

Fact Sheet

RAD-Specific Significant Amendment to the PHA Plans

The Anniston Housing Authority is amending its Annual Plan, ACOP, HCV Administration Plan and/or 5 year PHA Plan because it was a successful applicant in the U.S. Department of Housing and Urban Development's (HUD) Rental Assistance Demonstration (RAD) program. Presently, the Authority will be converting four public housing communities to the RAD program. Conversion of assistance under RAD is considered a Significant Amendment to the Authority's Annual/5 year Plan.

Key Points of RAD Conversion

Right to Return. Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved 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.

No Re-screening of Tenants upon Conversion. At conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit.

Under-Occupied Unit. If a family is in an under-occupied at the time of conversion, the family may remain in this unit until an appropriate-sized unit become 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.

Renewal of Lease. The PHA will renew all leases upon lease expiration.

Phase-in of Tenant Rent Increases. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years.

Public Housing Family Self Sufficiency (PH FSS). Public Housing residents that are current FSS participants will continue to be eligible for FSS.

Grievance Process. The hearing procedures for Project Based Voucher (PBV) and PBV clients converted under RAD are outlined in of the Anniston Housing Authority HCV Administrative Plan.

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.

RAD-Specific Significant Amendment to the PHA Plan
Public Hearing: May 30th, 2019 at 3:00 pm
500 Glen Addie Avenue
Anniston, Al 36201

Narrative

The Anniston Housing Authority is amending its Annual PHA Plan and/or 5 year PHA Plan because it was a successful applicant in the U.S. Department of Housing and Urban Development’s (HUD) Rental Assistance Demonstration (RAD) program. Presently, the Authority will be converting public housing units described below to RAD Project Based Voucher assisted units under the guidelines of PIH Notice 2012-32 (HA), REV-3 (Issued January 12, 2017) and any successor Notices. Conversion of assistance under RAD is considered a Significant Amendment to the Authority’s Annual and/or Five Year Plan.

Upon conversion to RAD Project Based Vouchers, the Authority will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6 of PIH Notice 2012-32 (HA), REV-3, Attachment 1B of the Notice and the Joint Housing/PIH Notice H-2014-09/PIH-2014-17. These resident rights, participation, waiting list and grievance procedures are further listed below.

Additionally, the Authority is currently compliant with all fair housing and civil rights requirements. This RAD conversion complies with all applicable site selection and neighborhood reviews standards and all appropriate procedures have been followed.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing the Authority 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 the Authority may also borrow funds to address their capital needs. The Authority currently does not have debt under an Energy Performance Contract.

1. A description of the units to be converted.

AMP	Sites	Type	0BR	1BR	2BR	3BR	4BR	5BR	Total
AL004000003A	Barber Terrace	Family	0	12	22	22	4	0	60
AL004000003B	Tinsley Manor	Family	0	4	16	4	0	0	24
AL004000001B	Washington Homes	Family	0	4	17	21	5	0	47
AL004000001A	Parkwin Homes.	Family	0	6	19	21	5	2	53

2. Any change in the number of units that is proposed as part of the conversion.
 - a. De minimis unit reductions – *none*.
 - b. Unit reductions that are exempt from the de minimis cap – *none*.
 - c. Any change in the bedroom distribution of units that is proposed as part of the conversion – Barber Terrace- see the following chart

Conversion change to Barber Terrace only:

AMP	Sites	Type	0BR	1BR	2BR	3BR	4BR	5BR	Total
AL004000003A	Barber Terrace	Family	0	12	22	22	4	0	60

New unit mix:

AMP	Sites	Type	0BR	1BR	2BR	3BR	4BR	5BR	Total
AL004000003A	Barber Terrace	Family	0	18	24	16	2	0	60

3. Changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted.

Converting to Project Based Vouchers (PBV). Currently used waiting list preferences used for public housing will continue for all covered projects. Resident Rights and Participation, Tenant Protections for residents stated in Section 1.6, Attachment 1B of this RAD Notice Revision 3 and the Joint Housing/PIH Notice H-2014-09/ PIH2014-17 will all be adhered to.

Specifically:

1. **Right to Return.** Any resident that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. 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 reduction of units, or the reconfiguration of apartments. 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. Residents of a development undergoing conversion of assistance may voluntarily accept a PHA or Owner’s offer to permanently relocate to another assisted unit or other suitable housing, and thereby waive their right to return to the development after rehabilitation or construction is completed.

2. **No Re-screening of Tenants upon Conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.

3. **Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR 983.259 at the time of conversion, the family may remain in this unit until an appropriate-sized unit become available in the covered Project. When an appropriate sized unit becomes available in the covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the covered Project, 24 CFR 983.259 is waived.

4. Renewal of Lease. Under current regulations at 24 CFR § 983.257(b)(3), the PHA must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated by the PBV owner into the tenant lease or tenancy addendum, as appropriate.

5. Phase-in of Tenant Rent Increases. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is waiving section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) only to the extent necessary to allow for the phase-in of tenant rent increases. 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. For example, a PHA may create a policy that uses a three year phase-in for smaller increases in rent and a five year phase-in for larger increases in rent. This policy must be in place at conversion and may not be modified after conversion.

Anniston Housing Authority Policy: If the tenant's monthly rent increases more than 10% or \$25, whichever is greater, a three (3) year phase in will be implemented according to the Three Year Phase in scheduled below.

The method below explains the set percentage-based phase-in an owner must follow according to the phase-in period established. For purposes of this section "standard TTP" refers to the TTP calculated in accordance with regulations at 24 CFR §5.628 and the "most recently paid TTP" refers to the TTP recorded on line 9j of the family's most recent HUD Form 50058.

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 and the standard TTP

Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 66% of difference between most recently paid TTP and the standard TTP

Year 3: Year 3 AR and all subsequent recertifications – Full standard TTP.

6. Public Housing Family Self Sufficiency (PH FSS). Public Housing residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and PHAs will be allowed to use any PH FSS funds, to serve those FSS participants who live in units converted by RAD. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the FY15 Appropriations Act), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that there are certain FSS requirements (e.g. escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR Part 984, and participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29,

2014, at 79 FR 78100. Further, upon conversion to PBV, already escrowed funds for FSS participants shall be transferred into the HCV escrow account and be considered Tenant Based Rental Assistance (TBRA) funds, thus reverting to the HAP account if forfeited by the FSS participant.

7. Resident Participation and Funding. Residents of covered projects with converted PBV assistance will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding.

8. Resident Procedural Rights. The following items must be incorporated into both the Section 8 Administrative Plan and the Project Owner's lease, which includes the required tenancy addendum, as appropriate. Evidence of such incorporation may be requested by HUD for purposes of monitoring the program.

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 Project owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

- i. A reasonable period of time, but not to exceed 30 days:
 - a. If the health or safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - b. In the event of any drug-related or violent criminal activity or any felony conviction;
- ii. 14 days in the case of nonpayment of rent; and
- iii. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
- iv. 3 day Expedited Lease Termination: If the health or safety of other residents, AHA employees, or persons residing in immediate vicinity of the premises is threatened; or if any member of the household has engaged in any drug related criminal or violent criminal activity; or if any member of the household has been convicted of a felony, AHA shall give the resident three (3) day's written notice of termination of tenancy.

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

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

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(vi), an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project owner action in accordance with the individual's lease or the contract administrator in accordance with RAD PBV requirements that adversely affect the resident's rights, obligations, welfare, or status.
 - a. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
 - b. For any additional hearings required under RAD, the Project 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 Project Owner or contract administrator.
- iii. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside of the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
- iv. The Project Owner provides opportunity for an informal hearing before an eviction. Current PBV program rules require that hearing procedures must be outlined in the PHA's Section 8 Administrative Plan.

Anniston Housing Authority Policy: The hearing procedures for PBV and PBV clients converted under RAD are outlined in the Anniston Housing Authority HCV Administrative Plan.

- 9. 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 above; instead, the rent will automatically rise to the appropriate rent level based upon tenant income at that time.

Under the Housing Choice Voucher program, the EID exclusion is limited to only persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in section 5.617(b) limiting EID to only disabled persons is waived. The waiver and resulting alternative requirement only applies to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion (e.g., due to loss of employment); tenants that move into the property following conversion, etc.,) is covered by this waiver.

10. Jobs Plus. *Not Applicable*

- 11. When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may only select an occupied unit to be included under the PBV HAP contract if the unit's occupants are eligible for housing assistance payments (24 CFR § 983.53(d)). Also a PHA

must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent)) (24 CFR § 983.258). Since the rent limitation may often result in a family's TTP equaling or exceeding the gross rent for the unit, for current residents (i.e. residents living in the public housing property prior to conversion), HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that the rent to owner for the unit equal the family's TTP until such time that the family is eligible for a housing assistance payment. HUD is waiving as necessary to implement this alternative provision, the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR 983.301 as modified by PIH Notice 2012-32, REV-2. In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP contract. Assistance may subsequently be reinstated if the tenant becomes eligible for assistance.

Following conversion, 24 CFR § 983.53(d) applies, and any new families referred to the RAD PBV project must be initially eligible for a HAP payment at admission to the program, which means their TTP may not exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP come to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has vacated the property; and, if the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR § 983.207 or, where "floating" units have been permitted.

12. Transfer of Assistance. *Not applicable*

Transfer of assistance at the time of conversion – *none*.

13. Impact on existing voluntary compliance agreements, consent orders or consent decrees or final judicial rulings or administrative rulings or decisions - *none exist*.

14. RAD conversion compliance with all applicable site selection and neighborhood reviews standards and procedures.

15. All applicable site selection and neighborhood reviews standards and procedures have been followed.

16. Moving To Work Requirements – *not applicable*.

17. Additionally, in accordance with 24 CFR Part 903, a PHA must perform the following actions in regards to their Capital Funds:

The PHA shall notify the public that the current and future Capital Fund Program Grants Budgets, will be reduced as a result of any projects converting to RAD.

- a. The Anniston Housing Authority receives approximately \$1,600,000.00 annually from HUD from the Capital Fund Program. A decrease in the Capital Fund Program will continue due to the term limit on receiving proration for Cooper Homes and the RAD conversion reduction. Capital Fund Program Grants will no longer be available for the converted sites. The Anniston Housing Authority will fund replacement reserve accounts out of proceeds from contract rents.

- b. Additionally, the Anniston Housing Authority does not have an existing Energy Performance Contract (EPC) for the converting projects.

18. All other required information and certifications necessary to submit a Significant Amendment to the PHA Plan, including Resident Advisory Board comments and responses, challenged elements, and all required certifications.

This submission will include the following:

- Comments from the Resident Advisory Board
- Public Comments and Challenged elements
- Responses
- Required Certifications