

Amendment to the Annual PHA Plan for Fiscal Year 2015



Shola Olatoye
Chair & Chief Executive Officer

Date: June 26, 2015

NOTICE

New York City Housing Authority Proposed Amendment to the Agency Plan for FY 2015 and the Draft Agency Annual Plan for FY 2016

AVAILABILITY OF THE DRAFT AGENCY ANNUAL PLAN FOR PUBLIC INSPECTION

The public is advised that the *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Agency Annual Plan for FY 2016* will be available for public inspection at NYCHA’s principal office, located at 250 Broadway, New York, NY, starting June 26, 2015 between the hours of 9:30 a.m. to 4:30 p.m. Please call (212) 306-3701 to make an appointment to review the *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Agency Annual Plan for FY 2016* and supporting documents. The *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Agency Annual Plan for FY 2016* will also be available at the following locations:

- On NYCHA’s webpage, which is located on <http://www.nyc.gov/nycha>
- At the Management Office of *each* NYCHA public housing development during regular business hours.
- At the Community Centers/Borough Offices listed below during the hours of 9:00 am to 7:30 pm:

Manhattanville Community Center 530 West 133rd Street New York, New York Taft Senior Center 1365 5th Avenue New York, New York Sedgwick Community Center 1553 University Avenue Bronx, New York	Soundview Community Center 1674 Seward Avenue Bronx, New York Queens Community Operations Borough Office 70-30 Parsons Boulevard Flushing , New York	Staten Island Community Operations Borough Office 126 Lamport Avenue Staten Island, New York Brownsville Senior Center 528 Mother Gaston Boulevard Brooklyn, New York
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PUBLIC COMMENT

The public is invited to attend any of the five scheduled town hall discussions at which the public may raise questions regarding the *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Annual Plan for FY 2016*. These discussions will be held from 6:00 pm to 8:00 pm on the dates and locations shown below **unless noted otherwise**.

Thursday, July 9, 2015		Thursday, July 16, 2015	
<i>Brooklyn</i> St. Francis College 180 Remsen Street Brooklyn, New York 11201		<i>Queens</i> Joint Industry Board 158-11 Jewel Avenue Flushing, New York 11365	
Monday, July 20, 2015	Wednesday, July 22, 2015	Monday, July 27, 2015	
Staten Island Gerard Carter Community Center 230 Broad Street Staten Island, New York 10304	<i>Bronx</i> Cardinal Hayes High School 650 Grand Concourse Bronx, New York 10451	<i>Manhattan</i> Borough of Manhattan Community College, 199 Chambers Street, New York, NY 10007	

The public is also invited to comment on the *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Annual Agency Plan for FY 2016* at a public hearing to be held on August 11, 2015 from 5:30 p.m. to 8:00 p.m. at:

Pace University - Schimmel Center for the Arts
3 Spruce Street
New York, New York 10038

Each location listed above is both handicapped accessible and can be reached using public transportation. For transportation information go to <http://tripplanner.mta.info> or call the MTA/NYC Transit Travel Information Line (718) 330-1234.

Written comments regarding the *Proposed Amendment to the FY 2015 Agency Annual Plan* and the *Draft Annual Agency Plan for FY 2016* are encouraged. To be considered, **submissions must be received via United States Postal mail or fax no later than August 30, 2015**. Faxed submissions will be accepted at (212) 306-7905. Comments may be sent to the following address and comments may also be emailed to annualplancomments@nycha.nyc.gov.

**Public Housing Agency Plan Comments
Church Street Station
P.O. Box 3422
New York, New York 10008-3422**

Bill de Blasio, Mayor

Shola Olatoye, Chair and Chief Executive Officer

AVISO

Enmienda propuesta al Plan de la Agencia para el año fiscal 2015 y el Borrador del Plan de la Agencia para el año fiscal 2016 de la Autoridad de Vivienda de la Ciudad de Nueva York

DISPONIBILIDAD DEL BORRADOR DEL PLAN DE LA AGENCIA PARA SU INSPECCIÓN PÚBLICA

Se anuncia al público que la *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual de la Agencia para el año fiscal 2016* estarán disponibles para su inspección pública en la oficina central de NYCHA ubicada en 250 Broadway, New York, NY, a partir del 26 de junio de 2015 entre las 9:30 a.m. y las 4:30 p.m. Si desea concertar una cita para revisar la *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual de la Agencia para el año fiscal 2016* y los documentos de respaldo, llame al (212) 306-3701. La *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual de la Agencia para el año fiscal 2016* también se encontrarán disponibles en los siguientes lugares:

- En el sitio de NYCHA en Internet, que se encuentra en <http://www.nycha.gov/nycha>
- En la oficina de la administración de cada residencial de vivienda pública de NYCHA durante el horario de oficina.
- En los centros comunitarios/oficinas municipales que se enumeran a continuación en el horario de 9:00 a.m. a 7:30 p.m.:

<p>Centro Comunitario de Manhattanville 530 West 133rd Street Nueva York, Nueva York</p> <p>Taft Senior Center 1365 5th Avenue Nueva York, Nueva York</p> <p>Centro Comunitario de Sedgwick 1553 University Avenue Bronx, New York</p>	<p>Centro Comunitario de Soundview 1674 Seward Avenue Bronx, New York</p> <p>Operaciones Comunitarias de Queens Oficina Municipal 70-30 Parsons Boulevard Flushing, New York</p>	<p>Operaciones Comunitarias de Staten Island Oficina Municipal 126 Lamport Avenue Staten Island, New York</p> <p>Centro para la Tercera Edad de Brownsville 528 Mother Gaston Boulevard Brooklyn, New York</p>
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COMENTARIO PÚBLICO

El público está invitado a participar de cualquiera de las cinco asambleas públicas en las cuales se podrán realizar preguntas acerca de la *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual para el año fiscal 2016*. Estas asambleas se llevarán a cabo entre las 6:00 p.m. y las 8:30 p.m. en las fechas y localidades que se muestran a continuación, **a menos que se indique lo contrario**.

Jueves 9 de julio de 2015		Jueves 16 de julio de 2015	
<i>Brooklyn</i> St. Francis College 180 Remsen Street Brooklyn, New York 11201		<i>Queens</i> Joint Industry Board 158-11 Jewel Avenue Flushing, New York 11365	
Lunes 20 de julio de 2015	Miércoles 22 de julio de 2015	Lunes 27 de julio de 2015	
<i>Staten Island</i> Centro Comunitario Gerard Carter 230 Broad Street New York, New York 10304	<i>Bronx</i> Cardinal Hayes High School 650 Grand Concourse Bronx, New York 10451	<i>Manhattan:</i> Borough of Manhattan Community College, 199 Chambers Street, New York, NY 10007	

También invitamos al público a expresar sus comentarios acerca de la *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual de la Agencia para el año fiscal 2016* durante una audiencia pública que se celebrará el **11 de agosto de 2015** entre las 5:30 p.m. y las 8:00 p.m. en:

Pace University - Schimmel Center for the Arts
3 Spruce Street
New York, New York 10038

Todas las localidades que se mencionan anteriormente son accesibles para personas con limitaciones físicas y se puede llegar a ellas utilizando transporte público. Si desea obtener información acerca de opciones de transporte dirjase a <http://tripplanner.mta.info> o llame a la línea de información sobre transporte público de la MTA/NYC al (718) 330-1234.

Alentamos la presentación de comentarios escritos sobre la *Enmienda propuesta al Plan Anual de la Agencia para el año fiscal 2015 y el Borrador del Plan Anual de la Agencia para el año fiscal 2016*. Para que se los tome en consideración, **los comentarios deben recibirse mediante correo postal de los Estados Unidos o fax a más tardar el 30 de agosto de 2015**. Los comentarios escritos pueden enviarse por fax al (212) 306-7905. Los comentarios pueden enviarse a la dirección que aparece a continuación y también pueden enviarse por correo electrónico a annualplancomments@nycha.nyc.gov.

Public Housing Agency Plan Comments
Church Street Station
P.O. Box 3422
New York, New York 10008-3422

Bill de Blasio, Alcalde

Shola Olatoye, Presidenta y Primera Ejecutiva



ANNUAL PLAN MEETINGS



Join the conversation and get informed on issues impacting your home and community.

Highlights of the meeting presentation can be found at on.nyc.gov/nycha-fy16

Public Hearing

Tuesday, August 11, 2015

5:30 p.m. to 8:00 p.m.

Pace University

Michael Schimmel Theater

3 Spruce Street (near Gold Street)

New York, NY 10038

A translation of this document is available in your management office and online at www.nyc.gov/nycha

La traducción de este documento está disponible en su oficina de administración y en Internet en www.nyc.gov/nycha

所居公房管理處和房屋局網站 (網址: www.nyc.gov/nycha) 備有文件譯本可供索取

Перевод этого документа находится в Вашем домоуправлении и на интернете www.nyc.gov/nycha

Covering:

NYCHA's Draft FY 2016 Annual Plan and Amendment to FY 2015 Annual Plan

All Town Hall Discussions take place 6–8 pm.

Brooklyn

Thursday, July 9, 2015

St. Francis College

180 Remsen St.

Brooklyn, NY 11201

Queens

Thursday, July 16, 2015

Joint Industry Board

158-11 Jewel Ave.

Flushing, NY 11365

Staten Island

Monday, July 20, 2015

Gerard Carter Community Center at

Stapleton Houses

230 Broad Street

Staten Island, NY 10304

Bronx

Wednesday, July 22, 2015

Cardinal Hayes High School

650 Grand Concourse

Bronx, NY 10451

Manhattan

Tuesday, July 28, 2015

Borough of Manhattan Community

College

199 Chambers Street

New York, NY 10007



REUNIONES DEL PLAN ANUAL



Participe en la conversación e infórmese sobre los asuntos que afectan a su hogar y comunidad.

La información más destacada que se presentará en la reunión está en on.nyc.gov/nycha-fy16

Audiencia pública

**Martes, 11 de agosto de 2015
de 5:30 p.m. a 8:00 p.m.**

**Pace University
Michael Schimmel Theater
3 Spruce Street (cerca de Gold Street)
New York, NY 10038**

Tema:

Borrador del Plan Anual de NYCHA para el año fiscal 2016 y Enmienda al Plan Anual para el año fiscal 2015

Todas las asambleas se celebrarán de 6:00 a 8:00 p.m.

Brooklyn

**Jueves 9 de julio de 2015
St. Francis College
180 Remsen St.
Brooklyn, NY 11201**

Queens

**Jueves 16 de julio de 2015
Joint Industry Board
158-11 Jewel Ave.
Flushing, NY 11365**

Staten Island

**Lunes 20 de julio de 2015
Centro Comunitario Gerard Carter en
Stapleton Houses
230 Broad Street
Staten Island, NY 10304**

Bronx

**Miércoles 22 de julio de 2015
Cardinal Hayes High School
650 Grand Concourse
Bronx, NY 10451**

Manhattan

**Jueves 28 de julio de 2015
Borough of Manhattan
Community College
199 Chambers Street
New York, NY 10007**

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Executive Summary

NYCHA's Proposed Amendment to the Annual Agency Plan for FY 2015

Federal law allows a public housing authority to modify or amend its Annual Agency Plan or "Plan." Significant amendments to the Plan are subject to the same requirements as the original plan.

The New York City Housing Authority (NYCHA) is amending its Annual Agency Plan for Fiscal Year 2015 and its Five Year Agency Plan for Fiscal Years 2015-2019 because it was a successful applicant in the Rental Assistance Demonstration (RAD) for the Ocean Bay Bayside development. As a result, NYCHA will be converting public housing subsidies to Project Based Vouchers (PBV) at Ocean Bay Bayside under the guidelines of PIH Notice 2012-32, REV-2 (Notice) and any successor Notices. Upon conversion to PBVs, NYCHA will adopt at a minimum the resident rights, participation, waiting list and grievance procedures per the RAD program and outlined in this Amendment. Additionally, NYCHA complies with all fair housing and civil rights requirements. RAD conversion at Ocean Bay Bayside will not have a negative impact on NYCHA's compliance with existing voluntary compliance agreements or consent decrees.

NYCHA's Proposed Amendment to the Annual Agency Plan for FY 2015 is available for public review at NYCHA's Central Office and at each development's management office, as well as on NYCHA's web page (www.nyc.gov/nycha). NYCHA also provided a copy of the Proposed Amendment to each public housing Resident Association President.

NYCHA held a town hall meeting with the residents of Ocean Bay (Bayside) and the public on June 24, 2015 and will hold five additional town hall meetings in July in each borough and a public hearing at Pace University in Manhattan on August 11, 2015. NYCHA will accept written comments on the Proposed Amendment at its post office box and by fax and email through August 30, 2015. Please see the Notice on page 2. NYCHA met with the Resident Advisory Board ("RAB") members for their comments on May 21, 2015 and will meet again before the Amendment is submitted to the United States Department of Housing and Urban Development (HUD) for approval.

NYCHA's Proposed Amendment will be submitted to HUD by October 19, 2015.

NextGeneration NYCHA- Rental Assistance Demonstration (RAD) Program

In 2013, NYCHA started the process of meeting with residents and community members to discuss ways we could renovate, repair, and improve the quality of life at the Ocean Bay (Bayside) development through the Rental Assistance Demonstration (RAD) program—a U.S. Department of Housing and Urban Development (HUD) program that enables NYCHA to generate funds from the Low Income Housing Tax Credit Program and a bank loan to reinvest back into Bayside and other developments by leveraging the Section 8 program.

In May 2015, we were excited to announce NextGeneration (NextGen) NYCHA—our 10-year strategic plan to improve the way NYCHA is funded, operates, rebuilds and engages with residents. As NYCHA faces its worst financial crisis in our history, NextGen provides a financial roadmap to deliver NYCHA residents the housing and services they have long deserved, while sustaining New York City public housing for the long term. An important strategy included in the NextGen plan is the pilot of RAD at the Ocean Bay (Bayside) development, which will generate much-needed funds for maintenance and repairs.

NYCHA is committed to preserving public housing. Ocean Bay (Bayside) Apartments has 1,389 apartments in 24 buildings. These buildings are over 50 years old. NYCHA needs \$161 million to make capital improvements

over the next 15 years. NYCHA does not receive sufficient, reliable funding to make these necessary capital improvements. RAD will benefit the residents of Ocean Bay (Bayside) by ensuring that their homes will be fully rehabilitated, improved and brought up to modern standards and conditions.

- **RAD program goals as part of NextGen NYCHA:**
 - Safeguard long-term housing affordability
 - Improve and modernize properties
 - Stabilize developments by placing them on solid financial footing
 - Safeguard your Rights

- **The benefits include:**
 - Fully rehabilitate Ocean Bay (Bayside)
 - Shift to the Section 8 federal funding source which will allow NYCHA to raise capital
 - Ensuring permanent affordability
 - Residents will not pay more than 30 percent of their household income for rent
 - Continuing resident programming (Tenant Participation Activity funds)
 - Provide you with mobility option after transition

I- Rental Assistance Demonstration (RAD) at Ocean Bay (Bayside)

The Rental Assistance Demonstration (RAD) is a voluntary program administered by the United States Department of Housing and Urban Development (HUD). The goals of RAD are to safeguard long-term housing assistance, improve and modernize properties and stabilize developments by placing them on solid financial footing. Ocean Bay (Bayside) Apartments has 1,389 apartments in 24 buildings that are over 50 years old. The RAD program will help address significant capital needs at Ocean Bay (Bayside) which are estimated to be \$161 million over the next 15 years.

Below, please find specific information related to the Public Housing Development(s) selected for RAD:

Name of Public Housing Development:	PIC Development ID:	Conversion type (i.e., PBV or PBRA):	Transfer of Assistance: (if yes, please put the location if known, and # of units transferring)
Ocean Bay Bayside	NY005010980	PBV	No
Total Units:	Pre- RAD Unit Type (i.e., Family, Senior, etc.):	Post-RAD Unit Type if different (i.e., Family, Senior, etc.)	Capital Fund allocation of Development: (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
1,389	Family	Family	\$306,356,088 / 178,446 x 1,389 = \$2,384,635
Bedroom Type	Number of Units Pre-Conversion	Number of Units Post-Conversion	Change in Number of Units per Bedroom Type and Why (De Minimis Reduction, Transfer of Assistance, Unit Reconfigurations, etc.)
Studio/Efficiency	40		TBD
One Bedroom	215		
Two Bedroom	592		
Three Bedroom	402		
Four Bedroom	126		
Five Bedroom	14		
Six Bedroom			
(If performing a Transfer of Assistance):	(Explain how transferring waiting list) N/A		

II - Resident Rights, Participation, Waiting List and Grievance Procedures PBV Resident Rights and Participation

1. 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.

2. Right to Return. Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to an assisted unit at the development once rehabilitation or construction is completed. Where the transfer of assistance to a new site is warranted and approved, residents of the converting development will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete. Residents of a development undergoing conversion of assistance may voluntarily accept an offer to permanently relocate to another assisted unit, and thereby waive their right to return to the development after rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project's conversion of assistance.

3. Renewal of Lease. Under RAD, the owner must renew all leases upon lease expiration, unless cause exists. This provision must be incorporated into the tenant lease or tenancy addendum, as appropriate.

4. Phase-in of Tenant Rent Increases. If a tenant's monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years. NYCHA 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, NYCHA 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.

5. Public Housing Family Self Sufficiency (PH-FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs. NYCHA does not have PH-FSS participants but residents will be able to enter into the Housing Choice Voucher (HCV) FSS program after conversion. Current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their housing is converted under RAD. However, once the property is converted, it will no longer be eligible to be counted towards the unit count for future public housing ROSS-SC grants, nor will its residents be eligible to be served by future public housing ROSS-SC grants. Currently, the Ocean Bay Community Development Corporation is a recipient of a ROSS-SC grant and serves the Ocean Bay Consolidation. Since the services that the coordinators provide are not funded solely by the ROSS-SC grant, NYCHA will allow the Ocean Bay Bayside residents to continue to access these services. Additionally, NYCHA will request a waiver from HUD to allow these units to continue to be counted towards the unit count for future grants.

6. Resident Participation and Funding. In accordance with Attachment 1B.2 of the Notice, Residents of Ocean Bay (Bayside) 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. The owner must provide \$25 per occupied unit annually for resident participation, of which at least \$15 per occupied

unit shall be provided to a legitimate tenant organization at the covered property. These funds must be used for resident education, organizing around tenancy issues and training activities.

7. Resident Procedural Rights. At a minimum, 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 U.S. Housing Act of 1937 as may be amended (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, the termination procedure at a minimum for RAD conversions to PBV will require that the owner 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:
 - If the health or safety of other tenants, the owner's employees, or persons residing in the immediate vicinity of the premises is threatened; or
 - In the event of any drug-related or violent criminal activity or any felony conviction;
- ii.** 14 days in the case of nonpayment of rent; and
- ii.** 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.

b. Grievance Process. HUD is incorporating additional procedural rights to comply with the requirements of section 6 of the Act.

For issues related to tenancy and termination of assistance, PBV program rules require the 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, and 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),¹ an opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to an 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.
 - For any hearing required under 24 CFR § 982.555(a)(1)(i)-(vi), NYCHA as 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).
 - For any additional hearings required under RAD, the owner will perform the hearing.

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

- ii. An informal hearing will not be required for class grievances or for 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.

8. 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 of the Notice; 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.

9. Jobs Plus. Jobs Plus grantees awarded FY 2014 and future funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance at that site unless significant re-location and/or change in building occupancy is planned. If either is planned at the Jobs Plus target project(s), HUD may allow for a modification of the Jobs Plus work plan or may, at the HUD Secretary's discretion, choose to end the Jobs Plus program at that project.

10. When Total Tenant Payment Exceeds Gross Rent. Under normal PBV rules, NYCHA 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. Also, NYCHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's total tenant payment (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). Since the rent limitation under this Section of the Notice 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 than 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 Section 1.6.B.5 of this Notice.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, 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 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 NYCHA must reinstate the unit after the family has vacated the property.

11. Under-Occupied Unit. If a family is in an under-occupied unit at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available. When an appropriate sized unit becomes available, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time.

III - PBV: Other Miscellaneous Provisions

1. Access to Records, Including Requests for Information Related to Evaluation of Demonstration. NYCHA agrees to provide to HUD, upon a reasonable request, data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility Voucher utilization, and rehabilitation work.

2. Additional Monitoring Requirement. NYCHA's Board must approve the operating budget for the covered project annually in accordance with HUD requirements.³

3. Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3). The Davis-Bacon Act prevailing wage requirements apply to all initial repairs and new construction that are identified in the financing plan to the extent that such repairs or construction qualify as development. "Development" encompasses work that constitutes remodeling that alters the nature of housing units in the project, reconstruction, or a substantial improvement in the quality or kind of original equipment and materials, and is initiated within 18 months of the HAP contract. Development activity does not include replacement of equipment and materials rendered unsatisfactory because of normal wear and tear by items of substantially the same kind. Section 3 applies to all initial repairs and new construction that are identified in the financing plan to the extent that such repairs qualify as construction or rehabilitation. In addition, Section 3 may apply to the project after conversion based on the receipt of the use of federal assistance for rehabilitation assistance.

4. Establishment of Waiting List. In establishing the waiting list for the converted project, NYCHA will utilize the project-specific waiting list that exists at the time of conversion. The waiting list must be established and maintained in accordance with PBV program requirements.

If a project-specific waiting list for the project does not exist, NYCHA will establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on NYCHA's public housing

² For example, a public housing family residing in a property converting under RAD has a TTP of \$600. The property has an initial Contract Rent of \$500, with a \$50 Utility Allowance. Following conversion, the residents is still responsible for paying \$600 in tenant rent and utilities.

³ For PBV conversions that are not FHA-insured, a future HUD notice will describe project financial data that may be required to be submitted by a PBV owner for purposes of the evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

community-wide waiting list have been offered placement on the converted project's initial waiting list. For the purpose of establishing the initial waiting list, NYCHA will determine the most appropriate means of informing applicants on the public housing waiting list given the number of applicants, NYCHA's resources, and community characteristics of the proposed conversion under RAD. Such activities should be pursuant to NYCHA's policies for waiting list management, including the obligation to affirmatively further fair housing.

NYCHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Applicants on NYCHA's centralized public housing waiting list who wish to be placed onto the newly-established waiting list are listed in accordance with the date and time of their original application to the centralized public housing waiting list. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and the obligation to provide meaningful access for persons with limited English proficiency (LEP).

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, NYCHA shall administer its waiting list for the converted project in accordance with 24 CFR § 983.251(c).

5. Mandatory Insurance Coverage. The project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed property of a project.

6. Agreement Waiver. For public housing conversions to PBV, there will be no Agreement to Enter into a Housing Assistance Payments (AHAP) contract. Therefore, all regulatory references to the Agreement (AHAP), including regulations under 24 CFR Part 983 Subpart D are waived. Instead, NYCHA and the owner will enter into a HAP contract before construction begins.

7. Future Refinancing. Owners must receive HUD approval for any refinancing or restructuring of permanent debt within the HAP contract term to ensure the financing is consistent with long-term preservation. (Current lenders and investors are also likely to require review and approval of refinancing of the primary permanent debt.)

8. Administrative Fees for Public Housing Conversions. For the initial Calendar Year in which a project's assistance has been converted, RAD PBV projects will be funded with public housing money. Since the public housing funding will not have been transferred to the Tenant Based Rental Assistance (TBRA) account and since this funding is not Section 8 assistance the annual contributions contract (ACC) between the PHA and HUD will cover the project units, but be for zero dollars. For this transition period, the ACC will primarily serve as the basis for covering the units and requiring PHA compliance with HUD requirements, but it will not be (as it is in the regular PBV program) the funding vehicle for the PBV RAD vouchers. Given this, and given the fact that PHAs will be receiving full public housing funding for the PBV units during this transition period, PHAs will not receive ongoing Section 8 administrative fee funding during this time.

Generally, PHAs receive ongoing administrative fees for units under a HAP contract, consistent with recent appropriation act references to "section 8(q) of the [United States Housing Act of 1937] and related appropriations act provisions in effect immediately before the Quality Housing and Responsibility Act of 1998"

and 24 CFR 982.152(b). During the transition period mentioned in the preceding paragraph, these provisions are waived, and PHAs will not receive section 8 ongoing administrative fees for PBV RAD units.

9. Choice-Mobility. One of the key features of the PBV program is the mobility component, which provides that if the family has elected to terminate the assisted lease at any time after the first year of occupancy in accordance with program requirements, NYCHA 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 NYCHA's HCV program becomes PBV assistance, it is possible for most or all of NYCHA'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 NYCHA to still be able to use tenant-based vouchers to address the specific housing needs and priorities of the community. Therefore, HUD is establishing an alternative requirement for PHAs where, as a result of RAD, the total number of PBV units (including RAD PBV units) under HAP contract administered by NYCHA 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 NYCHA's administrative plan.

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

10. 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 covered under a General Depository Agreement (HUD-51999) 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 and as directed by HUD.

IV - Relocation Plans

NYCHA is pursuing a plan that will allow for tenant in place rehabilitation, which will require no relocation. If a resident must be temporarily relocated, it will be at no expense to the resident. The relocation options will be to a vacant unit in the same development, a vacant unit in another NYCHA development or a vacant unit in the selected developer's housing stock. This will be finalized after a development partner is selected.

V – Public Housing Capital Fund Budget

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing housing authorities with access to private sources of capital to repair and preserve its affordable housing assets. Please

be aware that upon conversion, NYCHA's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of RAD, and that NYCHA may also borrow funds to address capital needs. NYCHA will also be contributing Federal Emergency Management Agency (FEMA) funding towards the conversion.

VI - Significant Amendment Definition

NYCHA will amend or modify its agency plan and/or Capital Fund Program Five-Year Action Plan upon the occurrence of any of the following events during the term of an approved plan(s):

1. A change in federal law takes effect and, in the opinion of NYCHA, it creates substantial obligations or administrative burdens beyond the programs then under administration, excluding changes made necessary due to insufficient revenue, funding or appropriations, funding reallocations resulting from modifications made to the annual or five-year capital plan or due to the terms of a judicial decree.
2. Any other event that the Authority determines to be a significant amendment or modification of an approved annual plan and/or Capital Fund Program Five-Year Action Plan.
3. As part of the Rental Assistance Demonstration (RAD), NYCHA is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD-specific items:
 - a) 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;
 - b) Changes to the construction and rehabilitation plan for each approved RAD conversion; and
 - c) Changes to the financing structure for each approved RAD conversion.

May 21, 2015 Agenda

- Roll Call / Introductions
- Review Agenda
- **Annual Plan Topics:**
 - Operations and Management – OPMOM Update
 - Disposition, Demolition, Homeownership and Mixed Finance Activities – Department for Development
- Comments and Questions

