

SECOND AMENDMENT
TO
AMENDED AND RESTATED MOVING TO WORK AGREEMENT AMENDING
ATTACHMENT A (CALCULATION OF SUBSIDIES) AND INSTRUCTIONS FOR THE
RENTAL ASSISTANCE DEMONSTRATION (RAD)
BETWEEN
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AND
HOUSING AUTHORITY OF THE CITY OF PITTSBURGH

This Second Amendment to the Moving to Work (“MTW”) Agreement (“Agreement”) is entered into by and between the United States of America through the U.S. Department of Housing and Urban Development (“HUD”) and the Housing Authority of the City of Pittsburgh (“Agency”) to amend the Agency’s Attachment A dated January 15, 2009 and is effective on the date of execution by HUD. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to them in the Agreement.

As a result of the Agency’s participation in the Rental Assistance Demonstration (RAD), Attachment A is amended as follows:

1. The following is added to the **Definitions** section:

RAD Adjustment Factor: The Agency’s annual operating subsidy eligibility amount will be reduced by application of the RAD Adjustment Factor each year. An amount is calculated for each project or portion of a project converted under the RAD Notice (RAD Project) through the end of each calendar year immediately preceding the funding year by multiplying each RAD Project’s Operating Subsidy component of the RAD contract rent calculation on a per unit month (PUM) basis (as determined by HUD) by the number of units converted under the RAD Notice. For each RAD project, the product of the foregoing calculation will then be inflated using OCAF for each year after the Operating Subsidy funding year from which the RAD rent is calculated. The resulting amount for each RAD project will then be summed. The sum will then be annualized by being multiplied by 12 to derive the RAD Adjustment Factor.

2. The utility subsidy bullet of Section 1.a) is replaced as follows:

- **Utility Subsidy.** The Agency’s utility consumption is frozen for the life of the demonstration based on the three-year rolling base-base in effect in the base year. Each year thereafter, the Agency multiplies this frozen consumption by utility rates that are in effect at the time of budget submission. The Agency is held harmless for any changes in utility prices but takes the risk/reward for any change in consumption. Any reduction in utility rates that result from administrative actions taken by the Agency will be shared equally with HUD in accordance with regulations in effect upon execution of this agreement.

3. The following language is added at the end of Section 1. a):

The RAD Adjustment Factor will then be subtracted from Agency's annual operating subsidy eligibility calculated in accordance with the foregoing formula in this Attachment A. The RAD Adjustment Factor will be calculated each year, and subtracted from the Agency's annual operating subsidy eligibility as part of the annual operating subsidy process.

4. Section 1.b)., titled "**Unit Months Available (UMAs)**" is replaced as follows:

UMAs cannot exceed those UMAs under ACC at the time of this Amendment, determined to be 75,312. UMAs will be reduced by the number of units converted under the RAD Notice. UMAs will also be reduced for any units for which the Agency receives Section 8 replacement housing.

For purposes of determining the utility portion and non-utility portion (excluding add-ons) of the operating subsidy calculation, the UMAs and the number of unit months for units converted under the RAD Notice and included in the RAD Adjustment factor (calculated by multiplying the number of units by 12) (RAD Adjusted Units Months) shall be included as part of the calculation.

5. Section 1.d). is replaced as follows:

For any units demolished during the term of this agreement, except for those units demolished in connection with a RAD conversion, the Agency will have the following options:

- Retain the UMAs by serving the same number of eligible families and not receive transitional funding or Section 8 replacement housing;
- Apply for Section 8 replacement housing. Once received, the Agency will no longer be eligible for transitional funding and will reduce its UMAs; or
- Receive transitional funding, but not Section 8 funding. The UMAs will then be reduced as the transitional funding becomes effective.

6. Section 1.g). is added as follows:

In the event that all of the Agency's public housing units are converted under RAD or otherwise removed from inventory (e.g. removed via Section 18), the add-on and utility subsidy portions of the operating subsidy calculation will cease to be provided under this Attachment beginning with the first Calendar Year (CY) after RAD conversion or demolition or disposition of the final public housing unit.

7. Section 3 of Attachment A is amended by replacing the language under the heading "Second and Subsequent Years of MTW Participation" with the following:

- a) Multiply the total MTW renewal funding eligibility established in the previous year (excluding reserves) by the annual inflation factor established for the calculation of renewal

of Section 8 contracts, and subject to the applicable proration factor percentage, to arrive at the current year's inflation-adjusted Section 8 MTW funding. In each subsequent year, the renewal inflation factors will be applied to the prior year's per unit funding eligibility prior to proration, adjusted by the applicable pro-ration factor for that subsequent year. In addition, any vouchers received as part of a RAD conversion shall be added to the Section 8 ACC via funding of \$1 for the remainder of the CY in which they are awarded. HUD will issue a new increment of voucher funding in the first full Calendar Year following a RAD conversion. These amounts will be renewed in subsequent years based on the per unit funding of the increment award, adjusted via the renewal inflation factor and the applicable proration factor percentage.

b) Administrative fees for RAD vouchers will be earned per each year's posted administrative fee rates and RAD vouchers under lease each month. Fees for RAD vouchers will be prorated at the same level that applies to all non-MTW agencies.

8. The Instructions for Line 8 in Section B. of the "Instructions for Completing HUD-Form 52723 (5/96) Calculation of PFS Operating Subsidy" are replaced as follows:

- Line 8. Multiply utility consumption from the base year times current prices then divide by sum of the current year UMAs plus the RAD Adjusted Unit Months. Current prices shall be determined by the higher of the following:
 - a) Current rates as determined by the prior 12-month average from the reporting period of July 1 through June 30, for each applicable utility type (applicable utility types are those utilities actually utilized by HACP).
 - b) Current rates as determined by the prior 12-month average for the reporting period of July 1 through June 30, multiplied by the applicable federal Utility Expense Level Inflation Factor by Utility Type for each applicable utility (applicable utility types are those utilities actually utilized by HACP).

IN WITNESS WHEREOF, the parties have caused this Amendment to Attachment A to be executed by their duly authorized representatives.

HOUSING AUTHORITY OF THE CITY OF
PITTSBURGH

By: 

Name: Caster D. Binion

Its: Executive Director

Date: 6/9/17

UNITED STATES DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

By: 

Name: Dondinique Blum

Its: General Deputy Assistant Secretary

Date: 9/29/17