the area, or (6) relocating units to an area with a lower concentration of public housing units.
 - iii. Conduct a housing needs analysis indicating that there is a real need for the housing in the area; and
 - iv. When developing or substantially rehabilitating six or more Section 8 project-based units, the agency will: (1) advise current residents of the subject properties and representative community groups in the vicinity of the subject property by letter to resident organizations and by public meeting, of the agency's revitalization plan; and (2) certify to HUD in its Annual MTW Report that the comments from Residents and representative community groups have been considered in the revitalization plan. Documentation evidencing that the agency has met the stated requirements will be maintained at the housing authority and submitted to HUD in its Annual MTW Report.
- D.7.d. All units that receive project-based Section 8 assistance must meet either (i.) existing HQS standards established by the Secretary or (ii) a local standard for communities receiving project-based Section 8 assistance developed by the Agency and approved by the Secretary. *This authorization waives certain provisions of Section 8(o)(8) of the 1937 Act and 24 C.F.R. §982 Subpart I.*



APPROVED MTW ACTIVITIES

SECTION IV



IV. Approved MTW Activities

A. Implemented Activities

The activities discussed in this section have previously been approved by HUD and implemented by RHA. The following tables provide an overview of each of the approved MTW activities including the year it was implemented, the primary statutory objective(s) the activity is intended to impact, and the Authorization(s) cited.

| Approved MTW activities | | | | |
|-------------------------|--|--|--|--|
| Activity # | Activity Name | Fiscal Year Implemented / Amended | Statutory Objective(s) | Authorization(s) Cited |
| 2014-01 | Assign PBVs to RHA owned/controlled units without competitive process | 2014 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections D.2.b. and D.7.a. |
| 2014-02 | Mobility Demonstration | 2014 | Increase housing choice for low-income families <i>and</i> create incentives for families to work, seek work or prepare for work. | Attachment C Sections D.1.b., D.4., D.7.a., and E. |
| 2014-05 | Simplify rent calculations and increase the minimum rent | 2014 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.4., C.11, D.2.a., and D.3.b. |
| 2014-06 | Triennial recertifications for elderly/disabled participants on fixed incomes | 2014 amended 2015 amended 2017 amended 2018 amended 2023 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.4. and D.1.c. |
| 2014-08 | Partner with local nonprofit to provide special needs housing | 2014 | Increase housing choice for low-income families and reduce costs <i>and</i> create incentives for families to work, seek work or prepare for work. | Attachment C Sections B.4., D.1.b., and D.7.a. |
| 2015-01 | Elimination of all negative rents and simplification of HCV utility allowances | 2015 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.11. and D.2.a. |
| 2015-02 | Allow RHA to inspect its own HCV units | 2015 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.9.a. and D.5. |



| Activity # | Activity Name | Fiscal Year Implemented / Amended | Statutory Objective(s) | Authorization(s) Cited |
|------------|--|-----------------------------------|--|--|
| 2015-03 | Eliminate Caps on PBV allocations and allow for assignment of PBVs to 100% of RHA-owned, non-Public Housing properties | 2015 amended 2017 | Reduce costs and achieve greater cost effectiveness <u>and</u> increase housing choices for low-income families. | Attachment C Sections D.1.e. and D.7.a. |
| 2016-01 | Simplification of medical deductions | 2016 amended 2018 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.11. and D.2.a. |
| 2016-02 | Redefine near-elderly person | 2016 amended 2020 | Increase housing choices for low-income families. | Attachment C Section C.2. |
| 2016-04 | Allow HCV participants to lease units that exceed the 40% rent burden | 2016 | Increase housing choices for low-income families. | Attachment C Section D.2.a. |
| 2016-05 | Eliminate Earned Income Disallowance (EID) | 2016 | Reduce costs and achieve greater cost effectiveness. | Attachment C Sections C.11. and D.2.a. |
| 2016-06 | Disregard earned income of PH household members, age 18-20, who are not the head of household or co-head | 2016 | Create incentives for families to work, seek work or prepare for work. | Attachment C Section C.11. |
| 2016-07 | Implement a \$75 fee for each additional HQS inspection when more than two inspections are required | 2016 | Reduce costs and achieve greater cost effectiveness. | Attachment C Section D.1.a. |
| 2016-08 | Expand Project Based Voucher Program | 2016 amended 2019 | Increase housing choices for low-income families. | Attachment C Sections D.1.e. and D.4. |
| 2017-01 | Increase verified application data for HCV applicants | 2017 | Reduce costs and achieve greater cost effectiveness <u>and</u> increase housing choices for low-income families. | Attachment C Section D.3.a. |
| 2017-02 | Asset threshold to determine eligibility for admission | 2017 amended 2019 | Increase housing choices for low-income families. | Attachment C Sections C.2., D.3.a., D.3.b., and D.4. |
| 2018-01 | Landlord Incentive Program | 2018 amended 2020 | Increase housing choices for low-income families. | Attachment C Sections D.1.a. and D.1.d. |



| Activity # | Activity Name | Fiscal Year Implemented / Amended | Statutory Objective(s) | Authorization(s) Cited |
|------------|---|-----------------------------------|--|--|
| 2019-01 | Redetermination of rent reasonableness as a result of a change in contract rent | 2019 | Reduce costs and achieve greater cost effectiveness <i>and</i> increase housing choices for low-income families. | Attachment C Section D.2.c. |
| 2019-02 | Provide incentives to \$0 HAP households | 2019 | Create incentives for families to work, seek work or prepare for work. | Attachment C Sections D.1.a, D.1.b, D.1.c and Section E. |
| 2021-01 | Affordable Housing Acquisition, Rehabilitation and Preservation | 2021 | Increase housing choices for low-income families. | Attachment D - Use of MTW Funds and MTW block grant outlined in PIH 2011-45 (HA) |
| 2021-03 | Partnership to Assist Homeless Youth | 2021 | Increase housing choices for low-income families. | Attachment D - Use of MTW Funds and MTW block grant outlined in PIH 2011-45 (HA) |
| 2022-01 | Workforce Development Program | 2022 amended 2023 | Create incentives for families to work, seek work or prepare for work. | Attachment C Section E |



2014-01: Assign PBVs to RHA owned/controlled units without a competitive process

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2014.

Description

RHA owns several single-family homes, duplexes and condominiums throughout Reno, Sparks, and Washoe County that were purchased using various funding sources. To expand the housing choice of low-income households, PBVs have been assigned to several of these scattered site units without going through the competitive process. To assist in expediting the PBV approval process, initial contract rents at or below the applicable Low HOME Rents, are set by RHA. RHA sets these rents in lieu of utilizing a state-certified appraiser and a HUD-approved independent agency.

Status/Update

Although the housing market has strengthened and the amount of available inventory has become extremely limited, RHA remains committed to purchasing or developing additional housing if the units will further the agency's mission. New and existing properties will be reviewed to determine whether the use of a PBV is appropriate. RHA will continue to utilize this flexibility should the opportunity present itself.

This activity will remain ongoing in FY 2024 but will be replaced with Activity 2024-02 following HUD approval. It will be closed out with the next annual report.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2014-02: Mobility Demonstration

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2014.

Description

RHA's Mobility Demonstration allows qualified low-income PH families with children to move to neighborhoods where opportunities are more abundant within the surrounding area. To enable these families to move, RHA is assigning PBVs to agency-owned single-family homes, duplexes and condominiums located within low-poverty neighborhoods throughout the City of Reno and the City of Sparks. Based on a pool of eligible households and the family's approved voucher size, PH families with children, who are currently in good standing and who meet the established requirements to participate in the program, are provided with the opportunity to move into one of the identified properties.

Status/Update

To date, 49 PH families with children have moved to properties located in low-poverty census tracts, 19 of whom are still participating in the demonstration. Overall, this activity has been successful with nearly 37% or 18 families having successfully transitioned off housing assistance.



In addition, five families, who are currently paying full contract rent, are expected to become self-sufficient and move off the program in the coming year.

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2014-05: Simplify rent calculations and increase the minimum rent

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2014.

Description

RHA is excluding all educational financial aid from income calculations and allowing self-certification of assets under \$10,000. The full amount of student financial assistance paid directly to the student or to the educational institution is excluded from income calculations for HCV participants. RHA's HCV participants can now benefit from being able to attend an institution of higher education without being penalized with an increase in rent due to any financial assistance that they may secure. Furthermore, households with assets less than \$10,000 can submit a self-certification as to the value of the asset. At the time of application, applicants are asked to provide a well-documented baseline asset value. RHA staff will only calculate income on assets if the value of the assets total more than \$10,000.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

In FY 2014, RHA raised the minimum rent from \$50 to \$75 not only to save significant HCV and PH operating subsidy but provide an incentive for participants to seek employment due to the higher participant contribution to rent. As of January 1, 2023, RHA has 212 households within its PH and HCV programs who are paying a minimum rent of \$75, 46% of these households pay a tenant rent of \$0.

In FY 2024, RHA proposes to raise the minimum rent to \$100. This increase will affect 240 households of which 12% will continue to pay a tenant rent of \$0. On average, affected households will experience a rent increase of \$17/month in the HCV program and \$15/month in the PH program.

As no group of residents will be exempt from the minimum rent, individuals who already have hardship exemptions will continue to be granted that exemption. Individuals who request an exemption may be granted one, based on RHA's standard hardship policy for an exception to minimum rent. RHA's current minimum rent hardship policy states:

An exception to the minimum rent can be requested if the family experiences one or more of the following qualifying events:



- a. The household has lost eligibility or is awaiting an eligibility determination for Federal, State or local assistance, including a household with a member who is a noncitizen lawfully admitted for permanent residence under the Immigration and Nationality Act, and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996.
- b. The household would be evicted as a result of the imposition of the minimum rent requirement.
- c. The income of the household has decreased because of changed circumstances, including loss of employment or death of a household member. "Loss of employment" is defined as being laid off or terminated through no fault of the employee. Loss of employment does not, for the purposes of exemption to minimum rent, include voluntarily quitting employment. "Death in the family", for the purposes of exemption to minimum rent, includes head of household or spouse, or any household member.
- d. Other circumstances as determined by RHA or HUD.

RHA will review all household requests for exception from the minimum rent due to financial hardships.

If RHA determines that the hardship is temporary (defined as a duration of less than 90 consecutive days), a minimum rent will not be imposed for a period of up to ninety days from the date of the household's request. At the end of the temporary suspension period, a minimum rent will be imposed retroactively to the time of suspension. If RHA determines that there is a qualifying long-term financial hardship, RHA must exempt the household from the minimum rent requirements for as long as the hardship continues. The exemption from minimum rent shall apply from the first day of the month following the household's request for exemption.

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2014-08: Partner with local nonprofit to provide special needs housing

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2014.

Description

RHA is providing PBV units to clients of its nonprofit partners including the Domestic Violence Resource Center (formerly CAAW), Casa de Vida, Human Services Agency of Washoe County, Safe Embrace, Northern Nevada HOPES and Northern Nevada Adult Mental Health Services (NNAMHS). These PBVs are for two years and each of the nonprofit partners provides the supportive services.

Status/Update

This activity will remain ongoing in FY 2024 but will be replaced with Activity 2024-02 following HUD approval. It will be closed out with the next annual report.



Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2015-01: Elimination of all negative rents and simplification of HCV utility allowances

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2015.

Description

RHA’s PH residents and HCV participants no longer receive negative rents due to utility allowances. Furthermore, RHA simplified the HCV utility allowances for all units by creating a flat utility allowance schedule based on structure type and authorized voucher bedroom size. The new utility allowances are designed to cover the full cost of apartment utilities, but a lesser percentage proportionally for participants who choose single family homes, duplexes, and mobile homes.

Status/Update

Recently, RHA revised its simplified utility allowances to ensure their feasibility with the changing rental market. As the region’s rental market remains tight, landlords are now requiring tenants to pay more utilities. To reduce the financial burden that this changing rental market could have on HCV participants, RHA revised its simplified utility allowance schedule to cover the cost of additional utilities. Following are RHA’s current utility allowance schedules:

| Owner Paid Water/Sewer/Trash | | | | | |
|---|-------------|-------------|-------------|-------------|--------------|
| Effective for annuals and vouchers issued on or after 10/1/22 | | | | | |
| Structure Type | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR+ |
| EES* | \$51 | \$59 | \$72 | \$86 | \$101 |
| Apartment | \$59 | \$67 | \$85 | \$103 | \$121 |
| Townhouse/Semi-Detached/Duplex | \$70 | \$80 | \$103 | \$125 | \$147 |
| Detached – Single Family House | \$88 | \$102 | \$127 | \$155 | \$182 |
| Mobile | \$88 | \$100 | \$123 | \$146 | \$169 |

*EES – Energy Efficient Systems includes cooking, heating, and all electric.



| Tenant Paid Water/Sewer/Trash – (must pay at least 2 to qualify) | | | | | |
|---|-------------|-------------|-------------|-------------|--------------|
| Effective for annuals and vouchers issued on or after 10/1/22 | | | | | |
| Structure Type | 0-BR | 1-BR | 2-BR | 3-BR | 4-BR+ |
| EES* | \$142 | \$152 | \$168 | \$185 | \$205 |
| Apartment | \$152 | \$160 | \$181 | \$203 | \$226 |
| Townhouse/Semi-Detached/Duplex | \$163 | \$173 | \$199 | \$225 | \$252 |
| Detached – Single Family House | \$190 | \$204 | \$232 | \$264 | \$296 |
| Mobile | \$190 | \$202 | \$228 | \$255 | \$283 |

*EES – Energy Efficient Systems includes cooking, heating, and all electric.

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2015-02: Allow RHA to inspect its own HCV units

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2015.

Description

RHA owns a significant number of units which, under HUD’s established rules, had to previously be inspected by third party contractors. In FY 2015, RHA staff began conducting inspections on all HCV and PBV units, regardless of ownership or property management status, rather than using third party contractors.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2015-03: Eliminate caps on PBV allocations and allow for assignment of PBVs to 100% of RHA-owned, non-Public Housing properties

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2015. It was amended in FY 2017 to eliminate the voucher allocation cap.

Description

RHA owns several non-PH complexes and dwelling units that have been utilized in various



housing programs through the assignment of PBVs. To provide additional low-income families housing assistance and increase the agency's rental revenue, the cap on the number of units where a PBV can be assigned within each project was lifted. This has allowed for the assignment of PBVs to up to 100% of these RHA-owned, non-PH units. In FY 2017, the 20% limit on the amount of voucher funding that may be utilized under the PBV program was also eliminated.

Status/Update

This activity will remain ongoing in FY 2024 but will be replaced with Activity 2024-02 following HUD approval. It will be closed out with the next annual report.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2016-01: Simplification of medical deductions

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016. It was amended in FY 2018 to modify the income tiers further and establish a requirement that all eligible households self-certify actual medical expenses rather than allowing all participants to simply receive the simplified medical deduction regardless of whether the household incurs the expense.

Description

Rather than use third party verifications and require residents to provide receipts showing out of pocket medical expenses, RHA established and implemented a simplified medical deduction schedule based entirely on the household's gross income. Implementation resulted in the process becoming streamlined for RHA staff and the policy becoming easier for PH residents and HCV participants to understand.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA anticipates reviewing and adjusting the standardized medical deduction table frequently to determine its overall viability for program participants. Following a review of the income guidelines provided by the Medicare Assistance Program in relation to the 2022 Medicare premiums and coverage, it was determined that modifications to the medical deduction table would not be necessary this year.

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.



2016-02: Redefine near-elderly person

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016. It was expanded upon in FY 2020 to include the use of the near-elderly definition within the PBV program and allow PBV sites, which define elderly as 55 years of age and older, to be considered an elderly property.

Description

In FY 2016, RHA implemented a change to the near-elderly definition for the PH program to limit it to persons who are at least 55 years of age but below the age of 62. These newly defined households are treated as “elderly” to allow for their admission from the waiting list to one of RHA’s senior PH complexes. This has allowed the number of eligible families referred to these PH units to increase without raising concerns from current residents regarding potential lifestyle conflicts. By redefining near-elderly and allowing these households to be treated as “elderly” for admission to RHA’s senior PH complexes, the affordable housing opportunities for these individuals has successfully increased.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2016-04: Allow HCV participants to lease units that exceed the 40% rent burden

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016.

Description

To allow HCV participants to choose housing in accordance with their individual financial circumstances, RHA began allowing HCV participants, at their option, to lease units that exceed the 40% maximum rent burden. However, at the time tenancy is approved and the HAP contract is executed, the maximum initial rent burden cannot exceed 50% of monthly adjusted income. Implementation of this activity allows participants to look for housing that may be more costly than otherwise permitted under HUD regulations, but it also gives participants the option to live in lower poverty neighborhoods with access to better schools and employment opportunities.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.



2016-05: Eliminate Earned Income Disallowance (EID)

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016.

Description

Earned Income Disallowance (EID) allows eligible tenants in the PH and HCV programs to increase their incomes through employment without triggering rent increases. The resulting income increase is fully excluded for 12 months and 50% excluded for an additional 12 months. Under the “Streamlining Administrative Regulations for Public Housing, Housing Choice Voucher, Multifamily Housing, and Community Planning and Development Programs” published on March 8, 2016, the duration for this exclusion of wages was revised from 48 months to 24 months. However, each eligible family member may be in a different exclusion phase or month count, which remains burdensome for PHA staff to track. In FY 2016, RHA eliminated the HUD-mandated EID from the calculation of rent.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2016-06: Disregard earned income of PH household members, ages 18-20, who are not the head of household or co-head

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016.

Description

HUD regulations for PH residents require that earned income of adult children, between the ages of 18 and 20, be factored into the household's rent calculation. In many cases where an adult child works, the head of household has no control over the child's willingness to contribute to the rent. In some cases, this increased rent burden may place the family at risk of being terminated from the program if the head of household is unable to pay their portion of the increased rent.

In FY 2016, RHA began providing these adult children, ages 18-20 who live in PH and are not the head of household or co-head, an incentive to pursue employment and become economically self-sufficient by revising the definition of countable income. This revision excludes all earned income for these young adults when determining rent for the entire household.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.



2016-07: Implement a \$75 fee for each additional HQS inspection when more than two inspections are required

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016.

Description

Currently RHA is required to conduct a re-inspection on units that fail an annual HQS inspection to ensure that the owner/manager has corrected the noted violations. If the unit fails HQS, the owner/manager is notified in writing of the deficiencies and repairs that need to be made within 30 days. If the owner/manager does not take the required corrective action within the specified time, RHA can abate the HAP beginning 30 days from the date of the first inspection until the required work is totally complete. Frequently, a third inspection is required to verify the completion of the noted deficiencies.

To encourage owners/managers to correct the noted violations quickly and provide RHA's HCV participants with safer living conditions, RHA began to assess a \$75 fee for each additional HQS inspection. This fee commences when more than two HQS inspections are required due to the owner/manager's failure to complete the necessary repairs. The fee for the inspection does not remove the abatement of the subsidy, but rather seeks to cover the administrative costs of conducting a third inspection that would not have been required had the owner/manager corrected the noted violations in a timely manner and incentive landlords to make timely repairs. The owner/manager cannot pass this fee on to the tenant.

Owners/managers frequently request extensions to complete the necessary repairs prior to the third inspection, and RHA anticipates that this will continue. However, upon implementation of this activity, extensions are no longer granted for more than 30 days following the date of the second inspection except under certain circumstances which are approved by RHA.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2016-08: Expand Project Based Voucher Program

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2016. It was expanded upon in FY 2019 to include families who are participating in Washoe County's workforce development programs.

Description

RHA allocates PBVs to RHA-owned units which are utilized in several of RHA's housing programs and to assist RHA's local nonprofit partners in housing high risk families who have immediate housing needs. On May 11, 2016, RHA received approval to amend its FY 2016 MTW Annual Plan to allow for the expansion of its PBV program.



This expansion allows for the allocation of up to 50 PBVs to privately owned properties in exchange for the owner's commitment to provide affordable housing to individuals and/or families who are experiencing homelessness. This activity was amended in FY 2019 to expand RHA's PBV program to address the lack of affordable housing options for families who are actively participating in workforce development programs within Washoe County.

To implement the activity effectively, RHA also received approval to remove the 25% per building cap established in 24 CFR §983.56 for all PBVs assigned under this activity.

Status/Update

This activity will remain ongoing in FY 2024 but will be replaced with Activity 2024-02 following HUD approval. It will be closed out with the next annual report.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2017-01: Increase verified application data for HCV applicants

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2017.

Description

RHA's Admin Plan and federal regulations require that information submitted by each applicant be verified by staff to ensure that the data provided by the applicant that was used to determine eligibility, priority status, HAP to be paid and voucher size is true and complete. Per CFR §982.201(e), RHA must receive information verifying that an applicant is eligible for the HCV program within the period of 60 days prior to the issuance of a voucher to the applicant. Information not subject to change (i.e., date and place of birth) does not need to be re-verified. Information that is subject to change, which was verified more than 60 days prior, must be re-verified close to certification of the applicant's file. If there is a delay after the file has been certified and referred to the HCV program that will cause an applicant to not lease up, the voucher is suspended while the information is re-verified. If changes are reported late, the file will be returned to Admissions staff to obtain written verification and to determine their effect on eligibility, rent and unit size.

The amount of time RHA staff spent following-up and tracking third-party verification requests was significant and often resulted in information that was no more reliable than the documents provided by the applicants directly. To streamline the admissions process, reduce the amount of time required by staff, and decrease the time necessary to build a qualified applicant pool, RHA received approval to extend the length of time that all verified application data related to income is deemed valid for the HCV program to 120 days. Furthermore, this activity also allows stable income verifications, such as pensions and Social Security award letters, to be valid for the current year.

Status/Update

This activity will remain ongoing in FY 2024.



Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2017-02: Asset threshold to determine eligibility for admission

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2017. It was amended in FY 2019 to exclude cash assets of elderly/disabled applicants.

Description

Under 24 CFR §5.609, annual income is defined to include amounts derived (during the 12-month period) from assets to which any member of the family has access. Income resulting from any assets held by the family must be calculated and included when determining program eligibility and rent portions. However, under HUD's current guidelines, there is no limit on the amount of assets a family may have access to prior to determination of eligibility.

To serve applicants who are most in financial need, RHA received approval to establish an asset threshold when determining eligibility for admission to its housing programs. Should an applicant have combined assets with a cash value of more than \$50,000, or ownership in a suitable dwelling unit which they have a legal right to reside in, they are determined to be ineligible for admission.

In FY 2019, RHA amended this activity to exclude cash assets only when determining eligibility for elderly/disabled HCV and PH households. Ownership in a property that the applicant has a legal right to reside in remains in place for all applicants when determining eligibility for RHA's housing programs.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2018-01: Landlord Incentive Program

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2018. It was amended in FY 2020 to expand upon the conditions for qualification.

Description

Based on information received from landlords through a survey which noted barriers to their continued participation in the HCV program, RHA implemented a Landlord Incentive Program in FY 2018 that was expanded upon in FY 2020. The program allows landlords to receive their contracted HAP payment through the end of the month for units occupied by HCV participants vacating under the following conditions: (1) deceased tenant, (2) eviction, (3) skip, (4) a family responsibility violation, or (5) excessive damage to the unit that is beyond normal wear and tear.



Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

In FY 2024, RHA will begin to provide the actual HAP amount through the end of the month as well as one additional month of full contract rent to landlords automatically regardless of the actual move-out date of the participant. Landlords can utilize the additional month of contracted rent toward damages incurred within the unit or as compensation for a vacancy loss.

To ensure landlords can maintain equal housing opportunities and follow their existing procedures, RHA does not require landlords to rent to another voucher holder to qualify for the Landlord Incentive Program. However, in FY 2024 RHA will utilize single fund flexibility to expand the Landlord Incentive Program and provide landlords with a \$500 re-lease bonus and a \$1,000 referral bonus. Based on this expansion, current HCV landlords who sign a HAP contract to lease the same unit to another HCV program participant, will automatically receive a \$500 re-lease bonus. In addition, current landlords who refer a new landlord to the HCV program will be eligible for an automatic referral bonus. To qualify for the referral bonus, the new landlord must be one who has never leased to one of RHA's HCV program participants before.

To engage and retain current and future HCV landlords, RHA began reviewing various software companies who specialize in landlord relationships. In the coming year, RHA may use single fund flexibility to purchase software that will centralize landlord relationships, reduce housing search times, and expand housing opportunities.

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2019-01: Redetermination of rent reasonableness as a result of a change in contract rent

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2019.

Description

The strengthening housing market and the lack of affordable housing in the City of Reno, the City of Sparks and Washoe County has resulted in private landlords becoming wary or simply refusing to rent to HCV participants. This is oftentimes made worse by the myriad of regulations that must be adhered to when leasing to a family participating in the HCV program. These burdensome regulations include mandatory inspections and the requirement to determine whether a CRI request is reasonable. Several of RHA's landlords expressed dissatisfaction in having to complete a rent reasonableness determination when requesting a rent increase and many disagree with the comps used if the amount requested is determined to be unreasonable. In fact, some landlords have openly expressed that they can easily rent the unit to a family who is not receiving assistance at whatever price they deem appropriate.

Based on the local rental market, RHA began waiving the requirement for a rent reasonableness determination in FY 2019 if the new requested rent amount represents a change of 10% or less.



This policy change is anticipated to assist in retaining landlords who continue to lease to HCV participants in this challenging rental market and alleviate the amount of time required of staff to process requests.

Status/Update

During FY 2022, RHA processed 1,202 rent change requests of which 909 or 76% sought a change of 10% or less. Rent reasonableness determinations are still made by RHA staff on a regular basis. Staff continue to complete a rent reasonableness determination when a unit is placed under a HAP contract for the first time, when an owner requests a contract rent change of more than 10%, or at any other time RHA deems necessary.

RHA conducted a general analysis of the local rental market to ensure this policy change continues to be a viable option for waiving the required rent reasonableness determination following a CRI request of 10% or less. According to Zillow, the median rent price in Reno for December 2022 is \$2,000. This is \$100 more than December 2021. With current rental market conditions in mind, RHA plans to continue to alleviate some of the administrative burden required of RHA staff while at the same time continuing to provide an incentive to RHA's HCV landlords by leaving this threshold at 10% for the coming year.

This activity will remain ongoing in FY 2024.

Planned Changes

In FY 2024, RHA proposes to allow for automatic approval of a CRI without a rent reasonableness redetermination if the requested rent change amount does not exceed RHA's payment standards.

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2019-02: Provide incentives to \$0 HAP households

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2019.

Description

Many of RHA's families who increase their household earnings and begin to pay full contract rent also experience the "benefits cliff." For many of these families, an increase in earned income results in a loss of eligibility for certain public benefits such as Temporary Assistance for Needy Families (TANF), Supplemental Nutrition Assistance Program (SNAP), childcare subsidy and housing. As a result, it is not uncommon for households approaching the end of the six-month period of zero assistance to elect to reduce their income or lose employment in order to keep their housing assistance as many remain fearful of no longer having the safety net offered through assistance eligibility.

To ease this fear and increase the success rate of RHA's HCV households in becoming economically self-sufficient, RHA adopted a new policy in FY 2019 that extends the length of time a household can remain on the HCV program while receiving zero assistance. By lengthening the period from six months to 12 months, RHA expects to provide an additional level of security



and confidence. Participants can continue to increase their earned income while at the same time eliminating the incentive to terminate employment or reduce working hours.

As an additional incentive to HCV participants on their way to self-sufficiency, RHA began allowing households at \$0 HAP to accrue an escrow account for up to 12 months. Using single-fund flexibility, RHA began setting aside 15% of each household's contracted rent monthly in an escrow account for no more than 12 months while the household remains on the program receiving zero assistance. This escrow accrual begins the first month that the family reaches \$0 HAP, accumulate monthly for up to 12 months and will be provided to the family once the HAP contract is terminated by RHA and the family has successfully transitioned off the HCV program. If, at any time during the 12-month accrual period, the family becomes eligible to receive housing assistance again, the amount of money accrued is forfeited and the escrow accrual starts over from zero if/when the household reaches \$0 HAP again. Should the family choose to move off the HCV program within the 12-month period that they are receiving zero assistance, they move off the program with the amount accrued in the account up to the date of their voluntary departure.

This policy change is intended to encourage increased earnings and upward mobility by providing a small amount of additional assistance for RHA's families as they approach the benefits cliff. As a result, it is not RHA's intent to put restrictions on what the escrow amount can be spent on. However, each escrow accrual during this \$0 HAP period is subject to funding availability and payouts will be limited to one per lifetime for all adults within the household at the time the escrow accrual is paid to the family. Households who accept the escrow accrual payment and transition off housing assistance will only be allowed to reapply following a three-year period without housing assistance. Furthermore, families who are participating in RHA's traditional FSS program and escrowing as part of their participation, will only be allowed to receive one escrow.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2021-01: Affordable Housing Acquisition, Rehabilitation and Preservation

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2021.

Description

Rents in the Truckee Meadows remain unstable leaving many families struggling to pay rent as housing affordability continues to be an issue. In FY 2021, RHA began exploring ways that single fund flexibility through the MTW Demonstration could be used to assist in the acquisition/development of new affordable units, the rehabilitation of newly acquired properties, and the preservation and revitalization of existing affordable housing properties.



Status/Update

RHA has plans to utilize this activity for the development of affordable housing units in Washoe County. Use of MTW funding flexibility related to development will be committed through a Resolution adopted by RHA's Board of Commissioners.

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2021-03: Partnership to Assist Homeless Youth

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2021.

Description

In FY 2021, RHA partnered with Eddy House, a local 501(c)3 non-profit, that serves as the central intake and assessment facility in northern Nevada for homeless youth, ages 12-24. Recently the local non-profit purchased a building that now serves as a resource center during the day and an overnight facility. RHA assists Eddy House with their 24-hour facility by funding up to 43 beds.

Status/Update

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

2022-01: Workforce Development Program

Plan Year Approved, Implemented, and Amended (if applicable)

This activity was approved and implemented in FY 2022. It was amended in FY 2023 to allow for any adult member of the household to sign a contract to participate.

Description

Past successes and failures led staff to revise the agency's definition of self-sufficiency in FY 2017 and restructure the FSS program into a Workforce Development Program in FY 2019. Through this restructuring, RHA began to provide a more client focused approach to self-sufficiency.

Increasing the number of PH residents and HCV participants moving toward the final phase of self-sufficiency by directly providing or connecting them to available educational opportunities and job trainings that promote economic independence continues to be a main pillar of RHA's Workforce Development Program. Addressing the need for sustainable employment that encourages economic mobility across multiple generations should be an integral part of the program's design. To achieve this, RHA's Workforce Development Program began addressing the needs of the entire family - from one individual member, to parents, and youth.



Status/Update

By January 1, 2023, 62 participants have signed Contracts of Participation and are actively involved in RHA's WFD program. In addition, there are 16 on a waitlist until HUD approves RHA's new FSS Action Plan as required under the new FSS rule. The WFD program is designed for motivated participants who are ready to create a concise plan to reach self-sufficiency. As such, each active participant must be interested and have the motivation to work with their Workforce Development Coordinator to:

- Set and attain goals
- Increase employment skills and/or enroll in higher education classes
- Attend Workforce Development in-house workshops that focus on soft and hard employment skills
- Conduct job searches and/or attend career fairs
- Maintain employment

To assist motivated WFD participants working toward the goals identified in their Individual Training and Services Plans (ITSPs), RHA utilized single fund flexibility to implement several financial incentives. This includes providing rent credits based on goal completion and financial assistance with some of the most common barriers to self-sufficiency through the establishment of a Self-Sufficiency Fund.

Implementation of this activity also serves as an investment in RHA's youth. RHA's Youth Workforce Development Program, or Start Smart, has been designed to assist PH and HCV youth in establishing short and long-term educational and career goals. Benefits of program participation are highlighted with each eligible family and include one-on-one mentoring with RHA staff, financial credits for workshop participation, job search support, and assistance with financial aid and scholarship searches.

As of January 1, 2023, RHA has 24 youth who are actively participating in Start Smart and building their financial incentive credits. Earned credits will be paid directly to the participating youth upon graduation from the Start Smart program. Furthermore, each graduate will also be given the opportunity to apply for one of three one-time scholarships, \$10,000 each, to be used toward post-secondary plans identified through participation in the program.

In the coming months, RHA anticipates using single fund flexibility to assist this department on an as needed basis. This may include providing necessary funding to rehab a new office space which was recently donated to RHA's Workforce Development Program by CIRE Equity. Recruiting/employing additional Workforce Development staff, providing workshops/training for staff, clients and youth who are actively participating in RHA's Workforce Development Program, and covering some expense incurred by partnering agencies who are committed to providing additional support to program participants are also activities that may require the use of single fund flexibilities.

This activity will remain ongoing in FY 2024.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.



B. Not yet implemented activities

The activities discussed in this section have previously been approved by HUD, but not yet implemented by RHA. The following table provides an overview of each of the approved MTW activities that have not yet been implemented including the year it was identified, the primary statutory objective(s) the activity is intended to impact, and the Authorization(s) cited.

| MTW activities approved but not yet implemented | | | | |
|---|--------------------|-----------------------------|--|--|
| Activity # | Plan Year Approved | Activity Name | Statutory Objective(s) | Authorization(s) |
| 2021-02 | 2021 | STAR Apprenticeship Program | Create incentives for families to work, seek work or prepare for work. | Attachment C Section C.11 and Section D.2.a. |

2021-02: STAR Apprenticeship Program

Description

As Washoe County’s workforce and employers evolve, training and preparation programs are becoming necessary to secure several of the higher paying jobs that are available within the region. In FY 2021, RHA proposed using single fund flexibility to establish the STAR Apprenticeship Program. This 24-week program will be designed to provide career-connected learning opportunities for residents of all ages. Through the program, PH residents and HCV participants will be provided with on-the-job training and related classroom instruction that will serve to increase current skill levels. More importantly, each STAR participant will gain valuable work experience within one of RHA’s departments (maintenance, development, finance, etc.) and be provided with continuous feedback regarding expectations and overall performance throughout.

Update/timeline for implementation

Although this activity was scheduled to begin in January 2021, it is now unclear when this activity will be implemented.

Planned Changes

RHA does not anticipate any non-significant or significant changes to this activity. There are also no changes or modifications to the metrics/data collection anticipated during the plan year.

C. Activities on hold

Not applicable. RHA does not have any activities on hold.



D. Closed Activities

The activities discussed in this section have previously been approved by HUD but closed by RHA. The following table provides an overview of each of the approved MTW activities that have been closed by RHA including the year it was identified and implemented, the primary statutory objective(s) the activity was intended to impact, and the Authorization(s) cited.

| Closed MTW activities | | | | | |
|-----------------------|----------------|-----------|---|---|--|
| Activity # | FY Implemented | FY Closed | Activity Name | Statutory Objective(s) | Authorization(s) |
| 2014-03 | 2014 | 2019 | Rent Reform Controlled Study | Create incentives for families to work, seek work or prepare for work <i>and</i> reduce costs and achieve greater cost effectiveness. | Attachment C Sections D.1.b., D.1.c., D.2.a., and D.4. |
| 2014-04 | 2014 | 2021 | Expand self-sufficiency activities | Create incentives for families to work, seek work or prepare for work. | Attachment C Section E. |
| 2014-07 | 2014 | 2017 | Alternate HQS verification policy | Reduce costs and achieve greater cost effectiveness. | Attachment C Section D.5. |
| 2015-04 | 2015 | 2018 | Required Savings Plan for Earned Income Disallowance (EID) PH clients | Create incentives for families to work, seek work or prepare for work. | Attachment C Section E. |
| 2016-03 | N/A | 2020 | Time limited vouchers and redesign of traditional FSS Program | Create incentives for families to work, seek work or prepare for work <i>and</i> reduce costs and achieve greater cost effectiveness <i>and</i> increase housing choices for low-income families. | Attachment C Section D.1.b., Section D.1.c., Section D.2.d., and Section E. Attachment D Use of MTW Funds |

2014-03: Rent Reform Controlled Study

Plan Year Approved, Implemented, and Closed Out

This activity was approved and implemented in FY 2014. It was closed out in FY 2019.

Reason for close out

RHA staff considered several factors before reaching a decision to close this activity. Based on current rental market conditions resulting in a decline in RHA's current HCV lease up figures along with the undue stress that a time-limited voucher may cause for the participating family, this activity was closed. Notification was given to all remaining Rent Reform Controlled Study participants of RHA's intent to close the activity at which time all active households were transitioned to a regular HCV voucher. This activity was closed in FY 2019 and is no longer being reported on.



2014-04: Expand self-sufficiency activities

Plan Year Approved, Implemented, and Closed Out

This activity was approved and implemented in FY 2014. It was closed out in FY 2021.

Reason for close out

RHA recently restructured its entire FSS Program into a Workforce Development Program focused on Job placement and job retention for all able-bodied participants in RHA's housing programs, including youth. As the goal of this activity is to propel households toward the final phase of self-sufficiency, RHA will no longer refer households with delinquent community service hours to the Workforce Development Program. This fundamental change resulted in this activity, including the FSS Lite Program, being closed and replaced with 2022-01: Workforce Development Program.

2014-07: Alternate HQS verification policy

Plan Year Approved, Implemented, and Closed Out

This activity was approved and implemented in FY 2014. It was closed out in FY 2017.

Reason for close out

As HUD is now allowing for Biennial HQS Inspections through Section 220 of the 2014 Appropriations Act, this activity was closed out in FY 2017 and is no longer being reported on.

2015-04: Required Savings Plan for Earned Income Disallowance (EID) PH clients

Plan Year Approved, Implemented, and Closed Out

This activity was approved and implemented in FY 2015. It was closed out in FY 2018.

Reason for close out

RHA received approval through Activity 2016-05 to eliminate the HUD-mandated EID from the calculation of rent. To alleviate the impact that this would have on rent calculations for some PH residents and HCV participants, EID participants could keep their benefits for one year following plan approval. After this initial year, all participants will have their EID benefits eliminated upon their first annual recertification or immediately following the termination of employment income. All participants have been phased off EID. This activity was closed in FY 2018 and is no longer being reported on.

2016-03: Time limited vouchers and redesign of traditional FSS Program

Plan Year Approved, Implemented, and Closed Out

This activity was approved in FY 2016 but never implemented. It was closed out in FY 2020.

Reason for close out

In FY 2014, RHA began issuing vouchers limited to five years as part of a Rent Reform Controlled Study (Activity 2014-03) within the HCV program. RHA partnered with an outside institution to evaluate the continuing effects and changing statuses of families participating in the Rent Reform Controlled Study. The purpose of the evaluation was to properly gauge whether increases in



income that do not affect a household's rent and whether limiting vouchers to five years was incentive enough for families to become self-sufficient. As RHA worked through the lessons learned from the Rent Reform Controlled Study and current rental market conditions, staff determined that implementation of this activity on all non-elderly/non-disabled HCV participants would result in undue stress on participating families. This activity was closed in FY 2020.



PLANNED APPLICATION OF MTW FUNDS

SECTION V





V. Planned Application of MTW Funds

This section includes summary budget information for FY 2024 including planned sources and uses for MTW funds.

A. Planned Application of MTW Funds

i. Estimated Sources of MTW Funds

The MTW PHA shall provide the estimated sources and amount of MTW funding by Financial Data Schedule (FDS) line item. Following is RHA's estimated sources and amount of MTW funding by FDS line item:

| ESTIMATED SOURCES OF MTW FUNDS | | |
|--|--|---------------------|
| FDS Line-Item Number | FDS Line-Item Name | Dollar Amount |
| 70500 (70300+70400) | Total Tenant Revenue | \$3,113,896 |
| 70600 | HUD PHA Operating Grants | \$23,437,858 |
| 70610 | Capital Grants | \$1,495,961 |
| 70700 (70710+70720+70730+70740+70750) | Total Fee Revenue | \$0 |
| 71100+72000 | Interest Income | \$363 |
| 71600 | Gain or Loss on Sale of Capital Assets | \$0 |
| 71200+71300+71310+71400+71500 | Other Income | \$288,390 |
| 70000 | Total Revenue | \$28,336,468 |

ii. Estimated Application of MTW Funds

The MTW PHA shall provide the estimated application of MTW funding in the plan year by Financial Data Schedule (FDS) line item. Only amounts estimated to be spent during the plan year are identified here; unspent funds that the MTW PHA is not planning during the plan year are not included in this section. Following is RHA's estimated application of MTW funds by FDS line item:

| ESTIMATED APPLICATION OF MTW FUNDS | | |
|--|----------------------------------|---------------|
| FDS Line-Item Number | FDS Line-Item Name | Dollar Amount |
| 91000 (91100+91200+91400+91500+91600+91700+91800+91900) | Total Operating - Administrative | \$3,050,751 |
| 91300+91310+92000 | Management Fee Expense | \$1,606,597 |
| 91810 | Allocated Overhead | \$0 |
| 92500 (92100+92200+92300+92400) | Total Tenant Services | \$339,479 |
| 93000 (93100+93600+93200+93300+93400+93800) | Total Utilities | \$644,883 |



| | | |
|--|--|---------------------|
| 93500+93700 | Labor | \$0 |
| 94000 (94100+94200+94300+94500) | Total Ordinary Maintenance | \$2,211,691 |
| 95000 (95100+95200+95300+95500) | Total Protective Services | \$0 |
| 96100 (96110+96120+96130+96140) | Total Insurance Premiums | \$248,136 |
| 96000 (96200+96210+96300+96400+96500+96600+96800) | Total Other General Expenses | \$577,747 |
| 96700 (96710+96720+96730) | Total Interest Expense & Amortization Cost | \$0 |
| 97100+97200 | Total Extraordinary Maintenance | \$0 |
| 97300+97350 | HAP + HAP Portability-In | \$18,787,722 |
| 97400 | Depreciation Expense | \$1,527,467 |
| 97500+97600+97700+97800 | All Other Expense | \$0 |
| 90000 | Total Expenses | \$28,994,473 |

Description of Variance between Estimated Total Revenue and Estimated Total Expenses:

RHA populates the amounts in the preceding table directly from our most recent FDS submission whether unaudited or audited. RHA has not experienced a change in the number of PH units. RHA has continued to experience a change in HAP expense due to an increase in payment standards. The increased payment standards mean higher HAP payments for clients which is driven by an extremely tight rental market in Washoe County. In FY 2024, RHA intends to increase current HCV lease-up to meet each of the MTW Statutory Requirements.

iii. Description of Planned Application of MTW Funding Flexibility

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



PLANNED APPLICATION OF MTW FUNDING FLEXIBILITY

In FY 2024, RHA plans to submit an application to begin to reposition its PH properties through Section 18 Demolition/Disposition, RAD PBV or a RAD PBV/Section 18 Blend. Through this repositioning, RHA plans to utilize MTW single fund flexibility to augment RAD rents, provide relocation services to affected residents, and increase replacement reserves at each property converted. In addition, funding flexibility will be used to establish ongoing tenant participation funds for continued Resident Council involvement at sites repositioned through Section 18 Demolition/Disposition.

RHA's Board of Commissioners have identified the expansion of resident services programs as a priority goal for the agency in the coming year. Beyond the Workforce Development Program, RHA will use MTW single fund flexibility to provide additional services to the people we serve and expand upon the services offered to all residents through this department. These expanded services will include offerings to RHA's senior/disabled residents, and the activities/programs made available to RHA's youth.

RHA will continue to use single fund flexibility to pay administrative and operating costs that are not covered by the administrative fee in the HCV program or operating subsidy within the PH program. RHA will report these expenses in VMS utilizing the MTW Other field at the end of each calendar year.

RHA does not anticipate any additional uses of MTW single fund flexibility other than those found in Section (III) or Section (IV) of the Annual MTW Plan.

iv. Planned Application of PHA Unspent Operating Fund and HCV Funding

The MTW PHA shall provide a description of planned activities and/or use(s) for unexpended Operating Fund and HCV Funding. The original funding source is defined as the legacy MTW PHA's appropriated Section 8 and Section 9 funding source(s) (HCV HAP, HCV Admin Fee, and PH Operating Subsidy). Where possible, please identify the planned use, the estimated amount, to which funding source the planned use(s) is attributable, as well as the projected timeline or timeline update.

| Original Funding Source | Beginning of FY – Unspent Balances | Planned Application of PHA Unspent Funds during FY |
|-------------------------|------------------------------------|--|
| HCV HAP* | \$19,274,810 | \$11,073,563 |
| HCV Admin Fee | \$0 | \$0 |
| PH Operating Subsidy | \$0 | \$0 |
| TOTAL | \$19,274,810 | \$11,073,563 |

* Unspent HAP funding should not include amounts recognized as Special Purpose Vouchers reserves.

** HUD's approval of the MTW Plan does not extend to a PHA's planned usage of unspent funds amount entered as an agency's operating reserve. Such recording is to ensure agencies are actively monitoring unspent funding levels and usage(s) to ensure successful outcomes as per the short- and long-term goals detailed in the Plan.



Description

In FY 2024, RHA plans to develop two properties utilizing the flexibility allowed under Activity 2021-01. The first project is the redevelopment of agency owned property and the second is a new development of land acquired using State of Nevada American Rescue Plan funds. Both projects are anticipated to start mid to late 2023.

The redevelopment project, Carville Court Redevelopment, will consist of the demolition of an existing six-unit complex (three duplexes) that was purchased by RHA using unrestricted funds in the late 1990's. RHA plans to redevelop the site to include up to 12 new supportive housing units for individuals experiencing homelessness or who are at risk of homelessness. RHA plans to partner with a local community service agency who is currently providing a six-month transitional housing program. Their program is aimed at stabilizing homeless individuals by building life skills and providing medical and mental health stabilization. RHA's preliminary budget for this redevelopment project is \$4.8 million.

The second project is a new development of 15-units on land acquired utilizing funds awarded to RHA by the State of Nevada. RHA anticipates serving households at this complex whose income is at or below 60% of the Area Median Income (AMI). The preliminary budget for this development project is \$6.27 million.

v. Local Asset Management Plan

- a. Is the MTW PHA allocating costs within statute?
- b. Is the MTW PHA implementing a local asset management plan (LAMP)?
- c. Has the MTW PHA provided a LAMP in the appendix?
- d. If the MTW PHA has provided a LAMP in the appendix, please describe any proposed changes to the LAMP in the Plan Year or state that the MTW PHA does not plan to make any changes in the Plan Year.

N/A

vi. Rental Assistance Demonstration (RAD) Participation

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



Rental Assistance Demonstration (RAD) Participation

RHA recently submitted an application for RAD/Section 18 blend for Silverada Manor. A RAD Significant Amendment is included in this plan as the agency prepares to apply to reposition its PH sites in the coming year.

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

Yes/NO

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

This is the first RAD Significant Amendment submitted by RHA.



ADMINISTRATIVE

SECTION VI



VI. Administrative

A. Board Resolution and Certifications of Compliance

Board Resolution 2023-03-03 RH approving the content and submission of the FY 2024 MTW Annual Plan and the Certifications of Compliance (see Attachment I).

B. Documentation of Public Process

- The FY 2024 MTW Annual Plan was discussed at multiple Resident Advisory Board and Resident Council meetings beginning in January 2023. The plan continued to be discussed at meetings of the Resident Councils through March 2023. Resident sign in sheets from each of the above-mentioned meetings are available upon request.
- The FY 2024 MTW Annual Plan is being made available for public review and comment on RHA's website and at RHA's Administrative Office beginning January 27, 2023 through March 28, 2023.
- Proof of Publication Notice (see Attachment II). The FY 2024 MTW Annual Plan was advertised in the Legal Notices section of the Reno Gazette-Journal as follows:

NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD

The Housing Authority of the City of Reno (RHA) is requesting public comments and conducting a public hearing on the proposed MTW Annual Plan for Fiscal Year (FY) 2024 that includes a Rental Assistance Demonstration Program and Section 18 Repositioning Amendment.

RHA's FY 2024 MTW Annual Plan for the period July 1, 2023 - June 30, 2024, is available for public review and comment beginning January 27, 2023 through March 28, 2023, at RHA's Administrative Office, 1525 E. Ninth St, Reno, NV 89512 or on RHA's website at www.renoha.org. Copies of the FY 2024 MTW Annual Plan may also be obtained by contacting Kim Anhalt, MTW Coordinator at (775) 329-3630; TDD (385) 770-7166 or by email at kanhalt@renoha.org.

The public may provide oral comments by attending the public hearing described below and/or submitting written comments during the comment period. Written comments on RHA's draft FY 2024 MTW Annual Plan can be mailed to the address noted above and must be received by close of business on Monday, March 27, 2023.

A public hearing to answer questions and receive comments will be held at 6:00 PM on Thursday, March 2, 2023, in Silverada Manor's Community Room, 1400 Silverada Blvd., Reno, NV 89512.

- A public hearing for the FY 2024 MTW Annual Plan was held at 6:00pm on Thursday, March 2, 2023. It was attended only by staff.



C. Planned and Ongoing Evaluations

(see Attachment III)

D. Rental Assistance Demonstration Program and Section 18 Repositioning

Plan Amendment covering all required elements for participation in the Rental Assistance Demonstration Program and Section 18 Repositioning (see Attachment IV).

E. Lobbying Disclosures

Certification of Payments to Influence Federal Transactions and Disclosure of Lobbying Activities (see Attachment V).



BOARD RESOLUTION AND
CERTIFICATIONS OF COMPLIANCE

ATTACHMENT I





Attachment I: Board Resolution and Certifications of Compliance

HOUSING AUTHORITY OF THE CITY OF RENO RESOLUTION 23-03-03 RH

A RESOLUTION APPROVING THE CONTENT AND SUBMISSION OF THE AUTHORITY'S
FY 2024 MOVING TO WORK ANNUAL PLAN AND CERTIFICATIONS OF COMPLIANCE TO
THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WHEREAS, Moving to Work (MTW) is a demonstration program, established by Congress in 1996, that offers a limited number of "high performing" Public Housing Authorities the opportunity to propose and test innovative, locally-designed approaches to administering housing programs and self-sufficiency strategies; and

WHEREAS, after a national competition was held in 2012, the Housing Authority of the City of Reno was selected and designated as one of four new MTW agencies in 2013; and

WHEREAS, the Authority's MTW agreement was signed by Sandra B. Henriquez, Assistant Secretary of the U.S. Department of Housing and Urban Development (HUD) on June 27, 2013; and

WHEREAS, on June 28, 2016, the Board of Commissioners approved an extension to the Authority's agreement with HUD to participate in the MTW Demonstration Program through the end of the Authority's Fiscal Year (FY) 2028; and

WHEREAS, in compliance with the Authority's MTW agreement, HUD requires an annual submission of a MTW Plan and Certifications of Compliance following a public process; and

WHEREAS, the Authority developed the FY 2024 MTW Annual Plan and invited public comment beginning on January 27, 2023 allowing for a 30-day comment period; and

WHEREAS, comments were solicited through notices posted on the Authority's website, and through legal notice publications in the *Reno Gazette-Journal* on January 27, 2023 and February 3, 2023; and

WHEREAS, a public hearing was held on March 2, 2023 to receive comments on the Authority's plan which was attended only by staff;

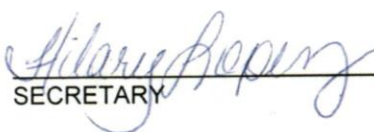
NOW, THEREFORE, BE IT HEREBY RESOLVED by the Board of Commissioners of the Housing Authority of the City of Reno as follows:

1. That the Board of Commissioners hereby authorizes and directs the Executive Director to submit the Authority's FY 2024 Moving to Work Annual Plan and Certifications of Compliance to HUD.
2. This Resolution is to be effective upon the date of its adoption.

ADOPTED THIS 28 DAY OF March, 2023.



CHAIRPERSON

ATTEST


SECRETARY



CERTIFICATIONS OF COMPLIANCE

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

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

Acting on behalf of the Board of Commissioners of the Moving to Work Public Housing Agency (MTW PHA) listed below, as its Chair or other authorized MTW PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the MTW PHA Plan Year beginning (07/01/2023), hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

- (1) The MTW PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the MTW PHA conducted a public hearing to discuss the Plan and invited public comment.
- (2) The MTW PHA took into consideration public and resident comments (including those of its Resident Advisory Board or Boards) before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan.
- (3) The MTW PHA certifies that the Board of Directors has reviewed and approved the budget for the Capital Fund Program grants contained in the Capital Fund Program Annual Statement/Performance and Evaluation Report, form HUD-50075.1 (or successor form as required by HUD).
- (4) The MTW PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
- (5) The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
- (6) The Plan contains a certification by the appropriate state or local officials that the Plan is consistent with the applicable Consolidated Plan.
- (7) The MTW PHA will affirmatively further fair housing by fulfilling the requirements set out in HUD regulations found at Title 24 of the Code of Federal Regulations, including regulations in place at the time of this certification, and any subsequently promulgated regulations governing the obligation to affirmatively further fair housing. The MTW PHA is always responsible for understanding and implementing the requirements of HUD regulations and policies, and has a continuing obligation to affirmatively further fair housing in compliance with the 1968 Fair Housing Act, the Housing and Community Development Act of 1974, The Cranston-Gonzalez National Affordable Housing Act, and the Quality Housing and Work Responsibility Act of 1998. (42 U.S.C. 3608, 5304(b)(2), 5306(d)(7)(B), 12705(b)(15), and 1437C-1(d)(16)). The MTW PHA will affirmatively further fair housing by fulfilling the requirements at 24 CFR 903.7(o) and 24 CFR 903.15, which means that it will take meaningful actions to further the goals identified in its Analysis of Impediments to Fair Housing Choice(AI),Assessment of Fair Housing (AFH), and/or other fair housing planning documents conducted in accordance with the requirements of 24 CFR Part 5, that it will take no action that is materially inconsistent with its obligation to affirmatively further fair housing, and that it will address fair housing issues and contributing factors in its programs, in accordance with 24 CFR 903.7(o), and will address impediments to fair housing choice identified in its AI, AFH, and/or other fair housing planning documents associated with any applicable Consolidated or Annual Action Plan under 24 CFR Part 91.
- (8) The MTW PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975 and HUD's implementing regulations at 24 C.F.R. Part 146.
- (9) In accordance with 24 CFR 5.105(a)(2), HUD's Equal Access Rule, the MTW PHA will not make a determination of eligibility for housing based on sexual orientation, gender identity, or marital status.
- (10) The MTW PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
- (11) The MTW PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 75.

form HUD 50900: Certifications of Compliance (3/2021)



OMB Approval No. 2577-0216 (exp. 3/31/2024)

- (12) The MTW PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
- (13) The MTW PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
- (14) The MTW PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
- (15) The MTW PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
- (16) The MTW PHA will provide HUD or the responsible entity any documentation needed to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58. Regardless of who acts as the responsible entity, the MTW PHA will maintain documentation that verifies compliance with environmental requirements pursuant to 24 Part 58 and 24 CFR Part 50 and will make this documentation available to HUD upon its request.
- (17) With respect to public housing and applicable local, non-traditional development the MTW PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
- (18) The MTW PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
- (19) The MTW PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
- (20) The MTW PHA will comply with the policies, guidelines, and requirements of 2 CFR Part 225 (Cost Principles for State, Local and Indian Tribal Governments) and 2 CFR Part 200.
- (21) The MTW PHA must fulfill its responsibilities to comply with and ensure enforcement of Housing Quality Standards, as defined in 24 CFR Part 982 or as approved by HUD, for any Housing Choice Voucher units under administration.
- (22) The MTW PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
- (23) All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the MTW PHA in its Plan and will continue to be made available at least at the primary business office of the MTW PHA.

Housing Authority of the City of Reno

NV001

MTW PHA NAME

MTW PHA NUMBER/HA CODE

I/We, the undersigned, certify under penalty of perjury that the information provided above is true and correct. WARNING: Anyone who knowingly submits a false claim or makes a false statement is subject to criminal and/or civil penalties, including confinement for up to 5 years, fines, and civil and administrative penalties. (18 U.S.C. §§ 287, 1001, 1010, 1012; 31 U.S.C. §3729, 3802).

Dave Aiazzi

Chairman, Board of Commissioners

NAME OF AUTHORIZED OFFICIAL

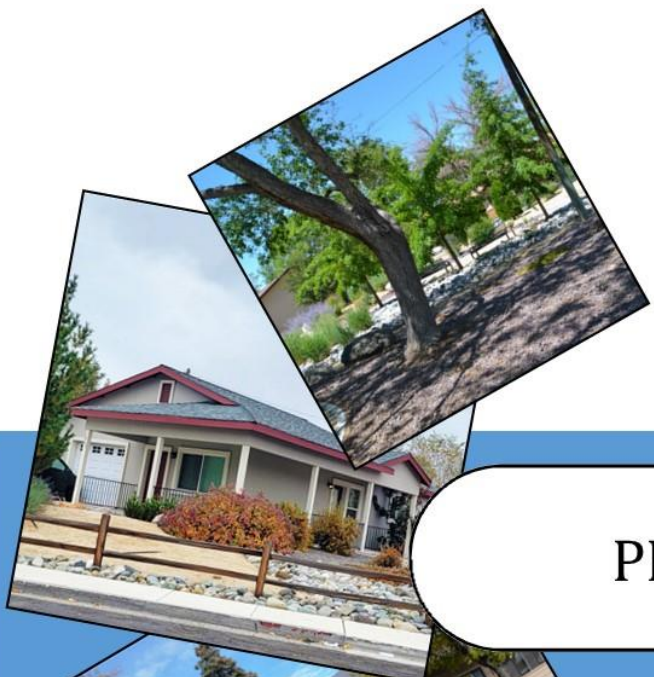
TITLE

SIGNATURE

DATE

March 28, 2023

form HUD 50900: Certifications of Compliance (3/2021)



PROOF OF PUBLICATION

ATTACHMENT II



Attachment II: Proof of Publication



PROOF OF PUBLICATION

STATE OF WISCONSIN SS.
COUNTY OF BROWN

RENO HOUSING AUTHORITY
RENO HOUSING AUTHORITY
1525 E 9TH ST
RENO NV 89512

Being first duly sworn, deposes and says: That as the legal clerk of the Reno Gazette-Journal, a daily newspaper of general circulation published in Reno, Washoe County, State of Nevada, that the notice referenced below has published in each regular and entire issue of said newspaper issue dated between: 01/27/2023 - 02/03/2023, for exact publication dates please see last line of Proof of Publication below.

NOTICE OF PUBLIC HEARING AND PUBLIC COMMENT PERIOD

The Housing Authority of the City of Reno (RHA) is requesting public comments and conducting a public hearing on the proposed MTW Annual Plan for Fiscal Year (FY) 2024 that includes a Rental Assistance Demonstration Program and Section 18 Repositioning Amendment.

RHA's FY 2024 MTW Annual Plan for the period July 1, 2023 - June 30, 2024, is available for public review and comment beginning January 27, 2023 through March 28, 2023, at RHA's Administrative Office, 1525 E. Ninth St, Reno, NV 89512 or on RHA's website at www.renoha.org. Copies of the FY 2024 MTW Annual Plan may also be obtained by contacting Kim Anhalt, MTW Coordinator at (775) 329-3630; TDD (385) 770-7166 or by email at kanhalt@renoaha.org.

The public may provide oral comments by attending the public hearing described below and/or submitting written comments during the comment period. Written comments on RHA's draft FY 2024 MTW Annual Plan can be mailed to the address noted above and must be received by close of business on Monday, March 27, 2023.

A public hearing to answer questions and receive comments will be held at 6:00 PM on Thursday, March 2, 2023, in Silverada Manor's Community Room, 1400 Silverada Blvd., Reno, NV 89512.
Jan 27, Feb 3, 2023 #5573085

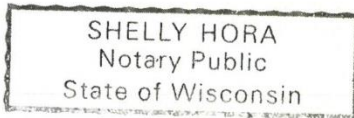
01/27/2023, 02/03/2023

Legal Clerk

Subscribed and sworn before me this
3rd of February 2023.

NOTARY PUBLIC RESIDING
AT STATE OF WISCONSIN
COUNTY OF BROWN

Notary Expires: 2-25-23



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This is not an invoice



EVALUATION OF THE DEMONSTRATION

ATTACHMENT III



Attachment III: Evaluation of the Demonstration

Mobility Demonstration Study Analyses and Results as of August 30, 2022

The Mobility Demonstration began in 2014 and allows households in public housing to move to PBV single-family, duplex, or multifamily units in low-poverty neighborhoods. The purpose of this study is to determine if a move out of public housing to a low-poverty neighborhood improves outcomes for households with children. RHA has partnered with Dr. Rebecca J. Walter at the University of Washington to analyze the data and outcomes for the Mobility Demonstration Study.

A within-subject design is used to compare household outcomes over time using administrative and American Community Survey (ACS) data (Table 1). Many of the households moved in public housing before the Mobility Demonstration Study was initiated and were enrolled in the study when they moved from public housing to a PBV unit. The household characteristics, household outcomes, and neighborhood characteristics assessed in this study are included in Table 1. The Wilcoxon Rank Sum Test was used instead of the Paired Samples T-Test since the data violates the assumption of normality, there are outliers in the data, and the sample size is small. The 2016 ACS 5-year Estimates were used for the neighborhood characteristics since most participants moved from public housing to a PBV unit in 2014. In 2022, a new survey was administered to capture additional household outcomes. The survey gathers information about physical and mental health, safety, finances and wealth accumulation, employment and education, child well-being, and neighborhood and housing preferences. Twenty households have participated in the survey to-date. Descriptive statistics are provided for the responses since this is the first year that the new survey was conducted.

Table 1. Variables

| | Data Source | Data Type | Statistical Test |
|---|----------------|--------------|------------------------|
| <i>Household Characteristics</i> | | | |
| Gender | Administrative | Categorical | Descriptive Statistics |
| Race | Administrative | Categorical | Descriptive Statistics |
| Ethnicity | Administrative | Categorical | Descriptive Statistics |
| Years in Public Housing | Administrative | Discrete | Descriptive Statistics |
| Head of Household Age | Administrative | Discrete | Descriptive Statistics |
| Household Size | Administrative | Discrete | Descriptive Statistics |
| Number of Adults in Household | Administrative | Discrete | Descriptive Statistics |
| Number of Children in Household | Administrative | Discrete | Descriptive Statistics |
| <i>Household Outcome Variables</i> | | | |
| Employment Status | Administrative | Categorical | McNemar |
| Annual Household Income | Administrative | Continuous | Wilcoxon |
| Physical and Mental Health | Survey | Discrete | Descriptive Statistics |
| Safety | Survey | Likert Scale | Descriptive Statistics |
| Financial Security/Wealth Accumulation | Survey | Likert Scale | Descriptive Statistics |
| Employment and Education | Survey | Likert Scale | Descriptive Statistics |
| Child Well-being | Survey | Likert Scale | Descriptive Statistics |
| Housing and Neighborhood Preferences | Survey | Rank Order | Descriptive Statistics |



| Neighborhood Characteristics | | | |
|--|-----|------------|----------|
| Percent high school graduate or higher | ACS | Continuous | Wilcoxon |
| Percent bachelor's degree or higher | ACS | Continuous | Wilcoxon |
| Unemployment rate | ACS | Continuous | Wilcoxon |
| Median household income | ACS | Continuous | Wilcoxon |
| Percent of people in poverty | ACS | Continuous | Wilcoxon |
| Proportion of vacant housing units | ACS | Continuous | Wilcoxon |
| Proportion of single-family homes | ACS | Continuous | Wilcoxon |
| Owner occupancy rate | ACS | Continuous | Wilcoxon |
| Median home value | ACS | Continuous | Wilcoxon |
| Median gross rent | ACS | Continuous | Wilcoxon |
| Percent White | ACS | Continuous | Wilcoxon |
| Percent Hispanic or Latino | ACS | Continuous | Wilcoxon |

Only households that participated in the study for at least one year are included in the study so within-subject analyses over time can be conducted. This resulted in 48 households being included in the analyses. Households entered and exited the study at different times. There are 21 households that are currently enrolled in the study and 27 households that have exited the study (Table 2).

Table 2. Sample Size and Number of Years of Participation in the Study

| Participant Year | Count | Currently Enrolled | Exits |
|-------------------------|--------------|---------------------------|--------------|
| Year 1 | 48 | 2 | 8 |
| Year 2 | 38 | 2 | 7 |
| Year 3 | 29 | 2 | 4 |
| Year 4 | 23 | 3 | 4 |
| Year 5 | 16 | 2 | 2 |
| Year 6 | 12 | 0 | 0 |
| Year 7 | 12 | 4 | 1 |
| Year 8 | 7 | 6 | 1 |
| Total | | 21 | 27 |

Of the 27 exits, over half of the exits from the mobility program have been voluntary self-sufficiency exits (Table 3). Within the second year after the move from public housing, some households voluntarily exited the program and were able to pay their rent in full on their own, while on the other hand, it took other households over six years to reach this point. The sample size is too small to generalize an approximate period for how long the average non-elderly and/or non-disabled household needs housing assistance before they can afford housing without a subsidy.

Table 3. Reasons for Exiting the Program

| Reason | Count | Percent |
|---------------------------------|--------------|----------------|
| Deceased | 1 | 4% |
| Program/Lease Violation | 3 | 11% |
| Transferred to VOO | 6 | 22% |
| Voluntarily Left Program | 3 | 11% |
| Paying Full Rent/Purchased Home | 14 | 52% |
| Total | 27 | 100% |



Many households in the study are White, non-Hispanic, and female-headed households that are single, divorced, or widowed (Table 4). The median number of years that households were in public housing before transferring to a PBV unit was four, with the range being from one to seventeen years. The median household age is thirty-six with the youngest head of household at the beginning of the study age 23 and oldest 63. The median household size is four and ranges from two to nine members (this study is specifically for families with children). The median number of adults per household is one while the median number of children is two (Table 4).

Table 4. Household Characteristics at Baseline (n=48)

| | | Count | Percent |
|---------------------------------|-------------------------|--------|---------|
| Gender | Male | 5 | 10.4% |
| | Female | 43 | 89.6% |
| Race | White | 38 | 79.2% |
| | Non-White | 10 | 20.8% |
| Ethnicity | Hispanic or Latino | 17 | 35.4% |
| | Non-Hispanic or Latino | 31 | 64.6% |
| Marital Status | Married/Cohabiting | 12 | 25.0% |
| | Single/Divorced/Widowed | 36 | 75.0% |
| | | Median | Range |
| Years in Public Housing | | 4 | 1 - 17 |
| Head of Household Age | | 36 | 23 - 63 |
| Household Size | | 4 | 2 - 9 |
| Number of Adults in Household | | 1 | 1 - 4 |
| Number of Children in Household | | 2 | 0 - 7 |

Although more heads of household are typically employed in PBV units compared to their tenure in public housing, the only year that there is a statistical difference in employment compared to baseline is Year 2 (Table 5).

Table 5. Employment Status

| | | Baseline Unemployed | Baseline Employed | p-value ¹ |
|---------------|------------|---------------------|-------------------|----------------------|
| Year 1 (n=48) | Unemployed | 16 | 4 | 0.388 |
| | Employed | 8 | 20 | |
| Year 2 (n=38) | Unemployed | 12 | 1 | 0.039* |
| | Employed | 8 | 17 | |
| Year 3 (n=29) | Unemployed | 9 | 1 | 0.070 |
| | Employed | 7 | 12 | |
| Year 4 (n=23) | Unemployed | 5 | 2 | 0.109 |
| | Employed | 8 | 8 | |



| | | | | |
|---------------|------------|---|---|--------------------|
| Year 5 (n=16) | Unemployed | 4 | 3 | 1.000 |
| | Employed | 4 | 5 | |
| Year 6 (n=12) | Unemployed | 6 | 0 | ----- ² |
| | Employed | 1 | 5 | |
| Year 7 (n=12) | Unemployed | 4 | 0 | ----- ² |
| | Employed | 3 | 5 | |
| Year 8 (n=7) | Unemployed | 2 | 0 | ----- ² |
| | Employed | 2 | 3 | |

* $p < 0.05$; ¹The exact p -value is calculated based on a binomial distribution because there are 25 or fewer records in at least one cell. ²No value is reported because each group must have a minimum of one to conduct a statistical comparison.

Annual household income is statistically significantly higher from baseline compared to every year recorded after baseline (Years 1 through 8) for households that moved from public housing to PBV units (Table 6). The median difference at year one was only \$3,222 but at year eight is \$29,188.

Table 6. Annual Household Income

| | Baseline Median | Comparison Year Median | Median Difference | Z |
|--------------------------------|-----------------|------------------------|-------------------|----------|
| <i>Annual Household Income</i> | | | | |
| Year 1 (n=48) | \$16,125 | \$19,346 | \$3,222 | -2.757** |
| Year 2 (n=38) | \$14,496 | \$19,297 | \$4,801 | -3.407** |
| Year 3 (n=29) | \$15,622 | \$23,081 | \$7,459 | -3.120** |
| Year 4 (n=23) | \$15,853 | \$23,081 | \$7,228 | -2.616** |
| Year 5 (n=16) | \$16,125 | \$24,281 | \$8,157 | -1.965* |
| Year 6 (n=12) | \$11,854 | \$21,463 | \$9,609 | -3.059** |
| Year 7 (n=12) | \$11,854 | \$32,603 | \$20,749 | -3.059** |
| Year 8 (n=6) | \$15,853 | \$45,041 | \$29,188 | -2.366* |

* $p < 0.05$; ** $p < .01$; *** $p < .001$

After moving into a PBV unit, most households had either no visits or only one visit to a hospital or emergency room for physical health issues over the last year. Visits to a hospital or emergency room for mental health, behavioral health or emotional issues was rare with most households having no visits (Table 7).



Table 7. Physical and Mental Health Outcomes (n=20)

| | Median | Range |
|--|--------|-------|
| Number times in the past year any member in the household visited a hospital or emergency clinic for <i>physical health</i> problems | 1 | 0-15 |
| Number times in the past year any member in the household visited a hospital or emergency clinic for <i>mental health, behavioral health, or emotional problem</i> | 0 | 0-2 |

The survey asked households to rank the neighborhood amenities that were most and least important to them (Table 8). The most important neighborhood attribute is low crime rates. This is followed by close proximity to grocery stores and parks and recreation. Respondents also value sidewalks and neighborhoods with low population and housing density.

Table 8. Neighborhood Preferences (n=20)

| | | |
|--|--|------------------------|
| A neighborhood that has a low crime rate. | | Most Important |
| A neighborhood close to grocery stores. | | |
| A walkable neighborhood with sidewalks. | | |
| A neighborhood close to parks and recreation. | | |
| A neighborhood with low population and dispersed housing density. | | |
| A neighborhood that has a lot of diversity in terms of race, age, family type. | | Least Important |
| A neighborhood accessible by public transportation. | | |
| A neighborhood with low poverty rates. | | |
| A neighborhood close to restaurants and shopping. | | |
| A neighborhood with job opportunities nearby. | | |
| A neighborhood with a community center and/or community events. | | |
| A neighborhood close to downtown. | | |

The survey asked households to rank the housing and neighborhood amenities most important for their children (Table 9). The most important attribute was each child having their own bedroom. Low crime rates and being close to the children's daycare or school is also valued by respondents.

Table 9. Housing and Neighborhood Preferences for Children (n=20)

| | | |
|---|--|------------------------|
| Each child has their own bedroom. | | Most Important |
| The neighborhood has low crime rates. | | |
| The home is close to my child/children's school/daycare. | | |
| The home is on a quiet street away from heavy traffic. | | |
| The home is near a park or other recreational activities. | | |
| The neighborhood has friendly neighbors that I can count on. | | Least Important |
| The neighborhood has good schools/daycares. | | |
| There are other children in the neighborhood living close by. | | |
| The home has a yard that is safe for children to play in. | | |

In the survey, households were asked why they might stay in their current home if they are paying full contract rent (Table 10). Respondents were given the option to select one or multiple reasons. The most



common reason for households to remain in place is because the rent is affordable, and it is too expensive to move somewhere else. Other common reasons include liking the home and neighborhood. Several households wanted to remain in place because their current home is either close to their child’s school/daycare, work, or family/friends. A few households don’t have time to search for a new place or move. Two of the households plan to move as soon as they can pay full contract rent.

Table 10. Reasons for Staying in Current Home (n=20)

| | Frequency |
|---|-----------|
| The rent is affordable. | 18 |
| I like the neighborhood. | 17 |
| I like the home. | 16 |
| It is too expensive to move somewhere else. | 16 |
| I don't want my child/children to go to a different daycare/school. | 10 |
| I am close to work. | 9 |
| I am close to family/friends. | 7 |
| I don’t have time to search for a new place or move. | 4 |
| I plan to move as soon as I can pay the full contract rent. | 2 |
| I am trying to buy a home. | 1 |
| It is quiet here. | 1 |

The survey asked each household to envision their tenure situation in five years (Table 11). The majority believe they will own their own home. Less than half of the respondents believe they will still be receiving subsidized rent – two of the respondents believe they will still be in the same home receiving subsidized rent while one household envisions that they will be in a different home but still receiving a subsidy due to a permanent disability.

Table 11. Future Plans (n=10)

| | Frequency | Percent |
|---|-----------|---------|
| In the same home with subsidized rent. | 2 | 20% |
| In a different home with subsidized rent. | 1 | 10% |
| In the same home paying full contract rent. | 2 | 20% |
| In a home that you own. | 5 | 50% |

For neighborhood characteristics of public housing compared to PBV unit location, there are statistically significant differences in all neighborhood characteristics except for the owner occupancy rate. Educational attainment, median household income, and median home value are all statistically significantly higher in PBV neighborhoods compared to public housing neighborhoods. In the neighborhoods where PBV units are located, the poverty rate, unemployment rate, and proportion of vacant housing units are statistically significantly lower than the neighborhoods where public housing is located. Additionally, in PBV neighborhoods, there are statistically significantly higher proportions of single-family homes and rent rates. In the PBV neighborhoods, there is a higher percentage of White households and less Hispanic or Latino households than in the public housing neighborhoods (Table 10).



Table 10. Neighborhood Characteristics (n=48)

| | Public Housing Median | PBV Median | Median Difference | Z |
|--|-----------------------|------------|-------------------|-----------|
| Percent high school graduate or higher | 65.2% | 91.2% | 26.0% | -5.335*** |
| Percent bachelor's degree or higher | 15.0% | 26.2% | 11.3% | -5.191*** |
| Unemployment rate | 9.3% | 5.3% | -4.0% | 4.114*** |
| Median household income | \$25,545 | \$52,008 | \$26,463 | -4.627*** |
| Percent of people in poverty | 40.1% | 12.9% | -27.2% | 6.032*** |
| Proportion of vacant housing units | 9.2% | 8.4% | -0.8% | 4.547*** |
| Proportion of single-family homes | 45.0% | 60.9% | 15.9% | -3.519*** |
| Owner occupancy rate | 44.8% | 53.4% | 8.6% | -1.600 |
| Median home value | \$100,800 | \$164,450 | \$63,650 | -5.663*** |
| Median gross rent | \$823 | \$916 | \$93 | -1.985* |
| Percent White | 68.5% | 83.5% | 15.0% | -4.370*** |
| Percent Hispanic or Latino | 51.6% | 27.1% | -24.6% | 4.709*** |

* p < 0.05; ** p < .01; *** p < .001

For neighborhoods where PBV units are located compared to the Reno Metropolitan Area, neighborhood characteristics throughout Reno are comparable to the neighborhoods where households moved into PBV units (Table 11). The only major differences are the unemployment rate and median home value, which are both lower in neighborhoods where PBV units are located compared to Reno Metropolitan Area.

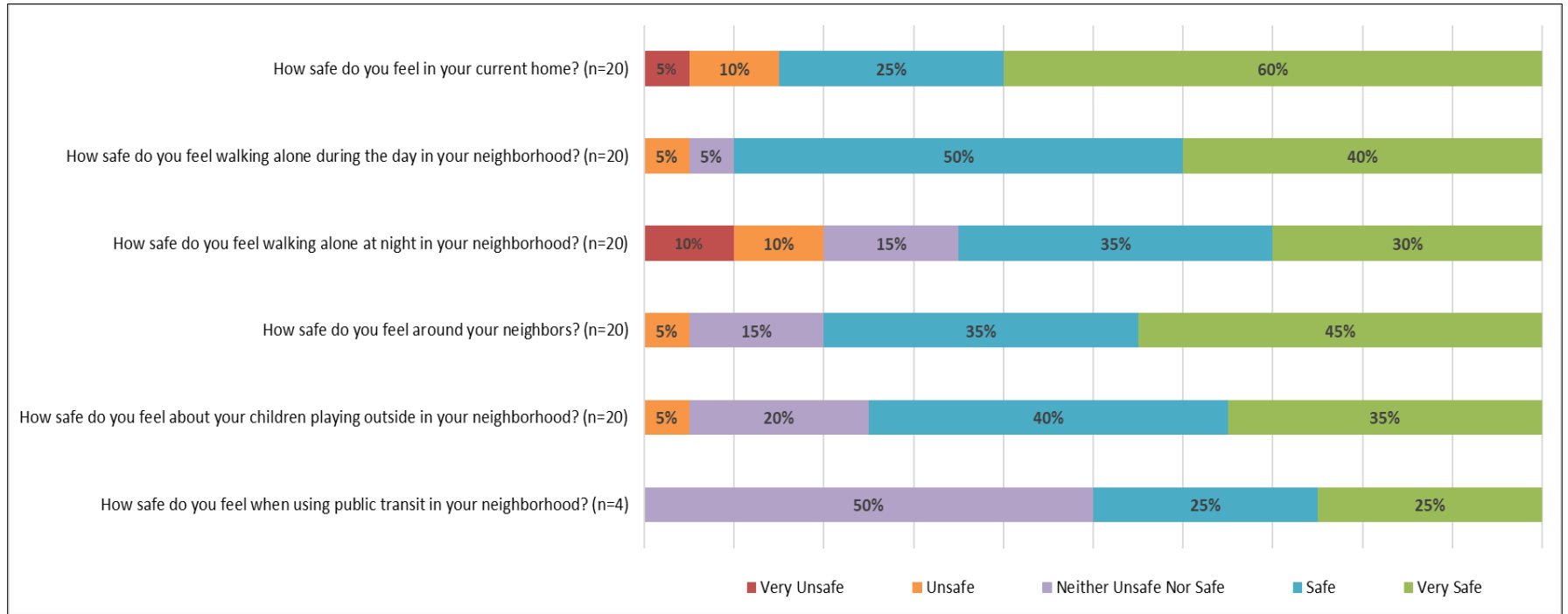
Table 11. Neighborhood Characteristics in PBV Neighborhoods Compared to Reno Metro Area (n=48)

| | Reno | PBV Units |
|--|-----------|-----------|
| Percent high school graduate or higher | 87.1% | 91.2% |
| Percent bachelor's degree or higher | 28.9% | 26.2% |
| Unemployment rate | 8.0% | 5.3% |
| Median Household Income | \$55,103 | \$52,008 |
| Percent of people in poverty | 14.9% | 12.9% |
| Proportion of vacant housing units | 10.0% | 8.4% |
| Proportion of single-family homes | 59.9% | 60.9% |
| Owner occupancy rate | 57.1% | 53.4% |
| Median home value | \$236,300 | \$164,450 |
| Median gross rent | \$917 | \$916 |
| Percent White | 84% | 83.5% |
| Percent Hispanic or Latino | 23.4% | 27.1% |



Most households feel safe in their home, neighborhood, and around their neighbors. The majority also feel safe when their children are playing outside in their neighborhood. Most survey respondents even feel safe walking alone in their neighborhood at night. The few households that use public transit also consider it to be generally safe.

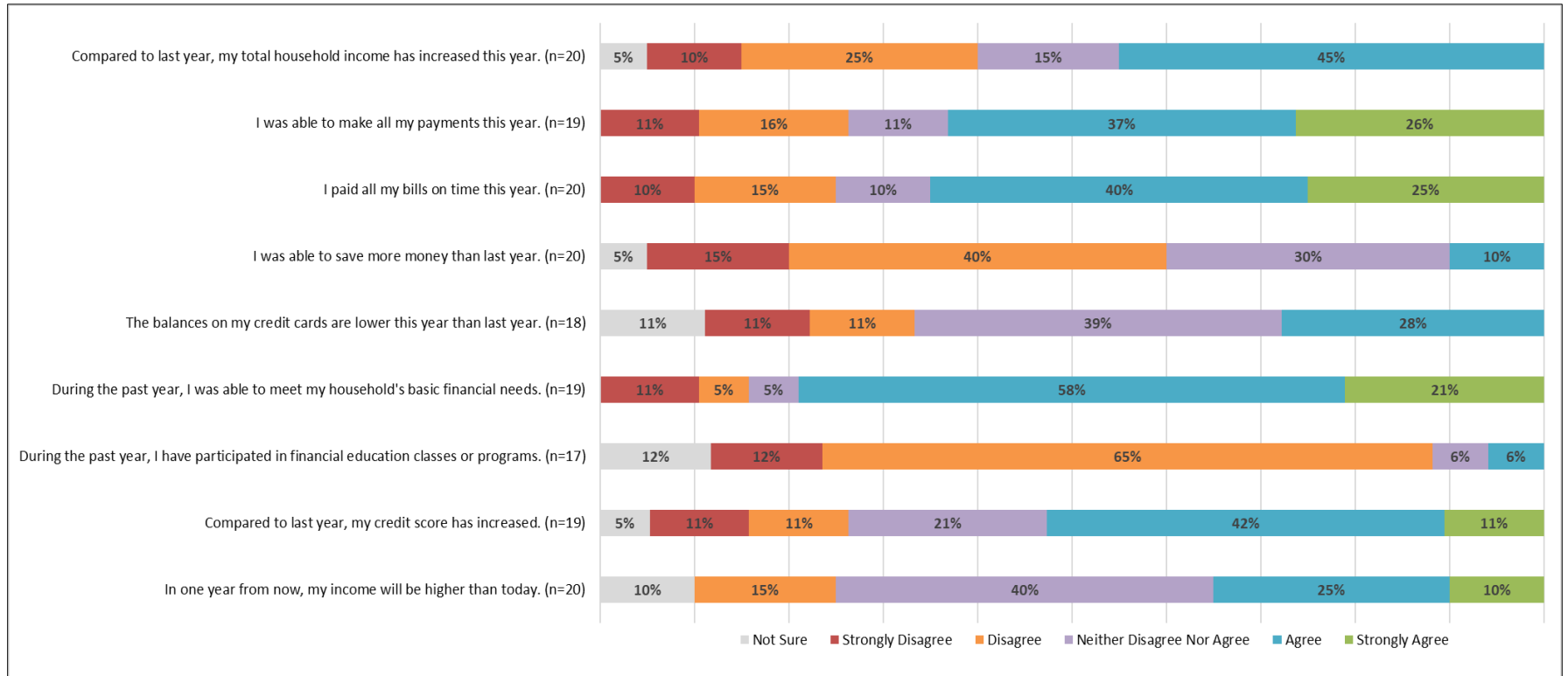
Figure 1. Safety





Compared to last year, 45% of households report that their household income has increased and 79% of households stated that their basic financial needs were met. Most households were able to make all their payments on time over the year, had lower balances on their credit cards compared to the previous year, and report having a higher credit score than last year. However, 55% of households report that they were unable to save more money than the previous year. Very few households participated in financial education classes or programs. The response regarding future income is mixed and only 35% of the households believe that their income will be higher in a year from now.

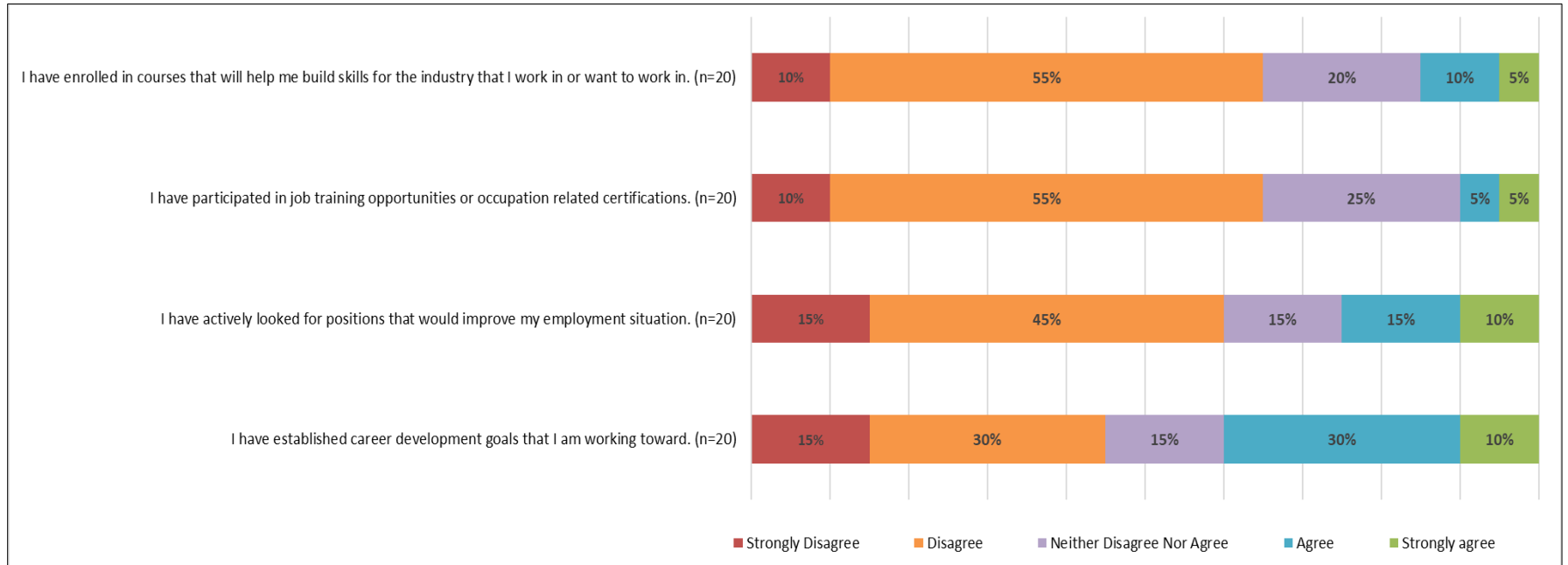
Figure 2. Financial Security and Wealth Accumulation





Within the last year, although some households have established career development goals that they are working toward, few have enrolled in courses or taken advantage of job training opportunities or occupation related certificates. A quarter of the households are actively looking for a position that would improve their employment situation.

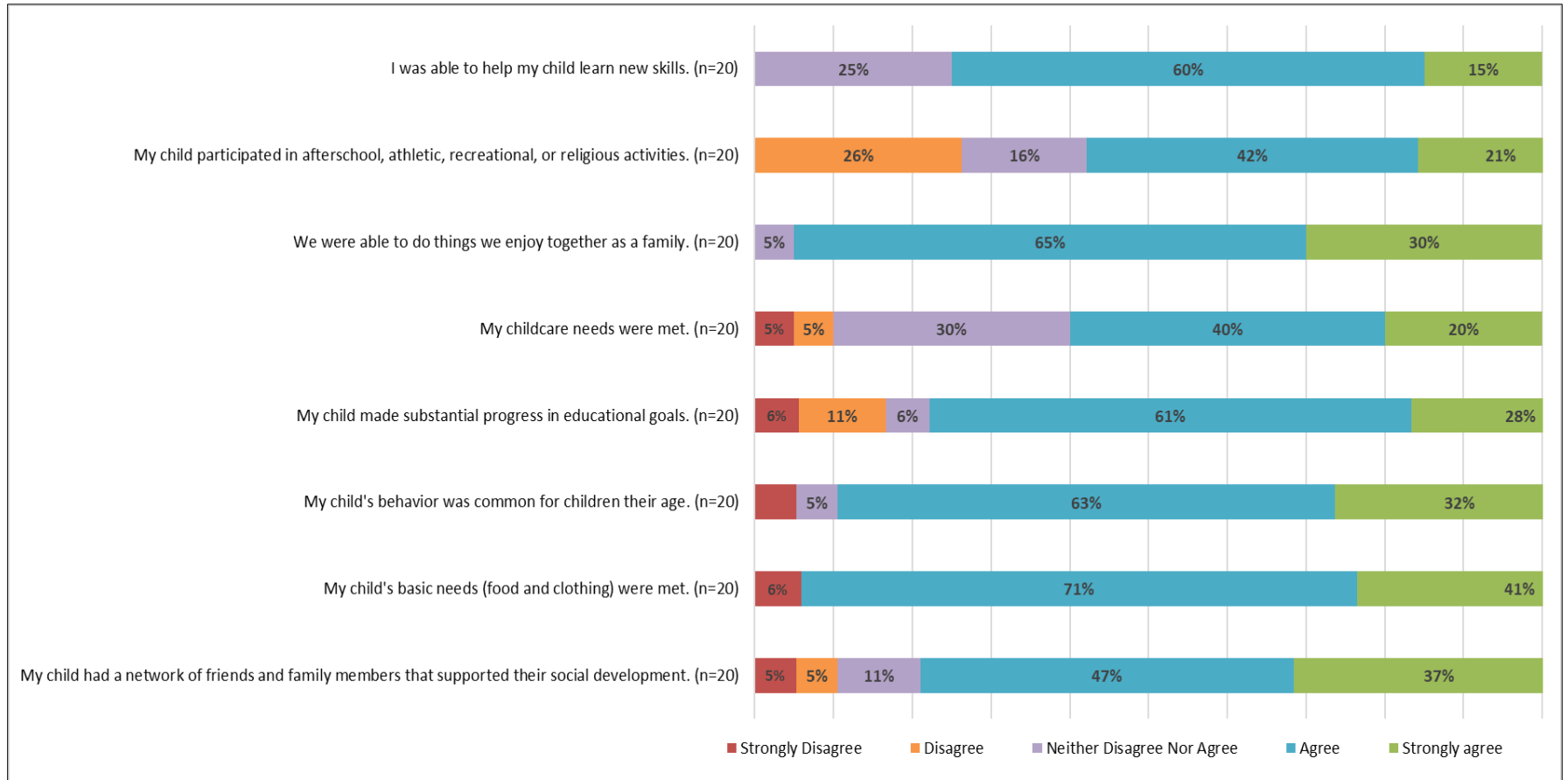
Figure 3. Employment and Education





Most households responded positively regarding their child's well-being. Respondents reported being able to help their child learn new skills, thought their child's basic needs were met, saw substantial progress in educational goals, and were able to do things together as a family. Most households also reported having a network of friends and family members that supported the social development of their child and that they were able to provide the opportunity for their child to participate in after school, athletic, recreational, or religious activities. Childcare needs were met for more than half of the households although there are some households that reported this was a challenge.

Figure 4. Child Well-Being





RENTAL ASSISTANCE DEMONSTRATION

ATTACHMENT IV





Attachment IV: Rental Assistance Demonstration (RAD) & Section 18 Repositioning

The Housing Authority of the City of Reno will soon be submitting applications to participate in RAD, Section 18 Demolition/Disposition or both. As a result, RHA will soon submit an application to convert its Public Housing complexes to Project Based Vouchers and Tenant Protection Vouchers (TPV) under the guidelines of PIH Notice 2019-23, REV-4 and any successor notices and PIH Notice 2021-07. Upon conversion to Project Based Vouchers, RHA will adopt the resident rights, participation, waiting list and grievance procedures listed Section 1.6 of H 2019-09/PIH 2019-23, REV-4; and H-2016-17/PIH-2016-17. These resident rights, participation, waiting list and grievance procedures are appended to this Attachment. Additionally, RHA certifies that it is currently compliant with all fair housing and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing RHA with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware that upon conversion, the Authority’s Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of the Demonstration, and that RHA may also borrow funds to address their capital needs. RHA received funding from the State’s Home Means Nevada Initiative (HMNI) American Rescue Plan Act for each of the Development projects that will be included in the application. RHA will also apply for low-income tax credits, tax-exempt bonds, and other local funds, which combined with RHA funds, will address the capital needs. Regardless of any funding changes that may occur as a result of conversion under RAD or some other repositioning tool allowed by HUD, RHA certifies that it will maintain its continued service level at the initial baseline number of households for public housing as when it entered the MTW Demonstration Program, which is 745 units of Public Housing. Following a portfolio wide repositioning strategy, the agency expects to transition all 745 Public Housing units to either RAD PBV or regular PBV units.

Below please find the specific information related to the Public Housing properties RHA plans to convert to the RAD program:

Development #1: Hawk View Apartments

| | | | |
|--|---|--|---|
| Name of PH Development: Hawk View Apartments | PIC Development ID: NV39P001007 | Conversion Type: Section 18 Demolition/ Disposition <u>or</u> RAD PBV/Section 18 Blend | Transfer of Assistance: No |
| Total Units: 99 | Pre-RAD Unit Type: Family | Post-RAD Unit Type: Family | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | TBD | N/A |
| One Bedroom | 0 | TBD | N/A |
| Two Bedroom | 99 | At least 99 | N/A |
| Three Bedroom | 0 | TBD | N/A |
| Four Bedroom | 0 | 0 | N/A |



Development #2: Stead Manor

| | | | |
|---|---|--|---|
| Name of PH Development: Stead Manor | PIC Development ID: NV39P001006 | Conversion Type: RAD PBV | Transfer of Assistance: No |
| Total Units: 67 | Pre-RAD Unit Type: Family | Post-RAD Unit Type: Family | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | 0 | N/A |
| One Bedroom | 0 | 0 | N/A |
| Two Bedroom | 44 | 44 | N/A |
| Three Bedroom | 23 | 23 | N/A |
| Four Bedroom | 0 | 0 | N/A |

Development #3: Silverada Manor

| | | | |
|---|---|---|---|
| Name of PH Development: Silverada Manor | PIC Development ID: NV39P001003 | Conversion Type: RAD PBV/Section 18 Blend | Transfer of Assistance: No |
| Total Units: 149 | Pre-RAD Unit Type: Senior | Post-RAD Unit Type: Senior | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 22 | 22 | N/A |
| One Bedroom | 64 | 64 | N/A |
| Two Bedroom | 63 | 63 | N/A |
| Three Bedroom | 0 | 0 | N/A |
| Four Bedroom | 0 | 0 | N/A |



Development #4: Essex Manor

| | | | |
|---|---|--|---|
| Name of PH Development: Essex Manor | PIC Development ID: NV39P001009 | Conversion Type: RAD PBV | Transfer of Assistance: No |
| Total Units: 105 | Pre-RAD Unit Type: Family | Post-RAD Unit Type: Family | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | 0 | N/A |
| One Bedroom | 0 | 0 | N/A |
| Two Bedroom | 70 | 70 | N/A |
| Three Bedroom | 35 | 35 | N/A |
| Four Bedroom | 0 | 0 | N/A |

Development #5: John McGraw Court

| | | | |
|---|---|--|---|
| Name of PH Development: John McGraw Court | PIC Development ID: NV39P001018 | Conversion Type: RAD PBV | Transfer of Assistance: No |
| Total Units: 34 | Pre-RAD Unit Type: Senior | Post-RAD Unit Type: Senior | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | 0 | N/A |
| One Bedroom | 34 | 34 | N/A |
| Two Bedroom | 0 | 0 | N/A |
| Three Bedroom | 0 | 0 | N/A |
| Four Bedroom | 0 | 0 | N/A |



Development #6: Mineral Manor

| | | | |
|---|---|--|--|
| Name of PH Development: Mineral Manor | PIC Development ID: NV39P001001 | Conversion Type: Section 18 Demolition/ Disposition <u>or</u> RAD PBV/Section 18 Blend | Transfer of Assistance: No |
| Total Units: 144 | Pre-RAD Unit Type: Family | Post-RAD Unit Type: Family | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | TBD | N/A |
| One Bedroom | 35 | At least 35 | N/A |
| Two Bedroom | 52 | At least 52 | N/A |
| Three Bedroom | 43 | At least 43 | N/A |
| Four Bedroom | 14 | At least 14 | N/A |

Development #7: Tom Sawyer Village

| | | | |
|--|--|--|--|
| Name of PH Development: Tom Sawyer Village | PIC Development ID: NV39P001002 | Conversion Type: Section 18 Demolition/ Disposition <u>or</u> RAD PBV/Section 18 Blend | Transfer of Assistance: No |
| Total Units: 100 | Pre-RAD Unit Type: Senior/Disabled | Post-RAD Unit Type: Senior/Disabled | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 24 | At least 24 | N/A |
| One Bedroom | 50 | At least 50 | N/A |
| Two Bedroom | 26 | At least 26 | N/A |
| Three Bedroom | 0 | 0 | N/A |
| Four Bedroom | 0 | 0 | N/A |



Development #8: Myra Birch Manor

| | | | |
|--|---|--|---|
| Name of PH Development: Myra Birch Manor | PIC Development ID: NV39P001010 | Conversion Type: RAD PBV | Transfer of Assistance: No |
| Total Units: 56 | Pre-RAD Unit Type: Family | Post-RAD Unit Type: Family | Capital Fund allocation of Development: TBD – Relocation, replacement reserve or other development costs will be paid with CF |
| Bedroom Type | Number of Units Pre-Conversion | Number of Units Post-Conversion | Change in Number of Units per Bedroom Type and why |
| Studio/Efficiency | 0 | 0 | N/A |
| One Bedroom | 0 | 0 | N/A |
| Two Bedroom | 56 | 56 | N/A |
| Three Bedroom | 0 | 0 | N/A |
| Four Bedroom | 0 | 0 | N/A |

Over time, RHA intends to reposition all eight of its Public Housing sites. Staff is still determining the Scope of Work for each of the projects noted. As a result, RHA’s Relocation Plan is not available with this RAD Amendment. RHA is currently working to procure a relocation firm who will help draft the Relocation Plan and assist with relocation activities of tenants being temporarily displaced due to conversion. The Relocation Plan will be written based on HUD recommendations and adhere to the requirements set forth in H-2016-17/PIH-2016-17. The Plan will describe the procedures that RHA intends to follow to assist each family at the sites undergoing a conversion where relocation is applicable.

Resident Rights, Participation, Waiting List and Grievance Procedures

Section 1.6 Special Provisions Affecting Conversions to Project Based Vouchers from PIH Notice 2019-23, REV-4.

- 1. No Rescreening of Tenants upon Conversion.** Pursuant to the RAD Statute, at conversion, current households cannot be excluded from occupancy at the Covered Project based on any rescreening, income eligibility, or income targeting. With respect to occupancy in the Covered Project, current households in the Converting Project will be grandfathered for application of any eligibility requirements for actions that occur after conversion.⁹ Post-conversion, the tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in this Notice. Thus, Section 8(o)(4) of the 1937 Act and 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.

⁹ These protections also apply when a household is relocated to facilitate new construction or repairs following conversion and subsequently returns to the Covered Project.



- 2. Right to Return.** Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project's conversion of assistance, including, but not limited to, as a result of a change in bedroom distribution, a de minimis reduction of units, the reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery. Where the transfer of assistance to a new site is warranted and approved, residents of the Converting Project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

- 3. Phase in of Tenant Rent Increases.** If, purely as a result of conversion, the amount a tenant would pay for rent and utilities under the PBV program (the tenant's TTP) would increase the tenant's TTP by more than the greater of 10 percent or \$25, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase -in of tenant rent increases. A PHA must create a policy setting the length of the phase-in period at three years, five years or a combination depending on circumstances and must communicate such policy in writing to affected residents. For example, a PHA may create a policy that uses a three-year phase-in for smaller increases and a five-year phase in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

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

Five Year Phase-In:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP



- Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 5 AR and all subsequent recertifications – Full Calculated PBV TTP

Please Note: In either the three-year phase-in or the five-year phase-in, once the Calculated PBV TTP is equal to or less than the previous TTP, the phase in ends and tenants will pay full TTP from that point forward. MTW agencies must also implement a three or five-year phase-in for impacted residents but may alter the terms above as long as it establishes a written policy setting forth the alternative terms.

- 4. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are currently FSS participants will continue to participate in the PHA's FSS program. The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted by RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. If the PHA continue to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that until provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act are implemented, there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR part 984, 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, if the PHA no longer has a public housing program, funds already escrowed for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.

- 5. Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with assistance converted to PBV will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.
- 6. 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.



- a. **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be:
 - i. A reasonable period of time, but not to exceed 30 days:
 1. If the health or safety of other tenants, owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
 2. In the event of any drug-related or violent criminal activity or any felony conviction;
 - ii. Not less than 14 days in the case of nonpayment of rent; and
 - iii. Not less than 30 days in any other cases, except that if a state or local law provides for a shorter period of time, such shorter period shall apply.
- b. **Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional resident procedural rights to comply with section 6 of the Act. For the termination of assistance and several other PHA determinations, PBV program rules require the PHA to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:
 - i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555 (a)(1)(i)-(v), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an Owner's action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 1. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(v), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 2. For any additional hearings required under RAD, the Owner will perform the hearing.
 - ii. There is no right to an informal hearing for class grievances or to disputes between residents not involving the Owner or Contract Administrator.
 - iii. The Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
 - iv. The Owner provides opportunity for an informal hearing before an eviction.

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



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

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in 24 CFR § 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants that move into the property following conversion or tenants who at one time received the EID but are no receiving the EID exclusion at the time of conversion due to loss of employment) is covered by this waiver.

- 8. Jobs Plus.** N/A

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

Unless a waiver is requested and approved as described below, any new admission to the Covered Project must meet the eligibility requirements at 982.201 and require a subsidy payment at admission to the program, which means their TTP may not equal or exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract



because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has left the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR § 983.207 or, where "floating units have been permitted, Section 1.6.B.10 of the Notice.

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

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

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

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

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

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

10. Under-Occupied Unit. If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived for current residents remaining or returning to the Covered Project. MTW agencies may not modify this requirement.



PBV: Other Miscellaneous Provisions

- 1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs and the Owner must cooperate with any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
- 2. Ongoing PHA Board Review of Operating Budget.** The Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. The PHA's Board must confirm that the Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.
- 3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** These sections have been moved to 1.4.A.13 and 1.4.A.14.
- 4. Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions shall apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:
 - a. Transferring an existing site-based waiting list to a new site-based waiting list.
 - b. Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
 - c. Transferring an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD.
 - d. Informing applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

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

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

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify



applicants on the waiting list of the transfer of assistance, and on how they can apply for residency at other sites.

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

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

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c).

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

5. **Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.
6. **Future Refinancing.** Owners must receive HUD approval for any refinancing or restructuring of secured debt during the HAP Contract term to ensure the financing is consistent with long-term preservation of the Covered Project. With respect to any financing contemplated at the time of conversion (including any permanent financing which is a conversion or take-out of construction financing), such consent may be evidenced through the RCC but HUD review of liens must be performed prior to execution.
7. **Administrative Fees for Public Housing Conversions During the Year of Conversion.** For the remainder of the Calendar Year in which the HAP Contract becomes effective (i.e., the "year of conversion"), RAD PBV projects will be funded with public housing funds. For example, if the project's assistance converts effective July 1, 2015, the public housing ACC between the PHA and HUD will be amended to reflect the number of units under HAP Contract, but will be for zero dollars, and the RAD PBV HAP Contract will be funded with



public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

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

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

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

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

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

- 9. Reserve for Replacement.** The 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 Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.

10. Initial Certifications and Tenant Rent Calculations. The Contract Administrator uses the family's public housing tenant rent (reflected on line 10f of the family's most recent HUD Form 50058) at the date of the conversion to calculate the PBV HAP and tenant rent until the effective date of the earlier of the family's first regular or interim recertification following the date of conversion. At the earlier of the family's first regular or interim recertification, the Contract Administrator will use the family's TTP based on the recertification and the HCV utility allowance (or the PBV site-specific utility allowance, if applicable) to determine the PBV HAP and tenant rent. This means that the family pays the same tenant rent as the family was paying under the public housing program until the earlier of first regular or interim reexamination following conversion, at which point the normally applicable PBV calculation for the tenant rent becomes effective. (Under the PBV program, the monthly HAP is the rent to owner minus the tenant rent, and the tenant rent is the family TTP minus the utility allowance.)

Significant Amendment Definition

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

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



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Office of Public and Indian Housing
Office of Housing**

| | | |
|---|---------------|---|
| Special Attention of: | Notice | H 2016-17 |
| Public Housing Agencies | | PIH 2016-17 (HA) |
| Public Housing Hub Office Directors | | |
| Public Housing Program Center Directors | Issued: | November 10, 2016 |
| Multifamily HUB Directors | | |
| Multifamily Program Center Directors | Effective: | November 10, 2016 |
| Regional and Field Office Directors | | |
| Regional Administrators | Expires: | This Notice remains in effect until amended, superseded, or rescinded |
| Performance Based Contract Administrators | | |
| RAD Transaction Managers | | |
| Regional Relocation Specialists | Supplements: | PIH Notice 2012-32 (HA) REV-2 |
| | Supersedes: | H 2014-09/PIH 2014-17 |

SUBJECT: Rental Assistance Demonstration (RAD) Notice Regarding Fair Housing and Civil Rights Requirements and Relocation Requirements Applicable to RAD First Component – Public Housing Conversions.¹

SECTION 1. Purpose, Applicability and Major Provisions of this Notice

1.1. Purpose

This notice (Notice) provides PHAs,² Project Owners, and their RAD development partners with guidance regarding key fair housing and civil rights statutory and regulatory requirements, explains the situations in which HUD is requiring front-end fair housing and civil rights reviews, and provides information regarding the types of information that must be submitted to facilitate HUD’s review of certain fair housing and civil rights requirements in connection with public housing conversions under the First Component of RAD. This Notice also includes guidance

¹ While this Notice addresses fair housing and civil rights requirements and relocation requirements, the fair housing and civil rights requirements are not limited to relocation issues.

² Consistent with PIH Notice 2012-32 (HA) REV-2 (PIH 2012-32 (HA) REV-2) (the “RAD Notice”), this Notice uses the term “PHA” to refer to the owner of the project prior to the RAD conversion and “Project Owner” to refer to the owner of the project after the RAD conversion.



regarding key relocation statutory and regulatory requirements, and details relocation requirements under RAD. This Notice only applies to projects converting under the First Component of RAD; it does not apply to the Second Component of RAD.³

The RAD program was established as a tool for preserving and improving low-income housing stock. RAD is intended to facilitate reinvestment in or redevelopment of the long-term-affordable stock of HUD-assisted housing properties. RAD also provides mobility benefits for assisted residents of converted properties through the choice mobility option, allowing these households to access tenant-based Housing Choice Vouchers. In some cases, RAD can be a tool for transfer of rental assistance from distressed or poorly selected sites to new sites in high opportunity areas. In all cases, the objective is to better serve low-income residents and the broader community in complying with fair housing, other civil rights, and relocation laws.

This Notice provides PHAs and Project Owners with guidance relating to planning and implementing public housing (First Component) RAD conversions in a manner consistent with existing fair housing and other civil rights requirements, including, but not limited to, those associated with the Fair Housing Act, Title VI of the Civil Rights Act of 1964, Executive Order 11063, Section 504 of the Rehabilitation Act of 1973, Titles II and III of the Americans with Disabilities Act, the Architectural Barriers Act of 1968, and their implementing regulations. Section 4 of this Notice summarizes key provisions of existing law applicable to RAD transactions.

To further compliance with these existing requirements, PIH 2012-32 (HA) REV-2, issued June 15, 2015 (the "RAD Notice") established that specific PHA decisions and activities planned to be part of a First Component RAD conversion must be reviewed by HUD prior to implementation (the "front-end" fair housing and civil rights reviews). Through a front-end review of the enumerated PHA decisions, HUD seeks to assist PHAs and Project Owners in meeting their fair housing, other civil rights, and relocation obligations. Section 5 of this Notice explains the situations in which HUD is requiring front-end fair housing, other civil rights, and relocation reviews, details the procedures for HUD's front-end review and the type of information that must be submitted for these reviews, and the timeframes for these reviews.

Finally, in Sections 6 and 7 this Notice provides PHAs and Project Owners with guidance regarding RAD program and other statutory and regulatory relocation assistance requirements when planning for or implementing resident moves as a result of a conversion of a public housing project under RAD. This guidance includes reiterated and new requirements, the corresponding required reviews, and explanation of the interaction between RAD relocation procedures and certain existing public housing requirements. PHAs and Project Owners implementing RAD transactions may be subject to (a) the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, (URA),

³ Important fair housing, other civil rights, and relocation considerations apply also to the Second Component of RAD as provided in the RAD Notice. Participants in the Second Component of RAD must continue to comply with applicable fair housing, civil rights, and relocation statutes and regulations, and HUD may, at any time, initiate compliance or enforcement actions in connection with such requirements. The RAD Notice will continue as the primary source of information on fair housing and other civil rights requirements covering the Second Component of RAD without any change until further notice.



(b) the requirements of Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)) if CDBG or HOME funds are included as part of the project, (c) fair housing and other civil rights considerations implicated by relocation activities, and (d) requirements for relocating residents under the RAD Notice.

1.2. PHA and Project Owner Responsibilities

This Notice explains RAD's front-end fair housing and other civil rights review requirements in greater detail than was provided in the RAD Notice and this Notice restates and revises RAD's relocation requirements. However, the fair housing, other civil rights, and relocation requirements that apply to RAD conversions are neither limited to those discussed in this Notice, nor to those specifically reviewed by HUD in the front-end review.

MEETING HUD'S PROCESS AND REVIEW REQUIREMENTS NEVER CONSTITUTES COMPLIANCE WITH SUCH LAWS. THE OBLIGATION TO COMPLY WITH APPLICABLE FAIR HOUSING, OTHER CIVIL RIGHTS, AND RELOCATION LAWS REMAINS WITH THE PHA AND PROJECT OWNER.

The fair housing and civil rights requirements that apply to RAD conversions are not limited to those discussed in this Notice. PHAs and Project Owners are responsible at all times for ensuring that their RAD activities (including those activities implemented by their agents, consultants, contractors, or other RAD team members) comply with all applicable fair housing and civil rights requirements. PHAs and Project Owners shall be accountable for all fair housing and civil rights compliance issues with respect to their RAD activities, whether those activities are undertaken directly or through agents, consultants, contractors, or other RAD team members. While HUD provides this non-exhaustive guidance to assist PHAs and Project Owners during transactions, complying with the requirements set forth in this Notice does not necessarily mean that they, or their agents or consultants, are in compliance with fair housing and civil rights requirements.⁴

This Notice is not intended to, and shall not be construed to, reduce or in any way limit the application of fair housing, other civil rights, and relocation laws and regulations to RAD transactions. For example, HUD's reliance on a PHA's certification that a site meets the site and neighborhood standards required by the RAD Notice is not a determination of compliance with the duty to affirmatively further fair housing or other fair housing and civil rights requirements. As another example, HUD's approval of a site for new construction does not, by itself, constitute a determination of the PHA's compliance with all provisions of Title VI and its duty to affirmatively further fair housing found in the Fair Housing Act and other fair housing and civil rights requirements, nor indicate HUD's approval of the PHA's or locality's overall housing strategy. HUD's approval of a RAD conversion after front-end review reflects only that the project may proceed through the RAD conversion process; it does not constitute a determination

⁴ The PHA's or Project Owner's agents, consultants, contractors, and other RAD team members may also have fair housing and other civil rights obligations (whether under this Notice or otherwise) and the forgoing does not, in any way, limit the independent obligation of any such parties to ensure their own compliance with applicable fair housing and other civil rights laws.



that the project is in compliance with applicable fair housing, civil rights, and relocation requirements.

HUD's approval of a front-end review submission is based on limited information and is intended to assist the PHA or Project Owner in meeting their fair housing, civil rights, and relocation obligations.⁵ The PHA is responsible for ensuring that its RAD conversion is consistent with its certification to affirmatively further fair housing and complies with applicable civil rights laws.⁶ The front-end reviews described in this Notice shall not be construed to limit other fair housing and civil rights investigations that HUD may conduct. HUD retains all compliance and enforcement authority.

HUD's determination that the PHA or Project Owner has failed to meet submission, certification, or approval requirements with respect to fair housing, other civil rights, or relocation requirements is grounds for terminating a Commitment to enter into a Housing Assistance Payments Contract (CHAP), denying the issuance of a RAD Conversion Commitment (RCC), or denying authority to convert under RAD.

1.3. Applicability

The content of this Notice should not be relied upon in carrying out any other activities funded under any other HUD program, except where specifically directed by HUD.

This Notice supplements the RAD Notice with respect to fair housing and civil rights requirements applicable to public housing properties converting under RAD and with respect to all matters related to the relocation of residents as a result of RAD public housing conversions. To the extent that there is a conflict between this Notice and the RAD Notice, this Notice shall govern. This Notice replaces and supersedes Notice H 2014-09/PIH 2014-17 (issued July 14, 2014).

Upon issuance, the terms of this Notice will apply to all projects that have applied for conversion of assistance under the First Component of RAD but have not yet converted. As this Notice provides guidance, clarification, and explanation regarding fair housing and civil rights requirements that are already applicable to RAD conversions, this Notice shall not affect any front-end civil rights approvals provided by HUD prior to the effective date of this Notice and otherwise shall be effective with respect to front-end civil rights approvals without exception. However, with respect to relocation activities for Converting Projects under the First Component where a PHA has already submitted a Financing Plan pursuant to the RAD Notice at the time of issuance of this Notice, and provided that the Financing Plan has been accepted for full review after initial screening for completeness, the PHA may, within sixty (60) days after issuance of this Notice, request (in writing uploaded to the RAD Resource Desk) to be governed by H 2014-

⁵ For example, the front-end review is specific to an individual site. A PHA that does not promote fair housing choice outside areas of minority concentration and continues to site affordable housing in minority concentrated areas may be in noncompliance with the duty to affirmatively further fair housing and other fair housing and civil rights obligations, even if the specific site is approved based on the information provided and pursuant to the front-end review of the PHA's site and neighborhood standards submission.

⁶ See 24 C.F.R. § 5.105 and, as applicable, 24 C.F.R. § 983.57(b)(2) or Appendix III of the RAD Notice.



09/PIH 2014-17. For such projects and where otherwise appropriate in cases of hardship as determined by HUD, HUD may apply the terms of H 2014-09/PIH 2014-17 with respect to relocation activities, but not with respect to fair housing and civil rights requirements.

RAD projects which have been awarded Choice Neighborhoods Implementation (CNI) grants are subject to the provisions of the applicable Choice Neighborhoods Notice of Funding Availability (NOFA) and grant agreement regarding site and neighborhood standards and are not subject to the RAD front-end civil rights transaction reviews described in this Notice. For properties being redeveloped with funding under a CNI grant, the relocation requirements set forth in this Notice are superseded by guidance regarding relocation included in the CNI NOFA. Permanent involuntary displacement of public housing or Section 8 assisted residents may not occur as a result of a Choice Neighborhood project's conversion of assistance.

1.4. Explanation of Major Provisions

This Notice adds to and revises pre-existing guidance related to fair housing, civil rights, and relocation (as contained in the RAD Notice and H 2014-09/PIH 2014-17) with respect to RAD transactions. Among the key provisions and changes are the following:

Fair Housing & Civil Rights

- Reaffirms the applicability of fair housing and civil rights requirements to all RAD-related activities (see, e.g., Section 3.3 and Section 4);
- Reiterates when HUD front-end civil rights review (originally outlined in the RAD Notice) is required in addition to the PHA's analysis and certification of compliance, to assist the PHA and Project Owner to comply with fair housing and civil rights requirements (see Section 5.3);
- Outlines certain conditions under which HUD will conduct a front-end review to determine whether the site is in an area of minority concentration relative to the site's housing market area (see Section 5.4(A));
- Provides guidance, for purposes of the RAD front-end civil rights review, on the concepts of "area of minority concentration" and "housing market area" that are reviewed when determining whether a site is in an area of minority concentration (see Section 5.4(B));
- Elaborates on specific information that HUD will consider, and that PHAs should provide evidence of, in order for a proposed site to meet the existing exceptions to permit new construction in an area of minority concentration, identifies presumptions for meeting the sufficient comparable opportunities exception and describes factors that HUD may consider in evaluating the overriding housing needs exception (see Section 5.4(C) and Section 5.4(D));
- Articulates issues that HUD will consider in completing the front-end civil rights review for transfers of assistance, including, for example, accessibility and minority concentration (see Section 5.5);
- Outlines the information to be submitted for HUD's front-end civil rights review of transactions where unit reductions, unit reconfigurations, or changes in occupancy are proposed (see Section 5.6);
- Identifies the situations where front-end civil rights reviews are required when changes in the accessibility features of a site are made (see Section 5.7(B)); and



- Prohibits the Project Owner of a Converted Project with a PBRA HAP contract from initiating any new leasing or marketing activities (other than leasing and outreach to households holding a right to return to the Covered Project), including the solicitation, distribution or acceptance of applications or development of a waiting list, until HUD has approved the Affirmative Fair Housing Marketing Plan (“AFHMP”) (see Section 5.8).

Relocation

- Requires PHAs or Project Owners to prepare a written relocation plan for all transactions that involve permanent relocation or temporary relocation anticipated to exceed 12 months (see Section 6.1);
- Requires PHAs to provide residents with a RAD Information Notice (RIN) in order to ensure that residents are informed of potential project plans and of their rights in connection with RAD prior to submission of the RAD application (see Section 6.6(A));
- Clarifies that the General Information Notice (GIN), when applicable, should be provided as soon as feasible and no later than 30 days following the issuance of the CHAP (see Section 6.6(B));
- Requires Project Owners to provide a notification of Return to the Covered Project, when applicable (see Section 6.6(F));
- Moves the date before which PHAs are prohibited from beginning any physical relocation earlier in the conversion process (specifically, from the date of Closing to the later of the effective date of the RCC and the expiration of the 30- or 90-day RAD Notice of Relocation period, as applicable) (see Section 6.8);
- Clarifies the specific requirements applicable to different types of relocation (e.g., moves within a property, temporary relocation of less than 12 months, etc.) (see, e.g., Section 6.4);
- Provides enhanced guidance on the right to return requirements, any offers of alternative housing options and the documentation that must be retained when tenants choose an alternative housing option and decline their right to return (see, e.g., Section 6.2 and Section 6.10);
- Describes how HUD has administratively implemented URA requirements and URA relocation assistance and payments for displaced persons, when applicable, to residents who choose to decline the right of return and, instead, choose voluntary permanent relocation (see, e.g., Section 6.4(C) through (F) and Section 6.10);
- Requires PHAs to maintain detailed data regarding each household that will be relocated, with key dates of notices and moves (see Section 6.9); and
- Identifies key fair housing and civil rights requirements applicable during relocation (see, e.g., Section 4).

1.5. Request for Public Comment

HUD acknowledges the complexity of the issues addressed in this Notice. This Notice is effective immediately upon issuance, but HUD also seeks comment from the public regarding the clarity and organization of the Notice and regarding areas where the policies and procedures described are unclear or ambiguous. HUD will consider whether changes in response to comments are justified and will implement any appropriate changes in a revision of this Notice. Please submit all comments to RAD@hud.gov within 30 days of the issuance of this Notice.



1.6. Paperwork Reduction Act

In accordance with the Paperwork Reduction Act (PRA), HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number. OMB approved information collection forms will be posted on the RAD website and the Federal Register.



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SECTION 3. Background

3.1. RAD Authority

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, enacted November 18, 2011), as amended by the Consolidated Appropriations Act, 2014 (Public Law 113-76, enacted January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Public Law 113-235, enacted December 6, 2014), and the Division L, Title II, Section 237 of the Consolidated Appropriations Act (Public Law 114-113, enacted December 18, 2016), collectively and as it may be further amended from time to time, the “RAD Statute.” RAD allows certain eligible properties to convert assistance to long-term project-based Section 8 contracts and has two separate components. The First Component allows projects funded under the public housing program to convert their assistance to long-term, project-based Section 8 rental assistance contracts. Under this component of RAD, public housing agencies (PHAs) may choose between two different Section 8 housing assistance programs: project based vouchers (PBVs) or project-based rental assistance (PBRA). The “Second Component” of RAD allows owners of projects funded under the Rent Supplement (Rent Supp), Rental Assistance Payment (RAP), and Moderate Rehabilitation programs to convert certain units to PBV or PBRA Section 8 units following certain contract expirations or terminations. The RAD Statute is implemented by the RAD Notice.

3.2. Definitions

All capitalized terms defined in the RAD Notice, as amended, shall have the definitions ascribed to them therein unless otherwise specifically noted in this Notice.⁷ Pre-conversion projects whose assistance is converting from public housing to Section 8 under RAD are referred to in the RAD Notice and in this Notice as “Converting Projects.” Post-conversion projects are referred to in the RAD Notice and this Notice as “Covered Projects.”

3.3. Applicable Legal Authorities

Appendix I to this Notice identifies key legal authorities with respect to fair housing, civil rights, and resident relocation. Part 2 of Appendix I provides greater detail regarding federal accessibility requirements set forth in three of the legal authorities described in Appendix I,

⁷ Many of the fair housing and civil rights concepts used throughout this Notice are terms of art that are defined in applicable statutes and regulations identified in Appendix I of this Notice, while others have been developed through judicial interpretation. PHAs and Project Owners should familiarize themselves with these terms of art and should consult 42 U.S.C. § 3602 (Fair Housing Act); 24 C.F.R. §§ 5.152-100.20 (Fair Housing Act); 42 U.S.C. §§ 2000d-2000d-4a (Title VI of the Civil Rights Act of 1964); 24 C.F.R. § 1.2 (Title VI); 29 U.S.C. § 705 (Rehabilitation Act); 24 C.F.R. § 8.3 (Section 504); 42 U.S.C. §§ 12102, 12132, 12181 (Americans with Disabilities Act (ADA)); 28 C.F.R. § 35.104 (Title II of the ADA); and 28 C.F.R. § 36.104 (Title III of the ADA). In addition, many of the relocation concepts are terms of art that are defined in 42 U.S.C. § 4601 *et seq.* (Uniform Relocation Act (URA)), Section 104(d) of the Housing and Community Development Act of 1974 codified at 42 U.S.C. § 5304(d), and their implementing regulations at 49 C.F.R Part 24 and 24 C.F.R. Part 42 subpart C.

Part 1. PHAs and Project Owners must be familiar with these legal authorities and must evaluate, based on the facts of their situation, which legal authorities are applicable in which situations. **Failure to comply with any legal authority as applicable to the PHA’s or Project Owner’s actions or inactions may result in liability under such authority.** Appendix I does not attempt to provide a complete and exhaustive explanation of the legal authorities, nor to fully inventory the situations in which each legal authority is applicable. Instead, Appendix I is an overview intended to serve as a general introduction or reminder for PHAs and Project Owners of these fair housing, other civil rights, and relocation authorities and to facilitate their identification of appropriate topics for further research or expert counsel. The recitation of these legal authorities neither expands nor diminishes their applicability to the PHA’s and Project Owner’s activities in connection with their RAD conversion.

The RAD Statute authorizes the Secretary of HUD to waive or specify alternative requirements for certain provisions of law, except for requirements related to, among others, fair housing and nondiscrimination.⁸ In addition to the general application of various federal statutes and their implementing regulations as discussed in Appendix I, below, HUD regulations at 24 C.F.R. § 5.105 apply such authorities to all HUD programs, including RAD.

3.4. Further Information

Because each RAD proposal varies in its scope, this Notice may not address each PHA’s or Project Owner’s specific circumstances. PHAs and Project Owners should carefully review the laws, regulations, notices, and guidance material referenced in this Notice. Any questions related to the administration of the RAD program should be referred to the appropriate RAD Transaction Manager (TM) or may be emailed to rad@hud.gov.

SECTION 4. Generally Applicable Fair Housing and Civil Rights Requirements Relevant Throughout the RAD Conversion Process

This Section provides a summary overview of key principles regarding program implementation and an overview of generally applicable fair housing and civil rights requirements. Appendix I identifies the key legal authorities from which these principles are derived. These key principals, together and with the legal authorities identified in Appendix I, frame the PHA’s efforts to implement a RAD conversion. In some cases, these requirements are particularly relevant to the process of planning the RAD conversion, while in others they have particular relevance for the structure of the RAD transaction itself, and in yet other cases, both. Elements of RAD transactions that have civil rights implications include, but are not limited to, transfers of assistance, temporary and permanent relocation, demolition, site selection, new construction, occupancy policies, changes in unit configuration, increases or reductions in units, waiting list administration policies, policies regarding return of temporarily relocated tenants, substantial rehabilitation or alteration, program accessibility, tenant selection policies and priority transfers, providing information to and communicating with persons with Limited English Proficiency (LEP) and persons with disabilities, reasonable accommodation policies, and Affirmative Fair

⁸ See Pub. L. No. 112-55, as amended.



Housing Marketing Plans (AFHMPs). All PHAs must consider civil rights when structuring these and other elements of their RAD transaction.

RAD transactions are governed by the same civil rights authorities that govern HUD-assisted activities generally.⁹ Converting Projects are subject to civil rights and equal opportunity requirements under the public housing regulations, and Covered Projects are subject to civil rights and equal opportunity requirements under the PBV regulations or the PBRA regulations, as applicable.¹⁰ As described further below, the Fair Housing Act prohibits discrimination in housing¹¹ and requires all federal executive departments and agencies to “administer their programs and activities relating to housing and urban development ... in a manner affirmatively to further” fair housing.¹² In addition, all programs or activities receiving Federal financial assistance are subject to Title VI of the Civil Rights Act of 1964 forbidding discrimination on the basis of race, color, and national origin¹³ and Section 504 of the Rehabilitation Act of 1973, which forbids discrimination on the basis of disability and requires that programs or activities receiving Federal financial assistance make such programs or activities “when viewed in its entirety” readily accessible to persons with disabilities and make reasonable accommodation to the needs of persons with disabilities.¹⁴ RAD transactions are also subject, as applicable, to the requirements of Titles II and III of the Americans with Disabilities Act, Executive Order 11063, and HUD regulations at 24 C.F.R. part 107. Thus, as with the administration of all HUD programs and all HUD-assisted activities, fair housing and civil rights issues must be considered in the administration of the RAD program. PHAs must not implement actions and policies that may have a discriminatory effect on the basis of race, color, sex, national origin, religion, disability, or familial status or that may impede, obstruct, prevent, or undermine efforts to affirmatively further fair housing.¹⁵ Note, in particular, the following requirements:

- **Affirmatively Furthering Fair Housing (AFFH):** The Fair Housing Act requires that HUD administer its programs and activities in a manner that affirmatively furthers the purposes of the Fair Housing Act. The Fair Housing Act not only prohibits discrimination but, in conjunction with other statutes, directs HUD’s recipients, including PHAs, to take significant actions to overcome historic patterns of segregation, achieve truly balanced and integrated living patterns, promote fair housing choice, and foster inclusive communities that are free from discrimination. Through various statutes, regulations, and executive orders, PHAs must take various actions in accordance and in conjunction with their Fair Housing Act obligation to affirmatively further fair housing. For example, under regulations implementing the United States Housing Act of 1937 (the Act), HUD recipients must, among other requirements, certify that they will affirmatively further fair housing. In addition, under HUD’s Affirmatively Furthering Fair Housing (AFFH) rule promulgated July 16, 2015, PHAs must periodically conduct an Assessment

⁹ See 24 C.F.R. § 5.105.

¹⁰ See, e.g., 24 C.F.R. §§ 880.601, 881.601 and 983.8 for civil rights related regulations applicable to PBV and PBRA transactions.

¹¹ See 42 U.S.C. §§ 3601 *et seq.*, and HUD regulations in 24 C.F.R. part 100

¹² 42 U.S.C. § 3608(d) and (e).

¹³ See 42 U.S.C. §§ 2000d *et. seq.*, and HUD regulations in 24 C.F.R. part 1.

¹⁴ See 29 U.S.C. §§ 701 *et seq.*, and HUD regulations in 24 C.F.R. part 8.

¹⁵ See 24 C.F.R. part 1 and part 100 subpart G.



of Fair Housing (AFH) as set out by the rule, either individually or in collaboration with other program participants.¹⁶ Under the AFFH rule, in order to develop a successful affirmatively furthering fair housing strategy, the PHA must assess the elements and factors that cause, increase, contribute to, maintain, or perpetuate segregation, racially or ethnically concentrated areas of poverty, significant disparities in access to opportunity, and disproportionate housing needs. PHAs must ensure that their activities in connection with a RAD conversion are consistent with their AFH, including any applicable joint or regional AFH in which they are a joint participant, and with any applicable Analysis of Impediments to Fair Housing Choice (AI), Fair Housing Equity Assessment, PHA 5-Year Plan, PHA Annual Plan, Moving to Work (MTW) Plan, or related planning documents and other regulatory and programmatic requirements implementing the obligation to affirmatively further fair housing to which they are a party.¹⁷

- **Nondiscriminatory Site Selection:** HUD's site and neighborhood standards require that the proposed site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provision of Title VI of the Civil Rights Act, the Fair Housing Act, Executive Order 11063, and Department regulations implementing these authorities. The site must meet the Section 504 site selection requirements in 24 C.F.R. § 8.4(b)(5). Additional provisions appear in 24 C.F.R. § 983.57(b) of the PBV rules and, for PBRA, in Appendix III of the RAD Notice. HUD's Title VI regulation specifically prohibits site selection that has the "purpose or effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination" on the basis of race, color, or national origin.¹⁸ The Title VI regulations also impose an obligation on the part of an applicant or recipient of HUD financial assistance to take actions to overcome the effect of prior discrimination or conditions that limit participation by persons of a particular race, color, or national origin.¹⁹ In addition, HUD's Section 504 regulation prohibits recipients from selecting sites the purpose or effect of which would (1) exclude qualified individuals with disabilities from or deny them the benefit of a program or activity, or otherwise subject them to discrimination; or (2) defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with disabilities.²⁰ ADA regulations likewise prohibit site selections that have the purpose or effect of excluding individuals with disabilities (including members of the public with disabilities), denying them benefits, or subjecting them to discrimination.²¹ Finally, the Fair Housing Act prohibits discriminatory site selection, including perpetuation of segregation in transfers of assistance and new construction.
- **Meaningful Access for Persons with Limited English Proficiency (LEP):** The PHA or Project Owner is required to take reasonable steps to ensure (a) they provide meaningful access to programs and activities for persons who have a limited ability to read, speak, or understand English; (b) any person with LEP who will be temporarily relocated or

¹⁶ 24 C.F.R. § 5.150 *et seq.*

¹⁷ See 24 C.F.R. § 5.150 *et seq.* and 24 C.F.R. §§ 91.225, 91.325, or 91.425.

¹⁸ See 24 C.F.R. § 1.4(b)(3).

¹⁹ See 24 C.F.R. § 1.4(b)(6).

²⁰ See 24 C.F.R. § 8.4(b)(5).

²¹ See 28 C.F.R. § 35.130(b)(4); 28 C.F.R. § 36.301.



permanently displaced has meaningful access to any public meetings regarding the project; and (c) they provide meaningful access to LEP persons to any information provided to residents including, but not limited to, any relocation notices. Generally, the PHA or Project Owner will be responsible for providing oral interpreters at meetings, including ensuring their competence, and covering any associated translation and interpretation costs.²²

- **Effective Communication for Persons with Disabilities:** Communications and materials must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 C.F.R. § 8.6) and with 49 C.F.R. § 24.5, and as applicable, the Americans with Disabilities Act. This includes ensuring that, unless such actions would result in undue financial and administrative burdens or fundamental alterations, notices and resident meetings are provided in appropriate alternative formats as needed, e.g., Braille, audio, large type, accessible electronic communications, assistive listening devices, and sign language interpreters. Even in cases where the proposed actions may result in undue financial and administrative burdens or fundamental alterations, certain actions must still be taken. Specifically, appropriate auxiliary aids and services that would not result in such undue burdens or fundamental alterations must still be provided to ensure effective communication.
- **Accessible Meeting Facilities for Persons with Disabilities:** Pursuant to regulations implementing Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, as applicable, all programs and activities must be held in accessible locations unless doing so would result in an undue financial and administrative burden on the PHA and/or Project Owner, in which case the PHA or Project Owner must take any action that would not result in such undue burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., briefings at an alternate accessible site or in-home briefing.²³ Individuals with disabilities must receive services in the most integrated setting appropriate to their needs. The most integrated setting appropriate to the needs of qualified individuals with disabilities is a setting that enables individuals with disabilities to interact with persons without disabilities to the fullest extent possible.²⁴

²² For more information about LEP obligations, see HUD's Limited English Proficiency (LEP) Frequently Asked Questions guidance at

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq#q26.

²³ In selecting locations for consultation with residents, the PHA and/or Project Owner shall be guided by the goal of maximizing participation in an integrated setting so that residents with disabilities and residents without disabilities may hear and consider each other's views. Priority shall be given to using on-site accessible locations (including, e.g., TV rooms or informal gathering places), even if doing so may require multiple sessions with smaller groups of residents. In addition, Title III of the Americans with Disabilities Act requires private entities that operate places of public accommodation, including social service establishments, leasing offices of private housing developments, and certain private housing providers, to comply with certain physical accessibility requirements which are similar to the requirements under Section 504 and Title II.

²⁴ See 28 C.F.R. part 35, Appendix B.



- **Accessibility for Persons with Disabilities Throughout the Planning and Implementation Process:** A number of accessibility requirements, including but not limited to site selection, apply to all RAD conversions, as they do to the PHA's activities regardless of the PHA's participation in RAD.²⁵ PHAs and Project Owners should also be aware that state or local laws, regulations, and codes may contain greater accessibility requirements. This Notice provides, in Appendix I, Part 2, an overview of accessibility requirements under existing law. The information in Appendix I, Part 2 is intended to assist with the PHA's or Project Owner's compliance with accessibility requirements. PHAs and Project Owners must review Appendix I, Part 2 early-on in planning for the RAD transaction. PHAs and Project Owners may determine that it is most efficient to address accessibility matters early in the project planning. In addition, PHAs and Project Owners must evaluate, throughout the transaction and based on the facts of their situation, which requirements are applicable in which situations to ensure they appropriately address accessibility requirements. PHAs and Project Owners are responsible for ensuring that the architectural drawings and construction comply with the PHA's and Project Owner's obligations and all Federal civil rights requirements, including accessibility requirements under the Fair Housing Act, Section 504, and the ADA.

Accessibility requirements also apply during all stages of a RAD transaction, including during relocation. Existing information (e.g., resident characteristics forms, including identification of the need for accessible unit features; records of approved reasonable accommodations; and records of the presence of accessible unit features) and the residents themselves should be consulted throughout the process of developing and implementing a RAD conversion. Related activities include, but are not limited to:

- Identifying and maintaining existing and pending reasonable accommodations, including the need for larger units to accommodate live-in aides or special equipment;
- Determining what direct services may be needed as a reasonable accommodation (e.g., packing, moving, identification of temporary housing);
- Identifying accessible unit features and assuring that temporary or permanent replacement housing contains comparable features;
- Budgeting appropriately to ensure that reasonable accommodations are addressed.

For more information about compliance with accessibility requirements, the PHA or Project Owner should refer to appropriate notices concerning civil rights requirements and may contact HUD's Office of Fair Housing and Equal Opportunity in either the Washington, D.C. or applicable field offices for more specific guidance. For additional, non-exhaustive guidance on providing relocation assistance to persons with disabilities, see Exhibit 3-1 in HUD Handbook 1378.

²⁵ For more detailed information on these laws and their requirements, see PIH Notice 2010-26, issued July 26, 2010 (available at <http://www.hud.gov/offices/pih/publications/notices/10/pih2010-26.pdf>). While this notice has an expiration date in 2011, because the notice summarizes and discusses regulatory requirements, the information in the notice provides helpful guidance.



- **Reasonable Accommodations in Rules, Policies, Practices and Services:** Under the Fair Housing Act, the PHA or Project Owner must make reasonable accommodations in rules, policies, practices, and services when such accommodations may be necessary to afford a person with a disability an equal opportunity to use and enjoy a dwelling.²⁶ Under Section 504, the PHA or Project Owner must also make reasonable accommodations to residents with disabilities, which may include providing and paying for structural modifications to dwelling units and public or common use areas. Titles II and III of the ADA provide similar requirements. Common examples of reasonable accommodations that may occur during relocation are permitting an individual with a disability to relocate near public transportation, providing a unit larger than otherwise permitted for a live-in aide, and making exceptions to no-animal rules for assistance and service animals. Accommodations generally need not be made where providing such an accommodation would be an undue financial and administrative burden or a fundamental alteration of the nature of the service. However, reasonable accommodations must be made to the extent the accommodation does not impose an undue financial and administrative burden or a fundamental alteration of the nature of the service. Reasonable accommodations must follow the individual with the disability throughout the RAD process, including during relocation. Furthermore, PHAs and Project Owners may be required to provide particular reasonable accommodations during relocation, such as assistance moving household items.²⁷
- **Physical Changes to Dwelling Units, Public and Common Use Areas and Other Facilities for Accessibility:** Under the Fair Housing Act, the PHA or Project Owner may be required to permit reasonable modifications. A reasonable modification is a structural change made to existing premises, occupied or to be occupied by a person with a disability, in order to afford such person full enjoyment of the premises. Reasonable modifications can include structural changes to interiors and exteriors of dwellings and to common and public use areas. A request for a reasonable modification may be made at any time during the tenancy. When relocating an individual with a disability who has such modifications in their dwelling unit or public and common use areas because of the individual's disability, regardless of who made them, the PHA or Project Owner has an obligation to provide and pay for such modification in the new dwelling. When considering requests by individuals with disabilities for structural changes to units or public and common use areas, PHAs and Project Owners should take particular note that they may be required to make and pay for such structural modifications as reasonable

²⁶ For additional information regarding reasonable accommodations under the Fair Housing Act, *see* the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Accommodations Under the Fair Housing Act (May 17, 2004), at <http://www.hud.gov/offices/fheo/library/hud DOJstatement.pdf>.

²⁷ *See* 49 C.F.R. part 24, Appendix A, § 24.2(a)(8)(vii), which states that under the URA, "Reasonable accommodation of a displaced person with a disability at the replacement dwelling means the Agency is required to address persons with a physical impairment that substantially limits one or more of the major life activities. In these situations, reasonable accommodation should include the following at a minimum: Doors of adequate width; ramps or other assistance devices to traverse stairs and access bathtubs, shower stalls, toilets and sinks; storage cabinets, vanities, sink and mirrors at appropriate heights. Kitchen accommodations will include sinks and storage cabinets built at appropriate heights for access. The Agency shall also consider other items that may be necessary, such as physical modification to a unit, based on the displaced person's needs."



accommodations under Section 504 and because of similar requirements under the ADA even though the Fair Housing Act may only require the owner to allow such changes to be made and paid for by the individual with a disability. Before determining that they are not required to make or pay for structural changes, PHAs and Project Owners are encouraged to consider carefully their obligations under each applicable statute.

SECTION 5. Application of Key Fair Housing and Civil Rights Requirements to RAD Transactions

The generally applicable fair housing and other civil rights requirements described above, and in Appendix I, apply throughout the planning and implementation of a RAD transaction and the PHA is responsible for ensuring compliance with these requirements. As key requirements may be misunderstood, the RAD program has established specific additional procedures to assist RAD participants to ensure they comply with the applicable requirements. Specifically, the RAD Notice established a civil rights eligibility review and criteria for front-end civil rights reviews.

This Section elaborates on these requirements from the RAD Notice. The front-end review procedures described below establish procedures and criteria for the supplemental front-end review and technical assistance, criteria which are specific to the RAD program. Criteria for this supplemental front-end review are informed by, but not the same as, fair housing or civil rights rules and policies generally.

This Section is organized to loosely follow the stages of a RAD conversion transaction, beginning with RAD eligibility and continuing through site selection, transfer of assistance, unit design requirements and marketing. In addition, this Section describes the timing and procedures for submitting data and documents to HUD so that HUD may complete its front-end review. The submission procedures are also designed to serve as a tool for PHAs to identify issues of potential concern at appropriate stages of the RAD conversion and as a tool for HUD to identify potential needs for technical assistance.

5.1. RAD Eligibility Review

To be eligible for RAD, the PHA must meet all eligibility requirements set forth in Section 1.3 of the RAD Notice, including the civil rights threshold requirements found at Section 1.3.G of the RAD Notice. A PHA must not have a charge, cause determination, lawsuit, or letter of findings, referenced in Section 1.3.G of the RAD Notice, against the PHA itself, its transferees, proposed development partners, or sub-recipients that has not been resolved, or is not in the process of being resolved, to HUD's satisfaction. This determination shall be made prior to issuance of the CHAP.

The CHAP may be revoked by HUD if HUD determines that the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement. HUD may terminate a CHAP or RCC if it determines that the terms of the conversion would be inconsistent with fair housing or civil rights laws or is inconsistent with, would hinder, or would delay satisfaction of a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.



HUD may terminate an approval to proceed with a RAD conversion if it determines that the terms of the conversion would be inconsistent with fair housing or civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

5.2. PHA's Proposed Site Selection and Certification

For all RAD conversions, the PHA must comply with all applicable site selection requirements as set forth in this Notice and the RAD Notice and in accordance with any additional applicable published guidance provided by HUD. As set forth in the RAD Notice, conversions of assistance to PBV involving new construction, whether on a new site or on a current site, are subject to the site selection standards set forth in 24 C.F.R. § 983.57(a), (b), (c) and (e), but excluding 24 C.F.R. § 983.57(b)(1) and (c)(2). All other conversions to PBV, including transfers of assistance to an existing property other than the Converting Project, are subject to the standards set forth in 24 C.F.R. § 983.57(a), (b), (c) and (d), but excluding 24 C.F.R. § 983.57(b)(1) and (c)(2).²⁸ Site selection requirements set forth at Appendix III of the RAD Notice apply to RAD conversions to PBRA assistance, as does the requirement not to place housing in neighborhoods with highly concentrated poverty based on the criteria formulated for transfers under Section 8(bb) of the United States Housing Act of 1937.²⁹ PBV and PBRA site selection must also be consistent with the requirements of the Fair Housing Act, Title VI, Section 504, the ADA and their implementing regulations.

It is the PHA's responsibility to ensure that the site selection complies with all applicable site selection requirements, including the requirements of this Notice and the RAD Notice. Pursuant to the RAD Notice, the PHA must certify with the submission of its Annual Plan, Significant Amendment to its Annual Plan, or MTW Plan that it complies with the applicable site selection requirements and must maintain records of its analysis and the data relied upon in making its determination of compliance. The PHA must also determine and subsequently state in the certification that 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, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and HUD regulations issued pursuant thereto."³⁰ Although this Notice provides detail regarding certain civil rights-related site and neighborhood standards, PHAs must certify compliance with all applicable site and neighborhood standards.³¹

The PHA must also certify that, in conducting its review of site selection for the proposed project, the PHA completed a review with respect to accessibility for persons with disabilities and that the proposed site is consistent with applicable accessibility standards under the Fair Housing Act, Section 504, and the ADA. The site and neighborhood standards for PBV and PBRA require the site to be "suitable from the standpoint of facilitating and furthering full compliance with" the Fair Housing Act and require the site to meet the Section 504 site selection

²⁸ See the provisions of Section 1.6.A.4 of the RAD Notice.

²⁹ 42 U.S.C. § 1437f(bb).

³⁰ For RAD conversions to PBRA, the RAD Notice uses the term "the site and neighborhood is suitable," rather than "the site is suitable." See Appendix III of the RAD Notice, paragraph (a).

³¹ See 24 C.F.R. § 983.57 and the RAD Notice at Section 1.4(A)(7)



requirements described in 24 C.F.R. § 8.4(b)(5).³² The Fair Housing Act, as implemented at 24 C.F.R. § 100.205, requires “covered multifamily dwellings” built for first occupancy after March 13, 1991, to contain accessible design features. HUD’s Section 504 regulations at 24 C.F.R. § 8.4(b)(5) require that, in determining the site or location of a federally assisted facility, an applicant for assistance or recipient may not make selections the purpose or effect of which would: (i) exclude qualified individuals with disabilities from, deny them the benefits of, or otherwise subject them to discrimination under, any program or activity that receives Federal financial assistance from HUD, or (ii) defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with disabilities. Title II of the ADA contains a similar requirement that a public entity, such as the PHA, may not, in determining the site or location of a facility, make selections (i) that have the effect of excluding individuals with disabilities from, denying them the benefits of, or otherwise subjecting them to discrimination; or (ii) that have the purpose or effect of defeating or substantially impairing the accomplishment of the objectives of the service, program, or activity with respect to individuals with disabilities.³³ Factors relevant to a site review under these standards may include, among others:

- Site features, such as inaccessible slopes in routes, lack of accessible sidewalks, curb ramps, accessible parking spaces, and placement of dumpsters or other physical features that would impede access to and movement within the site;
- Building features, such as inaccessible building entrances, other methods of ingress and egress, public and common use areas (e.g., the rental office, parking areas, mail areas, trash areas, community rooms, shared use toilet rooms, laundry facilities and walkways inside and outside that connect these public and common use areas to units), and barriers to access by members of the public; and
- Lack of accessible transit or para-transit and accessible public sidewalks and accessible transportation stops.

When such conditions are present at the site and would exclude individuals with disabilities from, deny them the benefits of, or otherwise subject them to discrimination, or would defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to individuals with disabilities, the site must not be selected unless the proposal includes remediation of the barriers to achieve compliance with accessibility requirements (including identification and remediation of any nonconforming design and construction conditions in “covered multifamily dwellings” under the Fair Housing Act). Remediation of the barriers may include, for example, physical accessibility improvements to the site, arrangements for access to accessible supportive services, or reasonable accommodations for current or prospective residents with disabilities, including members of the public. The Financing Plan submitted to HUD must describe and document resources sufficient to pay for the remediation of accessibility barriers.³⁴

³² See 24 C.F.R. § 983.57(b)(2) (PBV conversions); *see also*, Appendix III (a) of the RAD Notice (PBRA conversions).

³³ See 28 C.F.R. § 35.130(b)(4).

³⁴ In conducting its review prior to certification, and in preparing for the certification, PHAs and Project Owners may find it useful to consult with their local or regional FHEO office, the United States Access Board, local or state



While all PHAs must certify their compliance with applicable site selection requirements as described in this Section, some RAD transactions will also be subject to a front-end review of the site selection. For transactions involving activities that present site selection issues of greater complexity, as described in Sections 5.3 through 5.5 below, front-end review will allow HUD’s Office of Fair Housing and Equal Opportunity (FHEO) to assist the PHA to consider relevant laws and regulations while completing its site selection review and certification.

5.3. RAD Front-End Civil Rights Transaction Review

Fair Housing Act and other civil rights issues may arise throughout a RAD transaction. Under the Fair Housing Act, an assessment of site suitability includes an analysis of the impact that the siting of the project would have on patterns of segregation for protected classes. The Fair Housing Act is of particular importance when a RAD proposal concerns site selection for new construction or reconfiguration of housing on the original public housing site – for example, the unit size distribution (e.g., conversion of larger bedroom size units to one-bedroom units, which may have an adverse impact on housing opportunities for families with children) or a reduction in the number or distribution of accessible units (which may have an adverse impact on housing opportunities for persons with disabilities). RAD conversions involving new construction must also comply with the Fair Housing Act’s accessibility requirements.

Compliance with all applicable fair housing and civil rights requirements is the responsibility of both the PHA and the Project Owner. However, to assist with compliance, HUD’s Office of Fair Housing and Equal Opportunity (FHEO) will conduct a front-end civil rights review of project proposals containing activities identified as particularly at risk of violating applicable fair housing and civil rights laws. The activities that must be submitted for front-end civil rights review are listed in Section 5.3(A), below.

A) Activities Subject to Front-End Civil Rights Review

All RAD conversions that include one or more of the activities listed below (Sections 5.3(A)(1) through 5.3(A)(9)) are subject to a front-end review for compliance with certain civil rights and fair housing requirements. The specific items that HUD will review in the front-end review will depend on which activities are involved in the specific transaction. A RAD conversion may not include one of the activities below without prior written approval from HUD. All Financing Plans must include evidence that the PHA has secured written approval from HUD for any of the following activities that are included in its RAD conversion:

- (1) Conversions of assistance involving new construction, whether on a new site or on a current site, in an area of minority concentration. Front-end review of this activity shall be pursuant to Section 5.4(B), below and, in addition, the PHA shall

architectural access board or other accessibility authority for information on accessibility standards. Other sources of information on accessibility requirements may include protection and advocacy organizations or independent living centers. In addition, the non-HUD resources may provide advice on how to assess accessibility needs and formulate physical accessibility strategies.



certify in its Annual Plan compliance with site and neighborhood standards applicable to new construction as described in Section 5.2.

- (2) Transfers of assistance where all or a portion of the Converting Project's assistance is transferred to a new site(s) (either new construction or to an existing project) as part of the subject transaction. Front-end review of this activity shall be pursuant to Section 5.5(B), below and, in addition, the PHA shall certify in its Annual Plan compliance with site and neighborhood standards applicable to existing housing as described in Section 5.2.
- (3) Conversions of assistance where the total number of units in the Covered Project is less than the original number of units in the Converting Project (this includes de minimis reductions). Front-end review of this activity shall be pursuant to Section 5.6.
- (4) Conversions of assistance where the Covered Project's unit configuration is different from the unit configuration of the Converting Project. Front-end review of this activity shall be pursuant to Section 5.6.
- (5) Conversions involving a change in occupancy, where the Covered Project serves a different population from the one served by the Converting Project (e.g., when a Converting Project serves families but the Covered Project is subject to an elderly preference or introduction of restrictions or preferences based on age or disability that will change the occupancy of the property). Front-end review of this activity shall be pursuant to Section 5.6.
- (6) Conversions of assistance in which the construction schedule indicates that relocation is likely to exceed 12 months. Front-end review of this activity shall be pursuant to Section 5.7(A).
- (7) Conversions of assistance involving new construction or substantial alteration,³⁵ as those terms are defined in Section 504 of the Rehabilitation Act of 1973. Front-end review of this activity shall be pursuant to Section 5.7(B).
- (8) Conversions of assistance involving a Converting Project subject to a Voluntary Compliance Agreement or Conciliation Agreement with HUD or a Consent Decree or Settlement Agreement with the U.S. Department of Justice or HUD, or where the PHA is subject to such an agreement affecting its entire housing portfolio or otherwise related to the Converting Project. Front-end review of this activity shall be pursuant to Section 5.7(C).

³⁵ Section 504 defines substantial alteration of a housing project as alterations where a housing project has 15 or more units, and the rehabilitation costs will be 75% or more of the replacement cost of the completed facility. See 24 C.F.R. § 8.23 (a).



- (9) Conversions of assistance where HUD has identified potential fair housing and civil rights concerns or a history of such concerns. Front-end review of this activity shall be pursuant to Section 5.7(C).

PHAs should note that a proposed RAD conversion may trigger front-end review regarding more than one of the activities listed in subsections (1) through (9) of this Section. For example, depending on the details of the proposal, a new construction on-site project could require review under subsections (1), (3), (4), (5), (6), and (7), or could require review under only subsections (1) and (7).

As part of HUD's review of these elements of the RAD conversion plans, HUD may require that PHAs that are carrying out portfolio or multi-phased conversions provide information on their conversion plans for other projects or subsequent phases to ensure that the overall plans for RAD conversion are consistent with civil rights and fair housing.

B) Fair Housing, Civil Rights, and Relocation Checklist

In connection with HUD's front-end fair housing and civil rights and relocation reviews described in this Section 5 and in Section 6, HUD is requiring submission of a Fair Housing, Civil Rights, and Relocation Checklist (the "Checklist"). The Checklist will facilitate the PHAs' and Project Owners' submission of necessary information to complete these reviews.³⁶ HUD anticipates that a revised Checklist, when available following Paperwork Reduction Act approval, will be separated into parts which can be submitted incrementally as the PHA and Project Owner develop the RAD transaction plans, with different elements of the Checklist applicable at different stages of the transaction planning process. For example, submissions regarding site selection for a RAD transaction involving new construction may occur well before submissions regarding a proposal to change the unit configuration.

The Checklist will outline the minimum information or documentation which HUD will need in order to review each part of the Checklist. After HUD's initial review of any portion of the Checklist, HUD may determine that the data provided in the Checklist is insufficient for HUD to complete its review, in which case HUD may require the PHA or Project Owner to provide supplemental information. The PHA should submit each part as early as possible once the information covered in the applicable part is known. All information specified in the applicable

³⁶ The Checklist is available at www.hud.gov/rad. As of the publication of this Notice, references to the Checklist refer to the existing FHEO Accessibility and Relocation Plan Checklist under OMB Approval 2577-0276. The PHA shall use the existing Checklist to provide information related to demonstrating compliance with fair housing, other civil rights, and relocation requirements (including accessibility requirements) and, as necessary, may require additional materials for HUD to complete its review, which the PHA may provide in such form as the PHA determines appropriate. Also at www.hud.gov/rad, HUD has provided a listing of information that, depending on the circumstances, HUD may require to complete different components of its front-end review. The Checklist is being revised to fully capture the submission requirements described in this Notice. The revised Checklist will be subject to Paperwork Reduction Act approval and will be posted at the website listed above when available for use.



part of the Checklist must be submitted to HUD for HUD to begin its civil rights review – partial submissions of any applicable part of the Checklist will not be accepted.³⁷

C) Timing of Front-End Review Submissions

PHAs and Project Owners are encouraged to submit applicable portions of the Checklist and information associated with a particular activity subject to front-end review as early as possible in the development of their plans. The PHA must ensure that HUD has approved all applicable parts of the Checklist prior to submission of the Financing Plan. Upon request from the PHA, HUD may, at HUD's sole discretion, permit submission of the Financing Plan prior to receipt of approval of the applicable parts of the Checklist and conditioned upon subsequent receipt of such approvals, in which event the PHA and Project Owner may proceed at their own risk.

Early approval of the site of the Covered Project is critical for RAD transaction proposals subject to front-end civil rights review involving site selection standards, specifically new construction in areas of minority concentration (see Section 5.3(A)(1)) and transfers of assistance (see Section 5.3(A)(2)). The PHA must conduct its own assessment of the site during the early stages of planning its RAD transaction. The guidance in this Notice and the Checklist are tools intended to assist the PHA in conducting its own assessment of the site.

The PHA must provide HUD with the Checklist and backup information sufficient for HUD to review the site with respect to the applicable standards. The site selection information should be provided to HUD no later than ninety (90) days following the issuance of the CHAP or, if the CHAP has already been issued as of the publication of this Notice, within ninety (90) days following publication of this Notice. In the event of a change in plans for the Converting Project that would require a front-end review of the site selection standards, the PHA must provide the Checklist and backup documentation within sixty (60) days of the change in plans. PHAs are strongly encouraged to provide front-end review submissions and secure HUD approval prior to applying for LIHTCs or taking action the reversal of which (in the event of non-approval of the site) would be detrimental to the PHA or the Project Owner. PHAs are also encouraged to contact FHEO for technical assistance prior to submission of these materials.

All PHAs shall submit a certification consistent with the requirements of Section 5.2, above. This certification may be prepared specifically in connection with the Checklist or as part of the PHA Annual Plan or Significant Amendment. However, HUD will not consider a submission complete for front-end civil rights review without this certification. All RAD conversions must submit the PHA certification described in Section 5.2 no later than at the time of submission of the Financing Plan.

D) Completion of HUD's Front-End Review

HUD will not approve a RAD conversion if HUD determines that the conversion would operate to discriminate in violation of applicable fair housing and civil rights laws. HUD will not approve proposals that have the purpose, intent, or effect of discriminating on the basis of

³⁷ The Checklist refers to the existing FHEO Accessibility and Relocation Checklist until a revised Checklist is approved for use pursuant to the Paperwork Reduction Act.



protected class (*i.e.*, race, color, national origin, religion, sex, disability, and familial status). If HUD does not approve a proposed activity based on a front-end review, then it will provide a written description of concerns or deficiencies. The PHA may resubmit the front-end review materials with a changed proposal and/or with additional information addressing HUD's concerns and any deficiencies in the proposal or the submission.

In some circumstances, a special condition to the transaction's RCC will be necessary to ensure that a RAD transaction conforms to fair housing and civil rights requirements. Special conditions to the RCC reflect the conditions necessary in order to complete the RAD conversion. For example, if there is an outstanding remedial agreement or order requiring particular development activities or operating policies to correct a violation of a fair housing or other civil rights requirement, the RCC generally will condition participation in RAD upon agreement by the PHA or the Project Owner, as applicable, to comply with the provisions of such agreements or orders after conversion.

5.4. Front-End Civil Rights Review for RAD Transactions Involving New Construction

A) Conditions Triggering Review

If the proposed project is located in an area of minority concentration, the new site may be approved only if it falls under a permitted exception and meets the other site selection requirements described in Section 5.2. Under the PBV and PBRA site and neighborhood standards, HUD may approve new construction in an area of minority concentration, consistent with the regulatory requirements cited above, only if:

- a. Sufficient, comparable housing opportunities for minority families in the income range to be served by the proposed project exist 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.³⁸

As described in the RAD Notice and in Section 5.3(A) of this Notice, above, HUD will conduct a front-end civil rights review of the PHA's proposed site in certain circumstances. This Notice specifies that for conversions of assistance involving new construction where there are indications that the site may be located in an area of minority concentration per the criteria in subsections (i), (ii), or (iii), below (whether the construction is located on the existing public housing site or on a new site), HUD will conduct a front-end civil rights review of the site to determine whether the site is in an area of minority concentration and, if so, whether it meets one of the exceptions that would allow for new construction in an area of minority concentration.

The PHA shall submit for HUD front-end review the PHA's findings, together with backup documentation, regarding site selection when the site meets any of the following criteria:

- i. The PHA self-identifies the area of the site as an area of minority concentration,

³⁸ 24 C.F.R. § 983.57(e)(3) and Appendix III of the RAD Notice, paragraph (e).



- ii. The census tract of the site meets the extent of minority concentration described in Section 5.4(B)(1), below, or
- iii. An area comprised of the census tract of the site together with all adjacent census tracts, analyzed as a whole, meets the extent of minority concentration described in Section 5.4(B)(1), below.

If any of these three criteria is applicable, HUD will conduct a review to determine whether the site is in an area of minority concentration and, if applicable, whether the proposed site fits one of the exceptions permitting new construction in an area of minority concentration described in this Section 5.4. A proposed RAD transaction which does not meet one of these triggers must still be evaluated by the PHA and the PHA must certify compliance with the site selection requirements as described in Section 5.2, above.

A PHA seeking to undertake new construction must receive written approval from HUD of any site selection subject to front-end review prior to entering into any construction contract for that new construction.

B) Analysis of Areas of Minority Concentration

This Section sets forth the methodology that HUD will use in the analysis of the extent of minority concentration, the area of the site, and the housing market area for purposes of the RAD front-end civil rights review. As noted below, this analysis is fact specific and PHAs may submit documentation to inform HUD's analysis in cases where there is strong evidence that an alternative methodology would be more appropriate.

- (1) For purposes of RAD, a site is considered to be in an area of minority concentration when either (i) the percentage of persons of a particular racial or ethnic minority within the area of the site is at least 20 percentage points higher than the percentage of that minority group in the housing market area as a whole or (ii) the total percentage of minority persons within the area of the site is at least 20 points higher than the total percentage of minorities in the housing market area as a whole.³⁹
- (2) For purposes of RAD, the analysis of an area of minority concentration will use census tracts to approximate the "area" of the site but the analysis may consider alternate proposed geographies instead of the census tract in instances where there is strong evidence that such geography is more appropriate. Strong evidence that an alternative geography is more appropriate includes: (i) that the site is close to the edge of the census tract, (ii) that the population of the census tract is heavily influenced by the size of the Converting Project, or (iii) that the local community

³⁹ The percentage of minorities shall be calculated by subtracting the percentage of White Non-Hispanic persons in the relevant area from 100%. The analysis shall be based on the most recently available decennial census data found at http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1&src=pt. However, if such data is more than five years old, and if either the PHA or HUD requests the use of more recent data based on such party's awareness of significant and material shifts in the demographics of the relevant area in the intervening years, the analysis shall be based on the most recent American Communities Survey data.



understanding of the immediate neighborhood dictates a different boundary. Local community understanding of the immediate neighborhood is often informed by factors such as patterns of housing stock (such as different residential densities in different areas or differential housing prices for similar properties), community facilities and amenities (such as schools and commercial areas) or major geographic barriers (such as rivers or interstate highways), among other factors.⁴⁰ HUD will determine the site's "area" using the best available evidence and following the legal standards set forth in applicable case law.

- (3) For purposes of the RAD analysis under this Section 5.4, a "housing market area" is the geographic region from which it is likely that residents of housing at the proposed site would be drawn for a given multifamily housing project. A housing market area generally corresponds to, as applicable: (i) the Metropolitan Statistical Area (MetroSA); (ii) the Micropolitan Statistical Area (MicroSA); or (iii) if the site is in neither a MetroSA nor a MicroSA, either (x) the county or statistically equivalent area, or (y) the PHA's service area, whichever is larger.⁴¹ The analysis may consider a larger or smaller housing market area in instances where there is strong evidence that such housing market area is more appropriate. Strong evidence that an alternative housing market area is more appropriate may include factors such as regional employment centers and commuting patterns serving such employment centers. A PHA seeking to use an alternative housing market area must consult with HUD and establish to HUD's satisfaction that the methodology for identifying and documenting the alternative housing market area is warranted and sound.

C) *The Sufficient Comparable Opportunities Exception*

As required by the RAD Notice and noted in Section 5.4(A), one of the exceptions under which the site and neighborhood standards permit new construction in areas of minority concentration is if sufficient, comparable housing opportunities for low-income minority families exist outside areas of minority concentration. This section clarifies HUD's procedures for assessing comparable housing opportunities and evaluating how the proposed new construction will impact the balance of housing choices within and outside areas of minority concentration. It also includes a list of the information PHAs should submit to inform HUD's assessment of relevant factors, and key considerations guiding HUD's analysis of each factor.

Under the governing PBV and PBRA requirements, units are considered comparable opportunities if they are the same household type (e.g., elderly, disabled, family, large family), tenure type (owner, renter), require approximately the same total tenant payment toward rent,

⁴⁰ For further explanation, see, e.g., *King v. Harris*, 464 F.Supp.827, 839-41 (E.D.N.Y. 1979).

⁴¹ Items (i) and (ii) are consistent with a Core Based Statistical Area as defined by the Office of Management and Budget. For reference, a Core Based Statistical Area consists of the county or counties or equivalent entities associated with at least one core (urbanized area or urban cluster) of at least 10,000 population, plus adjacent counties having a high degree of social and economic integration with the core as measured through commuting ties with the counties associated with the core.



serve the same income group, are located in the same housing market area, and are in standard condition.⁴²

It is important to note that the sufficient comparable housing opportunities exception “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.”⁴³

HUD will assess “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.”⁴⁴ Under this exception, it is not sufficient for one factor to be present, nor is it required that all factors be present, as the analysis must consider all relevant facts and evaluate the totality of the circumstances.

- “A significant number of assisted housing units are available outside areas of minority concentration.”⁴⁵ While HUD must consider all factors relevant to housing choice, 30% or more of deeply subsidized housing units for very low-income persons would be a significant number. To facilitate HUD’s consideration of this factor, a PHA should provide the number, occupancy type, and location of all comparable assisted units.⁴⁶
- “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.”⁴⁷ To facilitate HUD’s consideration of this factor, a PHA should provide the name and location of assisted housing projects constructed or rehabilitated in the PHA’s jurisdiction in the past 10 years and the demographic characteristics of the residents of each of these projects;
- “There are racially integrated neighborhoods in the locality.”⁴⁸ To facilitate HUD’s consideration of this factor, a PHA should provide the name and census tracts where these racially integrated neighborhoods are located. In general, HUD will consider a neighborhood racially integrated if the neighborhood does not have a high concentration of persons of a particular race or ethnicity when compared to the housing market area in which the neighborhood is located.

⁴² See 24 C.F.R. § 983.57(e)(3)(iv) and Appendix III of the RAD Notice, paragraph (e)(1)(A).

⁴³ 24 C.F.R. § 983.57(e)(3)(iii); see also Appendix III of the RAD Notice, paragraph (e)(1).

⁴⁴ 24 C.F.R. § 983.57(e)(3)(v); see also Appendix III of the RAD Notice, paragraph (e)(1)(B).

⁴⁵ 24 C.F.R. § 983.57(e)(3)(v)(A) and Appendix III of the RAD Notice, paragraph (e)(1)(B)(i).

⁴⁶ Note that this factor is in reference to comparable assisted units that may or may not be in the PHA’s portfolio. The presumption stated at the end of this Section (i.e., that sufficient comparable opportunities exist if at least 50% of the comparable hard units in the PHA’s portfolio, including PBV developments using the PHA’s subsidy, are outside areas of minority concentration) is focused on units within the PHA’s portfolio.

⁴⁷ 24 C.F.R. § 983.57(e)(3)(v)(B) and Appendix III of the RAD Notice, paragraph (e)(1)(B)(ii).

⁴⁸ 24 C.F.R. § 983.57(e)(3)(v)(C) and Appendix III of the RAD Notice, paragraph (e)(1)(B)(iii).



- “Programs are operated by the locality to assist minority families that wish to find housing outside areas of minority concentration.”⁴⁹ Such programs may include measures such as increasing payment standards in excess of 110% of FMR or the use of Small Area FMRs, including in setting exception rents, or reservation of a percentage of HCVs dedicated to support choice mobility selections or implementation of proven mobility counseling and supports for residents, provided the PHA provides sufficient evidence that it will continue such measures. To facilitate HUD’s consideration of this factor, a PHA should provide the names of the applicable program(s); the entity responsible for implementing the program(s) (e.g., city, county, state government); and any information demonstrating that the program(s) has been successful or predictably will achieve success in assisting persons who wish to move to non-concentrated areas.
- “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.”⁵⁰ To facilitate HUD’s consideration of this factor, a PHA should provide the names of the applicable activity(s); the entity responsible for implementing the activity(s) (e.g., city, county, state government); and any information demonstrating that the activity(s) has been successful in expanding 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” (e.g., the Housing Choice Voucher programs).⁵¹ To facilitate HUD’s consideration of this factor, a PHA should provide the number of minority households receiving Housing Choice Vouchers; the number of minority households using HCVs in non-minority areas; and the non-minority census tracts where the HCVs are being used. While each local situation is distinct and HUD must consider all factors relevant to housing choice, 30% or more of new leases signed by minority heads of household using HCVs located in non-minority areas over a period greater than three years prior to the date of HUD’s analysis would be a significant proportion.
- “Comparable housing opportunities have been made available outside areas of minority concentration through other programs.”⁵² To facilitate HUD’s consideration of this factor, a PHA should describe the opportunities that have been made available, the location of those opportunities, and the number of minority families that have benefitted from the program in recent years. Such programs could include choice mobility strategies, acquisition strategies to acquire and add to the PHA’s portfolio existing apartments in high opportunity areas and transfers of assistance to high opportunity areas.

HUD may consider evidence based on a reliable housing market analysis in evaluating the foregoing factors, along with other factors relevant to housing choice. In the event HUD

⁴⁹ 24 C.F.R. § 983.57(e)(3)(v)(D); *see also* Appendix III of the RAD Notice, paragraph (e)(1)(B)(iv).

⁵⁰ 24 C.F.R. § 983.57(e)(3)(v)(E); *see also* Appendix III of the RAD Notice, paragraph (e)(1)(B)(v).

⁵¹ 24 C.F.R. § 983.57(e)(3)(v)(F); *see also* Appendix III of the RAD Notice, paragraph (e)(1)(B)(vi).

⁵² 24 C.F.R. § 983.57(e)(3)(v)(G) and Appendix III of the RAD Notice, paragraph (e)(1)(B)(vii).



determines such an analysis would assist in this evaluation, HUD will consult with appropriate parties to establish or accept an appropriate methodology for such an analysis to address HUD's civil rights concerns and to ensure appropriate independence between the analyst and the PHA or Project Owner commissioning and paying for the study.

Absent information to the contrary, for purposes of HUD's front-end review of the PHA's analysis, HUD will apply a presumption that sufficient comparable opportunities exist if at least 50% of the comparable hard units in the PHA's portfolio, including PBV developments using the PHA's subsidy, are outside areas of minority concentration.⁵³ The PHA's portfolio includes all public housing, PBV and PBRA hard units (including those developed under HOPE VI or Choice Neighborhoods) controlled by the PHA and its instrumentalities or funded using PHA-controlled subsidy. Upon adequate documentation of this presumption, the PHA need not provide additional documentation for HUD's front-end review of the sufficient comparable opportunities exception. This presumption may be rebutted by information to the contrary, including information regarding the preceding factors. In assessing whether sufficient comparable opportunities exist when the presumption does not apply, HUD will consider the factors listed above.

Absent information to the contrary, for purposes of HUD's front-end review of the PHA's analysis, HUD will apply a presumption that sufficient comparable opportunities exist if a set of RAD conversions from a single public housing property, individually or in a combination of transactions, will result in the creation of as many similarly-affordable housing units outside areas of minority concentration as are constructed on the original public housing site. To evaluate the creation of similarly-affordable units, HUD will compare (i) the number of affordable units that will be redeveloped on site, to (ii) the number of similarly-affordable housing units that will be created through new construction, imposition of new long-term affordability restrictions or transfer of RAD assistance to one or more sites outside areas of minority concentration.⁵⁴ Similarly-affordable shall mean RAD units compared to RAD units and LIHTC/non-RAD units compared to LIHTC/non-RAD units. The newly created similarly-affordable units must be owned, controlled, sponsored, under common ownership, control or sponsorship, or financially supported by the PHA or by an entity with a managing ownership interest in the Project Owner. When a PHA seeks to claim this exception, HUD prefers that the transaction creating the similarly-affordable units on the site outside areas of minority concentration close (with an immediate or delayed HAP effective date, if applicable) prior to the closing of the RAD conversion in the area of minority concentration. However, if the PHA determines that such a sequence is not reasonably possible, unless otherwise approved by HUD the PHA must provide evidence to HUD that the transfer of assistance to a site outside areas of

⁵³ When determining the percentage of units outside of areas of minority concentration, the PHA must include the number of units planned at the proposed site in its calculations. While not required, PHAs or Project Owners may assist HUD in consideration of this presumption by submitting to HUD a map produced by the Affirmatively Furthering Fair Housing Data and Mapping Tool ("AFFH-T"), as may be available on the HUD website from time to time, showing the location of publicly assisted housing.

⁵⁴ For example, if the PHA proposes to build 25 RAD units, 20 non-RAD LIHTC units and 15 unrestricted units on-site, such a plan could be acceptable if paired with creation of 15 RAD units at one site and 10 RAD units plus 20 non-RAD LIHTC units at a second site. The 15 unrestricted units in the minority concentrated area are not part of the analysis as they are not affordable units.



minority concentration is highly likely to occur and the PHA must contractually agree with HUD to create such units. Evidence that the transfer is highly likely to occur must include:

- The project name and property address of the site of the similarly-affordable units to be created,
- The census tract and data to confirm that it is not in an area of minority concentration,
- Evidence of site control,
- Evidence of zoning to permit construction of the similarly-affordable units if the affordable units are to be created through new construction,
- A reasonable and feasible sources and uses statement for the transaction, and
- Evidence of financing commitments exceeding 90% of the necessary sources to complete the transaction. Evidence of financing commitments must include an LIHTC allocation if the use of LIHTCs is projected.

D) The Overriding Housing Needs Exception

As noted in Section 5.4(A), the second exception under which the site and neighborhood standards permit new construction in areas of minority concentration is if the project is necessary to meet overriding housing needs that cannot be met in that housing market area. The new construction site selection standards under RAD⁵⁵ outline two examples of circumstances, consistent with fair housing and other civil rights objectives, that would permit the application of the overriding housing needs exception: (1) when the site is “an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood;” or (2) when the site is “located in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).”⁵⁶

(1) Establishing that a Site is an Integral Part of an Overall Local Strategy for the Preservation or Restoration of the Immediate Neighborhood

To establish that a site is an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood, a PHA must document that the locality has a demonstrated commitment to revitalization that includes or is in addition to the RAD conversion, as demonstrated by the following:

- i. The site is located in a defined geographic area that is the subject of an official, currently operational and realistically achievable plan for the improvement or revitalization of the immediate neighborhood (which plan may include areas beyond the immediate neighborhood); and
- ii. The Covered Project conforms to, and the site is integral to, the goals, strategies, and objectives of the improvement or revitalization plan.

⁵⁵ See 24 C.F.R. § 983.57(e)(2) for PBV transactions and paragraph (e) of Appendix III of the RAD Notice for PBRA transactions.

⁵⁶ 24 C.F.R. § 983.57(e)(3)(vi); see also Appendix III of the RAD Notice, paragraph (e)(1)(B)(viii)(2). In demonstrating an overriding housing need, the “neighborhood” is determined in each situation based on the overall facts and circumstances and cannot be mechanically determined. The “immediate neighborhood” is generally a smaller geographic area than the “neighborhood.”



In determining whether such an official, currently operational and realistically achievable plan for the improvement or revitalization of the area exists, HUD will consider relevant factors including, for example, whether:

- The strategy itself, or a plan supporting the strategy, has been enacted, adopted, or ratified by a municipal, county, or state legislative body;
- There has been progress to implement the plan, or the strategy as a whole.⁵⁷
- The plan or strategy as a whole, or the elements applicable to the Covered Project, are consistent with the jurisdiction’s land use or zoning code, development regulations, or other official body of laws or rules;
- Strategies or activities under the plan are incorporated in current public, quasi-public agency or major institutional work plans;
- The plan, or the strategy as a whole, includes objectives and initiatives related to the preservation or restoration of a geography larger than the Converting Project and any associated public housing site;
- A jurisdiction has published solicitations or incentives for development projects in the improvement or revitalization area;
- The plan is incorporated in the applicable jurisdiction’s Consolidated Plan or other comprehensive community development plan;
- A jurisdiction has explicitly designated the geographic area for improvement or revitalization (e.g., Business Improvement District; Enterprise Zone designation; Promise Zone designation; Choice Neighborhoods designation);
- An implementing agency has retained a construction firm to break ground on the improvement or revitalization; and/or
- An implementing agency has secured financing, such as the issuance of bonds or final approval for tax increment financing.

(2) Establishing that the Site is Located in a “Revitalizing Area”

Evidence that the site is located in a revitalizing area experiencing significant private investment that is demonstrably improving the economic character of the area is also an example of a site which meets an overriding housing need. HUD will consider all relevant factors in making a determination that the site is located in a “revitalizing area” but in particular will consider whether:

- i. The neighborhood has demonstrated signs of revitalization, through indicators such as low or declining census tract poverty rates, low or declining violent crime rates or evidence of high or increased educational opportunity, high or increasing median

⁵⁷ Indicators of progress should be appropriate to the amount of time since the plan or strategy was developed and there must be a reasonable, supportable expectation that the plan will continue to be implemented. For example, if a plan was launched 3-4 years prior and the initial steps of the plan required implementation of an initiative (such as real estate development) which has a long pre-development planning period, HUD may consider whether there has been activity to seek land development approvals or to develop construction drawings or to secure funding commitments or other activities providing evidence that one or more material elements of the plan or strategy are actually being implemented.



- household income, high or increasing homeownership rates and/or high or increased employment; and
- ii. There is high private and public investment in retail, commercial, or housing development that has occurred or will imminently occur in the area which may include, among other considerations:
 - Evidence of new or improved retail centers, grocery stores, pharmacies, healthcare facilities, community centers, educational and recreational facilities, municipal services, and transportation serving the neighborhood;
 - Evidence of private and public investment or housing development that has occurred or will imminently occur in the area;
 - Evidence of economic conditions that are impacting the preservation of affordable housing in the neighborhood, including indicators of gentrification such as housing costs rising more sharply in the neighborhood than in the jurisdiction overall, accelerated rates of homeownership in the neighborhood, and disproportionate depletion of larger dwellings for families with children.

(3) Circumstances in Which an Overriding Housing Needs Exception Does Not Apply

A PHA cannot establish that a site meets the overriding housing needs exception 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.⁵⁸ For example, the overriding housing needs exception may not be applied if the reason that the project cannot be sited outside of an area of minority concentration is due to community opposition to the project based on the actual or perceived protected characteristics of the residents or prospective residents of the project. In addition, a recipient may not exclusively rely on this exception as a means of siting projects without creating housing opportunities outside of areas of minority concentration or without preserving existing housing outside of areas of minority concentration.

5.5. Front-End Civil Rights Review for RAD Transactions Involving Transfer of Assistance

A) Applicable Standards

Transfers of assistance are subject to the site selection standards for existing or rehabilitated housing set forth in 24 C.F.R. § 983.57(a)-(d), with the exception of 24 C.F.R. § 983.57(b)(1) and (c)(2), for PBV conversions and Appendix III of the RAD Notice for PBRA conversions. All transfers of assistance to a new site(s) are subject to front-end review by HUD, as required by the RAD Notice and noted in Section 5.3(A)(2) of this Notice. Conversions involving a transfer of assistance may also involve one or more of the other activities which trigger front-end review as described in Section 5.3(A). In transfers of assistance involving any of these activities, HUD

⁵⁸ 24 C.F.R. § 983.57(e)(3)(vi) and Appendix III of the RAD Notice, paragraph (e)(2). The PBRA site and neighborhood standards use the phrase “on the basis of race, color, creed, sex or national origin.” See Appendix III of the RAD Notice.



will conduct a front-end review based on the requirements applicable to each activity. A PHA must submit documentation for the front-end civil rights review of each specific activity as required by the relevant sections of this Notice.

B) Analysis of Transfers of Assistance

Through the front-end review of transfers of assistance by FHEO, HUD seeks to assist the PHA in avoiding discrimination on the basis of race, color, national origin, religion, sex, disability or familial status. The front-end review of transfers of assistance will apply the site selection standards for existing/rehabilitated housing.⁵⁹ This review shall consider:

- (1) The accessibility of the proposed site for persons with disabilities;
- (2) The ability of the RAD conversion to remediate accessibility concerns;
- (3) Whether the transfer of assistance would result in assisted units being located in an area where the total percentage of minority persons is significantly higher than the total percentage of minority persons in the area of the original public housing site or in an area where the percentage of persons of a particular racial or ethnic minority is significantly higher than the percentage of that minority group in the area of the original public housing site.⁶⁰ For purposes of this analysis, HUD will examine the minority concentration of:
 - (a) the census tract of the original public housing site compared to the census tract of the proposed site; and
 - (b) an area comprised of the census tract of the original public housing site together with all adjacent census tracts compared to an area comprised of the census tract of the proposed site together with all adjacent census tracts.
- (4) Whether the site selection has the purpose or effect of:
 - (a) Excluding individuals from, denying them the benefits of, or subjecting them to discrimination under the RAD program or the applicable rental assistance program;
 - (b) Excluding qualified individuals with disabilities from or denying them the benefit of the RAD program or the applicable rental assistance program, or otherwise subjecting them to discrimination;
 - (c) Defeating or substantially impairing the accomplishment of the objectives of the RAD program or the applicable rental assistance program with respect to qualified individuals with disabilities; and

⁵⁹ 24 C.F.R. § 983.57(d) and Appendix III of the RAD Notice, paragraphs (a) through (d). The site selection standards for existing/rehabilitated housing do not apply the minority concentration test used for new construction found at 24 C.F.R. § 983.57(e)(3) and Appendix III of the RAD Notice, paragraph (e).

⁶⁰ While this review is not explicitly called out in 24 C.F.R. § 983.57(d) and Appendix III of the RAD Notice, it is derived from HUD's and the PHA's obligations to comply with civil rights laws and regulations, including those referenced in 24 C.F.R. § 983.57(b)(2) and Appendix III of the RAD Notice.



- (d) Excluding individuals with disabilities (including members of the public with disabilities), denying them benefits or subjecting them to discrimination.

Under the RAD Notice, there are other standards for review of a transfer of assistance which are not examined as part of the front-end civil rights review but are examined as part of the RAD Financing Plan review (e.g., criteria formulated for transfers under Section 8(bb) of the United States Housing Act of 1937 regarding neighborhoods with highly concentrated poverty). Identification of considerations for the front-end review do not preclude review by HUD of all standards referenced in the RAD Notice.

5.6. Front-End Civil Rights Review for RAD Transactions Involving Reduction in Number of Units, Changes in Bedroom Distribution of Units and Changes in Occupancy Requirements

The RAD Notice allows PHAs to reduce the number of units, change the bedroom distribution of units, or change the occupancy of projects as part of their RAD conversion.⁶¹ However, the RAD Notice also provides that such changes (including de minimis changes) must undergo a front-end civil rights review and receive approval from HUD prior to submission of the Financing Plan. The Checklist will require data for review along with an explanation, backed by sufficient evidence, of how the PHA determined that that the proposed change will not result in discrimination on the basis of race, color, national origin, religion, sex, disability, familial status, actual or perceived sexual orientation, gender identity or marital status.⁶²

- A) *Review of Reductions in the Number of Units, Reductions or Increases in the Number of UFAS Accessible Units or Changes in Bedroom Distribution*

This Section describes the considerations relevant to a front-end review of reductions in units, changes in the number of UFAS accessible units or changes in bedroom distribution. Such changes must not be the result of an intentional effort to discriminate against members of a protected class. For example, reductions or changes, including reductions in UFAS accessible units or which would impede residents with disabilities from having live-in aides, that intended to exclude persons with disabilities would be unlawful discrimination because of a disability.

⁶¹ See Sections 1.4.A.4 and 1.4.A.10 of the RAD Notice.

⁶² Reductions in the number of units, changes in the bedroom distribution of units, or changes in occupancy violate the Fair Housing Act (the Act) if they have a discriminatory effect on the basis of race, color, national origin, religion, sex, disability, or familial status. Unlawful housing discrimination may be established by a policy's or practice's discriminatory intent or by its discriminatory effect, even if not motivated by discriminatory intent, consistent with the standards outlined in 24 C.F.R. § 100.500. A policy or practice can have an unjustified discriminatory effect, even when the provider had no intent to discriminate. Under this standard, a facially-neutral policy or practice that has a discriminatory effect violates the Act if it is not supported by a legally sufficient justification. In addition, the policy or practice violates the Act if the housing developer or provider intentionally discriminates, including for example, by reducing the number of bedrooms with the intent of limiting families with children. Furthermore, the policy or practice may also violate the Act where it creates, increases, reinforces, or perpetuates segregated housing patterns because of race, color, religion, sex, handicap, familial status, or national origin. In addition, any changes must conform with the Equal Access rule requirement that determinations of eligibility for housing that is assisted by HUD or subject to a mortgage insured by the FHA shall be made in accordance with program eligibility requirements, and the housing must be made available, without regard to actual or perceived sexual orientation, gender identity or marital status. 24 C.F.R. § 5.105(a)(2).



Similarly, replacing larger units with smaller units so as to exclude families with children would be unlawful discrimination because of familial status.

Additionally, reductions in units or changes in bedroom distribution must not have an unjustified discriminatory effect on members of a protected class. For example, a reduction in units could have a discriminatory impact if it excludes members of a particular race or religion. Reductions or changes that have a disparate impact on a protected class are unlawful under the Fair Housing Act if they are not necessary to achieve a substantial, legitimate, nondiscriminatory interest of the developer or housing provider, or if such interest could be served by another practice that has a less discriminatory effect.

The RAD Notice allows for a de minimis reduction in units at Converting Projects, which includes both a small number of units as well as the reduction of certain units that have been vacant for 24 months prior to application, that are being or will be used for social service delivery, or efficiencies that will be reconfigured to one-bedroom units.⁶³ In addition, a PHA converting multiple properties can consolidate the de minimis reductions derived from multiple properties at a small number of sites. The RAD Notice also allows for changes in bedroom distribution. Such de minimis reductions are still subject to front end civil rights review and applicable fair housing and civil rights laws.

HUD shall conduct a front-end civil rights review if the plan for a Converting Project results in:

- A reduction in the number of dwelling units in any of the following categories: (i) units with two bedrooms, (ii) units with three bedrooms or (iii) units with four or more bedrooms.
- A reduction in the number of UFAS accessible units;
- An increase in the number of UFAS accessible units for persons with mobility impairments beyond 10% of the units in the Covered Project or 1 unit, whichever is greater.
- An increase in the number of UFAS accessible units for persons with vision and hearing impairments beyond 4% of the units in the Covered Project or 1 unit, whichever is greater.

When a Converting Project is subject to a front-end civil rights review under this subsection, the PHA shall submit to HUD the relevant part of the Checklist together with a justification which must demonstrate that the changes are not the result of discriminatory intent and will not have a discriminatory effect on members of protected classes, particularly families with children and individuals with disabilities. Relevant data for this analysis of the proposed change at the project may include the PHA's overall affordable housing stock, the demand for affordable housing in the market as evidenced by information such as the overall jurisdiction and regional demographic data available from the AFFH Data and Mapping Tool (e.g., both basic demographic and disproportionate housing needs data), the PHA's waiting list or a reliable market study of households seeking assisted housing, compared to the relative proportions of

⁶³ See Section 1.4.A.4 of the RAD Notice.



units serving any particular household type in the proposed project, the PHA's total housing stock or all assisted housing in the area.

For any increase in UFAS units subject to front-end review, HUD will assess indicators of local need (see Section 5.7(B), below) and whether the change would operate to concentrate individuals with disabilities in a particular property or to exclude individuals with certain types of disabilities from a particular property.

B) Review of Changes in Occupancy Type

RAD conversions that result in the implementation of an admissions preference (e.g., residency preferences or restrictions) at the Covered Project that would alter the occupancy of the property (e.g., family units converting to elderly units, elderly/disabled units converting to elderly only units) are subject to a front-end civil rights review by HUD pursuant to the RAD Notice and Section 5.3(A). A PHA must demonstrate that the proposed change in occupancy type is consistent with the demand for affordable housing in its jurisdiction as demonstrated by factors such as the demographics of its current occupancy, the demographics of its waiting list or a market study. Such preferences, restrictions, or geographic residency preferences must be reflected in a PBRA project's Affirmative Fair Housing Marketing Plan (AFHMP) or, for a PBV project, the PHA's Administrative Plan.

5.7. Other Front-End Civil Rights Review for RAD Transactions

A) Conversions of Assistance in Which the Construction Schedule Indicates that Relocation is Likely to Exceed 12 Months.

The front end civil rights review shall focus on whether the relocation will result in discrimination on the basis of race, color, national origin, religion, sex, disability, and familial status, based primarily, but not exclusively, on the data required in the Checklist.

B) Conversions of Assistance Involving New Construction or Substantial Alteration, as those terms are defined by Section 504.

While the PHA is responsible for compliance with all requirements described in Section 4, above and in this subsection, the front-end review will be conducted based on a review of the Checklist and shall include confirming the provision of any required accessible units and confirming the PHA is applying the appropriate accessibility standards. HUD will require the PHA to provide information regarding the provision of at least the minimum number of units accessible for persons with mobility impairments and units accessible for persons with hearing and vision impairments as required by applicable law (generally 5% of units accessible for persons with mobility impairments and an additional 2% of units accessible for persons with hearing and vision impairments). For purposes of establishing an upper threshold of accessible units below which RAD front-end review will not be required, HUD will accept that up to 10% of units accessible for persons with mobility impairments and up to 4% of units accessible for persons with hearing and vision impairments is consistent with local need, without further review, absent information to the contrary. HUD will consider a PHA's request for higher percentages based, to HUD's satisfaction, on reliable indicators of local need, such as census data or other available current data. HUD is available to assist PHAs in determining appropriate indicators of local



need for units with accessible features. The RAD conversion scope of work submitted with the Financing Plan must reflect the construction or retrofitting of residential units and public and common use areas to comply with all applicable accessibility requirements.

C) *Remedial Agreements and Orders.*

Front-end review in situations where the Converting Project or PHA is subject to enforcement actions or binding voluntary compliance agreements, settlement agreements, conciliation agreements, or consent decrees or orders of the nature described in Sections 5.3(A)(8) and 5.3(A)(9) shall be conducted on a case-by-case basis as appropriate to the specific situation.

5.8. Affirmative Fair Housing Marketing Plan (AFHMP) Requirements for Projects Converting to PBRA Assistance

For all projects converting to PBRA assistance, a PHA or Project Owner must complete form HUD-935.2A, the Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing, and submit it to HUD for approval with the RAD Financing Plan.⁶⁴ Affirmative Fair Housing Marketing requirements are designed to achieve a condition in which individuals of similar income levels in the same housing market area have similar housing choices available to them regardless of their race, color, national origin, religion, sex, disability, or familial status.⁶⁵ They are also a means to carry out the mandate of Section 808(e)(5) of the Fair Housing Act that HUD administer its programs and activities in a manner to affirmatively further fair housing. These requirements mandate that PHAs or Project Owners identify groups that are least likely to apply for upcoming housing opportunities and to implement special marketing and outreach activities to ensure that these groups are aware of these opportunities.

The AFHMP must be submitted to HUD with the Financing Plan. A separate AFHMP is required for each distinct PBRA HAP contract. The PHA must submit an AFHMP even if the project has an existing waiting list and is not accepting new applicants. The PHA or Project Owner should consult the instructions in the form HUD 935.2A and HUD's Implementing Affirmative Fair Housing Marketing Requirements Handbook (HUD Handbook 8025.1) for guidance on completing the AFHMP and carrying out an affirmative marketing program. The Handbook provides a detailed resource on the content of the AFHMP, which includes marketing activities, residency preferences, and staff training.

When submitting an AFHMP for HUD approval, the PHA or Project Owner must ensure that the occupancy designation and any residency preferences are consistent with the PHA Plan or Significant Amendment to the PHA Plan, that such designation and preferences are consistent with the Checklist submitted to HUD and that the AFHMP includes affirmative marketing

⁶⁴ The most recent version of the AFHMP is HUD Form 935.2A, OMB Approval Number 2529-0013. See 24 C.F.R. § 880.601(a)(2) and 24 C.F.R. § 200.615; see also Section 10.8 of the Multifamily Accelerated Processing (MAP) Guide. The PHA or its management agent should consult the instructions in the form HUD 935.2A and HUD's Implementing Affirmative Fair Housing Marketing Requirements Handbook (HUD Handbook 8025.1) for guidance on completing the AFHMP and carrying out an affirmative marketing program. The Handbook provides a detailed resource on the content of the AFHMP, which includes marketing activities, residency preferences, and staff training.

⁶⁵ See 24 C.F.R. § 200.610.



activities that are consistent with its occupancy designation and the populations identified as least likely to apply. Any subsequent changes to occupancy designation or residency preferences shall be proposed, submitted and reviewed in accordance with standard PBRA requirements. If a PHA or Project Owner plans to adopt any local or residency preferences, the Project Owner must submit its Tenant Selection Plan along with the AFHMP (see HUD Handbook 4350.3, page 4-4).

The Multifamily Housing Office of Asset Management and Portfolio Oversight and the Office of Fair Housing and Equal Opportunity (“FHEO”) review the AFHMP. FHEO issues HUD’s official letter of approval or disapproval. Disapproval letters will specify the reason a plan was rejected and the revisions required. The PHA or Project Owner must make the required changes and resubmit a corrected plan to HUD for approval.

The PBRA contract becomes effective on the first day of a month, following closing. Approval of the AFHMP is not a condition to closing of the RAD conversion. When the project is preparing to accept applications, it must follow its approved AFHMP to ensure that groups least likely to apply are aware of the housing opportunities. The Project Owner is responsible for ensuring that the AFHMP is in place throughout the life of any FHA mortgage or PBRA contract. The Project Owner may not market or lease any unit not occupied by a household exercising its right to remain in or return to the Covered Project prior to approval of the AFHMP. Marketing or leasing includes the solicitation, distribution or acceptance of applications or development of a waiting list.

SECTION 6. RELOCATION REQUIREMENTS

In some cases, as explained in this Section, the activities associated with the RAD transaction may require the relocation of residents. In the event of acquisition, demolition, construction or rehabilitation activities performed in connection with a RAD conversion, the PHA and/or Project Owner⁶⁶ should plan such activities to reasonably minimize any disruption to residents’ lives, to ensure that residents are not exposed to unsafe living conditions and to comply with applicable relocation, fair housing and civil rights requirements. As discussed in Section 6.1, below, a written relocation plan is required in some circumstances and strongly encouraged for any conversion resulting in resident moves or relocation. Further, the obligations due to relocating residents under RAD are broader than URA relocation assistance and payments and RAD specifies requirements which are more protective of residents than standard URA requirements, including additional notices (see Section 6.6) and a right to return (see Section 6.2). This Notice requires that certain information be provided to all households, beginning prior to submission of the RAD application.

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

⁶⁶ Under the URA, the term “displacing agency” refers to the agency or person that carries out a program or project which will cause a resident to become a displaced person. Projects vary and, for any specific task described in this Notice, the displacing agency may be either the PHA or the Project Owner, as determined by the allocation of roles and responsibilities between the PHA and Project Owner.



housing requirements may also apply when CDBG- or HOME-funds are used in connection with a RAD conversion. The applicability of the URA or Section 104(d) to RAD conversions is fact-specific, which must be determined in accordance with the applicable URA and Section 104(d) regulations.⁶⁷

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

6.1. Planning

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

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

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

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

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

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



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

| Stage | Activities |
|--|---|
| 1. Prior to submission of RAD application | <ul style="list-style-type: none"> • Determine potential need for relocation in connection with proposed conversion plans. • Meet with residents to discuss proposed conversion plans, communicate right to return, and solicit feedback. • Provide the <i>RAD Information Notice (RIN)</i> to residents as described in Section 6.6(A) of this Notice. |
| 2. After submission of RAD application | <ul style="list-style-type: none"> • Assess the need for relocation planning in connection with proposed conversion plans. Determine if technical assistance would be beneficial to ensuring compliance with relocation requirements. • Survey residents to inform relocation planning and relocation process. • Develop a relocation plan (see Appendix II for recommended content). • Prepare Significant Amendment to PHA Plan and engage with the Resident Advisory Board, residents and the public regarding Plan amendment.⁷⁰ |
| 3. Following issuance of the CHAP, or earlier if warranted | <ul style="list-style-type: none"> • Provide the <i>General Information Notice (GIN)</i> to residents when the project involves acquisition, rehabilitation, or demolition as described in Section 6.6(B) of this Notice and relocation may be required. |
| 4. While preparing Financing Plan | <ul style="list-style-type: none"> • Discuss the outlines of the conversion plans and their impact on relocation with the HUD transaction manager. • Refine the plan for relocation and integrate the construction schedule into the relocation strategy; seek to minimize off-site or disruptive relocation activities. • Identify relocation housing options . • Budget for relocation expenses and for compliance with accessibility requirements. • Submit the Checklist and, where applicable, the relocation plan. • If the conversion involves acquisition, at the discretion of the Project Owner issue Notice of Intent to Acquire (NOIA). • If a NOIA is issued, at the discretion of the Project Owner provide residents with appropriate relocation notices as |

⁷⁰ Alternatively, the PHA may submit a new PHA Five-Year or Annual Plan, especially if it is on schedule to do so. Under any scenario, the PHA must consult with the Resident Advisory Board and undertake the community participation process.



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

6.2. Resident Right to Return

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

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

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

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

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



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

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

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

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

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

⁷³ In these cases, a PHA may elect to exclude some units from the applicable financing program, for example, claiming LIHTC for a subset of the units and not claiming tax credits in connection with the units occupied by households over the LIHTC maximum eligibility of 60% of AMI.

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



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

6.3. Admissions and Continued Occupancy Requirements

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

6.4. Types of Moves and Relocation

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

A) *Moves within the same building or complex of buildings*⁷⁶

Temporary or permanent moves within the same building or complex of buildings may be appropriate given the extent of work to be completed to permit phasing of rehabilitation or construction. Moves within the same building or complex of buildings are not considered relocation under RAD and a tenant generally does not become displaced under the URA. Whether permanent (i.e., the tenant will move to and remain in an alternative unit) or temporary (i.e., the tenant will move to another unit and return to their original unit), the PHA or Project Owner must reimburse residents for all reasonable out-of-pocket expenses incurred in connection with any move and all other terms and conditions of the move(s) must be reasonable.⁷⁷ The final move must be to a unit which satisfies the right to return requirements specified in Section 6.2 of this Notice.

⁷⁵ PHAs should note that the definitions of “permanent” vary between the URA and RAD. For example, “permanent displacement” under the URA includes moves from the original building or complex of buildings lasting more than one year. The RAD Notice, meanwhile, considers “permanent relocation” to be separation from the RAD-assisted unit upon completion of the conversion and any associated rehabilitation and construction. The duration of a temporary move may exceed one year. In the case of a transfer of assistance, it is not permanent relocation under RAD when the resident must move from the original complex of buildings to the destination site in order to retain occupancy of the RAD-assisted unit.

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

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



B) Temporary relocation lasting one year or less

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

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

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

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

D) Temporary relocation anticipated to last more than one year

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

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



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

In order to allow residents to make the election earlier than required under the URA (thereby avoiding a year in temporary relocation housing prior to electing voluntary permanent relocation), if the PHA or Project Owner anticipates that temporary relocation will last more than one year, the PHA or Project Owner shall provide the resident with an initial option to (a) be temporarily relocated, retain the right to return to the Covered Project when a unit becomes available and receive assistance, including temporary housing and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation, or (b) accept RAD voluntary permanent relocation assistance and payments equivalent to what a “displaced person” would receive under the URA. The PHA or Project Owner must inform the resident in writing that his or her acceptance of voluntary permanent relocation, with the associated assistance, would terminate the resident’s right to return to the Covered Project. The PHA or Project Owner must provide the resident with at least 30 days to decide whether to remain in temporary relocation status or to voluntarily relocate permanently.

E) Permanent moves in connection with a transfer of assistance

In cases solely involving a transfer of assistance to a new site, resident relocation from the Converting Project to the Covered Project is not, by itself, generally considered involuntary permanent relocation under RAD. However, the URA and/or Section 104(d) is likely to apply in most cases. In cases of a transfer of assistance to a new site where it has also been determined that the URA and/or Section 104(d) apply to the transfer of assistance, residents may be eligible for all permanent relocation assistance and payments for eligible displaced persons under the URA and/or Section 104(d). If the URA applies to a move of this type, the PHA or Project Owner must make available at least one, and when possible, three or more comparable replacement dwellings pursuant to 49 C.F.R. § 24.204(a). However, provided the transfer of assistance unit meets the URA definition of a comparable replacement dwelling pursuant to 49 C.F.R. § 24.2(a)(6), that unit could in fact represent the most comparable replacement dwelling as determined by the agency for purposes of calculating a replacement housing payment, if any, under 49 C.F.R. § 24.402.

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

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



with a housing choice voucher) within a reasonable distance of the site of the Converting Project. HUD will evaluate whether this requirement applies on a case by case basis, considering whether the distance would impose a significant burden on residents' access to existing employment, transportation options, schooling or other critical services. Accommodating the resident may also be satisfied by the resident's consent to an alternative housing option pursuant to Section 6.10. The requirement set forth in this paragraph is in addition to all protections, including, for example, the offer of comparable replacement dwellings, which are required in all instances where a transfer of assistance is subject to the URA and/or Section 104(d).

F) Voluntary permanent relocation

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

6.5. Initiation of Negotiations (ION) Date

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

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

6.6. Resident Relocation Notification (Notices)

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

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



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

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

The purpose of these notifications is to ensure that residents are informed of their potential rights and, if they are to be relocated, of the relocation assistance available to them. Two initial notices launch this effort and provide critical information regarding residents' rights. The first, the RAD Information Notice, is to be provided at the very beginning of the RAD conversion planning process in order to ensure residents understand their rights, to provide basic program information and to facilitate residents' engagement with the PHA regarding project plans. The GIN, meanwhile, provides information specifically related to protections the URA provides to impacted residents. Subsequent notices provide more detailed information regarding relocation activities specific to the household, including tailored information regarding eligibility and timelines for relocation.

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

A) *RAD Information Notice*

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

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



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

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

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

A GIN shall be provided to any person scheduled to be displaced *as soon as feasible* based on the facts of the situation. In certain instances, such as when the PHA knows that a project will involve acquisition, rehabilitation or demolition, "as soon as feasible" may be simultaneous with issuance of the RAD Information Notice. For any RAD conversion involving acquisition, rehabilitation or demolition, "as soon as feasible" shall be no later than 30 days following the issuance of the CHAP. In instances where acquisition, rehabilitation or demolition is not anticipated at the time of the CHAP but project plans change to include such activities, pursuant to this Notice the PHA shall provide the GIN as soon as feasible following the change in project plans.



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

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

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

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

For conversions involving acquisition, the Project Owner (the "acquiring agency") may provide to residents of the Converting Project a Notice of Intent to Acquire (NOIA).⁸⁰ The NOIA may be provided no earlier than 90 days prior to the PHA's reasonable estimate of the date of submission of a complete Financing Plan. While eligibility for URA relocation assistance is generally effective on the effective date of the RCC (the ION date), a prior issuance of a NOIA establishes a resident's eligibility for relocation assistance and payments on the date of issuance of the NOIA and prior to the ION date.

D) RAD Notice of Relocation

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

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



Relocation may not be issued until: 1) the effective date of the RCC (the ION date) if the conversion does not involve acquisition; or 2) the earlier of the issuance of the Notice of Intent to Acquire (see Section 6.6(C)) or the effective date of the RCC (the ION date) if the conversion involves acquisition. Prior to issuance of the RAD Notice of Relocation, PHAs and Project Owners should meet with each resident household to provide preliminary relocation advisory services and to determine their needs and preferences.⁸¹

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

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

- (1) The notice must state the anticipated duration of the resident's relocation.
- (2) The notice must specify which entity (the PHA or the Project Owner) is primarily responsible for management of the resident's relocation and for compliance with the relocation obligations during different periods of time (i.e., before vs. after Closing).
- (3) For residents who will be relocated for twelve months or less:
 - The PHA or Project Owner must provide this notice a minimum of 30 days prior to relocation.⁸⁴ PHAs or Project Owners may deem it appropriate to provide longer notice periods for persons who will be temporarily relocated

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

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

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

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



- for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.
- The notice must explain that the PHA or Project Owner will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move (including, but not limited to, increased housing costs and moving costs).
 - The notice must explain the reasonable terms and conditions under which the resident may exercise the right to return to lease and occupy a unit in the Covered Project.
- (4) For residents who will be relocated for more than twelve months, including for residents who may wish to voluntarily accept a permanent relocation option:
- The PHA or Project Owner must provide this notice a minimum of 90 days prior to relocation of residents.⁸⁵
 - The notice must offer the choice to be temporarily relocated, thereby preserving the resident's right to return, or the choice to be voluntarily permanently relocated pursuant to the procedures set forth in Section 6.10, together with guidance that the resident has at least thirty (30) days to consider the choice.
 - For residents who voluntarily elect to be permanently relocated, the 90-day notice period may only begin once the PHA or Project Owner has made available at least one comparable replacement dwelling consistent with 49 C.F.R. § 24.204(a).⁸⁶
 - The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.
 - The notice must comply with all requirements for a URA Notice of Relocation Eligibility as described in 49 C.F.R. § 24.203(b).
- (5) The notice must inform the resident that the relocation will be completed consistent with fair housing and civil rights requirements, and it must provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

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

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

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



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

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

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

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

If the resident chooses to accept permanent URA relocation assistance and this choice requires the resident to move out of their temporary relocation housing, the URA requires that the PHA or Project Owner make available at least one, and when possible, three or more comparable replacement dwellings pursuant to 49 C.F.R. § 24.204(a), which comparability analysis is in reference to the resident’s original unit. The URA further requires that the resident receive 90 days’ advance written notice of the earliest date they will be required to move pursuant to 49 C.F.R. § 24.203(c).

⁸⁷ To illustrate, consider the following examples.

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



F) Notification of Return to the Covered Project

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

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

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

6.7. Relocation Advisory Services

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

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

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



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

6.8. Initiation of Relocation

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

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

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

6.9. Records and Documentation; Resident Log

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

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

⁹⁰ Chapter 6 of HUD Handbook 1378 includes guidance on URA recordkeeping requirements.



concerns, in the event a project is identified for additional review based on administrative data, in the event of audits for purposes of monitoring the RAD program as a whole, upon selection of a random sample of projects and/or at other times at HUD's sole discretion. The records shall include resident files for all households relocated in connection with RAD and a resident log as described in this Section.

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

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



- Date of the GIN
- Date of the CHAP
- Date of NOIA
- Date of RAD Notice of Relocation
- Date of URA Notice of Relocation Eligibility
- Date of most recent consent to voluntary permanent relocation⁹¹
- Date of relocation away from the Converting Project or Covered Project
- Dates of any intermediate relocation moves
- Date of return to the Covered Project or to the household's post-closing permanent address.⁹²
- The following information for each resident household, as applicable:
 - The type of move (e.g., the types identified in Section 6.4, above)
 - The form of any temporary relocation housing (e.g., hotel, assisted housing, market-rate housing)
 - The address and unit size of any temporary relocation housing
 - Whether alternative housing options were offered consistent with Section 6.10, below
 - Any material terms of any selected alternative housing options
 - The type and amount of any payments for
 - Moving expenses to residents and to third parties
 - Residents' out-of-pocket expenses
 - Rent differential payments or other payments for temporary or permanent rental assistance, together with the rent and utilities (if applicable) that were the basis for the calculations
 - Any other relocation-related compensation or assistance

6.10. Alternative Housing Options

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

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

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

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

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



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

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

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

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

B) Assisted Housing Options as Alternatives

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

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

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



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

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

C) *Monetary Elements Associated With Alternative Housing Options*

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

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

D) *Disclosure and Agreement to Alternative Housing Options*

In providing an offer of alternative housing options to a resident, the PHA or Project Owner must inform the resident in writing of: a) his or her right to return;⁹⁵ b) his or her right to comment on and/or object to plans which would preclude the resident from returning to the Covered Project; c) the requirement that if the resident objects to such plans, the PHA or Project Owner must alter the project plans to accommodate the resident in the Covered Project; and d) a description of both the housing option(s) and benefits associated with the right of return and the alternative housing options and benefits being offered. In the description of the available housing options and benefits, the PHA or Project Owner shall include a description of any temporary housing options associated exercising the right of return and a description of any permanent alternative housing options as well as a reasonable estimate of the financial implications of all temporary and permanent options on the resident long-term.

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

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



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

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

- The resident is informed of his or her right to return to the Covered Project and that neither the PHA nor the Project Owner can compel the resident to relinquish his or her right to return. The offer of alternative housing options must clearly state that acceptance of any alternative would relinquish the resident's right to return to the Covered Project.
- The offer of an alternative housing option must be accompanied by identification of comparable housing units which the resident may use to understand the nature of housing options available to them and the rent and estimated utility costs associated with such housing options. This information must also be accompanied by a reasonable estimate of any replacement housing payment or "gap payment" for which the resident may be eligible.
- The offer of an alternative housing option must be accompanied by information regarding moving payments and assistance that would be available if the resident exercises the right of return and if the resident accepts the alternative housing option.
- Residents must be offered advisory assistance to consider their options.
- To be fully informed, the offer must outline the implications and benefits of each alternative housing option being made available (i.e., of accepting each alternative housing option as compared to exercising his or her right to return) as well as a reasonable estimate of when the resident's relocation might occur. Implications and benefits include payment amounts, differences in rent calculations, differences in program rules, housing location, and potential long-term implications such as household housing expenses multiple years in the future.
- To be fully voluntary, the resident must have at least thirty (30) days following delivery of the written offer to consider their options. LEP persons must be provided a written translation of the offer and oral interpretation of any meetings or counseling in the appropriate language. In addition, PHAs must comply with their obligation to ensure effective communication with persons with disabilities.
- The resident cannot be asked to make a decision which will be implemented at a distant future time. Consequently, the resident may not provide written consent to an alternative housing option (and consequently, consent to voluntary permanent relocation) until after



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

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

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

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

6.11. Lump Sum Payments

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

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

SECTION 7. APPLICABILITY OF HCV AND PUBLIC HOUSING REQUIREMENTS

7.1. HCV Waiting List Administration Unrelated to the RAD Transaction

From time to time, a resident of a Converting Project may place themselves on the PHA's waiting list for HCVs independent of any planned RAD transaction. With respect to residents of a Converting Project prior to the effective date of the HAP contract, PHAs should continue to

⁹⁶ The PHA and Project Owner should note that securing resident consent to an alternative housing option may delay the issuance of the RAD Notice of Relocation. The RAD Notice of Relocation must be specific to whether the resident will be temporarily or permanently relocated.



administer their HCV waiting list in accordance with their Section 8 Administrative Plans. Residents who rise to the top of the HCV waiting list independent of any preference for relocating RAD residents or other RAD provisions and accept an HCV are not considered to be relocated as a result of the RAD conversion. Standard administration of the PHA's HCV waiting list is not considered relocation.

7.2. HCV Waiting List Administration Related to the RAD Transaction

From time to time, a PHA may wish to use HCV resources as a relocation option in connection with a RAD transaction. In order to do so, a PHA must modify its Section 8 Administrative Plan to provide a preference for relocating RAD residents and the PHA is subject to Section 6.8 of this Notice relating to initiation of relocation. Further, if a PHA provides a preference for relocating RAD residents, the PHA must be explicit regarding the nature of the HCV as a relocation resource. If the PHA anticipates using the HCV as a temporary relocation resource, the PHA must recognize that it cannot rescind an HCV once issued to the resident (i.e., the family would have to voluntarily relinquish their voucher and may choose to remain in the HCV program indefinitely). The PHA must also provide a preference for admission to the Covered Project in order to satisfy the right to return. Alternatively, if the PHA anticipates using the HCV as a voluntary permanent relocation resources, the PHA must comply with the alternative housing options provisions of Section 6.10.⁹⁷

7.3. Public Housing Transfers Unrelated to the RAD Transaction

From time to time, a resident of a Converting Project may request a transfer to another public housing property independent of any planned RAD transaction. With respect to residents of a Converting Project prior to the effective date of the HAP contract, PHAs must continue to administer their admissions and occupancy procedures as adopted. Any prohibitions in this Notice on implementing relocation do not apply to residents requesting public housing transfers, moves pursuant to the Violence Against Women Act (VAWA)⁹⁸ or reasonable accommodation moves. Standard administration of the PHA's admissions and occupancy policy is not considered relocation.⁹⁹ Transfers not undertaken for the RAD project are not subject to URA. However, it is recommended that the PHA document the transfer carefully, including an acknowledgement by the resident that the transfer is not undertaken for the RAD project, is not

⁹⁷ PHAs and Project Owners should note that while in most cases, there is no rent differential between the tenant paid rent in a public housing unit and in an HCV, there are some situations (such as flat rent households) where a difference does exist. Rental assistance payments under the URA are required if there is a difference between these two amounts.

⁹⁸ Title IV, section 40001-40703.

⁹⁹ Standard administration of the PHA's admissions and occupancy policy is permitted. However, HUD is sensitive to concerns that discussion of the planned RAD conversion and construction activities may cause residents to perceive a pressure to transfer without the counseling and moving assistance which would be available were the household to wait until relocation. If relocation at the Converting Project is planned, PHAs are strongly advised to document any such transfers carefully and to provide any households moving under standard admissions and occupancy policies with additional notices referencing the assistance and payments which would be available if the household were to remain in place until the relocation plan is implemented.



subject to URA requirements and that the resident is moving notwithstanding the guidance in the GIN or other relocation guidance from the PHA.

7.4. Resident Initiated Public Housing Transfers Related to the RAD Transaction

Pursuant to Section 1.8 of the RAD Notice, households in the Converting Project who do not want to transition to the Section 8 program may be offered, if available, the opportunity to move to other public housing owned by the PHA. Such move shall be implemented as a transfer and shall be prioritized equivalent to a “demolition, disposition, revitalization or rehabilitation transfer” as described in Section 11.2 of the applicable Public Housing Occupancy Guidebook. Transfers for this purpose do not require any modification to the PHA’s admissions and occupancy policy and may occur at any time pursuant to the PHA’s admissions and occupancy policy. Transfers for this purpose, while initiated by the resident, are the result of the PHA-initiated RAD transaction and the PHA must bear the reasonable costs of transfer. The reasonable cost of the transfer includes not just the cost of packing, moving, and unloading, but also the cost of disconnecting and reconnecting any existing resident-paid services such as telephone and cable television. The PHA must also document that the resident’s transfer request is fully informed and fully voluntary, which documentation must include an acknowledgement by the resident that the transfer is not undertaken at the request of the PHA or under pressure from the PHA, that the resident is moving notwithstanding the guidance in the GIN or other relocation guidance from the PHA and that the resident is withdrawing from participation in the RAD program and consequently losing rights, including the right to return, which accrue to residents participating in the RAD program. A public housing resident who voluntarily seeks a public housing transfer is generally not considered to be displaced under the URA or Section 104(d), where applicable.

7.5. Public Housing as a Temporary Relocation Resource

PHAs and Project Owners may wish to mitigate the relocation budget associated with the RAD conversion by using units within the PHA’s portfolio as relocation resources. In light of its mission to serve as many low-income households as possible, including its need to accommodate emergency transfers (such as moves pursuant to VAWA), the PHA should minimize the use of the public housing units not converting under RAD for temporary relocation of RAD impacted residents. HUD has a strong preference that the PHA use the units within the PHA’s Converting Projects as a temporary relocation resource prior to using units in the remainder of the PHA’s public housing portfolio. PHAs may elect not to lease units within the Converting Projects or, if necessary, the remainder of its portfolio, for this purpose only to the extent reasonably necessary to facilitate construction or rehabilitation.

Upon the effective date of the HAP contract (usually also the effective date of the RAD conversion), each resident of a Covered Project becomes a participant in the Section 8 program and is no longer part of the public housing program. A PHA may use public housing as a temporary relocation resource if approved by HUD, which approval shall depend on the proposed structure. PHAs wishing to use public housing units as a temporary relocation resource must consult with HUD’s Office of Public and Indian Housing (PIH) prior to the formal request for HUD approval. It is unlikely that HUD would approve a request to use public housing units



as a relocation resource for a period exceeding one year after the effective date of the HAP contract.

If HUD grants approval, HUD shall provide alternative requirements regarding PIH Information Center (PIC) documentation of the occupancy of these temporary relocation resources. PHAs must follow any guidance or instructions regarding treatment of the public housing units in HUD's data systems as may be provided from time to time.

PHAs and Project Owners should note that, absent written approval, if a resident seeks to occupy a public housing unit after the effective date of the HAP contract, the resident would need to be readmitted to public housing in a manner consistent with the waitlist and admissions policies and must exit the Section 8 program.

7.6. Terminations (Including Evictions) and End of Participation Unrelated to the RAD Transaction

Public housing program requirements related to continued occupancy and termination, including rules on grievances and related hearings, remain in effect until the effective date of a new PBV or PBRA HAP contract. If a resident is evicted in accordance with applicable state and local law and the eviction is not undertaken for the purpose of evading the obligation to make available RAD relocation and URA payments and other assistance, the resident is generally not entitled to relocation assistance and payments under this Notice or the URA (49 C.F.R. § 24.206). If a resident voluntarily ends his or her participation in the public housing program, in the absence of evidence that the end of participation was induced by the PHA for the purpose of evading the obligation to make available RAD relocation and URA payments and other assistance, the resident is generally not entitled to relocation assistance and payments under this Notice or the URA.

7.7. Right-Sizing

Public housing, PBV and PBRA requirements mandate that, upon the availability of a unit which is appropriate for the household size, the PHA or Project Owner must transfer a household that is under- or over-housed into the unit appropriate to the household's size. However, accommodating all residents pursuant to the right of return has primacy over right-sizing requirements and may, in some cases, require temporarily over-housing households. In such circumstances, the PHA or Project Owner shall subsequently transfer the household to an appropriate size unit when available, as is required by the applicable program regulation. Such actions shall be governed by the applicable program regulation and shall not be considered relocation under this Notice.



Lourdes Castro-Ramirez
Principal Deputy Assistant Secretary for
Public and Indian Housing

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Housing

APPENDIX I: Applicable Legal Authorities

APPENDIX II: Recommended Relocation Plan Contents



APPENDIX I: Applicable Legal Authorities

Part 1

This Appendix to the Notice identifies key legal authorities with respect to fair housing, civil rights, and resident relocation. This Appendix is not exhaustive of applicable legal authorities, which authorities may also include other Federal statutes, regulations and Executive Orders, and civil rights provisions related to other programs (including funding programs) associated with the RAD transaction.

Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended)

The Fair Housing Act, 42 U.S.C. § 3601 et seq., and its implementing regulations, 24 C.F.R. part 100, prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, disability, or familial status. The Fair Housing Act applies to for-sale and rental housing, whether the housing is privately or publicly funded, including housing supported by tax credits. Single family homes, condominiums, apartment buildings, time-shares, dormitories, transitional housing, homeless shelters that are used as a residence, student housing, assisted living housing, and other types of housing are all covered by the Fair Housing Act.

Among its substantive provisions, the Fair Housing Act requires “covered multifamily dwellings,” designed and constructed for first occupancy after March 13, 1991, to be readily accessible to and usable by persons with disabilities. In buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas are subject to the Act’s design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas are subject to the Act’s design and construction requirements.¹⁰⁰ In addition, the Fair Housing Act requires that housing providers make reasonable accommodations in rules, policies, and services, when such accommodations may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit, including public and common use areas, and that housing providers permit reasonable modifications of existing premises for persons with disabilities.

The Fair Housing Act also requires HUD to administer HUD programs and activities in a manner that affirmatively furthers fair housing (42 U.S.C. § 3608(e)(5)). HUD’s affirmatively furthering fair housing (“AFFH”) rule in 24 C.F.R. §§ 5.150-5.180 will apply to PHAs (except for qualified PHAs) for the PHA’s fiscal year that begins on or after January 1, 2018 for which a new 5-year plan is due, as provided in 24 C.F.R. § 903.5. The affirmatively furthering fair housing regulations will apply to qualified PHAs, for the PHA’s fiscal year that begins on or after January 1, 2019 for which a new 5-year plan is due, as provided in 24 C.F.R. § 903.5.¹⁰¹

¹⁰⁰ See 42 U.S.C. § 3604(f)(3)(c) and 24 C.F.R. § 100.205.

¹⁰¹ For purposes of the AFFH rule, “[a]ffirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing under the AFFH rule means taking meaningful actions that, taken together, address



Additional detail and discussion of the interplay between the Fair Housing Act, Section 504, and Titles II or III of the Americans with Disabilities Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

United States Housing Act of 1937 (1937 Act)

The United States Housing Act of 1937 (1937 Act) (42 U.S.C. § 1437c-1(d)(15)) requires PHAs to submit a 5-year plan and an Annual Plan. Pursuant to HUD regulations, the Annual Plan includes a certification by the PHA that the PHA will affirmatively further fair housing.

Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and HUD's implementing regulation (24 C.F.R. part 1) prohibit recipients of Federal financial assistance from discriminating, excluding from participation, or denying benefits to, any person on the basis of race, color, or national origin. In addition, Title VI regulations prohibit HUD recipients of Federal financial assistance from utilizing criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin (24 C.F.R. § 1.4(b)(2)(i)). When determining the site or location of housing, recipients may not make selections with the purpose or effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, or national origin (24 C.F.R. § 1.4(b)(3)). An applicant or recipient of HUD financial assistance also has an obligation to take reasonable action to remove or overcome the consequences of prior discriminatory practices regardless of whether the recipient engaged in discriminatory conduct (24 C.F.R. § 1.4(b)(6)).

Recipients of Federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities for persons who have limited ability to read, speak, or understand English – i.e., individuals who have limited English proficiency (LEP). This includes oral and written communications during relocation and throughout a RAD transaction. Such language assistance may include, but is not limited to, providing written translation of notices regarding the plans for the project and relocation and oral interpretation at meetings. Otherwise, LEP persons may be denied participation in, and the benefit of, the recipients' program or activity. On January 22, 2007, HUD issued "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" (LEP Guidance), available at: http://www.lep.gov/guidance/HUD_guidance_Jan07.pdf.¹⁰²

significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws." 24 C.F.R. § 5.150. Meaningful actions means significant actions that are designed and can be reasonably expected to achieve a material positive change that affirmatively furthers fair housing by, for example, increasing fair housing choice or decreasing disparities in access to opportunity. See 24 C.F.R. § 5.152.

¹⁰² See also Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, which requires recipients of Federal financial assistance to take reasonable steps to provide meaningful access to



Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973 provides: “No otherwise qualified individual with a disability in the United States ... shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity receiving Federal financial assistance.”¹⁰³

Among other things, HUD’s regulations implementing Section 504 (in 24 C.F.R. part 8) prohibit recipients of Federal financial assistance, in determining the site or location of a facility receiving such assistance, from making site selections the purpose or effect of which would (1) exclude qualified individuals with disabilities from or deny them the benefits of a program or activity, or otherwise subject them to discrimination; or (2) defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with disabilities.¹⁰⁴ These prohibitions apply to both determining the site of permanent facilities and a site for relocation of residents.

Furthermore, HUD’s implementing regulations prohibit discrimination, the denial of benefits, or the exclusion of participation of individuals with disabilities from the programs or activities of recipients of federal financial assistance because a recipient’s facilities are inaccessible. Such recipients must provide qualified individuals with disabilities with program access, which may require modification of architectural features of facilities in RAD transactions for individuals with disabilities to have access to the program. Certain architectural specifications apply to facilities that are altered or newly constructed with HUD financial assistance, such as facilities where assistance is transferred and facilities used as temporary or permanent relocation sites for residents of a project undergoing a RAD conversion. If alterations are made to a housing facility, the alterations to dwelling units in the facility are required, to the maximum extent feasible (i.e., if doing so would not impose undue financial and administrative burdens on the operation of the project), to be made readily accessible to and usable by individuals with disabilities. If alterations taken to a development that has 15 or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility (except when it requires removal of structural load-bearing members), or if the facility is newly constructed, then a minimum of 5% of the total dwelling units, or at least one unit in a development, whichever is greater, must be made accessible for persons with mobility impairments. An additional 2% of the units, but not less than one unit, in a development must be accessible for persons with hearing and vision impairments.

In addition, regulations implementing Section 504 require recipients to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change, adaptation, or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. Section 504 also includes effective communication requirements, such as

their programs and activities for LEP persons. E.O. 13166 directs all Federal agencies, including HUD, to issue guidance to help recipients of Federal financial assistance in providing such meaningful access to their programs.

¹⁰³ 29 U.S.C. § 794. HUD’s Section 504 regulation that applies to recipients of Federal financial assistance, including PHAs and Project Owners, is located at 24 C.F.R. part 8.

¹⁰⁴ 24 C.F.R. § 8.4(b)(5).



providing interpreters and alternate format documents (e.g., Braille, large print, accessible electronic communications) for persons with disabilities.

Additional detail and discussion of the interplay between Section 504, the Fair Housing Act, and Titles II or III of the Americans with Disabilities Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

Titles II and III of the Americans with Disabilities Act

Title II of the Americans with Disabilities Act (ADA) prohibits discrimination on the basis of disability in all services, programs, and activities provided or made available by public entities. Title II of the ADA applies to housing developed or operated by state and local governments, which includes a PHA. Title III of the ADA prohibits discrimination on the basis of disability by public accommodations and requires places of public accommodation and commercial facilities to be designed, constructed, and altered in compliance with established accessibility standards. For example, Title III applies to rental offices, sales offices, homeless shelters, hotels and motels, and commercial spaces associated with housing, such as daycare centers, social service offices, and sales and retail establishments. Titles II or III also will generally apply to community spaces and facilities, such as neighborhood networks, to computer centers (including the computers in the centers), and to transportation services and conveyances provided by PHAs and Project Owners.

Additional detail and discussion of the interplay between Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, and Section 504 of the Rehabilitation Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

Section 109

Section 109 of the Housing and Community Development Act of 1974 (HCDA of 1974), Title I, prohibits discrimination on the basis of race, color, national origin, disability, age, religion, and sex in Community Development Block Grant (CDBG) programs and activities. Section 109 applies to RAD projects that receive CDBG or other assistance under Title I of the HCDA of 1974.

In addition to its responsibility for enforcing other Federal statutes prohibiting discrimination in housing, HUD has a statutory obligation under Section 109 to ensure that individuals are not subjected to discrimination on the basis of race, color, national origin, disability, age, religion, or sex by recipients of CDBG funds. Section 109 charges HUD with enforcing the right of individuals to live in CDBG-funded housing and participate covered programs and activities free from such discrimination. However, this additional statutory authority only applies to programs authorized under Title I of the HCDA of 1974, such as CDBG and programs, such as Section 108 loan guarantees and the Historically Black Colleges and Universities program.

Equal Access to HUD-assisted or HUD-insured Housing

HUD requires its housing programs to be open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status. HUD recipients and subrecipients must comply with 24 C.F.R. § 5.105(a)(2) when determining eligibility for housing assisted with HUD



funds or subject to an FHA-insured mortgage, and when making such housing available. This includes making eligibility determinations and making housing available regardless of actual or perceived sexual orientation, gender identity, or marital status, and prohibiting inquiries about sexual orientation or gender identity for the purpose of making eligibility determinations or making housing available. Applicants are encouraged to become familiar with these requirements, HUD's definitions of sexual orientation and gender identity at 24 C.F.R. § 5.100, clarifications to HUD's definition of family at 24 C.F.R. § 5.403, and other regulatory changes made through HUD's Equal Access Rule, published in the Federal Register at 77 FR 5662 (Feb. 3, 2012).

Section 3: Economic Opportunities for Low- and Very Low-income Persons.

Certain HUD programs require recipients of assistance to comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. § 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 C.F.R. part 135. The regulations at 24 C.F.R. part 135 implementing Section 3 ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities be directed to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons where proposed project is located. Recipients of funds covered by Section 3 must comply with 24 C.F.R. part 135, particularly subpart B-Economic Opportunities for Section 3 residents and Section 3 Business Concerns, and Subpart E-Reporting and Recordkeeping. HUD encourages recipients to search the national Section 3 Business Registry to find local businesses that prioritize hiring Section 3 residents.

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC § 4601 *et seq.* (URA) is a Federal law that establishes minimum standards for programs or projects receiving Federal financial assistance that include the acquisition of real property (real estate) and/or displace persons from their homes, businesses, or farms as a result of acquisition, rehabilitation, or demolition.¹⁰⁵ The URA implementing Federal regulations can be found at 49 C.F.R. part 24. Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) are considered Federal financial assistance for purposes of the URA. As a result, the URA will apply to acquisitions of real property and relocation of persons from real property that occur as a direct result of acquisition, rehabilitation or demolition for a project that involves conversion of assistance to PBV or PBRA programs under RAD.

¹⁰⁵ For additional guidance, see HUD Handbook 1378 Tenant Assistance, Relocation, and Real Property Acquisition), available at: http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation/policyandguidance/handbook1378.



Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) of the Housing and Community Development Act of 1974, as amended, 42 USC § 5304(d), (Section 104(d)), is a Federal law that applies when a lower-income dwelling is demolished or converted (as conversion is defined in accordance with 24 C.F.R. § 42.305) to a use other than lower-income housing in connection with a Community Development Block Grant Program (CDBG) or HOME Investment Partnerships Program (HOME) funded activity. Under Section 104(d), a lower-income person is considered displaced and, therefore eligible for Section 104(d) relocation assistance if the person permanently moves from real property or permanently moves personal property from real property as a direct result of the demolition or conversion of a lower-income dwelling to a use other than lower-income dwelling unit in connection with a CDBG or HOME funded activity. The Section 104(d) one-for-one replacement housing requirements may apply with respect to occupied and vacant occupiable lower-income dwelling units that are demolished or converted to a use other than lower-income dwelling units in connection with CDBG or HOME funded activity. Section 104(d) implementing regulations can be found at 24 C.F.R. part 42, Subpart C. Additional HUD policy and guidance for Section 104(d) is available in HUD Handbook 1378, Chapter 7.

Part 2 – Accessibility Requirements

Federal accessibility requirements apply to all RAD projects – whether they include new construction, alterations, or existing facilities. Applicable laws include, but are not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act, and Titles II or III of the Americans with Disabilities Act (ADA). A PHA or Project Owner must comply with each law that applies to its project and with the requirement that provides the most accessibility when two or more laws apply. All three laws include new construction requirements. Substantial alterations, additions, rehabilitation and existing facilities must be in compliance with applicable requirements of Section 504 and the ADA.¹⁰⁶ All three laws may also require reasonable accommodations or modifications.

Accessibility Requirements for New Construction

The Fair Housing Act requires all “covered multifamily dwellings” designed and constructed for first occupancy after March 13, 1991, to be readily accessible to and usable by persons with disabilities. In buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas must meet the Fair Housing Act’s design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas must meet the Fair Housing Act’s design and construction requirements. The Fair Housing Act requires that all covered multifamily dwellings be designed and constructed so that public and common use areas are readily accessible to and usable by persons with disabilities; all doors are sufficiently wide to allow passage by persons using wheelchairs; all units contain accessible routes into and through the dwelling unit; light switches, electrical outlets, thermostats, and other environmental controls are in accessible locations; reinforcements are installed in bathroom walls to allow later installation

¹⁰⁶See 24 C.F.R. § 100.205 (Fair Housing Act) and 24 C.F.R. §§ 8.22 and 8.23 (Section 504). See also 28 C.F.R. § 35.151(b) and 28 C.F.R. part 36 (ADA Titles II and III regulations, respectively).



of grab bars; and kitchens and bathrooms are usable such that a person in a wheelchair can maneuver about the space.¹⁰⁷ These design and construction requirements apply whether the housing is privately or publicly funded, including housing supported by tax credits.¹⁰⁸

New construction of a multifamily housing project containing five or more dwelling units is also subject to physical accessibility requirements under Section 504. Under Section 504, a “project” includes all residential and appurtenant structures, equipment, roads, walks, and parking lots which are covered by a single contract or application for Federal financial assistance, or are treated as a whole for processing purposes, whether or not they are located on a single site.¹⁰⁹ The accessibility standards for new construction under Section 504 are the Uniform Federal Accessibility Standards (UFAS).¹¹⁰ HUD recipients may also use the 2010 ADA Standards for Accessible Design under title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”). This option exists until HUD formally revises its Section 504 regulation to adopt an updated accessibility standard. Refer to HUD’s Deeming Notice for more information.

Section 504 also requires that a minimum of 5% of the total dwelling units or at least one unit, whichever is greater, is required to be accessible for persons with mobility impairments. An additional 2% of the total dwelling units or at least one unit, whichever is greater, is required to be accessible for persons with vision and hearing impairments.¹¹¹ HUD may prescribe a higher percentage or number of units upon request by any affected recipient or by any State or local government or agency based upon demonstration to the reasonable satisfaction of HUD of a need for a higher percentage or number, based on census data or other available current data, or in response to evidence of a need for a higher percentage or number received in any other manner. In reviewing such request or otherwise assessing the existence of such needs, HUD shall take into account the expected needs of eligible persons with and without disabilities.¹¹²

Title II of the ADA prohibits discrimination on the basis of disability in all services, programs, and activities provided or made available by public entities. Title II of the ADA applies to housing programs, including housing developed or operated by state and local governments, which includes PHAs. Title III of the ADA prohibits discrimination on the basis of disability by public accommodations, including rental offices, and requires places of public accommodation and commercial facilities to be designed, constructed, and altered in compliance with established accessibility standards. All newly constructed or altered facilities, including facilities altered to

¹⁰⁷ See 24 C.F.R. § 100.205.

¹⁰⁸ For more information about the design and construction provisions of the Fair Housing Act, see www.fairhousingfirst.org. See also the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Accessibility (Design and Construction) Requirements for Covered Multifamily Dwellings Under the Fair Housing Act (April 30, 2013), available at: www.hud.gov/offices/fheo/library/hudjointstatement.pdf.

¹⁰⁹ See 24 C.F.R. § 8.3.

¹¹⁰ The UFAS are available at <https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>). See also 24 C.F.R. § 8.32.

¹¹¹ See 24 C.F.R. § 8.22.

¹¹² See HUD regulation at 24 C.F.R. § 8.22(c).



comply with program access and readily achievable barrier removal obligations that exist under Titles II or III of the ADA, must comply with the U.S. Department of Justice's ADA architectural accessibility standards as described in the following U.S. Department of Justice Technical Assistance document ADA Requirements, Effective Date/Compliance Date (Feb. 2011), http://www.ada.gov/revised_effective_dates-2010.htm.

Accessibility Requirements for Alterations

If a building was constructed for first occupancy after March 13, 1991, the building must be in compliance with, and all alterations must maintain the building's accessible features so that the building continues to meet, the Fair Housing Act's accessibility requirements. In addition, without regard to the date of construction for first occupancy, certain alterations may be required under the Fair Housing Act if requested by a resident as a reasonable accommodation or modification or otherwise required to remediate accessibility deficiencies in the design and construction of the building.

Under HUD's Section 504 regulation, alterations include any structural change in a facility or a change to its permanent fixtures or equipment. If alterations are undertaken to a project that has fifteen or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility, this qualifies as "substantial alterations," in which the new construction provisions of 24 C.F.R. § 8.22 apply.¹¹³

When alterations are made that do not qualify as substantial alterations, alterations to dwelling units in a multifamily housing project shall, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with disabilities.¹¹⁴ If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire dwelling unit shall be made accessible. Once 5% of the dwelling units in a housing project are readily accessible to and usable by individuals with mobility impairments, no additional elements of dwelling units or entire dwelling units are required to be accessible under this provision. However, alterations to meet ongoing accessibility needs are always required, for example, in response to a reasonable accommodation request. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities shall, to the maximum extent feasible, be made to be accessible to and usable by individuals with disabilities. For purposes of this paragraph, the phrase "to the maximum extent feasible" shall not be interpreted as requiring that a recipient (including a PHA) make a dwelling unit, common area, facility or element thereof accessible if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project.¹¹⁵

All altered facilities covered by Titles II or III of the ADA must be altered in accordance with the U.S. Department of Justice's 2010 ADA Standards for Accessible Design and applicable ADA

¹¹³ See 24 C.F.R. § 8.23(a). The sole exception is that load bearing structural members are not required to be removed or altered.

¹¹⁴ HUD may require a higher number or percentage of accessible units pursuant to 24 C.F.R. § 8.22(c) and 24 C.F.R. § 8.23(b)(2).

¹¹⁵ 24 C.F.R. § 8.23(b).



regulations, unless subject to certain safe harbors identified in the 2010 ADA revised regulations for Titles II and III, as applicable.¹¹⁶

HUD will consider on a case-by-case basis a PHA's request to undertake limited new construction on the site of a Covered Project undergoing rehabilitation to comply with accessibility requirements on the site.

Additional Accessibility Requirements for Both New Construction and Alterations

Accessible units must be distributed throughout projects and sites and be available in a sufficient range of sizes and amenities so that a qualified individual with disabilities' choice of living arrangements is, as a whole, comparable to that of other persons eligible under the same program.¹¹⁷ This provision shall not be construed to require provision of an elevator in any multifamily housing project solely for the purpose of permitting location of accessible units above or below the accessible grade.

PHAs are encouraged to use universal design principles, visitability principles and active design guidelines in planning new construction or retrofit work, wherever feasible. However, adherence to universal design principles does not replace compliance with the accessibility requirements of Section 504, the ADA and the Fair Housing Act.

Program Accessibility Requirements

Under Section 504, recipients must operate each existing housing program or activity receiving Federal financial assistance so that the program or activity, when viewed in its entirety, is accessible to and usable by individuals with disabilities. Title II of the ADA also includes a program access requirement, while Title III of the ADA requires readily achievable barrier removal.¹¹⁸ Further, Section 504, the Fair Housing Act, and the ADA require that reasonable accommodations/modifications be granted to address disability-related needs of individuals with disabilities.¹¹⁹

¹¹⁶ See <http://www.ada.gov/regs2010/2010ADASTandards/2010ADASTandards.htm>.

¹¹⁷ See 24 C.F.R. §§ 8.26 and 8.27.

¹¹⁸ See 28 C.F.R. § 35.150; 28 C.F.R. § 36.304.

¹¹⁹ For more information on reasonable accommodations, see the HUD/DOJ Joint Statement on Reasonable Accommodations Under the Fair Housing Act at <http://portal.hud.gov/hudportal/documents/huddoc?id=JOINTSTATEMENT.PDF>. While this joint statement focuses on the Fair Housing Act, the principles discussed in the statement generally apply to requests for reasonable accommodation under Section 504, except, for purposes of Section 504, HUD recipients are required to provide and pay for structural modifications as a reasonable accommodation.



APPENDIX II: Recommended Relocation Plan Contents

While RAD mandates written relocation plans only for projects which involve permanent relocation (including, without limitation, a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than one year, HUD strongly encourages PHAs to document their relocation planning process and procedures in a written relocation plan. The following provides suggested content for required and recommended relocation plans. In the case of any discrepancy between this description of the recommended relocation plan contents and the provisions of the Notice to which this Appendix is attached or any applicable laws or regulations with respect to the URA or Section 104(d), the provisions of the Notice or applicable laws and regulations shall govern.

The basic elements of the relocation plan include:

- A general description of the project and project elements that may create relocation needs;
- Information on residents of the project and eligibility for relocation assistance and payments;
- Information regarding how the project will address the RAD right to return requirements and the project's re-occupancy policies;
- A detailed discussion of plans for temporary relocation assistance;
- A detailed discussion of any transfer of assistance;
- A detailed discussion of any offers of alternative housing options and plans for voluntary permanent relocation assistance;
- A detailed discussion of compliance with fair housing and civil rights requirements, including accessibility requirements;
- The relocation budget; and
- The appeals process.

The plan as a whole should discuss the specific steps to be taken to minimize the adverse impacts of relocation on the residents.

I. Project Summary

The Relocation Plan should provide a general description of the property (e.g., year built, location, number of units, configuration, resident population served). The project summary should also identify the nature of the activities to be undertaken, including acquisition, demolition, rehabilitation, and construction activities and additional detail regarding the project scope (e.g., gut rehab, systems replacement, modest in-unit renovations, transfer of assistance). The project summary should also discuss how any construction activities are to be implemented (i.e., vacate the property entirely, vacate specific floors or buildings, rehabilitation with residents in place). The summary should also discuss the overall theory of relocation, for example, whether a few households will be relocated off-site and the vacant units will be used as temporary housing before other households move back to their original units (a "hoteling" approach), or whether the vacant units will be permanently occupied, with the residents vacating other units to be renovated (a "domino" approach).



The relocation plan should also identify the funding sources which may trigger relocation requirements, with particular attention to the potential presence of HOME or CDBG funds which may trigger Section 104(d) requirements.

II. Project Occupancy

The Relocation Plan should provide information on occupancy of the property including the number of residents, their household type (family, elderly), any non-residential (commercial) occupants, and should identify how any routine needs (such as continuation of utilities such as telephone service) and civil rights compliance issues (for example, limited English proficiency, disabilities, reasonable accommodations and unit modifications that have been or may be necessary) shall be identified and addressed. The Relocation Plan may specify the community meetings, interviews and/or other processes that will be undertaken to assess the residents' needs.

The Relocation Plan should also address eligibility for relocation assistance and payments, applying the rules of the Notice to the particularities of the project.

III. Resident Return and Re-occupancy Policies

The Plan should address how the project will honor the RAD right to return requirements and the "no re-screening upon conversion" policy. With respect to residents who will be temporarily relocated, the Plan should include the methodology that will be used to determine the sequence in which residents will re-occupy units at the project after rehabilitation, demolition, and/or construction is completed, and to determine how residents are matched with units if the residents are not able to return to their original unit. For example, if units will come online in stages, the plan should outline how the PHA or Project Owner will determine when each resident will return to the property.

IV. Temporary Relocation Assistance

The plan should detail the temporary housing resources to be used, the anticipated duration of temporary relocations, notices to be provided and the temporary relocation assistance the PHA or Project Owner will provide for residents (Paragraph 2-7 of HUD Handbook 1378). Topics to be addressed in the Plan include:

- Temporary Housing Resources. The Plan should identify the nature and availability of the temporary housing resources the PHA or Project Owner anticipates using. On-site resources are generally preferred. However, in some cases, PHAs or Project Owners may need to use hotel rooms for short-term relocations, or market-rate apartments. If the PHA or Project Owner anticipates using other assisted housing resources (such as HCVs, public housing or other properties with regulatory restrictions), the PHA or Project Owner should take particular care to address regulatory issues.
- Allocation of Temporary Relocation Resources. The Plan should describe a fair and reasonable methodology for allocating temporary relocation housing to residents on a nondiscriminatory basis.
- Duration of Temporary Relocation. In the event that the Plan includes relocation which is anticipated to exceed one year, it should detail the requirements which apply to those



residents (such as the issuance of a *Notice of Relocation* to the resident covering eligibility for URA relocation assistance, the offer of permanent relocation assistance and payments at URA levels and, if conditions warrant, the subsequent issuance of a *Notice of Eligibility*) as distinct from requirements that apply to residents who are not relocated for more than one year.

- Packing and Moving Assistance. The Plan should address how the PHA or Project Owner intends to provide or reimburse for packing and moving services and expenses. Considerations the Plan may want to address include:
 - Instructions and supplies (e.g., boxes, markers, tape) to be provided if residents prefer to pack their own personal possessions and items of value;
 - Assistance in packing to be provided if residents need assistance or prefer not to pack their personal possessions;
 - Guidance on how residents request to pack their own possessions or to receive packing assistance; and
 - How the PHA or Project Owner intends to provide or reimburse for moving services and expenses. The PHA or Project Owner can choose to do one or more of the following:
 - Undertake the moves itself, using employees of the PHA or Project Owner or “force account labor”¹²⁰
 - Use a contractor or moving company
 - Reimburse residents for all actual, reasonable and necessary moving expenses.
- Storage. The Plan should address whether storage of the resident’s personal property is necessary and the arrangements for such storage.
- Damage or Loss. The Plan should address Insurance for the replacement value of the property in connection with the move and necessary storage and/or the replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- Out-of-Pocket Expenses. The nature of out of pocket expenses vary based on the nature of the temporary relocation moves. For example, hotel stays or in-place renovation may trigger the need for reimbursement of meals while a kitchen is unavailable. The Plan should outline the anticipated out-of-pocket expenses and the PHA’s or Project Owner’s plans and budget with respect to these expenses.
- Leasing Arrangements. The Plan should address whether the resident will have a direct lease or other contractual relationship with the owner of the temporary relocation resource or whether the PHA or Project Owner will hold the lease and the resident will maintain a contractual relationship with the PHA or Project Owner.
- Utility Costs. The Plan should address whether residents will need to disconnect and reconnect necessary utilities and, if so, how the PHA or Project Owner anticipates managing this process and any associated expenses. Necessary utilities may include telephone, cable service, Internet access or other items. The Plan should address payment of utility deposits, if required at the temporary relocation housing (HUD Handbook 1378, paragraph 2-7(A)(3)).

¹²⁰ Defined at 24 C.F.R. 905.108.



- Reasonable Accommodations. The plan should address whether residents with disabilities will require reasonable accommodations during temporary relocation and, if so, how the PHA or Project Owner anticipates ensuring the provision of reasonable accommodations and any associated expenses. Reasonable accommodations may include, among other items, the provision of transportation assistance, relocation to locations which are physically accessible and located near public transportation, and modifications to policies to allow individuals with disabilities to reside with a live-in aide.

V. Transfer of Assistance

Relocation planning in the context of transfer of assistance is particularly complex. The PHA should address how RAD, URA and Section 104(d) requirements each apply, as the same activity may be treated differently under each regulatory framework. The Plan should specifically outline the PHA's procedures to ensure that the applicable requirements are applied to each situation appropriately. The Plan should also address whether relocation is required for any businesses or residents at the destination site. Finally, the Plan should address whether two moves – from the public housing site to an intermediate site and then to the transfer of assistance site – are necessary while the Covered Project is being constructed or rehabilitated.

VI. Alternative Housing Options and Voluntary Permanent Relocation Assistance

If the PHA or Project Owner seeks to offer alternative housing options, the Plan should identify those options and the manner in which they are presented to residents for decision. The plan should also outline the counseling the PHA or Project Owner will provide to assist the residents in determining what options may be available and the financial implications of those options, for example,

1. Discussion of whether units available in the market (either in the affordable market or the unrestricted market) will meet the financial and dwelling requirements of relocated residents;
2. The general area or location of unit(s);
3. Where applicable, the accessibility of such units for individuals with disabilities;
4. Criteria for receiving relocation assistance; and
5. Any other information that might benefit residents in their consideration of housing choices.

The Plan should identify how the PHA or Project Owner will work with any residents who have elected voluntary permanent relocation. The Plan should further include a description of the permanent relocation assistance the PHA or Project Owner will provide to such residents. Topics to be addressed in the Plan include:

- Replacement Housing. The Plan should address the availability of comparable replacement housing, the notices to be provided and the provisions to ensure that appropriate accessibility features are available in compliance with applicable laws and regulations.



- Fair housing considerations. The Plan should address referrals to housing not located in areas of minority concentration and compliance with requirements regarding accessible housing for persons with disabilities. The Plan should address how the PHA or Project Owner will determine if residents have paid for the acquisition and/or installation of accessible features in the housing from which they are being relocated and how the PHA or Project Owner will ensure that the replacement housing contains required and comparable accessible features or that the resident is appropriately compensated for the cost of acquiring and/or installing required and comparable accessible features.
- Packing and Moving Assistance. The Plan should address how the PHA or Project Owner intends to provide or reimburse for packing and moving services and expenses. Considerations the Plan may want to address include:
 - Instructions and supplies (e.g., boxes, markers, tape) to be provided if residents prefer to pack their own personal possessions and items of value;
 - Assistance in packing to be provided if residents need assistance or prefer not to pack their personal possessions;
 - Guidance on how residents request to pack their own possessions or to receive packing assistance; and
 - How the PHA or Project Owner intends to provide or reimburse for moving services and expenses consistent with 49 C.F.R. § 24.301 or, at the resident's option, 49 C.F.R. § 24.302.
- Storage. The Plan should address whether storage of the resident's personal property is necessary and the arrangements for such storage. See 49 C.F.R. § 24.301(g)(4).
- Damage or Loss. The Plan should address Insurance for the replacement value of the property in connection with the move and necessary storage and/or the replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- Dislocation Allowance. The Plan should address when the resident is entitled to a dislocation allowance and the amount of such dislocation allowance, consistent with the URA Fixed Residential Moving Cost Schedule available at: www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm.
- Appliances. The Plan should address disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
- Security Deposits and Utility Costs. The Plan should address how the PHA or Project Owner anticipates managing transfer of utility arrangements, security deposits and any associated expenses. Utilities may include telephone, cable service, Internet access or other items that may have been in place in the resident's original home. See 49 C.F.R. § 24.301(h)(12).
- Replacement Housing Payment. The Plan should address the circumstances in which displaced residents may be entitled to a replacement housing payment (RHP) to cover the



increase, if any, in monthly housing costs for a 42-month period pursuant to URA requirements or a 60-month period pursuant to Section 104(d).¹²¹

VII. Relocation Budget

Based on the results of the planning process, the PHA or Project Owner should create a relocation budget that includes the following six components:

- 1) The cost of administering the plan and providing assistance and counseling.
- 2) Reasonable moving expenses for a person with disabilities, which may include the cost of moving assistive equipment that is the personal property of the residents, the furnishings and personal belonging of a live-in aide, and/or other reasonable accommodations (HUD Handbook 1378, Paragraph 3-2).
- 3) The cost of the physical move of the residents' belongings. (It is suggested that the move costs be broken down by average cost per move type multiplied by the number of moves.) This physical move cost total should be based on the move scenarios anticipated or projected by the resident survey. The move costs should consider:

For temporary relocation moves:

- Number and cost of two-way moves (i.e., a move to another unit and then a return move) within the same building/complex.
- Number and cost of two-way moves to a unit not in the same building/complex

For permanent moves:

- Number and cost of one-time moves into another unit in the same building/complex.
 - Number and cost of one permanent move to a unit not within the same building/complex
 - Any required dislocation allowance
- 4) The estimated cost of projected increases in monthly housing costs and other expenses for temporary relocation (if applicable).
 - 5) The estimated cost of projected replacement housing payments (RHP) (42-month period for URA or 60-month period if Section 104(d) applies).
 - 6) Contingency costs estimated for carrying out the relocation process necessary to complete the proposed project.

¹²¹ See also, CPD Notice 2014-09 "Effective Date of Moving Ahead for Progress in the 21st Century Act (MAP-21) Changes to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) Payment Limits and Replacement Housing Payment Eligibility Criteria."



VIII. Written and Oral Communications with Individuals with Disabilities and LEP Persons and Use of Accessible Meeting Locations

The Plan should identify how the PHA or Project Owner will take appropriate steps to ensure effective communication with residents and other individuals with disabilities involved in the relocation, such as through the provision of sign language and other interpreters and large print, Braille, accessible electronic, and other alternate format written communications. The Plan should identify the measures to be taken to ensure the most integrated meeting settings appropriate to individuals with disabilities. The Plan should identify how the PHA or Project Owner will ensure meaningful access for LEP persons, such as through written materials and oral communications provided in languages other than English.

IX. Appeal Process

The Plan should specify the procedures to be followed if a resident disagrees with the PHA's or Project Owner's decision as to the resident's eligibility to receive relocation assistance, the amount of a relocation payment, or the adequacy of a comparable replacement dwelling offered to a resident. These procedures should include the process for filing a written appeal to the displacing agency and the specific appeal procedures to be followed consistent with 49 C.F.R. 24.10 (and 24 C.F.R. § 42.390 if Section 104(d) is involved).

X. Certification

The Plan should contain a certification of compliance with this Notice (or H 2014-09/PIH 2014-17, if applicable), the URA, fair housing and civil rights requirements and, if applicable, Section 104(d).

Technical Assistance

For detailed technical assistance regarding the contents or provisions of a written relocation plan, the PHA or Project Owner should direct questions to their RAD Transaction Manager or email rad@hud.gov.



LOBBYING DISCLOSURES

ATTACHMENT V



Attachment V: Lobbying Disclosures

OMB Approval No. 2577-0157 (Exp. 11/30/2023)

Certification of Payments to Influence Federal Transactions

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

Public reporting burden for this information collection is estimated to average 30 minutes. This includes the time for collecting, reviewing, and reporting data. The information requested is required to obtain a benefit. This form is used to ensure federal funds are not used to influence members of Congress. There are no assurances of confidentiality. HUD may not conduct or sponsor, and an applicant is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Applicant Name

Housing Authority of the City of Reno

Program/Activity Receiving Federal Grant Funding

Moving to Work Demonstration Program

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

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

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

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

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

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

| | |
|-----------------------------|--------------------|
| Name of Authorized Official | Title |
| Hilary Lopez, Ph.D. | Executive Director |
| Signature | Date (mm/dd/yyyy) |
| | 3/30/23 |

Previous edition is obsolete

form HUD 50071 (01/14)



DISCLOSURE OF LOBBYING ACTIVITIES

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

Approved by OMB 0348-0046

| | | | | | |
|--|--|--|--|---|--|
| 1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance | | 2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award | | 3. Report Type: <input checked="" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____ | |
| 4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: NV-02 | | | 5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: | | |
| 6. Federal Department/Agency: Department of Housing and Urban Development | | | 7. Federal Program Name/Description: Moving to Work Demonstration Program CFDA Number, if applicable: _____ | | |
| 8. Federal Action Number, if known: | | | 9. Award Amount, if known: \$ | | |
| 10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> N/A | | | b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i> N/A | | |
| 11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. | | | Signature: <u>Hilary Lopez</u> Print Name: Hilary Lopez, Ph.D. Title: Executive Director Telephone No.: (775) 329-3630 Date: 3/30/23 | | |
| Federal Use Only: | | | | Authorized for Local Reproduction Standard Form LLL (Rev. 7-97) | |