

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

Notice: PIH 99-51 (HA)

Special Attention of:
Secretary's Representatives;
State/Area Coordinators;
Senior Community Builders;
Public Housing Directors;
Public Housing Agencies

Issued: December 14, 1999
Expires: December 31, 2000

Subject: Additional Instructions for Submitting First PHA Plans under the Final Rule and Extension of Due Date for Submission of PHA Plans for PHAs with Fiscal Years Beginning January 1, 2000 and April 1, 2000; Guidance for PHAs with Fiscal Years Beginning July 1, 2000 and after; Availability of Required Format for Public Housing Drug Elimination Program (PHDEP) Plan.

I. Summary

This notice transmits additional instructions to PHAs on complying with the requirements of Public Housing Agency (PHA) Plans as provided in the PHA Plans Final Rule (issued October 21, 1999), found at 24 CFR part 903. This notice confirms that all PHAs are subject to the requirements of the final rule, and provides information and direction for PHA Plan submissions under the final rule, particularly:

- PHAs with fiscal years beginning January 1, 2000 and April 1, 2000 (hereafter referred to as "January PHAs" and "April PHAs", respectively) are instructed to prepare and submit their first plans using the PHA Plan template and accompanying instructions for submission of plans (Notice PIH 99-33, Attachment B) issued in July, 1999, as amended by this notice (PIH 99-51(HA)). PHAs that may have already submitted plans to HUD as of the date of this notice are provided with special instructions where necessary.
- For PHAs with fiscal years beginning on or after July 1, 2000, HUD will issue guidance, templates and certifications necessary for completion of plans under the final rule in a subsequent notice.

HUD expects to issue additional information and direction to PHAs on their plan submissions. As a result, January and April PHAs may determine that additional time is needed to prepare their plans. HUD has extended the submission deadline for January PHAs to January 31, 2000 and extended the submission deadline for April PHAs to February 29, 2000.

This notice also announces the availability of a template that PHAs must use to prepare and submit Public Housing Drug Elimination Program (PHDEP) plans with the PHA

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Plan. Use of this template is required for PHAs with fiscal years beginning April 1, 2000 and after. January PHAs have the option to use this template in Federal Fiscal Year (FFY) 2000, as explained below.

II. Background

Section 511 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) created the public housing agency plans -- a 5-Year Plan and an Annual Plan. The 5-Year Plan describes the mission of the agency and the agency's long range goals and objectives for achieving its mission over the subsequent 5 years. The Annual Plan provides details about the agency's immediate operations, program participants, programs and services, and the agency's strategy for handling operational concerns, residents' concerns and needs, programs and services for the upcoming fiscal year.

On February 18, 1999, HUD issued an Interim Rule implementing the PHA Plan. On July 29, 1999, PIH issued PIH Notice 99-33, which transmitted guidance to PHAs on development and completion of the PHA Plans under the Interim Rule. This guidance included the announcement of the availability of the template PHAs must use to create and electronically submit PHA Plans to HUD (form HUD 50075) and the creation of the HUD website for PHA Plans (referenced below).

Following public comment and an enhanced rulemaking process, HUD issued *Public Housing Agency Plans; Final Rule* on October 21, 1999. The PHA Plan regulations established in the final rule are found at 24 CFR Part 903. Significant changes in the regulation between the February 18, 1999 Interim Rule and the Final Rule were listed in the preambles to the rule. The Final Rule, at section 903.7, states that HUD will advise PHAs by notice of any additional instructions or directions necessary for the submission of their first plans. On November 24, 1999, HUD issued a Federal Register Notice notifying PHAs that HUD would issue additional information and direction to PHAs on their plan submissions and granting PHAs the option of extending the submission deadline if they determine that additional time is necessary to prepare their first plans as a result. This Notice PIH 99-51 (HA), provides instructions and direction on certain components of the PHA Plan submissions. HUD expects to issue additional information and direction on PHA Plan submissions.

The template, instructions and all guidance for January and April PHA plans that are referenced and transmitted in this Notice are available on HUD's PHA Plans webpage at: <http://www.hud.gov/pih/pha/plans/phaps-home.html>. This website will also be used to transmit additional information about the PHA Plans, as it becomes available.

III. Explanation of Changes to Previous Guidance Made by this Notice

In addition to informing PHAs with fiscal years beginning on July 1, 2000 that revised guidance will be issued for their plans, this notice provides PHAs with fiscal years

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beginning on January 1, 2000 or April 1, 2000 with specific instructions necessary for preparing their first PHA Plans under the Final Rule. These instructions are presented as changes to an earlier guidance document (Attachment B to Notice PIH 99-33). Only modifications necessary to address changes between the Interim and Final Rules (or make minor clarifications) have been made in this document. The effect of these modifications is summarized below:

- A. Due Date For Submission:** Per the November 24, 1999 Federal Register Notice, HUD has extended the due date for submission of PHA Plans from January and April PHAs. The due date for submission of plans for January PHAs is January 31, 2000. January PHAs may submit plans between December 1, 1999, and January 31, 2000, at their option. The due date for submission of plans for April PHAs is February 29, 2000. April PHAs may submit plans between January 15, 2000, and February 29, 2000, at their option. PHA Plans for these PHAs must still address plans, policies and operations in effect for fiscal years beginning January 1, 2000, and April 1, 2000, respectively.
- B. Public Display Requirements for the Plans and Supporting Documents:** January and April PHAs do not need to repeat their public processes on their Plans (as required by 903.13, 903.15, and 903.17) if they have already met these requirements and can meet the criteria specified in Attachment B to Notice 99-33, as amended by this notice.
- C. Deconcentration of Poverty and Income Mixing in Public Housing [24 CFR 903.7(c)]:** Since the questions found in section 3(a)(6) (Statement of PHA Policies Governing Eligibility, Selection, and Admissions, Public Housing, Deconcentration and Income Mixing) of the PHA Plan template (50075) do not fully reflect the requirements of the Final Rule, PHAs should disregard these questions. If a PHA submits a plan that responds to the template questions, HUD will disregard these responses. (Future versions of the template will be updated to reflect the Final Rule.)
- D. Elimination of Requirement for an Executive Summary [903.7(r)]:** As permitted by the Final Rule, PHAs are not required to provide an Executive Summary to HUD. PHAs may provide an Executive Summary at their option, however. PHAs must still complete the Table of Contents provided in the PHA Plan template.
- E. 5 Year Action Plan for Large Capital Items [903.7(g)]:** Under the Interim Rule submission of a 5-Year Action Plan was optional, but encouraged. The Final Rule made such submission mandatory. *However, January 1 and April 1 PHAs will not be required to submit this 5 Year Action Plan for large capital items in their first (Federal Fiscal Year (FFY) 2000) Plans.* These PHAs are still strongly encouraged to do so.

The instructions also define “large capital item.” Such items are any work items that account for 10% of a PHAs annual grant or are over \$1 million. However, PHAs are not required to report work items of less than \$25,000 in their 5-Year Action Plans (regardless of the amount of the annual grant).

- F. PHDEP Plan:** The Final Rule clarifies that PHAs must submit the PHDEP Plan with the PHA Plan. This notice provides PHAs with instructions for preparing and submitting PHDEP Plans in accordance with the PHA Plan and PHDEP Final Rules. These instructions include an announcement of the availability of a PHDEP Plan template that PHAs must use to submit their Plans. PHAs must obtain a copy of the PHDEP template by downloading it from the PHA Plans website. The PHDEP template must be submitted to HUD as an attachment to the PHA Plan..

However, the instructions provided here also restate Notice PIH 99-33’s instructions that January 1 PHAs are encouraged, but not required, to submit a PHDEP Plan for FFY 2000 funds with their PHA Plans. January PHAs that do not submit PHDEP Plans with their PHA Plans must submit a PHDEP plan, on the required PHDEP Plan template, by April 1, 2000 in order to receive their FFY 2000 PHDEP funds. Submission of FFY 2000 PHDEP Plans by January PHAs will not be considered a significant amendment or modification of the PHA Plan by HUD.

- G. Definition of “Substantial Deviation” and “Significant Amendment or Modification” [903.7(r)]:** HUD’s Interim Rule sought public comment on how the regulation should define “substantial deviation” of Annual Plans from the 5 Year Plan and “significant amendment or modification” of the Annual Plan. The statute requires that PHAs explain “substantial deviations” from the 5-Year Plan in their Annual Plans. The statute also provides that, while PHAs may change or modify their plans or policies described in them, any “significant amendment or modification” to the plan would require PHAs to submit a revised PHA Plan that has met full public process requirements.

In response to the range of comments received, the Final Rule provides that PHAs must define the terms “Substantial Deviation” and “Significant Amendment or Modification” for themselves, by stating the basic criteria for such definition in an annual plan that has met full public process requirements, including Resident Advisory Board review (see Final Rule 903.7(r)(2)). *Neither January nor April PHAs will be required to include these descriptions in their first PHA Plans; however, they may wish to do so.* (Until a January or April PHA has met the requirement to define “significant amendment or modification,” in the PHA Plan, HUD will consider the following to be significant amendments or modifications:

- changes to rent or admissions policies or organization of the waiting list;
- additions of non-emergency work items (items not included in the current Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund;

- additions of new activities not included in the current PHDEP Plan;
- and any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements; such changes will not be considered significant amendments by HUD. The PHA Plan template issued pursuant to the Interim Rule does not include a space for the required definitions. Therefore, PHAs choosing to do so must submit these definitions as an attachment to the PHA Plan.

H. Certifications: HUD has revised the “PHA Certifications of Compliance with the PHA Plan and Related Regulations” form to encompass changes made between the interim and final rules. The revised form also streamlines the certification process by incorporating certifications to accompany the request for PHDEP funds. PHAs must now download the new 12/99 (December, 1999) version of this form from the HUD PHA Plans website and complete and submit this form to their local HUD field office.

PHAs that have previously submitted the July, 1999 (7/99) version of this form **are not required** to resubmit certifications on the 12/99 version **unless** they have included a PHDEP Plan with their PHA Plan. PHAs that have submitted a PHDEP Plan and a 7/99 version of the certification must submit the 12/99 version as soon as possible. HUD will initiate its review of the PHA Plan from such PHAs pending submission of the 12/99 version (provided that the submission is otherwise complete for review), but will not approve the PHA Plan in total until a properly executed 12/99 certification form has been received.

In addition, language has been added to remind PHAs that they must submit certain additional certifications (those regarding a drug-free workplace and restrictions on lobbying) along with the plan-specific PHA certifications in order to receive Federal funds (Capital Fund and PHDEP). Standard forms necessary for these certifications will be available from both the PHA Plans website and HUDClips.

I. Other: Changes in instruction language have been made to: reflect changes in required components of plans, reflect the use of the current PHA Plan template by April 1 PHAs, and instruct PHAs not to delete portions of the PHA Plan template as provided.

IV. Instructions

A. General

A(1). January and April PHAs:

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January and April PHAs must submit plans in compliance with the final rule. The Final Rule, at section 903.7, states that HUD will advise PHAs by notice of any additional instructions or directions necessary for the submission of their first plans. These PHAs are hereby instructed to use the PHA Plan template (50075) and Instructions and Supplemental Guidance for Preparation and Submission of PHA Plans that were transmitted as Attachment B to Notice PIH 99-33, as amended by Section IV B of this Notice PIH 99-51 (HA), to prepare and submit their plans. Where necessary, the guidance provides special instructions to PHAs that may have already submitted plans to HUD. These instructions apply only to the first PHA Plans (those due in FFY 2000) for these agencies. (For the convenience of readers, HUD will make the full text of Attachment B to Notice PIH 99-33, as amended by Notice PIH 99-51(HA), available on the HUD internet homepage.)

A(2). July and Subsequent PHAs

HUD will issue guidance, templates and certifications necessary for completion of Plans under the Final Rule for PHAs with fiscal years beginning on or after July 1, 2000 in a subsequent notice. HUD expects that the guidance, templates and certifications will remain substantially the same as those available for preparation of January and April PHA Plans. Therefore, these documents may be used for planning purposes.

B. Amendments to Notice PIH 99-33, Attachment B

The following sections of Notice PIH 99-33, Attachment B are hereby amended.

B(1). Changes to Overview

For the paragraph entitled “overview” replace the existing paragraph with the following:

“This guidance is designed to help PHAs prepare PHA Plans that meet the requirements specified in the October 21, 1999 *Public Housing Agency Plans; Final Rule*. The Final Rule is implemented at 24 CFR Part 903, which is referenced in this Technical Guidance. HUD has provided PHAs with an electronic template for the PHA Plans. This guidance provides instructions and supplemental guidance for creating and submitting the PHA Plan using that template.”

B(2). Changes to Section 1.3

Replace all text after the first paragraph under Section **1.3 Submission of PHA Plans** with the following:

“If a PHA cannot transmit the Plans electronically through the protocol specified by HUD, it may send an electronic copy of the template file on a floppy disk to HUD. However, this package must be accompanied by a certification that the PHA is unable to transmit the Plan electronically because the PHA does not have

access to the Internet at either the PHA or through other locally-available resources (such as a local library or a fee accountant).

The PHA Plan will not be considered ready for review until the following documents have been received at the relevant HUD field office or TARC:

- The electronic PHA Plans, including any attachments (HUD 50075) (whether via the Internet or mailed floppy disk)
- PHA Certifications of Compliance with the PHA Plans and Related Regulations (PHA Plan Certifications)
- State or Local Certification of Consistency with the Consolidated Plan

PHAs must submit hard (paper) copies of signed certification documents to the local HUD office or TARC. PHAs may also send hard copies of attachments that have not been incorporated into the text of the Plan/s in the template.

HUD has issued two versions of the “PHA Certifications of Compliance with the PHA Plans and Related Regulations.” The first version, issued in July, 1999 (7/99), has been superseded by the version issued in December, 1999 (12/99). The 12/99 version has been updated to reflect the final rule. Following the date of issuance of Notice PIH 99-51 (HA), PHAs must download and submit the 12/99 version of this certification form with the PHA Plan, except as provided below.

Special case: For the first plans from January PHAs, PHAs that have previously submitted the 7/99 version of the “PHA Certifications of Compliance with the PHA Plans and Related Regulations” form **are not required** to submit the 12/99 version of the certifications **unless** they have included a PHDEP Plan with their PHA Plan. PHAs that have submitted a PHDEP Plan as well as a 7/99 version of the certification must submit the 12/99 version as soon as possible. HUD will initiate its review of the PHA Plan from such PHAs pending submission of the 12/99 version, but will not approve the plan in total until a properly executed 12/99 certification form is received.”

(B)(3). Changes to Section 1.4

Replace the named section with the following:

“1.4 Due Date of Submission; Extension for January 1, 2000 and April 1, 2000 PHAs

As stated in the Final Rule, complete PHA Plans packages must be submitted to HUD 75 days in advance of the PHA fiscal year beginning.

Special Case: HUD has extended the due date for submission of PHA Plans for PHAs with fiscal years beginning on January 1, 2000 (“January PHAs”) and April 1, 2000 (“April PHAs”). The due date for submission of plans for January PHAs

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is January 31, 2000. January PHAs may submit plans between December 1, 1999 and January 31, 2000 at their option. The due date for submission of plans for April PHAs is February 29, 2000. April PHAs may submit plans between January 15, 2000 and February 29, 2000 at their option. PHA Plans for these PHAs must still address plans, policies and operations in effect for fiscal years beginning January 1, 2000 and April 1, 2000, respectively. This extension will only apply for PHA fiscal year 2000.”

(B)(4). Changes to Section 1.5

Replace the third paragraph under **Section 1.5 Public Display Requirements for the Plans and Supporting Documents with the following:**

“The Department recognizes that some PHAs with fiscal years beginning January 1, 2000 or April 1, 2000 may have substantially completed PHA Plans in conformance with the Interim Rule. PHAs will be considered to have met the requirements for public display of the PHA Plan provided that the PHA meets the following requirements: 1) the PHA has completed the PHA Plan (HUD 50075), made the PHA Plan and all supporting documents required by this Notice available for review and published a notice of their availability as soon as possible, 2) the PHA has distributed the PHA Plan (HUD 50075) to the Resident Advisory Board as soon as possible, and 3) the policies and programs referenced in previously-distributed plans are not materially different than that in the PHA Plan (50075), unless the relevant changes have been adopted to reflect changes to HUD regulatory requirements. PHAs exercising this option should keep documentation that they have met these requirements on file. This option is only available for PHA Plans due for submission to HUD for fiscal years beginning on January 1, 2000, or April 1, 2000.”

B(5) Changes to Section 3.1 General Instructions

At the end of the first paragraph under this section, add the following:

“PHAs should not delete any portion of the text of the PHA Plan template.”

B(6). Changes to Section 3.4 Requirements of Streamlined and Troubled Agency Plans

Replace the table included in this section with the following:

Components of the PHA Plan Requiring Full Submission, by Type of Plan				
Key: X = Full submission required; Lined = Omitted from streamlined submission				
Component	Streamlined Plans			Standard Plans
	High-Performing	Small	Section 8 only	
PHA Identification Page	X	X	X	X
5-Year Plan (24 CFR part 903.5 (all components))	X	X	X	X
Annual Plan (24 CFR Part 903.7)				
i Executive Summary				
ii Table of Contents	X	X	X	X
1. Housing Needs	X	X	X	X
2. Financial Resources	X	X	X	X
3. Policies on eligibility, selection and admissions	X	X	X	X
4. Rent Determination Policies	X	X	X	X
5. Operations and Management Policies			X	X
6. Grievance Procedures			X	X
7. Capital Improvement Needs	X	X		X
8. Demolition and Disposition	X	X		X
9. Designation of Housing				X
10. Conversions of Public Housing				X
11. Homeownership		Section 8 only	Section 8 only	X
12. Community Service Programs			X	X
13. Crime and Safety	PHDEP Plan only	PHDEP Plan only		X
14. Pets (<u>Inactive until final regulation issued</u>)	X	X		X
15. Civil Rights Certifications (included with PHA Plan Certifications)	X	X	X	X
16. Audit	X	X	X	X
17. Asset Management				X
18. Other Information	X	X	X	X
PHA Plan Certifications	X	X	X	X
Certification of Consistency with the Consolidated Plan	X	X	X	X

B(7). Changes to Section 4: Instructions for Completing the PHA Plans: Content

B(7)(a). Replace Section 4, ii Executive Summary with the following:

“ii. Executive Summary: An Executive Summary is not required. PHAs may provide an Executive Summary at their option, however.”

B(7)(b) Replace the paragraph under **Component 3: Policies Governing Eligibility, Admissions and Occupancy**, Subcomponent A. Public Housing, section (6) **Deconcentration and Income Mixing** with the following:

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“PHAs should not provide responses to section 6, Deconcentration and Income Mixing in the PHA Plan. If a PHA does respond to these questions, HUD will disregard these responses.”

PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations

B(7)(c). Replace **Component 7 Capital Improvement Needs**, 7A. Capital Fund Activities, section (2) with the following:

“(2) 5-year Action Plan

PHAs must submit a 5-year Capital Fund Action Plan. This 5-Year Action Plan must include the following information for each large capital item, whether by development or PHA-wide, planned for the 4 PHA fiscal years following the fiscal year covered by the Annual Statement: development name, development number, description of the item or activity, estimated cost and planned start date of each item, and total cost of all large capital items per development. “Large capital items” are defined as:

1. Any work item that is 10% or more of the PHA’s annual Capital Fund grant; or
2. Any work item that is \$1 million or more; except that, a PHA, regardless of its size or the dollar amount of the annual grant, is not required to report any work items that are less than \$25,000.

PHAs may include activities in addition to large capital items in the 5-Year Action Plan (e.g., management improvements) at their option. PHAs may also include information on the number of vacant units or percentage of vacancies in developments at their option, but this information is not required by HUD.

PHAs may complete this statement either by using the 5-Year Capital Fund Action Plan optional table provided at the end of the PHA Plan template or using any properly-updated (correctly identifying the Capital Fund as the grant program) electronic version of the HUD-52834. If used, the HUD-52834 form may be submitted as a separate attachment to the PHA Plan.

Special Case: PHAs with fiscal years beginning on January 1, 2000, or April 1, 2000, are not required to submit a 5-Year Action Plan for the Capital Fund in their first Plans. However, these PHAs are strongly encouraged to submit a 5-year Action Plan for the Capital Fund as good management practice. Providing the public with notification of a range of work items that may be completed with available funding over the next five years will also minimize the number of substantial deviations from

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planned activities that would necessitate additional public approval processes, and may facilitate early release of funds in future years by establishing approved work items for such years.”

B(7)(d). Replace Component 13. Safety and Crime Prevention Measures, Subcomponent D with the following:

“D. Additional information as required by PHDEP/PHDEP Plan.

General Guidance on PHDEP Plan Submissions:

In order to receive Public Housing Drug Elimination Program (PHDEP) formula funds for Federal Fiscal Year (FFY) 2000 and thereafter, PHAs must submit a PHDEP Plan with the PHA Annual Plan. PHDEP Plans must provide the information specified in 24 CFR part 761.21 (as reflected in the PHDEP Final Rule, published September 14, 1999), in a format specified and provided by HUD. HUD is providing the required format for the PHDEP Plan as a template file made available on the PHA Plans website (mentioned previously in this notice). This template file must be submitted as an attachment to the PHA Plan.

PHAs may use a reasonable estimate of anticipated funds if formula allocations are not known during plan formulation. For FFY 2000 funding under this section, PHAs should base estimates on the same amount of funding received in FFY 1999.

Special Case: PHAs with fiscal years beginning on January 1, 2000.

PHAs with fiscal years beginning on January 1, 2000 are encouraged, but not required, to include the PHDEP Plan in their first PHA Plan. These PHAs may meet their PHDEP requirements in one of two ways: 1) submit a PHDEP Plan with this PHA Plan or 2) submit a PHDEP Plan in accordance with 24 CFR Part 761.21 and the HUD-provided format by April 1, 2000. For purposes of this FFY 2000 submission, PHA submissions of a PHDEP Plan by these PHAs will not constitute a substantial amendment of the PHA Plan.

A PHA that chooses to submit a PHDEP Plan **with** its FY 2000 PHA Plan may prepare such PHDEP Plans according to the guidelines specified in *Section III, Submission Requirements* of the May 12, 1999 Federal Register Notice *Withdrawing and Reissuing FY 1999 Notice of Funding Availability for the Public Housing Drug Elimination Program*, or use the PHDEP Plan template provided by HUD. Whether using the HUD-provided template or an alternative format, PHAs must submit the certifications referenced in section 4 of the PHDEP template instructions,

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below. (As mentioned in section 1.3 of this Notice, January PHAs that have submitted a previous version (7/99) of this certifications form, must submit the 12/99 version of the certifications as soon as possible so that their submission can be considered complete for purposes of approval of the PHA Plan.)

Specific instructions for completing the PHDEP Plan (in addition to those provided in the PHDEP Plan template):

This PHDEP template is provided as an 8 1/2" x 11" "portrait" document—a format conducive to viewing on the web. At the PHA's option, this template may be converted to a "landscape" version during completion so that certain tables can be widened. However, when converted to a PDF version on the web, such plans will be displayed in landscape.

Section 1: General Information / History

- A. If the actual amount of the grant is unknown, the PHA may estimate the amount of the grant award based on FY1999 final award.
- B. The applicant type should be based on eligibility status identified in the Final Rule, September 14, 1999.

Section 3: Expenditures /Obligation Milestones

Under the final formula allocation rule, a 'HA must obligate and expend funds in compliance with all funding notifications, regulations, notices, and grant agreements. In addition, the HA must obligate at least 50 percent of funds under a particular grant within 12 months of the execution of the grant agreement, and must expend at least 25 percent of funds under a particular grant within 12 months of the execution of the grant agreement.'

This section indicates how the PHA plans to comply with the regulatory requirement to obligate 50 percent of the total grant within 12 months of execution and expend 25 percent of the total grant within 12 months of execution. Your plan must indicate on what activities you will expend and obligate, 25% and 50%, of PHDEP funds, respectively, by budget line item.

Section 4: Certifications

A comprehensive certification of compliance with respect to the PHDEP Plan submission is included in the 12/99 version of the "PHA Certifications of Compliance with the PHA Plan and Related

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Regulations.” This certification includes an assurance that the PHA will maintain and have available for review/inspection (at all times), records or documentation regarding: baseline law enforcement services; consortium agreement/s under 24 CFR 761.15; partnership agreements and services; coordination with other law enforcement efforts; agreement(s) with local law enforcement agencies; and crime statistics.

Each of these items is a supporting document for the PHA Plan, and must be made available accordingly.”

B(7)(e). After the end of Section 4, component 18 and before the section entitled “Table Library”, insert the following:

“19. Definition of “Substantial Deviation” and “Significant Amendment or Modification” [903.7(r)]:

PHAs must define the terms “Substantial Deviation” and “Significant Amendment or Modification” by stating the basic criteria for such definitions in an annual plan that has met full public process and RAB review (see Final Rule 903.7(r)(2)). Neither January nor April PHAs will be required to include these descriptions in their first PHA Plans; however, they may wish to do so.

Until the PHA has met the requirement to define “significant amendment or modification,” HUD will consider the following actions to be significant amendments or modifications:

- changes to rent or admissions policies or organization of the waiting list;
- additions of non-emergency work items (items not included in the current Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds under the Capital Fund;
- additions of new activities not included in the current PHDEP Plan; and
- any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements; such changes will not be considered significant amendments by HUD.

The PHA Plan template issued pursuant to the Interim Rule does not include a space for such definitions. Therefore, PHAs choosing to do so must submit these definitions as an attachment to the PHA Plan.

B(8) Changes to **SECTION 5 CERTIFICATIONS**

Add the following to the end of Section 5:

“Additional Certifications Necessary for the Receipt of Grant Funds

In order to receive federal funds under the Capital Fund and PHDEP grant programs, PHAs must complete and submit certain certifications in addition to the “PHA Certifications of Compliance with the PHA Plans and Related Regulations” (PHA Plan Certifications) and “State or Local Certification of Consistency with the Consolidated Plan.” These include certifications with regard to a drug-free workplace and restrictions on lobbying. PHAs should submit signed, original copies of all applicable certifications and disclosure forms by mail to the local HUD office.

For receipt of Federal Fiscal Year (FFY) 2000 funds, PHAs must provide the following certifications:

- Form HUD-50070, Certification for a Drug-Free Workplace
- Form HUD-50071, Certification of Payments to Influence Federal Transactions
- Standard Form SF-LLL and SF-LLLa, Disclosure of Lobbying Activities (where applicable)

/s/

Harold Lucas, Assistant Secretary
for Public and Indian Housing