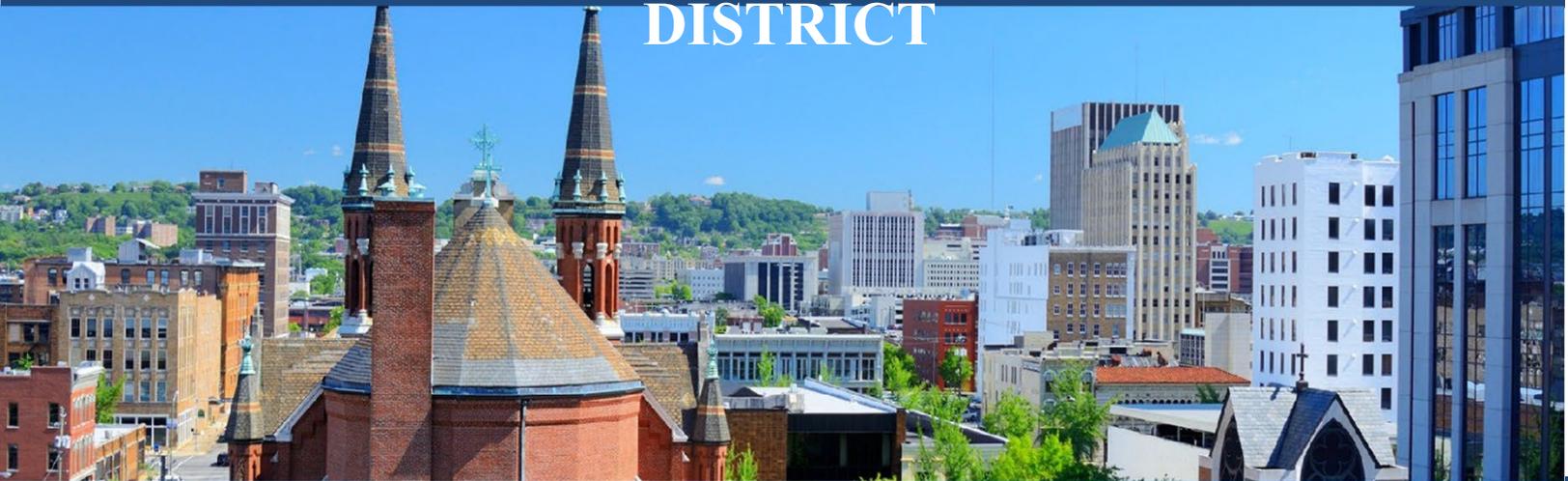




Celebrating 90 Years  
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# HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT



## 2027 PHA ANNUAL PLAN DRAFT

The PHA Plan is a comprehensive guide to public housing agency (PHA) policies, programs, operations, and strategies for meeting local housing needs and goals submitted annually to the Department of Housing and Urban Development (HUD). Included in this packet is the Annual Plan Form to be submitted to HUD annually

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# Attachment A

## Revised Statement of Housing Needs and Strategy for Addressing Housing Need



**B.1. Revision of PHA Plan Elements****ATTACHMENT A: STATEMENT OF HOUSING NEEDS AND STRATEGY FOR ADDRESSING HOUSING NEEDS**

To address the housing needs of the families and individuals living within our jurisdiction and those on the waiting lists, some of the strategies the Housing Authority will strive to employ are as follows:

1. Continue to actively market our public housing units to elderly families, disabled families and all other families.
2. Continue to actively market our public housing units and the Housing Choice Voucher (HCV)/Section 8 Program to all race and ethnic groups residing within our jurisdiction and surrounding area.
3. Continue to make reasonable on-demand accessible modifications as a reasonable accommodation to disabled families in our public housing units.
4. Investigate ways to seek alternative funding through non-HUD grant opportunities.
5. Continue to maintain the apartment buildings and grounds and keep them in excellent condition.
6. Continue to maintain low vacancy rates and turnaround time so that affordable housing remains readily available.

Funding and staffing constraints may impact some of the above strategies.

HABD will fully comply with the following requirements:

- **Attachment 1:** Resident Rights, Participation, Waiting List and Grievance Procedures  
B-1 A 2019-09/PIH 2019-23, REV-4 Section 1.6.C
- **Attachment 2**  
B-1 A 2019-09/PIH 2019-23, REV-4 Section 1.6.D
- **Attachment 3**  
B-1 A 2016-17/PIH-2016-17
- **Attachment 4**  
B-1 A 2025-01/PIH 2025-01

## ATTACHMENT 1

Resident Rights, Participation, Waiting List and Grievance Procedures  
H 2019-09/PIH 2019-23, REV-4 Section 1.6.C

### 1.6C

#### **Special Provisions Affecting Conversions to PBVs**

Under the Demonstration, HUD has the authority to waive statutory and regulatory provisions governing the PBV program, or to establish alternative requirements for the effective conversion of assistance. Additionally, the RAD Statute imposes certain unique requirements and authorizes HUD to establish requirements for converted assistance under the Demonstration.

Listed below are the “special” requirements applicable to public housing projects converting assistance to long-term PBV assistance under the First Component of the Demonstration, with reference to the affected statute and/or regulation, where applicable. Special requirements are grouped into four categories: Project Selection, Contract Terms, Resident Rights and Participation, and Other Miscellaneous Provisions. All other regulatory and statutory requirements of the PBV program in 24 CFR part 983 and section 8(o)(13) of the Act apply, including environmental review, lead-based paint requirements, Davis-Bacon, and fair housing requirements.

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<sup>29</sup> Section 33 of the Act requires PHAs to identify projects that must be removed from the stock of public housing.

MTW agencies will be able to apply activities impacting the PBV program that are approved in their MTW Plans or included in the MTW Supplement to an approved PHA plan to these properties as long as they do not conflict with RAD requirements. RAD requirements include RAD statutory requirements, provisions of the PBV program specifically addressed in this Notice (including provisions explicitly listed in Section 1.6 of this Notice as provisions of the PBV program that MTW agencies may not alter for properties converting under RAD), other conditions and requirements of this Notice, or RAD contract forms or riders. With respect to any existing PBV regulations that are waived or modified in this Section 1.6 pursuant to RAD authority, except where explicitly noted below, MTW agencies may modify these or other requirements of the PBV program if the activity is approved in its MTW Plan or included in the MTW Supplement to an approved PHA plan. All other RAD Requirements listed below or elsewhere in this Notice shall apply to MTW agencies.

So as to facilitate the uniform treatment of residents and units at a Covered Project, any non- RAD PBV units located in the Covered Project shall be subject to the same waivers and alternative requirements where noted below.

Finally, the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and HUD’s implementation notices<sup>30</sup> (“HOTMA Implementation Notice”) modified the PBV program in ways that partially or completely obviate the need for certain prior waivers or alternative requirements adopted in RAD. These are noted below.

#### **A. PBV Project Selection.**

- 1. PBV Percentage Limitation.** Covered Projects do not count against the percentage limitation applicable to the PBV program. The HOTMA Implementation Notice excludes formerly assisted properties from the percentage limitation. For any Covered Projects not otherwise covered under

the HOTMA Implementation Notice, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(B) of the Act as well as 24 CFR § 983.6 with respect to Covered Projects. As a result, a PHA that is administering RAD PBV assistance does not take the RAD PBV into consideration when calculating the percent limitation for any non-RAD PBV actions that are subject to the percent limitation. In other words, RAD PBV is excluded from both the numerator and the denominator when calculating the percent of vouchers that may be project-based for non-RAD PBV.

2. **Cap on the Number of PBV Units in Each Project.** There is no cap on the number of units that may receive RAD PBV assistance in each project. Under the HOTMA

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<sup>30</sup> See "January 18, 2017 HOTMA implementation notice, 82 Fed. Reg. 5458," and the "July 14, 2017 technical correction and clarification notice, 82 Fed. Reg. 32461." Also see Notice PIH 2017-21.

Implementation Notice, certain formerly assisted properties are excepted from the project cap. For any Covered Projects not covered under the HOTMA Implementation Notice, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR §§ 983.56, 983.257(b), 983.262(a) and (d). Accordingly, units under the contract may not be "excepted" for a specified purpose.

3. **Owner Proposal Selection Procedures.** In addition to situations already covered under the HOTMA Implementation Notice (e.g., attaching PBV assistance to PHA- owned units that were formerly assisted under the public housing program), HUD is waiving 24 CFR § 983.51 so that a RAD PBV HAP contract is never subject to competitive selection requirements. With respect to site selection standards, HUD requires compliance with the site selection standards as set forth in this Notice.
4. **Site selection – Compliance with PBV Goals, section 8(o)(13)(C)(ii) of the Act and 24 CFR § 983.57(b)(1) and (c)(2).** HUD waives these provisions having to do with deconcentration of poverty and expanding housing and economic opportunity, for the existing site. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

## **B. PBV Contract Terms.**

1. **Length of Contract.** Covered Projects shall have an initial HAP Contract term of at least 15 years (up to 20 years upon request of the Project Owner and with approval by the administering Voucher Agency). To implement this provision, HUD is specifying alternative requirements for section 8(o)(13)(F) of the Act (which permits a minimum term of one year) as well as 24 CFR § 983.205(a) (which governs contract term). Project Owners are required to make available for occupancy by eligible tenants the number of assisted units under the terms of the contract and may not reduce the number of assisted units without written HUD approval. Any HUD approval of a PHA's request post-conversion to reduce the number of assisted units under the contract is subject to conditions that HUD may impose. MTW agencies may not alter this requirement.
2. **Mandatory Contract Renewal.** In accordance with the RAD Statute, at or prior to the expiration of the initial contract and each renewal contract, the administering Voucher Agency

must offer, and the Project Owner must accept, renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year for such renewal. The renewal contract(s) shall be for the prescribed number and mix of units but may, upon request of the Project Owner and subject to HUD and Contract Administrator approval, be on one or more transfer of assistance sites in lieu of the project site subject to the expiring contract. Consequently, section 8(o)(13)(G) of the Act, as well as 24 CFR § 983.205(b), governing the PHA discretion to renew the contract, will not apply to the extent that these provisions make renewal or extension decisions purely discretionary. However, Contract Administrators and Project Owners may choose to extend the initial HAP Contract term consistent with these provisions and are encouraged to do so a minimum of one year prior to the expiration of the contract so as to avoid unnecessary notice to residents per 24 CFR 983.206. The ability to extend the HAP Contract term consistent with these provisions does not negate, in any way, the mandatory renewal provision detailed in the first sentence of this paragraph. MTW agencies may not alter this requirement.

3. **Ownership or Control.** This section has been moved to Section [1.4.A.11](#)
4. **RAD Use Agreement.** This section has been moved to Section [1.4.A.13](#)
5. **Initial Contract Rent Setting.** No additional or incremental funding is associated with this Demonstration. HUD has calculated initial contract rents for every public housing project based on each project's subsidy under the public housing program. All RAD applications, including applications for Portfolio Awards, will have initial contract rents based on their "RAD rent base year" described in [Attachment 1C](#). PHAs have additional discretion in establishing initial contract rents using the following flexibilities:
  - a. **MTW Fungibility.** MTW agencies may use their MTW funds to set the initial contract rents higher than the normally applicable contract rent cap that is based on the project's public housing subsidy. However, the initial contract rent set by the PHA is still subject to all other applicable program caps. The agency must use existing MTW funds to supplement the initial contract rents; HUD will only provide new incremental voucher funding for the first full calendar year following conversion using per unit costs (PUCs) based on normally applicable public housing subsidy initial rent caps. Any use of MTW funds in setting higher initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in Notice PIH 2013-02, or successor notice.
  - b. **Rent Bundling.** Subject to HUD approval, PHAs may adjust subsidy (and initial contract rents) across multiple projects as long as the PHA does not exceed the aggregate subsidy for all of the projects the PHA has submitted for conversion under RAD. For example, assume that a PHA is considering bundling two identical projects, both consisting of 100 units. In Project A, the contract rent is \$500; and in Project B, the contract rent is \$600. The PHA could bundle the two projects such that the initial contract rents for both projects will be \$550. This use, which HUD refers to as "bundled" rents, can occur under the following scenarios:
    - i. When a PHA is converting two or more properties within its public housing portfolio. The execution and effective date of the HAP Contract for the donor HAP Contract must occur prior to or simultaneous with the

- effective date of the recipient HAP Contract;
- ii. When PHAs have formed a Partnership in accordance with Section 1.5.M and are bundling rents between two or more converting projects. The execution and effective date of the HAP Contract for the donor HAP Contract must occur prior to or simultaneous with the effective date of the recipient HAP Contract; and
  - iii. When a PHA bundles rents between a converting project and non-RAD Project-Based Vouchers. In such a case, the PHA must use its own voucher funding to supplement the higher RAD rent that is being offset by the lower PBV rent for the non-RAD PBV project or projects; no additional voucher funding will be provided through RAD. HUD will review the rents proposed for the non-RAD PBV HAP Contract to ensure that the PHA does not exceed the aggregate subsidy otherwise available for all of the rent-bundled projects. Except as provided in section 1.6.B.d below, the execution and effective date of the HAP Contract for the donor project must occur prior to or simultaneous with the effective date of the recipient HAP Contract. The owner of the property with the non-RAD PBV HAP Contract must request an initial rent (or redetermined rent if the contract has already been executed) in accordance with 24 CFR §§ 983.301(b)(3) and 983.302 that reflects the amount approved by HUD. To ensure that aggregate HAP costs do not exceed the costs incurred absent this provision, the owner of the property with the non-RAD PBV HAP Contract must agree not to request, in accordance with 24 CFR § 983.301(b)(3), a redetermined rent that exceeds the OCAF-adjusted rent. This OCAF limitation is in addition to the existing PBV rent limitations in 24 CFR § 983.301(b) more generally. The donor HAP Contract must have a remaining contract term at least as long as the recipient HAP Contract.
  - iv. Where an Agreement to enter into a HAP Contract (AHAP) is used on the non-RAD PBV HAP Contract and the RAD and non- RAD PBV projects are subject to a single financing, the execution and effective date of the AHAP for the donor HAP Contract must occur prior to or simultaneous with the conversion of the recipient HAP Contract. The recipient RAD PBV HAP Contract will include rent schedules for both unadjusted rents and the anticipated rent bundled rents. The unadjusted rents are the initial effective rents for the RAD PBV recipient project. At the completion of rehab/construction of the donor project, where the terms of the AHAP have been satisfied and the PHA and owner of the donor property are ready to execute a HAP contract, the cost-neutral application of the bundled rents will occur. 1) the HAP for the non-RAD PBV HAP Contract will be determined based on the initial rent, which is the PBV rent the project would have been eligible for under the PBV initial rent requirements at 24 CFR § 983.301 reduced by the amount that has been bundled to the RAD HAP Contract. 2) Upon the effective date of the non-RAD PBV donor HAP Contract, the HUD-approved rent bundled rents at the RAD HAP Contract will become effective. For example, assume two 100 unit properties that will be redeveloped under a single financing transaction, one developed under standard PBV through an AHAP and

another through RAD. The estimated rents for the standard PBV are \$1,000 while the standard RAD rents are \$500. The PHA plans to rent bundle to increase the RAD rents to \$750. Construction will occur on the same timeline and the RAD PBV HAP Contract will close at the same time as the AHAP is executed. The RAD PBV HAP Contract will include unadjusted, pre-construction rents (\$500) as well as adjusted, post-construction rents (\$750). The AHAP will include estimated PBV rents, adjusted downward by \$250. When construction is completed, the post-construction rents on the RAD HAP Contract will take effect when the donor non- RAD PBV HAP Contract becomes effective. The PHA will determine the initial contract rents for the non-RAD PBV donor project in accordance with PBV requirements and deduct \$250 from that amount.

Please note that per Section 1.13.B.5, regardless of the initial contract rents for the RAD HAP Contract, including as modified by this provision, in the year of conversion the Covered Project will only be assisted by the Operating and Capital Funds obligated to the PHA for that project.

**c. Future Replacement Housing Factor (RHF) or Demolition Disposition**

**Transition Funding (DDTF).**<sup>31</sup> PHAs that are scheduled to receive ongoing RHF or DDTF funding (funds that have not been awarded and, with HUD permission, funds that have been awarded but not yet disbursed) may choose to forgo any ongoing RHF or DDTF grants for the purpose of offsetting an increase to the RAD rent. See [Attachment 1C](#) for the calculation of how RHF or DDTF funding may offset increased RAD rent.

**d. PBV Site-Specific Utility Allowances.** PHAs may elect to establish a site-specific Utility Allowance for any Covered Project. HUD is waiving 24 CFR 983.2(c)(6)(iii), which requires the PHA to apply the HCV Utility Allowance schedule for PBV properties, and HUD is establishing an alternative requirement. The Utility Allowance shall be calculated consistent with Notice H 2015-04 unless PIH promulgates guidance specific to the PBV program. The Project Owner may carry out all of the responsibilities associated with Notice H 2015-04, but the PHA must ensure that the Utility Allowance is calculated correctly. This waiver and alternative requirement shall also apply to non-RAD PBV units located at the Covered Project.

**e. Tenant-Paid Utility Savings.** Where a Covered Project will use a site-specific utility allowance as described in sub-paragraph iv. and the conversion will result in the reduction of one or more utility components (e.g., gas, water & sewer, electric) used to establish the Utility Allowance relative to the utility allowance of the Converting Project (i.e., the public housing project), HUD will permit the RAD contract rent to be increased by a portion of the utility savings. See [Attachment 1C](#) for additional detail.

Notwithstanding HUD's calculation of the initial contract rent based on the project's subsidy under the public housing program and any modifications to the initial contract rent permitted under this Notice, initial PBV contract rents are subject to

the statutory and regulatory PBV requirements governing contract rents (see 24 CFR § 983.301), (except where alternative rent caps have been approved in a MTW Plan or included in an MTW Supplement to the PHA Plan). To this effect, initial contract rents cannot exceed the lower of: (a) the reasonable rent (as defined under 24 CFR § 983.303); (b) an amount determined by the PHA, not to exceed 110 percent of the applicable FMR (or applicable exception payment standard, or rent cap approved in an MTW Plan or included in an MTW Supplement to the PHA Plan), minus any utility allowance; or (c) the rent requested by the owner.

- 6. Method of Adjusting Contract Rents.** Contract rents will be adjusted only by HUD's OCAF (which is applied only to the portion of the rent not attributable to debt service) at each anniversary of the HAP Contract, subject to the availability of appropriations for each year of the contract term.<sup>32</sup> As such, section 8(o)(13)(I) of the Act and 24 CFR §§ 983.301 and 983.302, concerning rent determinations, shall not apply when adjusting rents. The rent to owner may at no time exceed the reasonable rent charged for comparable unassisted units in the private market, as determined by the Contract Administrator in accordance with 24 CFR § 983.303.<sup>33</sup> However, the rent to owner shall not be reduced below the initial rent to owner for dwelling units under the initial HAP Contract.<sup>34</sup> MTW agencies may not alter this requirement.
- 7. Role of Independent Entity.** Where the Covered Project is PHA-owned in accordance with section 8(o)(11) of the Act as amended by HOTMA (see Attachment A in Notice PIH 2017-21 for guidance on PHA-owned units), in addition to the standard roles described in 24 CFR 983.59(b) (i.e., determining reasonable rents and conducting HQS inspection) the independent entity must also determine the OCAF adjustment.
- 8. Transfer of Assistance.** This section has been moved to [Section 1.4.A.12.](#)

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<sup>32</sup> OCAFs are calculated and published each year by HUD in the Federal Register in order to calculate the contract rent for the project in the following fiscal year.

<sup>33</sup> If the Covered Project is deemed to be PHA-owned pursuant to HUD guidance, an independent entity will need to perform the rent-setting and inspection functions set out in 24 CFR § 983.59.

<sup>34</sup> The rent to owner may fall below the initial contract rent: 1) to correct errors in calculations in accordance with HUD requirements; 2) if additional housing assistance has been combined with PBV assistance after the execution of the initial HAP Contract and a rent decrease is required pursuant to § 983.55 (Prohibition of excess public assistance); or 3) if a decrease in rent to owner is required based on changes in the allocation of responsibility for utilities between the owner and the tenant.

- 9. Agreement Waiver and RAD Rehab Assistance Payments.** 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 AHAP, including regulations under 24 CFR part 983 subpart D are waived. Instead, the PHA and Project Owner typically will enter into a HAP Contract before construction begins. During the period of Work identified in the RCC, standard HAP Contract funding procedures will be used for occupied units. Units covered under the HAP Contract that are not occupied at any point during the period of Work identified in the RCC may be eligible, subject to the conditions below, for Rehab Assistance Payments equal to the Public Housing Operating Fund and the Capital Fund amounts that formed the basis for the calculation of

initial contract rents (see [Attachment 1C](#)). During the period of rehabilitation or construction as identified in the RCC, the maximum number of units for which a Project Owner can receive RAD Rehab Assistance Payments is limited to the number of units eligible for Operating Fund or Capital Fund subsidy prior to conversion. As a result, some units in the Covered Project may not be eligible for Rehab Assistance Payments.

The Project Owner will no longer be eligible to receive RAD Rehab Assistance Payments upon the earlier of completion of the Work or expiration of the time period identified in the RCC for completion of all Work, which date is specified in the HAP contract. After such date, all units under the HAP Contract will be eligible for payment only for occupied units or for vacancy payments, as applicable. MTW agencies may not alter this requirement.

- 10. HQS Inspections.** Under current regulations at 24 CFR § 983.103(b) a unit covered under a HAP Contract must be inspected and must meet HQS before assistance can be paid on behalf of a household, unless the PHA is using HOTMA non-life threatening and alternative inspection provisions.<sup>35</sup> In addition, section 8(o)(8)(A) of the Act provides that HAP Contract units must be inspected to ensure compliance with HQS prior to payment of any assistance on behalf of a family. When Work is occurring under RAD, HUD requires that all units meet HQS no later than the date of completion of the Work as indicated in the RCC. Consequently, HUD is waiving and establishing an alternative requirement to 24 CFR § 983.103(b) and section 8(o)(8)(A) of the Act in such cases.
- 11. Floating Units.** Upon the request of the owner to the Voucher Agency that will administer the Covered Project, HUD will permit PBV assistance to float among units within the project having the same bedroom size. A unit to which assistance is floated must be comparable in condition to the unit it is replacing (i.e., the unit must be of the same quality and amenities as the unit it is replacing). Assistance may float from a required UFAS accessible unit only to another UFAS accessible unit that has the same bedroom size and accessibility features. If assistance floats to a UFAS accessible unit as a reasonable accommodation for a household that had not previously been in a UFAS unit, the assistance may float back to a non-UFAS unit when there is no longer need for the reasonable accommodation provided the required number of UFAS units is maintained. Units that float are not specifically designated under the HAP Contract. Therefore, the requirements in 24 CFR § 983.203(c) that the HAP Contract provide “the location of each contract unit” and “the area of each contract unit” are waived. Instead, the HAP Contract must specify the number and type of units in the property that are designated as RAD units, including any excepted units. From the time of the initial execution of the PBV RAD HAP Contract, the property must maintain the same number and type of UFAS accessible units. Floating units are subject to all of the requirements in this Notice and the PBV regulations, including physical inspections, rent adjustments, and income-mixing requirements.

The alternative requirements with respect to floating units do not apply to non-RAD PBV units.

### **C. PBV Resident Rights and Participation**

- 1. No Rescreening of Tenants upon Conversion.** Pursuant to the RAD Statute, at conversion, current households cannot be excluded from occupancy at the Covered Project based on any rescreening, income eligibility, or income targeting. With respect to occupancy in the Covered Project, current households in the Converting Project will be grandfathered for application of any eligibility criteria to conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion.<sup>36</sup> Post-conversion, the

tenure of all residents of the Covered Project is protected pursuant to PBV requirements regarding continued occupancy unless explicitly modified in this Notice (e.g., rent phase-in provisions). 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, Section 8(o)(4) of the 1937 Act and 24 CFR § 982.201, concerning eligibility and targeting of tenants for initial occupancy, will not apply for current households. Once the grandfathered household moves out, the unit must be leased to an eligible family. MTW agencies may not alter this requirement. Further, so as to facilitate the right to return to the assisted property, HUD waives Section 8(o)(4) and 24 CFR § 982.201 to the extent necessary for this provision to apply to current public housing residents of

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<sup>36</sup> These protections (as well as all protections in this Notice for current households) also apply when a household is relocated to facilitate new construction or repairs following conversion and subsequently returns to the Covered Project.

the Converting Project that will reside in non-RAD PBV units or non-RAD PBRA units placed in a project that contain RAD PBV units or RAD PBRA units. Such families and such contract units will otherwise be subject to all requirements of the applicable program, specifically 24 CFR Part 983 for non-RAD PBV units and the PBRA requirements governing the applicable contract for non-RAD PBRA units.

2. **Right to Return.** See Section 1.4.A.5.b. and the RAD Fair Housing, Civil Rights, and Relocation Notice regarding a resident's right to return. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.
3. **Phase-in of Tenant Rent Increases.** If, purely as a result of conversion, the amount a tenant would pay for rent and utilities under the PBV program (the tenant's TTP) would increase the tenant's TTP by more than the greater of 10 percent or \$25, the rent increase will be phased in over 3 or 5 years. To implement this provision, HUD is specifying alternative requirements for section 3(a)(1) of the Act, as well as 24 CFR § 983.3 (definition of "total tenant payment" (TTP)) to the extent necessary to allow for the phase-in of tenant rent increases. A PHA must create a policy setting the length of the phase-in period at three years, five years or a combination depending on circumstances and must communicate such policy in writing to affected residents. For example, a PHA may create a policy that uses a three year phase-in for smaller increases 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.

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

Three Year Phase-in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 33% of difference between most recently paid TTP or

flat rent and the Calculated PBV TTP

- Year 2: Year 2 Annual Recertification (AR) and any Interim Recertification (IR) prior to Year 3 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and all subsequent recertifications – Full Calculated PBV TTP<sup>37</sup>

Five Year Phase in:

- Year 1: Any recertification (interim or annual) performed prior to the second annual recertification after conversion – 20% of difference between most recently paid TTP or flat rent and the Calculated PBV TTP
- Year 2: Year 2 AR and any IR prior to Year 3 AR – 25% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 3: Year 3 AR and any IR prior to Year 4 AR – 33% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 4: Year 4 AR and any IR prior to Year 5 AR – 50% of difference between most recently paid TTP and the Calculated PBV TTP
- Year 5 AR and all subsequent recertifications – Full Calculated PBV TTP

*Please Note:* In either the three year phase-in or the five-year phase-in, once the Calculated PBV TTP is equal to or less than the previous TTP, the phase-in ends and tenants will pay full TTP from that point forward. MTW agencies must also implement a three or five-year phase-in for impacted residents, but may alter the terms above as long as it establishes a written policy setting forth the alternative terms. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

- 4. Family Self Sufficiency (FSS) and Resident Opportunities and Self Sufficiency Service Coordinator (ROSS-SC) programs.** Public Housing residents that are currently FSS participants will continue to participate in the PHA's FSS program. The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted by RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement.

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<sup>37</sup> For example, where a resident's most recently paid TTP is \$100, but the Calculated PBV TTP is \$200 and remains \$200 for the period of the resident's occupancy, (i.e. no changes in income) the resident would continue to pay the same rent and utilities for which it was responsible prior to conversion. At the first recertification following conversion, the resident's contribution would increase by 33% of \$100 to \$133. At the second AR, the resident's contribution would increase by 50% of the \$66 differential to the standard TPP, increasing to \$166. At the third AR, the resident's contribution would increase to \$200 and the resident would continue to pay the Calculated PBV TTP for the duration of their tenancy.

If the PHA continues to run an FSS program that serves PH and/or HCV participants, the PHA will continue to be eligible (subject to NOFA requirements) to apply for FSS funding. Due to the program merger between PH FSS and HCV FSS that took place pursuant to the FY14 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV under RAD.

However, PHAs should note that until provisions of the Economic Growth, Regulatory Relief, and Consumer Protection Act are implemented, there are certain FSS requirements (e.g., escrow calculation and escrow forfeitures) that apply differently depending on whether the FSS participant is a participant under the HCV program or a public housing resident, and PHAs must follow such requirements accordingly. All PHAs will be required to administer the FSS program in accordance with FSS regulations at 24 CFR part 984 (current, or as amended), the participants' contracts of participation, and the alternative requirements established in the "Waivers and Alternative Requirements for the FSS Program" Federal Register notice, published on December 29, 2014, at 79 FR 78100.<sup>38</sup> Further, upon conversion to PBV, if the PHA no longer has a public housing program, funds already escrowed for FSS participants shall be transferred into the HCV escrow account and be considered TBRA funds, thus reverting to the HAP account if forfeited by the FSS participant.<sup>39</sup>

For information on FSS PIC reporting requirements for RAD conversions, see Notice PIH 2016-08 at <http://portal.hud.gov/hudportal/documents/huddoc?id=pih2016-08.pdf>.

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 ROSS-SC grants, nor will its residents be eligible to be served by future ROSS-SC grants, which, by statute, can only serve public housing residents. At the completion of the ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. Please note that ROSS-SC grantees may be a non-profit or local

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<sup>38</sup> The funding streams for the PH FSS Program and the HCV FSS Program were first merged pursuant to the FY 2014 appropriations act. As a result, PHAs can serve both PH residents and HCV participants, including PBV participants, with FSS funding awarded under the FY 2014 FSS Notice of Funding Availability (FSS NOFA) and any other NOFA under which the combination of funds remains in the applicable appropriations act. For PHAs that had managed both programs separately and now have a merged program, a conversion to PBV should not impact their FSS participants.

<sup>39</sup> Where the PHA maintains a public housing program, any forfeited funds that had been escrowed prior to conversion would revert to the PHA's Operating Reserves.

Resident Association and this consequence of a RAD conversion may impact those entities. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

5. **Resident Participation and Funding.** In accordance with Attachment 1B, residents of Covered Projects with assistance converted to PBV will have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment and be eligible for resident participation funding. To facilitate the uniform treatment of residents and units at a Covered Project, any non- RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.
6. **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 (HUD Form 52530-c), 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 and to non-RAD PBV units located at the Covered Project. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction (which MTW agencies may not alter), the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall be :
  - i. A reasonable period of time, but not to exceed 30 days:
    1. If the health or safety of other tenants, Project Owner employees, or persons residing in the immediate vicinity of the premises is threatened; or
    2. In the event of any drug-related or violent criminal activity or any felony conviction;
  - ii. Not less than 14 days in the case of nonpayment of rent; and
  - iii. Not less than 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.
  
- b. **Grievance Process.** Pursuant to requirements in the RAD Statute, HUD is establishing additional resident procedural rights to comply with section 6 of the Act.

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

- i. In addition to reasons that require an opportunity for an informal hearing given in 24 CFR § 982.555(a)(1)(i)-(v),<sup>40</sup> 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.
  1. For any hearing required under 24 CFR § 982.555(a)(1)(i)-(v), the contract administrator will perform the hearing, as is the current standard in the program. The hearing officer must be selected in accordance with 24 CFR § 982.555(e)(4)(i).
  2. For any additional hearings required under RAD, the 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.

To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

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<sup>40</sup> § 982.555(a)(1)(iv) is not relevant to RAD as the tenant-based certificate program has been repealed.

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

Under the Housing Choice Voucher program, the EID exclusion is limited only to persons with disabilities (24 CFR § 5.617(b)). In order to allow all tenants (including non-disabled persons) who are employed and currently receiving the EID at the time of conversion to continue to benefit from this exclusion in the PBV project, the provision in 24 CFR § 5.617(b) limiting EID to disabled persons is waived. The waiver, and resulting alternative requirement, apply only to tenants receiving the EID at the time of conversion. No other tenant (e.g., tenants that move into the property following conversion or tenants who at one time received the EID but are not receiving the EID exclusion at the time of conversion due to loss of employment) is covered by this waiver. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

8. **Jobs Plus.** Jobs Plus grantees awarded FY14 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 unless significant relocation 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 Secretary's discretion, choose to end the Jobs Plus program at that project. If the program is continued, the Project Owner must agree to continue to implement the program according to HUD's program requirements. Jobs Plus target public housing projects must enroll public housing residents into the Jobs Plus rent incentive, JPEID, prior to conversion. Any resident of the Covered Project that had not enrolled prior to conversion is not eligible to enroll in JPEID but may utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the Covered Project may voluntarily utilize Jobs Plus services that predominantly benefit the former public housing residents who resided at the target project at the time of RAD conversion.

9. **When Total Tenant Payment Exceeds Gross Rent.** Under normal PBV rules, the PHA may select an occupied unit to be included under the PBV HAP Contract only if the unit's occupants

are eligible for housing assistance payments (24 CFR 983.53(c)). Also, a PHA must remove a unit from the contract when no assistance has been paid for 180 days because the family's TTP has risen to a level that is equal to or greater than the contract rent, plus any utility allowance, for the unit (i.e., the Gross Rent) (24 CFR § 983.258). Since the rent limitation under this Section of the Notice may result in a family's TTP equaling or exceeding the gross rent for the unit, for residents living in the Converting Project prior to conversion and who will return to the Covered Project after conversion, HUD is waiving both of these provisions and requiring that the unit for such families be placed on and/or remain under the HAP Contract when TTP equals or exceeds the Gross Rent. Further, HUD is establishing the alternative requirement that until such time that the family's TTP falls below the gross rent, the rent to the owner for the unit will equal the lesser of (a) the family's TTP, less the Utility Allowance, or (b) any applicable maximum rent under LIHTC regulations. During any period when the family's TTP falls below the gross rent, normal PBV rules shall apply. As necessary to implement this alternative provision, HUD is waiving the provisions of Section 8(o)(13)(H) of the Act and the implementing regulations at 24 CFR § 983.301 as modified by Section 1.6.B.5 of this Notice.<sup>41</sup> In such cases, the resident is considered a participant under the program and all of the family obligations and protections under RAD and PBV apply to the resident. Likewise, all requirements with respect to the unit, such as compliance with the HQS requirements, apply as long as the unit is under HAP Contract. The PHA is required to process these individuals through the Form 50058 submodule in PIC. To facilitate the uniform treatment of residents and units at a Covered Project, any non- RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

Unless a waiver is requested and approved as described below, any new admission to the Covered Project must meet the eligibility requirements at 982.201 and require a subsidy payment at admission to the program, which means their TTP may not equal or exceed the gross rent for the unit at that time. Further, a PHA must remove a unit from the contract when no assistance has been paid for 180 days. If units are removed from the HAP contract because a new admission's TTP comes to equal or exceed the gross rent for the unit and if the project is fully assisted, HUD is imposing an alternative requirement that the PHA must reinstate the unit after the family has left the property. If the project is partially assisted, the PHA may substitute a different unit for the unit on the HAP contract in accordance with 24 CFR §983.207 or, where "floating units have been permitted, Section 1.6.B.10 of the Notice.

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<sup>41</sup> 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.

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

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

- how eligible income-certified applicants on the waiting list must be passed over because their incomes result in zero HAP at admission causing a higher concentration of poverty at the covered project; or

- how the income of newly admitted families is causing a markedly higher concentration of poverty than the PHA's non-RAD PBV projects.

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

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

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

**10. Under-Occupied Unit.** If a family is in an under-occupied unit under 24 CFR § 983.260 at the time of conversion, the family may remain in this unit until an appropriate-sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by the administering Voucher Agency. In order to allow the family to remain in the under-occupied unit until an appropriate-sized unit becomes available in the Covered Project, 24 CFR § 983.260 is waived for current residents remaining or returning to the Covered Project. MTW agencies may not modify this requirement. To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

## ATTACHMENT 2

H 2019-09/PIH 2019-23, REV-4 Section 1.6.D

### D. PBV: Other Miscellaneous Provisions

1. **Access to Records, Including Requests for Information Related to Evaluation of Demonstration.** PHAs and the Project Owner must cooperate with any reasonable HUD request for data to support program evaluation, including but not limited to project financial statements, operating data, Choice-Mobility utilization, and rehabilitation work. Please see Appendix IV for reporting units in Form HUD-50058.
2. **Ongoing PHA Board Review of Operating Budget.** The Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. The PHA's Board must confirm that the Project Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.<sup>42</sup>
3. **Davis-Bacon Act and Section 3 of the Housing and Urban Development Act of 1968 (Section 3).** These sections have been moved to [1.4.A.13](#) and [1.4.A.14](#).
4. **Establishment of Waiting List.** 24 CFR § 983.251 sets out PBV program requirements related to establishing and maintaining a voucher-wide, PBV program-wide, or site-based waiting list from which residents for the Covered Project will be admitted. These provisions shall apply unless the project is covered by a remedial order or agreement that specifies the type of waiting list and other waiting list policies. The PHA shall consider the best means to transition applicants from the current public housing waiting list, including:
  - a. Transferring an existing site-based waiting list to a new site-based waiting list.
  - b. Transferring an existing site-based waiting list to a PBV program-wide or HCV program-wide waiting list.
  - c. Transferring an existing community-wide public housing waiting list to a PBV program-wide or HCV program-wide waiting list, an option particularly relevant for PHAs converting their entire portfolio under RAD.
  - d. Informing applicants on a community-wide public housing waiting list how to transfer their application to one or more newly created site-based waiting lists.

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<sup>42</sup> 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 monitoring and evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

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

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

If the PHA is transferring assistance to another neighborhood and, as a result of the transfer of the waiting list, the applicant would only be eligible for a unit in a location which is materially different from the location to which the applicant applied, the PHA must notify applicants on the waiting list of the transfer of assistance, and on how they can apply for residency at other sites.

If using a site-based waiting list, PHAs shall establish a waiting list in accordance with 24 CFR § 903.7(b)(2)(ii)-(iv) to ensure that applicants on the PHA's public housing community-wide waiting list have been offered placement on the Covered Project's initial waiting list. In all cases, PHAs have the discretion to determine the most appropriate means of informing applicants on the public housing community-wide waiting list given the number of applicants, PHA resources, and admissions requirements of the projects being converted under RAD. A PHA may consider contacting every applicant on the public housing waiting list via direct mailing; advertising the availability of housing to the population that is less likely to apply, both minority and non-minority groups, through various forms of media (e.g., radio stations, posters, newspapers) within the marketing area; informing local non-profit entities and advocacy groups (e.g., disability rights groups); and conducting other outreach as appropriate. Any activities to contact applicants on the public housing waiting list must be conducted in accordance with the requirements for effective communication with persons with disabilities at 24 CFR § 8.6 and with the obligation to provide meaningful access for persons with limited English proficiency (LEP).<sup>43</sup>

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

To implement this provision, HUD is specifying alternative requirements for 24 CFR § 983.251(c)(2). However, after the initial waiting list has been established, the PHA shall administer its waiting list for the Covered Project in accordance with 24 CFR § 983.251(c). To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same Covered Project shall be subject to the terms of this provision.

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

5. **Mandatory Insurance Coverage.** The Covered Project shall maintain at all times commercially available property and liability insurance to protect the project from financial loss and, to the extent insurance proceeds permit, promptly restore, reconstruct, and/or repair any damaged or destroyed project property.
6. **Future Refinancing.** Project Owners must receive HUD approval for any refinancing or restructuring of secured debt during the HAP Contract term to ensure the financing is consistent with long-term preservation of the Covered Project. With respect to any financing contemplated at the time of conversion (including any permanent financing which is a conversion or take-out of construction financing), such consent may be evidenced through the RCC but HUD review of liens must be performed prior to execution.

- 7. Administrative Fees for Public Housing Conversions During the Year of Conversion.** For the remainder of the Calendar Year in which the HAP Contract becomes effective (i.e., the “year of conversion”), RAD PBV projects will be funded with public housing funds. For example, if the project’s assistance converts effective July 1, 2015, the public housing ACC between the PHA and HUD will be amended to

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<sup>43</sup> For more information on serving persons with LEP, please see HUD’s Final guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons (72 FR 2732), published on January 22, 2007.

reflect the number of units under HAP Contract, but will be for zero dollars, and the RAD PBV HAP Contract will be funded with public housing money for July through December 2015. Since TBRA is not the source of funds, PHAs should not report leasing and expenses into VMS during this period, and PHAs will not receive section 8 administrative fee funding for converted units during this time.

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

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

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

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

were received. In order to adopt this provision, this alternative mobility policy must be included in an eligible PHA's administrative plan.

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

- 9. Reserve for Replacement.** The Project Owner shall establish and maintain a replacement reserve in an interest-bearing account to aid in funding extraordinary maintenance and repair and replacement of capital items in accordance with applicable regulations. The reserve must be built up to and maintained at a level determined by HUD to be sufficient to meet projected requirements. For FHA transactions, Replacement Reserves shall be maintained in accordance with the FHA Regulatory Agreement. For all other transactions, Replacement Reserves shall be maintained in a bank account or similar instrument, as approved by HUD, where funds will be held by the Project Owner or mortgagee and may be drawn from the reserve account and used subject to HUD guidelines.
- 10. Initial Certifications and Tenant Rent Calculations.** The Contract Administrator uses the family's public housing tenant rent (reflected on line 10f of the family's most recent HUD Form 50058) at the date of the conversion to calculate the PBV HAP and tenant rent until the effective date of the earlier of the family's first regular or interim recertification following the date of conversion. At the earlier of the family's first regular or interim recertification, the Contract Administrator will use the family's TTP based on the recertification and the HCV utility allowance (or the PBV site-specific utility allowance, if applicable) to determine the PBV HAP and tenant rent. This means that the family pays the same tenant rent as the family was paying under the public housing program until the earlier of first regular or interim reexamination following conversion, at which point the normally applicable PBV calculation for the tenant rent becomes effective. (Under the PBV program, the monthly HAP is the rent to owner minus the tenant rent, and the tenant rent is the family TTP minus the utility allowance.) To facilitate the uniform treatment of residents and units at a Covered Project, any non-RAD PBV units located in the same property as the Covered Project shall be subject to the terms of this provision. To effectuate this provision, HUD is waiving 24 CFR 5.601 and 983.3(c)(6)(iii).

## ATTACHMENT 3

H-2016-17/PIH-2016-17

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

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

#### 1.1. Purpose

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

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

<sup>2</sup> Consistent with PIH Notice 2012-32 (HA) REV-2 (PIH 2012-32 (HA) REV-2) (the "RAD Notice"), this Notice uses the term "PHA" to refer to the owner of the project prior to the RAD conversion and "Project Owner" to refer to the owner of the project after the RAD conversion. regarding key relocation statutory and regulatory requirements, and details relocation requirements under RAD. This Notice only applies to projects converting under the First Component of RAD; it does not apply to the Second Component of RAD.<sup>3</sup>

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

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

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

Finally, in Sections 6 and 7 this Notice provides PHAs and Project Owners with guidance regarding RAD

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

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

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

## 1.2.PHA and Project Owner Responsibilities

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

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

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

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

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<sup>4</sup> The PHA's or Project Owner's agents, consultants, contractors, and other RAD team members may also

have fair housing and other civil rights obligations (whether under this Notice or otherwise) and the forgoing does not, in any way, limit the independent obligation of any such parties to ensure their own compliance with applicable fair housing and other civil rights laws.

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

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

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

### 1.3.Applicability

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

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

Upon issuance, the terms of this Notice will apply to all projects that have applied for conversion of assistance under the First Component of RAD but have not yet converted. As this Notice provides guidance, clarification, and explanation regarding fair housing and civil rights requirements that are already applicable to RAD conversions, this Notice shall not affect any front-end civil rights approvals provided by HUD prior to the effective date of this Notice and otherwise shall be effective with respect to front-end civil rights approvals without exception.

However, with respect to relocation activities for Converting Projects under the First Component where a PHA has already submitted a Financing Plan pursuant to the RAD Notice at the time of issuance of this Notice, and provided that the Financing Plan has been accepted for full review after initial screening for completeness, the PHA may, within sixty (60) days after issuance of this Notice, request (in writing uploaded to the RAD Resource Desk) to be governed by H 2014-

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

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

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

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

#### 1.4.Explanation of Major Provisions

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

##### Fair Housing & Civil Rights

- Reaffirms the applicability of fair housing and civil rights requirements to all RAD- related activities (see, e.g., Section 3.3 and Section 4);
- Reiterates when HUD front-end civil rights review (originally outlined in the RAD Notice) is required in addition to the PHA's analysis and certification of compliance, to assist the PHA and Project Owner to comply with fair housing and civil rights requirements (see Section 5.3);
- Outlines certain conditions under which HUD will conduct a front-end review to determine whether the site is in an area of minority concentration relative to the site's housing market area (see Section 5.4(A));
- Provides guidance, for purposes of the RAD front-end civil rights review, on the concepts of "area of minority concentration" and "housing market area" that are reviewed when determining whether a site is in an area of minority concentration (see Section 5.4(B));
- Elaborates on specific information that HUD will consider, and that PHAs should provide evidence of, in order for a proposed site to meet the existing exceptions to permit new construction in an area of minority concentration, identifies presumptions for meeting the sufficient comparable opportunities exception and describes factors that HUD may consider in evaluating the overriding housing needs exception (see Section 5.4(C) and Section 5.4(D));
- Articulates issues that HUD will consider in completing the front-end civil rights review for transfers of assistance, including, for example, accessibility and minority concentration (see Section 5.5);
- Outlines the information to be submitted for HUD's front-end civil rights review of transactions where unit reductions, unit reconfigurations, or changes in occupancy are proposed (see Section 5.6);
- Identifies the situations where front-end civil rights reviews are required when changes in the accessibility features of a site are made (see Section 5.7(B)); and
- Prohibits the Project Owner of a Converted Project with a PBRA HAP contract from initiating any new leasing or marketing activities (other than leasing and outreach to households holding a right to return to the Covered Project), including the solicitation, distribution or acceptance of applications or development of a waiting list, until HUD has approved the Affirmative Fair Housing Marketing Plan ("AFHMP") (see Section 5.8).

##### Relocation

- Requires PHAs or Project Owners to prepare a written relocation plan for all transactions that involve

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

**1.5. Request for Public Comment**

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

**1.6. Paperwork Reduction Act**

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

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SECTION 3. Background

**3.1. RAD Authority**

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

**3.2. Definitions**

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

**3.3. Applicable Legal Authorities**

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

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

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

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

### 3.4. Further Information

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

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

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

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<sup>8</sup> See Pub. L. No. 112-55, as amended.

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

RAD transactions are governed by the same civil rights authorities that govern HUD-assisted activities generally.<sup>9</sup> Converting Projects are subject to civil rights and equal opportunity requirements under the public housing regulations, and Covered Projects are subject to civil rights and equal opportunity requirements under the PBV regulations or the PBRA regulations, as applicable.<sup>10</sup> As described further below, the Fair Housing Act prohibits discrimination in housing<sup>11</sup> and requires all federal executive departments and agencies to "administer their programs and activities relating to housing and urban development ... in a manner affirmatively to further" fair housing.<sup>12</sup> In addition, all programs or activities receiving Federal financial assistance are subject to Title VI of the Civil Rights Act of 1964 forbidding discrimination on the basis of race, color, and national origin<sup>13</sup> and Section

504 of the Rehabilitation Act of 1973, which forbids discrimination on the basis of disability and requires that programs or activities receiving Federal financial assistance make such programs or activities “when viewed in its entirety” readily accessible to persons with disabilities and make reasonable accommodation to the needs of persons with disabilities.<sup>14</sup> RAD transactions are also subject, as applicable, to the requirements of Titles II and III of the Americans with Disabilities Act, Executive Order 11063, and HUD regulations at 24 C.F.R. part 107. Thus, as with the administration of all HUD programs and all HUD-assisted activities, fair housing and civil rights issues must be considered in the administration of the RAD program. PHAs must not implement actions and policies that may have a discriminatory effect on the basis of race, color, sex, national origin, religion, disability, or familial status or that may impede, obstruct, prevent, or undermine efforts to affirmatively further fair housing.<sup>15</sup> Note, in particular, the following requirements:

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

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<sup>9</sup> See 24 C.F.R. § 5.105.

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

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

<sup>12</sup> 42 U.S.C. § 3608(d) and (e).

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

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

<sup>15</sup> See 24 C.F.R. part 1 and part 100 subpart G.

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

- **Nondiscriminatory Site Selection:** HUD’s site and neighborhood standards require that the proposed site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provision of Title VI of the Civil Rights Act, the Fair Housing Act, Executive Order 11063, and Department regulations implementing these authorities. The site must meet the Section 504 site selection requirements in 24 C.F.R. § 8.4(b)(5). Additional provisions appear in 24 C.F.R. § 983.57(b) of the PBV rules and, for PBRA, in Appendix III of the RAD Notice. HUD’s Title VI regulation specifically prohibits site selection

that has the “purpose or effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination” on the basis of race, color, or national origin.<sup>18</sup> The Title VI regulations also impose an obligation on the part of an applicant or recipient of HUD financial assistance to take actions to overcome the effect of prior discrimination or conditions that limit participation by persons of a particular race, color, or national origin.<sup>19</sup> In addition, HUD’s Section 504 regulation prohibits recipients from selecting sites the purpose or effect of which would (1) exclude qualified individuals with disabilities from or deny them the benefit of a program or activity, or otherwise subject them to discrimination; or (2) defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with disabilities.<sup>20</sup> ADA regulations likewise prohibit site selections that have the purpose or effect of excluding individuals with disabilities (including members of the public with disabilities), denying them benefits, or subjecting them to discrimination.<sup>21</sup> Finally, the Fair Housing Act prohibits discriminatory site selection, including perpetuation of segregation in transfers of assistance and new construction.

- **Meaningful Access for Persons with Limited English Proficiency (LEP):** The PHA or Project Owner is required to take reasonable steps to ensure (a) they provide meaningful access to programs and activities for persons who have a limited ability to read, speak, or understand English; (b) any person with LEP who will be temporarily relocated or

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<sup>16</sup> 24 C.F.R. § 5.150 *et seq.*

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

<sup>18</sup> See 24 C.F.R. § 1.4(b)(3).

<sup>19</sup> See 24 C.F.R. § 1.4(b)(6).

<sup>20</sup> See 24 C.F.R. § 8.4(b)(5).

<sup>21</sup> See 28 C.F.R. § 35.130(b)(4); 28 C.F.R. § 36.301.

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

- **Effective Communication for Persons with Disabilities:** Communications and materials must be provided in a manner that is effective for persons with hearing, visual, and other communication-related disabilities consistent with Section 504 of the Rehabilitation Act of 1973 (24 C.F.R. § 8.6) and with 49 C.F.R. § 24.5, and as applicable, the Americans with Disabilities Act. This includes ensuring that, unless such actions would result in undue financial and administrative burdens or fundamental alterations, notices and resident meetings are provided in appropriate alternative formats as needed, e.g., Braille, audio, large type, accessible electronic communications, assistive listening devices, and sign language interpreters. Even in cases where the proposed actions may result in undue financial and administrative burdens or fundamental alterations, certain actions must still be taken. Specifically, appropriate auxiliary aids and services that would not result in such undue burdens or fundamental alterations must still be provided to ensure effective communication.
- **Accessible Meeting Facilities for Persons with Disabilities:** Pursuant to regulations implementing Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, as applicable, all programs and activities must be held in accessible locations unless doing so would result in an undue financial and administrative burden on the PHA and/or Project Owner, in which case the PHA or Project Owner must take any action that would not result in such undue burden but would nevertheless ensure that individuals with disabilities receive the benefits and services of the program or activity, e.g., briefings at an alternate accessible site or in-home briefing.<sup>23</sup> Individuals with disabilities must receive services in the most integrated setting appropriate to their needs. The

most integrated setting appropriate to the needs of qualified individuals with disabilities is a setting that enables individuals with disabilities to interact with persons without disabilities to the fullest extent possible.<sup>24</sup>

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<sup>22</sup> For more information about LEP obligations, see HUD's Limited English Proficiency (LEP) Frequently Asked Questions guidance at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/fair\\_housing\\_equal\\_opp/promotingfh/lep-faq#q26](http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/promotingfh/lep-faq#q26).

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

<sup>24</sup> See 28 C.F.R. part 35, Appendix B.

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

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

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

For more information about compliance with accessibility requirements, the PHA or Project Owner should refer to appropriate notices concerning civil rights requirements and may contact HUD's

Office of Fair Housing and Equal Opportunity in either the Washington, D.C. or applicable field offices for more specific guidance. For additional, non-exhaustive guidance on providing relocation assistance to persons with disabilities, see Exhibit 3-1 in HUD Handbook 1378.

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

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

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

<sup>27</sup> See 49 C.F.R. part 24, Appendix A, § 24.2(a)(8)(vii), which states that under the URA, "Reasonable accommodation of a displaced person with a disability at the replacement dwelling means the Agency is required to address persons with a physical impairment that substantially limits one or more of the major life activities. In these situations, reasonable accommodation should include the following at a minimum: Doors of

adequate width; ramps or other assistance devices to traverse stairs and access bathtubs, shower stalls, toilets and sinks; storage cabinets, vanities, sink and mirrors at appropriate heights. Kitchen accommodations will include sinks and storage cabinets built at appropriate heights for access. The Agency shall also consider other items that may be necessary, such as physical modification to a unit, based on the displaced person's needs."

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

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

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

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

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

### 5.1. RAD Eligibility Review

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

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

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

### 5.2. PHA's Proposed Site Selection and Certification

For all RAD conversions, the PHA must comply with all applicable site selection requirements as set forth in this Notice and the RAD Notice and in accordance with any additional applicable published guidance provided by

HUD. As set forth in the RAD Notice, conversions of assistance to PBV involving new construction, whether on a new site or on a current site, are subject to the site selection standards set forth in 24 C.F.R. § 983.57(a), (b), (c) and (e), but excluding 24 C.F.R. § 983.57(b)(1) and (c)(2). All other conversions to PBV, including transfers of assistance to an existing property other than the Converting Project, are subject to the standards set forth in 24 C.F.R. § 983.57(a), (b), (c) and (d), but excluding 24 C.F.R. § 983.57(b)(1) and (c)(2).<sup>28</sup> Site selection requirements set forth at Appendix III of the RAD Notice apply to RAD conversions to PBRA assistance, as does the requirement not to place housing in neighborhoods with highly concentrated poverty based on the criteria formulated for transfers under Section 8(bb) of the United States Housing Act of 1937.<sup>29</sup> PBV and PBRA site selection must also be consistent with the requirements of the Fair Housing Act, Title VI, Section 504, the ADA and their implementing regulations.

It is the PHA's responsibility to ensure that the site selection complies with all applicable site selection requirements, including the requirements of this Notice and the RAD Notice. Pursuant to the RAD Notice, the PHA must certify with the submission of its Annual Plan, Significant Amendment to its Annual Plan, or MTW Plan that it complies with the applicable site selection requirements and must maintain records of its analysis and the data relied upon in making its determination of compliance. The PHA must also determine and subsequently state in the certification that the site is "suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11063, and HUD regulations issued pursuant thereto."<sup>30</sup> Although this Notice provides detail regarding certain civil rights-related site and neighborhood standards, PHAs must certify compliance with all applicable site and neighborhood standards.<sup>31</sup>

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

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<sup>28</sup> See the provisions of Section 1.6.A.4 of the RAD Notice.

<sup>29</sup> 42 U.S.C. § 1437f(bb).

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

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

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

- Site features, such as inaccessible slopes in routes, lack of accessible sidewalks, curb ramps, accessible parking spaces, and placement of dumpsters or other physical features that would impede access to and movement within the site;

- Building features, such as inaccessible building entrances, other methods of ingress and egress, public and common use areas (e.g., the rental office, parking areas, mail areas, trash areas, community rooms, shared use toilet rooms, laundry facilities and walkways inside and outside that connect these public and common use areas to units), and barriers to access by members of the public; and
- Lack of accessible transit or para-transit and accessible public sidewalks and accessible transportation stops.

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

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

<sup>33</sup> See 28 C.F.R. § 35.130(b)(4).

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

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

### 5.3.RAD Front-End Civil Rights Transaction Review

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

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

#### *A) Activities Subject to Front-End Civil Rights Review*

All RAD conversions that include one or more of the activities listed below (Sections 5.3(A)(1) through 5.3(A)(9))

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

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

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

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

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

Converting Project. Front-end review of this activity shall be pursuant to Section 5.7(C).

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

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

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

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

*B) Fair Housing, Civil Rights, and Relocation Checklist*

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

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

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

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

*C) Timing of Front-End Review Submissions*

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

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

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

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

*D) Completion of HUD's Front-End Review*

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

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

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

In some circumstances, a special condition to the transaction's RCC will be necessary to ensure that a RAD transaction conforms to fair housing and civil rights requirements. Special conditions to the RCC reflect the conditions necessary in order to complete the RAD conversion. For example, if there is an outstanding remedial agreement or order requiring particular development activities or operating policies to correct a violation of a fair

housing or other civil rights requirement, the RCC generally will condition participation in RAD upon agreement by the PHA or the Project Owner, as applicable, to comply with the provisions of such agreements or orders after conversion.

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

##### A) *Conditions Triggering Review*

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

- a. Sufficient, comparable housing opportunities for minority families in the income range to be served by the proposed project exist outside areas of minority concentration; or
- b. The project is necessary to meet overriding housing needs that cannot be met in that housing market area.<sup>38</sup>

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

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

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

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

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

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

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

##### B) *Analysis of Areas of Minority Concentration*

This Section sets forth the methodology that HUD will use in the analysis of the extent of minority concentration,

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

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

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<sup>39</sup> The percentage of minorities shall be calculated by subtracting the percentage of White Non-Hispanic persons in the relevant area from 100%. The analysis shall be based on the most recently available decennial census data found at [http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC\\_10\\_DP\\_DPDP1&src=pt](http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=DEC_10_DP_DPDP1&src=pt). However, if such data is more than five years old, and if either the PHA or HUD requests the use of more recent data based on such party's awareness of significant and material shifts in the demographics of the relevant area in the intervening years, the analysis shall be based on the most recent American Communities Survey data.

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

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

C) *The Sufficient Comparable Opportunities Exception*

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

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

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

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

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

It is important to note that the sufficient comparable housing opportunities exception "does not require that in every locality there be an equal number of assisted units within and outside of areas of minority concentration. Rather, application of this standard should produce a reasonable distribution of assisted units each year, that, over a period of several years, will approach an appropriate balance of housing choices within and outside areas of minority concentration. An appropriate balance in any jurisdiction must be determined in light of local conditions affecting the range of housing choices available for low-income minority families and in relation to the racial mix of the locality's population."<sup>43</sup>

HUD will assess "the overall impact of HUD-assisted housing on the availability of housing choices for low-income minority families in and outside areas of minority concentration, and must take into account the extent to which the following factors are present, along with other factors relevant to housing choice."<sup>44</sup> Under this exception, it is not sufficient for one factor to be present, nor is it required that all factors be present, as the analysis must consider all relevant facts and evaluate the totality of the circumstances.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

*D) The Overriding Housing Needs Exception*

As noted in Section 5.4(A), the second exception under which the site and neighborhood standards permit new construction in areas of minority concentration is if the project is necessary to meet overriding housing needs that cannot be met in that housing market area. The new construction site selection standards under RAD<sup>55</sup> outline two examples of circumstances, consistent with fair housing and other civil rights objectives, that would permit the application of the overriding housing needs exception: (1) when the site is “an integral part of an overall local strategy for the preservation or restoration of the immediate neighborhood;” or (2) when the site is “located in a neighborhood experiencing significant private investment that is demonstrably improving the economic character of the area (a “revitalizing area”).”<sup>56</sup>

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

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

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

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

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

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

- The strategy itself, or a plan supporting the strategy, has been enacted, adopted, or ratified by a municipal, county, or state legislative body;
- There has been progress to implement the plan, or the strategy as a whole.<sup>57</sup>

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

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

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

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

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

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

homeownership in the neighborhood, and disproportionate depletion of larger dwellings for families with children.

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

A PHA cannot establish that a site meets the overriding housing needs exception if the only reason the need cannot otherwise be feasibly met is that discrimination on the basis of race, color, religion, sex, national origin, age, familial status, or disability renders sites outside areas of minority concentration unavailable or if the use of this standard in recent years has had the effect of circumventing the obligation to provide housing choice.<sup>58</sup> For example, the overriding housing needs exception may not be applied if the reason that the project cannot be sited outside of an area of minority concentration is due to community opposition to the project based on the actual or perceived protected characteristics of the residents or prospective residents of the project. In addition, a recipient may not exclusively rely on this exception as a means of siting projects without creating housing opportunities outside of areas of minority concentration or without preserving existing housing outside of areas of minority concentration.

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

##### A) *Applicable Standards*

Transfers of assistance are subject to the site selection standards for existing or rehabilitated housing set forth in 24 C.F.R. § 983.57(a)-(d), with the exception of 24 C.F.R. § 983.57(b)(1) and (c)(2), for PBV conversions and Appendix III of the RAD Notice for PBRA conversions.

All transfers of assistance to a new site(s) are subject to front-end review by HUD, as required by the RAD Notice and noted in Section 5.3(A)(2) of this Notice. Conversions involving a transfer of assistance may also involve one or more of the other activities which trigger front-end review as described in Section 5.3(A). In transfers of assistance involving any of these activities, HUD

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

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

##### B) *Analysis of Transfers of Assistance*

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

- (1) The accessibility of the proposed site for persons with disabilities;
- (2) The ability of the RAD conversion to remediate accessibility concerns;
- (3) Whether the transfer of assistance would result in assisted units being located in an area where the total percentage of minority persons is significantly higher than the total percentage of minority persons in the area of the original public housing site or in an area where the percentage of persons of a particular racial or ethnic minority is significantly

higher than the percentage of that minority group in the area of the original public housing site.<sup>60</sup> For purposes of this analysis, HUD will examine the minority concentration of:

- (a) the census tract of the original public housing site compared to the census tract of the proposed site; and
  - (b) an area comprised of the census tract of the original public housing site together with all adjacent census tracts compared to an area comprised of the census tract of the proposed site together with all adjacent census tracts.
- (4) Whether the site selection has the purpose or effect of:
- (a) Excluding individuals from, denying them the benefits of, or subjecting them to discrimination under the RAD program or the applicable rental assistance program;
  - (b) Excluding qualified individuals with disabilities from or denying them the benefit of the RAD program or the applicable rental assistance program, or otherwise subjecting them to discrimination;
  - (c) Defeating or substantially impairing the accomplishment of the objectives of the RAD program or the applicable rental assistance program with respect to qualified individuals with disabilities; and

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

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

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

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

Identification of considerations for the front-end review do not preclude review by HUD of all standards referenced in the RAD Notice.

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

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

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

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

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<sup>61</sup> See Sections 1.4.A.4 and 1.4.A.10 of the RAD Notice.

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

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

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

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

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

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

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

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<sup>63</sup> See Section 1.4.A.4 of the RAD Notice.

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

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

*B) Review of Changes in Occupancy Type*

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

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

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

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

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

While the PHA is responsible for compliance with all requirements described in Section 4, above and in this subsection, the front-end review will be conducted based on a review of the Checklist and shall include confirming the provision of any required accessible units and confirming the PHA is applying the appropriate accessibility standards. HUD will require the PHA to provide information regarding the provision of at least the minimum number of units accessible for persons with mobility impairments and units accessible for persons with hearing and vision impairments as required by applicable law (generally 5% of units accessible for persons with mobility impairments and an additional 2% of units accessible for persons with hearing and vision impairments). For purposes of establishing an upper threshold of accessible units below which RAD front-end review will not be required, HUD will accept that up to 10% of units accessible for persons with mobility impairments and up to 4%

of units accessible for persons with hearing and vision impairments is consistent with local need, without further review, absent information to the contrary. HUD will consider a PHA's request for higher percentages based, to HUD's satisfaction, on reliable indicators of local need, such as census data or other available current data. HUD is available to assist PHAs in determining appropriate indicators of local need for units with accessible features. The RAD conversion scope of work submitted with the Financing Plan must reflect the construction or retrofitting of residential units and public and common use areas to comply with all applicable accessibility requirements.

*C) Remedial Agreements and Orders.*

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

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

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

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

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

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

<sup>65</sup> *See* 24 C.F.R. § 200.610.

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

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

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

## SECTION 6. RELOCATION REQUIREMENTS

In some cases, as explained in this Section, the activities associated with the RAD transaction may require the relocation of residents. In the event of acquisition, demolition, construction or rehabilitation activities performed in connection with a RAD conversion, the PHA and/or Project Owner<sup>66</sup> should plan such activities to reasonably minimize any disruption to residents’ lives, to ensure that residents are not exposed to unsafe living conditions and to comply with applicable relocation, fair housing and civil rights requirements. As discussed in Section 6.1, below, a written relocation plan is required in some circumstances and strongly encouraged for any conversion resulting in resident moves or relocation. Further, the obligations due to relocating residents under RAD are broader than URA relocation assistance and payments and RAD specifies requirements which are more protective of residents than standard URA requirements, including additional notices (see Section 6.6) and a right to return (see Section 6.2). This Notice requires that certain information be provided to all households, beginning prior to submission of the RAD application.

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

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

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

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

regulatory requirements for eligibility under URA.<sup>68</sup>

### 6.1.Planning

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

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

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

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

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

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

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

Stage	Activities
1. Prior to submission of RAD application	<ul style="list-style-type: none"> <li>• Determine potential need for relocation in connection with proposed conversion plans.</li> <li>• Meet with residents to discuss proposed conversion plans, communicate right to return, and solicit feedback.</li> <li>• Provide the <i>RAD Information Notice (RIN)</i> to residents as described in Section 6.6(A) of this Notice.</li> </ul>

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

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

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

## 6.2. Resident Right to Return

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

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

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

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

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

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

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

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

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

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

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

<sup>74</sup> Refer to the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Reasonable Modifications Under the Fair Housing Act (March 5, 2008), at [http://www.hud.gov/offices/fheo/disabilities/reasonable\\_modifications\\_mar08.pdf](http://www.hud.gov/offices/fheo/disabilities/reasonable_modifications_mar08.pdf) for additional detail regarding applicable standards for reasonable accommodations and accessibility features which must be provided. If the resident has paid for installation of accessibility features in the resident's prior unit, the PHA or Project Owner shall pay for the installation of comparable features in the new unit. Violations of law may also result in other sanctions.

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

### 6.3. Admissions and Continued Occupancy Requirements

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

### 6.4. Types of Moves and Relocation

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

#### *A) Moves within the same building or complex of buildings<sup>76</sup>*

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

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<sup>75</sup> PHAs should note that the definitions of “permanent” vary between the URA and RAD. For example, “permanent displacement” under the URA includes moves from the original building or complex of buildings lasting more than one year. The RAD Notice, meanwhile, considers “permanent relocation” to be separation from the

RAD-assisted unit upon completion of the conversion and any associated rehabilitation and construction. The duration of a temporary move may exceed one year. In the case of a transfer of assistance, it is not permanent relocation under RAD when the resident must move from the original complex of buildings to the destination site in order to retain occupancy of the RAD-assisted unit.

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

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

*B) Temporary relocation lasting one year or less*

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

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

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

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

*D) Temporary relocation anticipated to last more than one year*

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

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

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

In order to allow residents to make the election earlier than required under the URA (thereby avoiding a year in temporary relocation housing prior to electing voluntary permanent relocation), if the PHA or Project Owner anticipates that temporary relocation will last more than one year, the PHA or Project Owner shall provide the resident with an initial option to (a) be temporarily relocated, retain the right to return to the Covered Project when a unit becomes available and receive assistance, including temporary housing and reimbursement for all reasonable out-of-pocket expenses associated with the temporary relocation, or (b) accept RAD voluntary permanent relocation assistance and payments equivalent to what a "displaced person" would receive under the URA. The

PHA or Project Owner must inform the resident in writing that his or her acceptance of voluntary permanent relocation, with the associated assistance, would terminate the resident's right to return to the Covered Project. The PHA or Project Owner must provide the resident with at least 30 days to decide whether to remain in temporary relocation status or to voluntarily relocate permanently.

*E) Permanent moves in connection with a transfer of assistance*

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

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

If HUD determines that the distance from the Converting Project to the site of the Covered Project is significant and the resident could not reasonably be required to move to the new site, then HUD will require the PHA to adjust project plans to accommodate the resident in an assisted unit (e.g., a public housing unit, some other project-based Section 8 unit or a market unit with a housing choice voucher) within a reasonable distance of the site of the Converting Project. HUD will evaluate whether this requirement applies on a case by case basis, considering whether the distance would impose a significant burden on residents' access to existing employment, transportation options, schooling or other critical services. Accommodating the resident may also be satisfied by the resident's consent to an alternative housing option pursuant to Section 6.10. The requirement set forth in this paragraph is in addition to all protections, including, for example, the offer of comparable replacement dwellings, which are required in all instances where a transfer of assistance is subject to the URA and/or Section 104(d).

*F) Voluntary permanent relocation*

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

**6.5. Initiation of Negotiations (ION) Date**

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

assistance.

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

#### 6.6. Resident Relocation Notification (Notices)

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

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<sup>79</sup> The notices required under Sections 6.6(B) through 6.6(E) must be delivered in accordance with URA resident notification requirements, including the requirement that the notice be personally served or delivered by certified or registered first class mail return receipt requested. All notices must be delivered to each household (i.e., posting in additional relocation notices and updates for the residents' benefit as appropriate for the specific situation.

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

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

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

##### A) *RAD Information Notice*

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

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

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

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

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

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

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

- Inform the resident that he or she may be displaced for the project and generally describe the relocation payment(s) for which the resident may be eligible, the basic conditions of eligibility, and the procedures for obtaining the payment(s);
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will be given reasonable relocation advisory services, including referrals to replacement properties, help in filing payment claims, and other necessary assistance to help the displaced resident successfully relocate;
- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she will not be required to move without 90 days advance written notice;

- Inform the resident that, if he or she qualifies for relocation assistance as a displaced person under the URA, he or she cannot be required to move permanently unless at least one comparable replacement dwelling has been made available;
- Inform the resident that any person who is an alien not lawfully present in the United States is ineligible for relocation advisory services and relocation payments, unless such ineligibility would result in exceptional and extremely unusual hardship to a qualifying spouse, parent, or child (see 49 C.F.R. § 24.208(h) for additional information);
- Describe the resident's right to appeal the PHA's determination as to a resident's eligibility for URA assistance; and
- Inform the resident that the RAD transaction will be completed consistent with fair housing and civil rights requirements, and provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

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

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

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

*D) RAD Notice of Relocation*

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

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

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

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

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

- (1) The notice must state the anticipated duration of the resident's relocation.
- (2) The notice must specify which entity (the PHA or the Project Owner) is primarily responsible

for management of the resident's relocation and for compliance with the relocation obligations during different periods of time (i.e., before vs. after Closing).

(3) For residents who will be relocated for twelve months or less:

- The PHA or Project Owner must provide this notice a minimum of 30 days prior to relocation.<sup>84</sup> PHAs or Project Owners may deem it appropriate to provide longer notice periods for persons who will be temporarily relocated

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

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

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

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

for an extended period of time (over 6 months), or if necessary due to personal needs or circumstances.

- The notice must explain that the PHA or Project Owner will reimburse the resident for all reasonable out-of-pocket expenses incurred in connection with any temporary move (including, but not limited to, increased housing costs and moving costs).
- The notice must explain the reasonable terms and conditions under which the resident may exercise the right to return to lease and occupy a unit in the Covered Project.

(4) For residents who will be relocated for more than twelve months, including for residents who may wish to voluntarily accept a permanent relocation option:

- The PHA or Project Owner must provide this notice a minimum of 90 days prior to relocation of residents.<sup>85</sup>
- The notice must offer the choice to be temporarily relocated, thereby preserving the resident's right to return, or the choice to be voluntarily permanently relocated pursuant to the procedures set forth in Section 6.10, together with guidance that the resident has at least thirty (30) days to consider the choice.
- For residents who voluntarily elect to be permanently relocated, the 90-day notice period may only begin once the PHA or Project Owner has made available at least one comparable replacement dwelling consistent with 49 C.F.R. § 24.204(a).<sup>86</sup>
- The notice must describe the available relocation assistance, the estimated amount of assistance based on the individual circumstances and needs, and the procedures for

obtaining the assistance. The notice must be specific to the resident and his or her situation so that the resident will have a clear understanding of the type and amount of payments and/or other assistance the resident household may be entitled to claim.

- The notice must comply with all requirements for a URA Notice of Relocation Eligibility as described in 49 C.F.R. § 24.203(b).
- (5) The notice must inform the resident that the relocation will be completed consistent with fair housing and civil rights requirements, and it must provide contact information to process reasonable accommodation requests for residents with disabilities during the relocation.

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

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

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

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

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

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

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

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

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<sup>87</sup> To illustrate, consider the following examples.

- Example 1: The household is expected to be relocated for 11 months. The resident would receive a RAD Notice of Relocation offering only temporary relocation. Construction delays result in the extension of the relocation such that, in fact, it exceeds 12 months. When the temporary relocation exceeds 12 months, the resident must receive a URA Notice of Relocation Eligibility offering a

choice between continuation in temporary relocation status and permanent relocation.

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

#### *F) Notification of Return to the Covered Project*

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

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

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

#### **6.7. Relocation Advisory Services**

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

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

Advisory counseling must also inform residents of their fair housing rights and be carried out in

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

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

### 6.8. Initiation of Relocation

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

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

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

### 6.9. Records and Documentation; Resident Log

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

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

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

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

- Name of head of household
- PHA's resident identification number and/or the last four digits of the head-of-household's Social Security Number
- The head of household's race and ethnicity as reported on the HUD Form 50058 or the HUD Form 50058 MTW (the "Form 50058"). For purposes of the resident log, all references to the Form 50058 shall be to the form most recently prepared at the time of the First Resident Meeting or, for residents who moved in after the First Resident Meeting, the form most prepared at the time of the resident's initial occupancy.
- A Yes/No indication if there is any household member reported as having a disability on the Form 50058.
- A Yes/No indication if there is any household member reported as under the age of 18 on the effective date of action of the Form 50058;
- The household's relevant unit address, unit size and household size at the following times:
  - The time of the First Resident Meeting or the time of a resident's initial occupancy if after the First Resident Meeting
  - The time of the issuance of the CHAP or the time of a resident's initial occupancy if after the issuance of the CHAP
  - Proximate and prior to the PHA or Project Owner having authority to initiate involuntary relocation activities (i.e., at the time of issuance of the RCC unless otherwise approved by HUD upon extraordinary circumstances)
  - Completion of the relocation process following construction or rehabilitation and with return of all households exercising the right of return
- The household's residence status at the time of issuance of the RCC (e.g., in residence at the Converting Project, transferred to other public housing, moved out, evicted or other with explanation)
- The household's residence status upon completion of re-occupancy (e.g., in residence at the Covered Project/never relocated, in residence at the Covered Project/temporarily relocated and returned, transferred to other public housing, moved out, evicted, permanently relocated or other with explanation)
- The following dates for each resident household, as applicable:
  - Date of the RAD Information Notice
  - Date of the GIN
  - Date of the CHAP
  - Date of NOIA
  - Date of RAD Notice of Relocation
  - Date of URA Notice of Relocation Eligibility
  - Date of most recent consent to voluntary permanent relocation<sup>91</sup>
  - Date of relocation away from the Converting Project or Covered Project
  - Dates of any intermediate relocation moves
  - Date of return to the Covered Project or to the household's post-closing permanent address.<sup>92</sup>

- The following information for each resident household, as applicable:
  - The type of move (e.g., the types identified in Section 6.4, above)
  - The form of any temporary relocation housing (e.g., hotel, assisted housing, market-rate housing)
  - The address and unit size of any temporary relocation housing
  - Whether alternative housing options were offered consistent with Section 6.10, below
  - Any material terms of any selected alternative housing options
  - The type and amount of any payments for
    - Moving expenses to residents and to third parties
    - Residents' out-of-pocket expenses
    - Rent differential payments or other payments for temporary or permanent rental assistance, together with the rent and utilities (if applicable) that were the basis for the calculations
    - Any other relocation-related compensation or assistance

### **6.10. Alternative Housing Options**

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

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

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

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

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

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

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

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

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

*B) Assisted Housing Options as Alternatives*

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

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

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

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

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

*C) Monetary Elements Associated With Alternative Housing Options*

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

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

*D) Disclosure and Agreement to Alternative Housing Options*

In providing an offer of alternative housing options to a resident, the PHA or Project Owner must inform the resident in writing of: a) his or her right to return;<sup>95</sup> b) his or her right to comment on and/or object to plans which would preclude the resident from returning to the Covered Project;

c) the requirement that if the resident objects to such plans, the PHA or Project Owner must alter the project plans to accommodate the resident in the Covered Project; and d) a description of both the housing option(s)

and benefits associated with the right of return and the alternative housing options and benefits being offered. In the description of the available housing options and benefits, the PHA or Project Owner shall include a description of any temporary housing options associated exercising the right of return and a description of any permanent alternative housing options as well as a reasonable estimate of the financial implications of all temporary and permanent options on the resident long-term.

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<sup>94</sup> Monetary payments other than Required Relocation Payments are considered “temporary, nonrecurring or sporadic income” pursuant to 24 C.F.R. § 5.609(c)(9) and consequently are excluded from income for purposes of eligibility and assistance calculations under certain HUD programs. Residents should be reminded that monetary payments other than URA relocation payments may be taxable under the Internal Revenue Code, that monetary payments, including required relocation payments, may affect residents’ eligibility for other assistance programs and that the resident should seek knowledgeable guidance on these matters, including guidance on the taxation of monetary payments under state law.

<sup>95</sup> In the case of a transfer of assistance to a new site a significant distance from the Converting Project as described in Section 6.4(E), the resident shall be informed of the resident’s right to return to the Covered Project at the new site and of the resident’s right to an assisted unit within a reasonable distance of the site of the Converting Project, as described in Section 6.4(E).

The written notification may request written consent from the resident to exercise the alternative housing option and receive permanent relocation assistance and payments pursuant to RAD, the URA and/or Section 104(d), as applicable, in addition to any benefits associated with the alternative housing option. As part of any voluntary consent, the resident head of household must acknowledge in writing that acceptance of such assistance terminates the resident’s right to return to the Covered Project. In order to ensure that the resident has sufficient time to seek advice and consider the alternative housing options, any consent to an alternative housing option executed within 30 days of the written presentation of the options shall be invalid.

Any offer of alternative housing options must be made in writing and the acceptance of the alternative must be voluntary and in writing. The offer of an alternative housing option must contain the following elements:

- The resident is informed of his or her right to return to the Covered Project and that neither the PHA nor the Project Owner can compel the resident to relinquish his or her right to return. The offer of alternative housing options must clearly state that acceptance of any alternative would relinquish the resident’s right to return to the Covered Project.
- The offer of an alternative housing option must be accompanied by identification of comparable housing units which the resident may use to understand the nature of housing options available to them and the rent and estimated utility costs associated with such housing options. This information must also be accompanied by a reasonable estimate of any replacement housing payment or “gap payment” for which the resident may be eligible.
- The offer of an alternative housing option must be accompanied by information regarding moving payments and assistance that would be available if the resident exercises the right of return and if the resident accepts the alternative housing option.
- Residents must be offered advisory assistance to consider their options.
- To be fully informed, the offer must outline the implications and benefits of each alternative housing option being made available (i.e., of accepting each alternative housing option as compared to exercising his or her right to return) as well as a reasonable estimate of when the resident’s relocation might occur. Implications and benefits include payment amounts, differences in rent calculations, differences in program rules, housing location, and potential long-term implications such as household housing expenses multiple years in the future.
- To be fully voluntary, the resident must have at least thirty (30) days following delivery of the written offer to consider their options. LEP persons must be provided a written translation of the offer and oral interpretation of any meetings or counseling in the appropriate language. In addition,

PHAs must comply with their obligation to ensure effective communication with persons with disabilities.

- The resident cannot be asked to make a decision which will be implemented at a distant future time. Consequently, the resident may not provide written consent to an alternative housing option (and consequently, consent to voluntary permanent relocation) until after the earlier of issuance of the NOIA or the effective date of the RCC.<sup>96</sup> If a resident signs a written consent to accept an alternative housing option, that written consent is valid for 180 days. If relocation (after the applicable notice periods) has not occurred within this 180 day period, then the PHA or Project Owner must secure a new consent to accept an alternative housing option. New relocation notices are generally not required.
- The acceptance must be in writing signed by the resident head of household, including a certification of facts to document that the household is relinquishing its right to return and that the decision and the acceptance of the alternative housing option was fully informed and voluntary.
- Residents accepting alternative housing options to relinquish their right to return will be considered to have voluntarily and permanently relocated. Such residents are to be provided applicable RAD, URA and/or Section 104(d) relocation assistance and payments.

The information included with the offer of alternative housing options is to aid the resident in making decisions regarding the desirability of the alternative housing options and neither satisfies nor replaces the relocation notices and information required to be provided to residents pursuant to this Notice, the URA or Section 104(d).

While HUD does not require PHAs to submit documentation of alternative housing options offered to residents or the residents' elections, PHAs must keep auditable written records of such consultation and decisions. HUD may request this documentation at any time, including as part of a review of the Checklist or if relocation concerns arise.

### **6.11. Lump Sum Payments**

PHAs and Project Owners should note that certain relocation payments to displaced residential tenants may be subject to 42 USC § 3537c ("Prohibition of Lump-Sum Payments") and must be disbursed in installments. The PHA or Project Owner may determine the frequency of the disbursements which must be made in installments. Handbook 1378, Chapter 3-7(D) provides guidance on the manner and frequency of disbursing payments subject to this requirement.

Any monetary element beyond Required Relocation Payments which may be associated with an alternative housing option described in Section 6.10, above, is not relocation assistance and is therefore not subject to the requirements regarding lump sum payments.

## SECTION 7. APPLICABILITY OF HCV AND PUBLIC HOUSING REQUIREMENTS

### 7.1.HCV Waiting List Administration Unrelated to the RAD Transaction

From time to time, a resident of a Converting Project may place themselves on the PHA's waiting list for HCVs independent of any planned RAD transaction. With respect to residents of a Converting Project prior to the effective date of the HAP contract, PHAs should continue to

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<sup>96</sup> The PHA and Project Owner should note that securing resident consent to an alternative housing option may delay the issuance of the RAD Notice of Relocation. The RAD Notice of Relocation must be specific to whether the resident will be temporarily or permanently relocated.

administer their HCV waiting list in accordance with their Section 8 Administrative Plans. Residents who rise to the top of the HCV waiting list independent of any preference for relocating RAD residents or other RAD provisions and accept an HCV are not considered to be relocated as a result of the RAD conversion. Standard administration of the PHA's HCV waiting list is not considered relocation.

### 7.2.HCV Waiting List Administration Related to the RAD Transaction

From time to time, a PHA may wish to use HCV resources as a relocation option in connection with a RAD transaction. In order to do so, a PHA must modify its Section 8 Administrative Plan to provide a preference for relocating RAD residents and the PHA is subject to Section 6.8 of this Notice relating to initiation of relocation. Further, if a PHA provides a preference for relocating RAD residents, the PHA must be explicit regarding the nature of the HCV as a relocation resource. If the PHA anticipates using the HCV as a temporary relocation resource, the PHA must recognize that it cannot rescind an HCV once issued to the resident (i.e., the family would have to voluntarily relinquish their voucher and may choose to remain in the HCV program indefinitely). The PHA must also provide a preference for admission to the Covered Project in order to satisfy the right to return. Alternatively, if the PHA anticipates using the HCV as a voluntary permanent relocation resources, the PHA must comply with the alternative housing options provisions of Section 6.10.<sup>97</sup>

### 7.3.Public Housing Transfers Unrelated to the RAD Transaction

From time to time, a resident of a Converting Project may request a transfer to another public housing property independent of any planned RAD transaction. With respect to residents of a Converting Project prior to the effective date of the HAP contract, PHAs must continue to administer their admissions and occupancy procedures as adopted. Any prohibitions in this Notice on implementing relocation do not apply to residents requesting public housing transfers, moves pursuant to the Violence Against Women Act (VAWA)<sup>98</sup> or reasonable accommodation moves. Standard administration of the PHA's admissions and occupancy policy is not considered relocation.<sup>99</sup> Transfers not undertaken for the RAD project are not subject to URA. However, it is recommended that the PHA document the transfer carefully, including an acknowledgement by the resident that the transfer is not undertaken for the RAD project, is not

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<sup>97</sup> PHAs and Project Owners should note that while in most cases, there is no rent differential between the tenant paid rent in a public housing unit and in an HCV, there are some situations (such as flat rent households) where a difference does exist. Rental assistance payments under the URA are required if there is a difference between these two amounts.

<sup>98</sup> Title IV, section 40001-40703.

<sup>99</sup> Standard administration of the PHA's admissions and occupancy policy is permitted. However, HUD is sensitive to concerns that discussion of the planned RAD conversion and construction activities may cause residents to perceive a pressure to transfer without the counseling and moving assistance which would be available were the household to wait until relocation. If relocation at the Converting Project is planned, PHAs are strongly advised to document any such transfers carefully and to provide any households moving under standard admissions and occupancy policies with additional notices referencing the assistance and payments which would be available if the household were to remain in place until the relocation plan is implemented.

subject to URA requirements and that the resident is moving notwithstanding the guidance in the GIN or other relocation guidance from the PHA.

#### 7.4. Resident Initiated Public Housing Transfers Related to the RAD Transaction

Pursuant to Section 1.8 of the RAD Notice, households in the Converting Project who do not want to transition to the Section 8 program may be offered, if available, the opportunity to move to other public housing owned by the PHA. Such move shall be implemented as a transfer and shall be prioritized equivalent to a “demolition, disposition, revitalization or rehabilitation transfer” as described in Section 11.2 of the applicable Public Housing Occupancy Guidebook. Transfers for this purpose do not require any modification to the PHA’s admissions and occupancy policy and may occur at any time pursuant to the PHA’s admissions and occupancy policy. Transfers for this purpose, while initiated by the resident, are the result of the PHA- initiated RAD transaction and the PHA must bear the reasonable costs of transfer. The reasonable cost of the transfer includes not just the cost of packing, moving, and unloading, but also the cost of disconnecting and reconnecting any existing resident-paid services such as telephone and cable television. The PHA must also document that the resident’s transfer request is fully informed and fully voluntary, which documentation must include an acknowledgement by the resident that the transfer is not undertaken at the request of the PHA or under pressure from the PHA, that the resident is moving notwithstanding the guidance in the GIN or other relocation guidance from the PHA and that the resident is withdrawing from participation in the RAD program and consequently losing rights, including the right to return, which accrue to residents participating in the RAD program. A public housing resident who voluntarily seeks a public housing transfer is generally not considered to be displaced under the URA or Section 104(d), where applicable.

#### 7.5. Public Housing as a Temporary Relocation Resource

PHAs and Project Owners may wish to mitigate the relocation budget associated with the RAD conversion by using units within the PHA’s portfolio as relocation resources. In light of its mission to serve as many low-income households as possible, including its need to accommodate emergency transfers (such as moves pursuant to VAWA), the PHA should minimize the use of the public housing units not converting under RAD for temporary relocation of RAD impacted residents. HUD has a strong preference that the PHA use the units within the PHA’s Converting Projects as a temporary relocation resource prior to using units in the remainder of the PHA’s public housing portfolio. PHAs may elect not to lease units within the Converting Projects or, if necessary, the remainder of its portfolio, for this purpose only to the extent reasonably necessary to facilitate construction or rehabilitation.

Upon the effective date of the HAP contract (usually also the effective date of the RAD conversion), each resident of a Covered Project becomes a participant in the Section 8 program and is no longer part of the public housing program. A PHA may use public housing as a temporary relocation resource if approved by HUD, which approval shall depend on the proposed structure. PHAs wishing to use public housing units as a temporary relocation resource must consult with HUD’s Office of Public and Indian Housing (PIH) prior to the formal request for HUD approval. It is unlikely that HUD would approve a request to use public housing units as a relocation resource for a period exceeding one year after the effective date of the HAP contract.

If HUD grants approval, HUD shall provide alternative requirements regarding PIH Information Center (PIC) documentation of the occupancy of these temporary relocation resources. PHAs must follow any guidance or instructions regarding treatment of the public housing units in HUD’s data systems as may be provided from time to time.

PHAs and Project Owners should note that, absent written approval, if a resident seeks to occupy a public housing unit after the effective date of the HAP contract, the resident would need to be readmitted to public housing in a manner consistent with the waitlist and admissions policies and must exit the Section 8 program.

#### 7.6. Terminations (Including Evictions) and End of Participation Unrelated to the RAD Transaction

Public housing program requirements related to continued occupancy and termination, including rules on grievances and related hearings, remain in effect until the effective date of a new PBV or PBRA HAP contract. If a resident is evicted in accordance with applicable state and local law and the eviction is not undertaken for the purpose of evading the obligation to make available RAD relocation and URA payments and other assistance, the resident is generally not entitled to relocation assistance and payments under this Notice or the URA (49 C.F.R. § 24.206). If a resident voluntarily ends his or her participation in the public housing program, in the absence of evidence that the end of participation was induced by the PHA for the purpose of evading the obligation to make available RAD relocation and URA payments and other assistance, the resident is generally not entitled to relocation assistance and payments under this Notice or the URA.

#### 7.7.Right-Sizing

Public housing, PBV and PBRA requirements mandate that, upon the availability of a unit which is appropriate for the household size, the PHA or Project Owner must transfer a household that is under- or over-housed into the unit appropriate to the household's size. However, accommodating all residents pursuant to the right of return has primacy over right-sizing requirements and may, in some cases, require temporarily over-housing households. In such circumstances, the PHA or Project Owner shall subsequently transfer the household to an appropriate size unit when available, as is required by the applicable program regulation. Such actions shall be governed by the applicable program regulation and shall not be considered relocation under this Notice.

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Lourdes Castro-Ramirez  
Principal Deputy Assistant Secretary for Public  
and Indian Housing

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Edward L. Golding  
Principal Deputy Assistant Secretary for Housing

#### **APPENDIX I: Applicable Legal Authorities**

#### **APPENDIX II: Recommended Relocation Plan Contents**

## **APPENDIX I: Applicable Legal Authorities**

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### **Part 1**

This Appendix to the Notice identifies key legal authorities with respect to fair housing, civil rights, and resident relocation. This Appendix is not exhaustive of applicable legal authorities, which authorities may also include other Federal statutes, regulations and Executive Orders, and civil rights provisions related to other programs (including funding programs) associated with the RAD transaction.

#### Fair Housing Act (Title VIII of the Civil Rights Act of 1968, as amended)

The Fair Housing Act, 42 U.S.C. § 3601 et seq., and its implementing regulations, 24 C.F.R. part 100, prohibit discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, disability, or familial status. The Fair Housing Act applies to for-sale and rental housing, whether the housing is privately or publicly funded, including housing supported by tax credits. Single family homes, condominiums, apartment buildings, time-shares, dormitories, transitional housing, homeless shelters that are used as a residence, student housing, assisted living housing, and other types of housing are all covered by the Fair Housing Act.

Among its substantive provisions, the Fair Housing Act requires “covered multifamily dwellings,” designed and constructed for first occupancy after March 13, 1991, to be readily accessible to and usable by persons with disabilities. In buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas are subject to the Act’s design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas are subject to the Act’s design and construction requirements.<sup>100</sup> In addition, the Fair Housing Act requires that housing providers make reasonable accommodations in rules, policies, and services, when such accommodations may be necessary to afford a person with a disability equal opportunity to use and enjoy a dwelling unit, including public and common use areas, and that housing providers permit reasonable modifications of existing premises for persons with disabilities.

The Fair Housing Act also requires HUD to administer HUD programs and activities in a manner that affirmatively furthers fair housing (42 U.S.C. § 3608(e)(5)). HUD’s affirmatively furthering fair housing (“AFFH”) rule in 24 C.F.R. §§ 5.150-5.180 will apply to PHAs (except for qualified PHAs) for the PHA’s fiscal year that begins on or after January 1, 2018 for which a new 5-year plan is due, as provided in 24 C.F.R. § 903.5. The affirmatively furthering fair housing regulations will apply to qualified PHAs, for the PHA’s fiscal year that begins on or after January 1, 2019 for which a new 5-year plan is due, as provided in 24 C.F.R. § 903.5.<sup>101</sup>

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<sup>100</sup> See 42 U.S.C. § 3604(f)(3)(c) and 24 C.F.R. § 100.205.

<sup>101</sup> For purposes of the AFFH rule, “[a]ffirmatively furthering fair housing means taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing under the AFFH rule means taking meaningful actions that, taken together, address

Additional detail and discussion of the interplay between the Fair Housing Act, Section 504, and Titles II or III of the Americans with Disabilities Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

#### United States Housing Act of 1937 (1937 Act)

The United States Housing Act of 1937 (1937 Act) (42 U.S.C. § 1437c-1(d)(15)) requires PHAs to submit a 5-year plan and an Annual Plan. Pursuant to HUD regulations, the Annual Plan includes a certification by the PHA that the PHA will affirmatively further fair housing.

#### Title VI of the Civil Rights Act of 1964

Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*) and HUD's implementing regulation (24 C.F.R. part 1) prohibit recipients of Federal financial assistance from discriminating, excluding from participation, or denying benefits to, any person on the basis of race, color, or national origin. In addition, Title VI regulations prohibit HUD recipients of Federal financial assistance from utilizing criteria or methods of administration which have the effect of subjecting individuals to discrimination because of their race, color, or national origin (24 C.F.R. § 1.4(b)(2)(i)). When determining the site or location of housing, recipients may not make selections with the purpose or effect of excluding individuals from, denying them the benefits of, or subjecting them to discrimination on the ground of race, color, or national origin (24 C.F.R. § 1.4(b)(3)). An applicant or recipient of HUD financial assistance also has an obligation to take reasonable action to remove or overcome the consequences of prior discriminatory practices regardless of whether the recipient engaged in discriminatory conduct (24 C.F.R. § 1.4(b)(6)).

Recipients of Federal financial assistance are required to take reasonable steps to ensure meaningful access to their programs and activities for persons who have limited ability to read, speak, or understand English – i.e., individuals who have limited English proficiency (LEP).

This includes oral and written communications during relocation and throughout a RAD transaction. Such language assistance may include, but is not limited to, providing written translation of notices regarding the plans for the project and relocation and oral interpretation at meetings. Otherwise, LEP persons may be denied participation in, and the benefit of, the recipients' program or activity. On January 22, 2007, HUD issued "Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" (LEP Guidance), available at: [http://www.lep.gov/guidance/HUD\\_guidance\\_Jan07.pdf](http://www.lep.gov/guidance/HUD_guidance_Jan07.pdf).<sup>102</sup>

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significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws."

24 C.F.R. §

5.150. Meaningful actions means significant actions that are designed and can be reasonably expected to achieve a material positive change that affirmatively furthers fair housing by, for example, increasing fair housing choice or decreasing disparities in access to opportunity. See 24 C.F.R. § 5.152.

<sup>102</sup> See also Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, which requires recipients of Federal financial assistance to take reasonable steps to provide meaningful access to

### Section 504 of the Rehabilitation Act of 1973

Section 504 of the Rehabilitation Act of 1973 provides: “No otherwise qualified individual with a disability in the United States ... shall, solely by reason of her or his disability, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program, service or activity receiving Federal financial assistance.”<sup>103</sup>

Among other things, HUD’s regulations implementing Section 504 (in 24 C.F.R. part 8) prohibit recipients of Federal financial assistance, in determining the site or location of a facility receiving such assistance, from making site selections the purpose or effect of which would (1) exclude qualified individuals with disabilities from or deny them the benefits of a program or activity, or otherwise subject them to discrimination; or (2) defeat or substantially impair the accomplishment of the objectives of the program or activity with respect to qualified individuals with disabilities.<sup>104</sup> These prohibitions apply to both determining the site of permanent facilities and a site for relocation of residents.

Furthermore, HUD’s implementing regulations prohibit discrimination, the denial of benefits, or the exclusion of participation of individuals with disabilities from the programs or activities of recipients of federal financial assistance because a recipient’s facilities are inaccessible. Such recipients must provide qualified individuals with disabilities with program access, which may require modification of architectural features of facilities in RAD transactions for individuals with disabilities to have access to the program. Certain architectural specifications apply to facilities that are altered or newly constructed with HUD financial assistance, such as facilities where assistance is transferred and facilities used as temporary or permanent relocation sites for residents of a project undergoing a RAD conversion. If alterations are made to a housing facility, the alterations to dwelling units in the facility are required, to the maximum extent feasible (i.e., if doing so would not impose undue financial and administrative burdens on the operation of the project), to be made readily accessible to and usable by individuals with disabilities. If alterations taken to a development that has 15 or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility (except when it requires removal of structural load-bearing members), or if the facility is newly constructed, then a minimum of 5% of the total dwelling units, or at least one unit in a development, whichever is greater, must be made accessible for persons with mobility impairments. An additional 2% of the units, but not less than one unit, in a development must be accessible for persons with hearing and vision impairments.

In addition, regulations implementing Section 504 require recipients to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change, adaptation, or modification to a policy, program, service, or workplace which will allow a qualified person with a disability to participate fully in a program, take advantage of a service, or perform a job. Section 504 also includes effective communication requirements, such as

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their programs and activities for LEP persons. E.O. 13166 directs all Federal agencies, including HUD, to issue guidance to help recipients of Federal financial assistance in providing such meaningful access to their programs.<sup>103</sup> 29 U.S.C. § 794. HUD’s Section 504 regulation that applies to recipients of Federal financial assistance, including PHAs and Project Owners, is located at 24 C.F.R. part 8.

<sup>104</sup> 24 C.F.R. § 8.4(b)(5).

providing interpreters and alternate format documents (e.g., Braille, large print, accessible electronic communications) for persons with disabilities.

Additional detail and discussion of the interplay between Section 504, the Fair Housing Act, and Titles II or III of the Americans with Disabilities Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

#### Titles II and III of the Americans with Disabilities Act

Title II of the Americans with Disabilities Act (ADA) prohibits discrimination on the basis of disability in all services, programs, and activities provided or made available by public entities. Title II of the ADA applies to housing developed or operated by state and local governments, which includes a PHA. Title III of the ADA prohibits discrimination on the basis of disability by public accommodations and requires places of public accommodation and commercial facilities to be designed, constructed, and altered in compliance with established accessibility standards.

For example, Title III applies to rental offices, sales offices, homeless shelters, hotels and motels, and commercial spaces associated with housing, such as daycare centers, social service offices, and sales and retail establishments. Titles II or III also will generally apply to community spaces and facilities, such as neighborhood networks, to computer centers (including the computers in the centers), and to transportation services and conveyances provided by PHAs and Project Owners.

Additional detail and discussion of the interplay between Titles II and III of the Americans with Disabilities Act, the Fair Housing Act, and Section 504 of the Rehabilitation Act as these authorities relate to accessibility requirements is described in Part 2 of this Appendix.

#### Section 109

Section 109 of the Housing and Community Development Act of 1974 (HCDA of 1974), Title I, prohibits discrimination on the basis of race, color, national origin, disability, age, religion, and sex in Community Development Block Grant (CDBG) programs and activities. Section 109 applies to RAD projects that receive CDBG or other assistance under Title I of the HCDA of 1974.

In addition to its responsibility for enforcing other Federal statutes prohibiting discrimination in housing, HUD has a statutory obligation under Section 109 to ensure that individuals are not subjected to discrimination on the basis of race, color, national origin, disability, age, religion, or sex by recipients of CDBG funds. Section 109 charges HUD with enforcing the right of individuals to live in CDBG-funded housing and participate covered programs and activities free from such discrimination. However, this additional statutory authority only applies to programs authorized under Title I of the HCDA of 1974, such as CDBG and programs, such as Section 108 loan guarantees and the Historically Black Colleges and Universities program.

#### Equal Access to HUD-assisted or HUD-insured Housing

HUD requires its housing programs to be open to all eligible individuals and families regardless of sexual orientation, gender identity or marital status. HUD recipients and subrecipients must comply with 24 C.F.R. § 5.105(a)(2) when determining eligibility for housing assisted with HUD

funds or subject to an FHA-insured mortgage, and when making such housing available. This includes making eligibility determinations and making housing available regardless of actual or perceived sexual orientation, gender identity, or marital status, and prohibiting inquiries about sexual orientation or gender identity for the purpose of making eligibility determinations or making housing available. Applicants are encouraged to become familiar with these requirements, HUD's definitions of sexual orientation and gender identity at 24 C.F.R. § 5.100, clarifications to HUD's definition of family at 24 C.F.R. § 5.403, and other regulatory changes made through HUD's Equal Access Rule, published in the Federal Register at 77 FR 5662 (Feb. 3, 2012).

### Section 3: Economic Opportunities for Low- and Very Low-income Persons.

Certain HUD programs require recipients of assistance to comply with Section 3 of the Housing and Urban Development Act of 1968 (Section 3), 12 U.S.C. § 1701u (Economic Opportunities for Low- and Very Low-Income Persons in Connection with Assisted Projects), and the HUD regulations at 24 C.F.R. part 135. The regulations at 24 C.F.R. part 135 implementing Section 3 ensure, to the greatest extent feasible, that training, employment, contracting and other economic opportunities be directed to low- and very low-income persons, especially recipients of government assistance for housing, and to businesses that provide economic opportunities to low- and very low-income persons where proposed project is located. Recipients of funds covered by Section 3 must comply with 24 C.F.R. part 135, particularly subpart B-Economic Opportunities for Section 3 residents and Section 3 Business Concerns, and Subpart E-Reporting and Recordkeeping. HUD encourages recipients to search the national Section 3 Business Registry to find local businesses that prioritize hiring Section 3 residents.

### Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 USC § 4601 *et seq.* (URA) is a Federal law that establishes minimum standards for programs or projects receiving Federal financial assistance that include the acquisition of real property (real estate) and/or displace persons from their homes, businesses, or farms as a result of acquisition, rehabilitation, or demolition.<sup>105</sup> The URA implementing Federal regulations can be found at 49 C.F.R. part 24. Project-Based Voucher (PBV) and Project-Based Rental Assistance (PBRA) are considered Federal financial assistance for purposes of the URA. As a result, the URA will apply to acquisitions of real property and relocation of persons from real property that occur as a direct result of acquisition, rehabilitation or demolition for a project that involves conversion of assistance to PBV or PBRA programs under RAD.

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<sup>105</sup> For additional guidance, see HUD Handbook 1378 Tenant Assistance, Relocation, and Real Property Acquisition), available at: [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/comm\\_planning/library/relocation/policyandguidance/handbook1378](http://portal.hud.gov/hudportal/HUD?src=/program_offices/comm_planning/library/relocation/policyandguidance/handbook1378).

### Section 104(d) of the Housing and Community Development Act of 1974

Section 104(d) of the Housing and Community Development Act of 1974, as amended, 42 USC § 5304(d), (Section 104(d)), is a Federal law that applies when a lower-income dwelling is demolished or converted (as conversion is defined in accordance with 24 C.F.R. § 42.305) to a use other than lower-income housing in connection with a Community Development Block Grant Program (CDBG) or HOME Investment Partnerships Program (HOME) funded activity. Under Section 104(d), a lower-income person is considered displaced and, therefore eligible for Section 104(d) relocation assistance if the person permanently moves from real property or permanently moves personal property from real property as a direct result of the demolition or conversion of a lower-income dwelling to a use other than lower-income dwelling unit in connection with a CDBG or HOME funded activity. The Section 104(d) one-for-one replacement housing requirements may apply with respect to occupied and vacant occupiable lower-income dwelling units that are demolished or converted to a use other than lower-income dwelling units in connection with CDBG or HOME funded activity. Section 104(d) implementing regulations can be found at 24 C.F.R. part 42, Subpart C. Additional HUD policy and guidance for Section 104(d) is available in HUD Handbook 1378, Chapter 7.

### **Part 2 – Accessibility Requirements**

Federal accessibility requirements apply to all RAD projects – whether they include new construction, alterations, or existing facilities. Applicable laws include, but are not limited to, the Fair Housing Act, Section 504 of the Rehabilitation Act, and Titles II or III of the Americans with Disabilities Act (ADA). A PHA or Project Owner must comply with each law that applies to its project and with the requirement that provides the most accessibility when two or more laws apply. All three laws include new construction requirements. Substantial alterations, additions, rehabilitation and existing facilities must be in compliance with applicable requirements of Section 504 and the ADA.<sup>106</sup> All three laws may also require reasonable accommodations or modifications.

#### Accessibility Requirements for New Construction

The Fair Housing Act requires all “covered multifamily dwellings” designed and constructed for first occupancy after March 13, 1991, to be readily accessible to and usable by persons with disabilities. In buildings with four or more dwelling units and at least one elevator, all dwelling units and all public and common use areas must meet the Fair Housing Act’s design and construction requirements. In buildings with four or more dwelling units and no elevator, all ground floor units and public and common use areas must meet the Fair Housing Act’s design and construction requirements. The Fair Housing Act requires that all covered multifamily dwellings be designed and constructed so that public and common use areas are readily accessible to and usable by persons with disabilities; all doors are sufficiently wide to allow passage by persons using wheelchairs; all units contain accessible routes into and through the dwelling unit; light switches, electrical outlets, thermostats, and other environmental controls are in accessible locations; reinforcements are installed in bathroom walls to allow later installation

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<sup>106</sup>See 24 C.F.R. § 100.205 (Fair Housing Act) and 24 C.F.R. §§ 8.22 and 8.23 (Section 504). See also 28 C.F.R. § 35.151(b) and 28 C.F.R. part 36 (ADA Titles II and III regulations, respectively).

of grab bars; and kitchens and bathrooms are usable such that a person in a wheelchair can maneuver about the space.<sup>107</sup> These design and construction requirements apply whether the housing is privately or publicly funded, including housing supported by tax credits.<sup>108</sup>

New construction of a multifamily housing project containing five or more dwelling units is also subject to physical accessibility requirements under Section 504. Under Section 504, a “project” includes all residential and appurtenant structures, equipment, roads, walks, and parking lots which are covered by a single contract or application for Federal financial assistance, or are treated as a whole for processing purposes, whether or not they are located on a single site.<sup>109</sup> The accessibility standards for new construction under Section 504 are the Uniform Federal Accessibility Standards (UFAS).<sup>110</sup> HUD recipients may also use the 2010 ADA Standards for Accessible Design under title II of the ADA, except for certain specific identified provisions, as detailed in HUD’s Notice on “Instructions for use of alternative accessibility standard,” published in the Federal Register on May 23, 2014 (“Deeming Notice”). This option exists until HUD formally revises its Section 504 regulation to adopt an updated accessibility standard.

Refer to HUD’s Deeming Notice for more information.

Section 504 also requires that a minimum of 5% of the total dwelling units or at least one unit, whichever is greater, is required to be accessible for persons with mobility impairments. An additional 2% of the total dwelling units or at least one unit, whichever is greater, is required to be accessible for persons with vision and hearing impairments.<sup>111</sup> HUD may prescribe a higher percentage or number of units upon request by any affected recipient or by any State or local government or agency based upon demonstration to the reasonable satisfaction of HUD of a need for a higher percentage or number, based on census data or other available current data, or in response to evidence of a need for a higher percentage or number received in any other manner. In reviewing such request or otherwise assessing the existence of such needs, HUD shall take into account the expected needs of eligible persons with and without disabilities.<sup>112</sup>

Title II of the ADA prohibits discrimination on the basis of disability in all services, programs, and activities provided or made available by public entities. Title II of the ADA applies to housing programs, including housing developed or operated by state and local governments, which includes PHAs. Title III of the ADA prohibits discrimination on the basis of disability by public accommodations, including rental offices, and requires places of public accommodation and commercial facilities to be designed, constructed, and altered in compliance with established accessibility standards. All newly constructed or altered facilities, including facilities altered to

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<sup>107</sup> See 24 C.F.R. § 100.205.

<sup>108</sup> For more information about the design and construction provisions of the Fair Housing Act, see [www.fairhousingfirst.org](http://www.fairhousingfirst.org). See also the Joint Statement of the Department of Housing and Urban Development and the Department of Justice, Accessibility (Design and Construction) Requirements for Covered Multifamily Dwellings Under the Fair Housing Act (April 30, 2013), available at: [www.hud.gov/offices/fheo/library/hudjointstatement.pdf](http://www.hud.gov/offices/fheo/library/hudjointstatement.pdf).

<sup>109</sup> See 24 C.F.R. § 8.3.

<sup>110</sup> The UFAS are available at <https://www.access-board.gov/guidelines-and-standards/buildings-and-sites/about-the-aba-standards/ufas>). See also 24 C.F.R. § 8.32.

<sup>111</sup> See 24 C.F.R. § 8.22.

<sup>112</sup> See HUD regulation at 24 C.F.R. § 8.22(c).

comply with program access and readily achievable barrier removal obligations that exist under Titles II or III of the ADA, must comply with the U.S. Department of Justice's ADA architectural accessibility standards as described in the following U.S. Department of Justice Technical Assistance document ADA Requirements, Effective Date/Compliance Date (Feb. 2011), [http://www.ada.gov/revised\\_effective\\_dates-2010.htm](http://www.ada.gov/revised_effective_dates-2010.htm).

#### Accessibility Requirements for Alterations

If a building was constructed for first occupancy after March 13, 1991, the building must be in compliance with, and all alterations must maintain the building's accessible features so that the building continues to meet, the Fair Housing Act's accessibility requirements. In addition, without regard to the date of construction for first occupancy, certain alterations may be required under the Fair Housing Act if requested by a resident as a reasonable accommodation or modification or otherwise required to remediate accessibility deficiencies in the design and construction of the building.

Under HUD's Section 504 regulation, alterations include any structural change in a facility or a change to its permanent fixtures or equipment. If alterations are undertaken to a project that has fifteen or more units and the cost of the alterations is 75% or more of the replacement cost of the completed facility, this qualifies as "substantial alterations," in which the new construction provisions of 24 C.F.R. § 8.22 apply.<sup>113</sup>

When alterations are made that do not qualify as substantial alterations, alterations to dwelling units in a multifamily housing project shall, to the maximum extent feasible, be made to be readily accessible to and usable by individuals with disabilities.<sup>114</sup> If alterations of single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire dwelling unit shall be made accessible. Once 5% of the dwelling units in a housing project are readily accessible to and usable by individuals with mobility impairments, no additional elements of dwelling units or entire dwelling units are required to be accessible under this provision. However, alterations to meet ongoing accessibility needs are always required, for example, in response to a reasonable accommodation request. Alterations to common areas or parts of facilities that affect accessibility of existing housing facilities shall, to the maximum extent feasible, be made to be accessible to and usable by individuals with disabilities. For purposes of this paragraph, the phrase "to the maximum extent feasible" shall not be interpreted as requiring that a recipient (including a PHA) make a dwelling unit, common area, facility or element thereof accessible if doing so would impose undue financial and administrative burdens on the operation of the multifamily housing project.<sup>115</sup>

All altered facilities covered by Titles II or III of the ADA must be altered in accordance with the U.S. Department of Justice's 2010 ADA Standards for Accessible Design and applicable ADA

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<sup>113</sup> See 24 C.F.R. § 8.23(a). The sole exception is that load bearing structural members are not required to be removed or altered.

<sup>114</sup> HUD may require a higher number or percentage of accessible units pursuant to 24 C.F.R. § 8.22(c) and 24 C.F.R. § 8.23(b)(2).

<sup>115</sup> 24 C.F.R. § 8.23(b).

regulations, unless subject to certain safe harbors identified in the 2010 ADA revised regulations for Titles II and III, as applicable.<sup>116</sup>

HUD will consider on a case-by-case basis a PHA's request to undertake limited new construction on the site of a Covered Project undergoing rehabilitation to comply with accessibility requirements on the site.

#### Additional Accessibility Requirements for Both New Construction and Alterations

Accessible units must be distributed throughout projects and sites and be available in a sufficient range of sizes and amenities so that a qualified individual with disabilities' choice of living arrangements is, as a whole, comparable to that of other persons eligible under the same program.<sup>117</sup> This provision shall not be construed to require provision of an elevator in any multifamily housing project solely for the purpose of permitting location of accessible units above or below the accessible grade.

PHAs are encouraged to use universal design principles, visitability principles and active design guidelines in planning new construction or retrofit work, wherever feasible. However, adherence to universal design principles does not replace compliance with the accessibility requirements of Section 504, the ADA and the Fair Housing Act.

#### Program Accessibility Requirements

Under Section 504, recipients must operate each existing housing program or activity receiving Federal financial assistance so that the program or activity, when viewed in its entirety, is accessible to and usable by individuals with disabilities. Title II of the ADA also includes a program access requirement, while Title III of the ADA requires readily achievable barrier removal.<sup>118</sup> Further, Section 504, the Fair Housing Act, and the ADA require that reasonable accommodations/modifications be granted to address disability-related needs of individuals with disabilities.<sup>119</sup>

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<sup>116</sup> See <http://www.ada.gov/regs2010/2010ADAStandards/2010ADAstandards.htm>.

<sup>117</sup> See 24 C.F.R. §§ 8.26 and 8.27.

<sup>118</sup> See 28 C.F.R. § 35.150; 28 C.F.R. § 36.304.

<sup>119</sup> For more information on reasonable accommodations, see the HUD/DOJ Joint Statement on Reasonable Accommodations Under the Fair Housing Act at <http://portal.hud.gov/hudportal/documents/huddoc?id=JOINTSTATEMENT.PDF>. While this joint statement focuses on the Fair Housing Act, the principles discussed in the statement generally apply to requests for reasonable accommodation under Section 504, except, for purposes of Section 504, HUD recipients are required to provide and pay for structural modifications as a reasonable accommodation.

## APPENDIX II: Recommended Relocation Plan Contents

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While RAD mandates written relocation plans only for projects which involve permanent relocation (including, without limitation, a move in connection with a transfer of assistance) or temporary relocation anticipated to last longer than one year, HUD strongly encourages PHAs to document their relocation planning process and procedures in a written relocation plan. The following provides suggested content for required and recommended relocation plans. In the case of any discrepancy between this description of the recommended relocation plan contents and the provisions of the Notice to which this Appendix is attached or any applicable laws or regulations with respect to the URA or Section 104(d), the provisions of the Notice or applicable laws and regulations shall govern.

The basic elements of the relocation plan include:

- A general description of the project and project elements that may create relocation needs;
- Information on residents of the project and eligibility for relocation assistance and payments;
- Information regarding how the project will address the RAD right to return requirements and the project's re-occupancy policies;
- A detailed discussion of plans for temporary relocation assistance;
- A detailed discussion of any transfer of assistance;
- A detailed discussion of any offers of alternative housing options and plans for voluntary permanent relocation assistance;
- A detailed discussion of compliance with fair housing and civil rights requirements, including accessibility requirements;
- The relocation budget; and
- The appeals process.

The plan as a whole should discuss the specific steps to be taken to minimize the adverse impacts of relocation on the residents.

### I. Project Summary

The Relocation Plan should provide a general description of the property (e.g., year built, location, number of units, configuration, resident population served). The project summary should also identify the nature of the activities to be undertaken, including acquisition, demolition, rehabilitation, and construction activities and additional detail regarding the project scope (e.g., gut rehab, systems replacement, modest in-unit renovations, transfer of assistance). The project summary should also discuss how any construction activities are to be implemented (i.e., vacate the property entirely, vacate specific floors or buildings, rehabilitation with residents in place). The summary should also discuss the overall theory of relocation, for example, whether a few households will be relocated off-site and the vacant units will be used as temporary housing before other households move back to their original units (a "hoteling" approach), or whether the vacant units will be permanently occupied, with the residents vacating other units to be renovated (a "domino" approach).

The relocation plan should also identify the funding sources which may trigger relocation requirements, with particular attention to the potential presence of HOME or CDBG funds which may trigger Section 104(d) requirements.

## II. Project Occupancy

The Relocation Plan should provide information on occupancy of the property including the number of residents, their household type (family, elderly), any non-residential (commercial) occupants, and should identify how any routine needs (such as continuation of utilities such as telephone service) and civil rights compliance issues (for example, limited English proficiency, disabilities, reasonable accommodations and unit modifications that have been or may be necessary) shall be identified and addressed. The Relocation Plan may specify the community meetings, interviews and/or other processes that will be undertaken to assess the residents' needs.

The Relocation Plan should also address eligibility for relocation assistance and payments, applying the rules of the Notice to the particularities of the project.

## III. Resident Return and Re-occupancy Policies

The Plan should address how the project will honor the RAD right to return requirements and the "no re-screening upon conversion" policy. With respect to residents who will be temporarily relocated, the Plan should include the methodology that will be used to determine the sequence in which residents will re-occupy units at the project after rehabilitation, demolition, and/or construction is completed, and to determine how residents are matched with units if the residents are not able to return to their original unit. For example, if units will come online in stages, the plan should outline how the PHA or Project Owner will determine when each resident will return to the property.

## IV. Temporary Relocation Assistance

The plan should detail the temporary housing resources to be used, the anticipated duration of temporary relocations, notices to be provided and the temporary relocation assistance the PHA or Project Owner will provide for residents (Paragraph 2-7 of HUD Handbook 1378). Topics to be addressed in the Plan include:

- Temporary Housing Resources. The Plan should identify the nature and availability of the temporary housing resources the PHA or Project Owner anticipates using. On-site resources are generally preferred. However, in some cases, PHAs or Project Owners may need to use hotel rooms for short-term relocations, or market-rate apartments. If the PHA or Project Owner anticipates using other assisted housing resources (such as HCVs, public housing or other properties with regulatory restrictions), the PHA or Project Owner should take particular care to address regulatory issues.
- Allocation of Temporary Relocation Resources. The Plan should describe a fair and reasonable methodology for allocating temporary relocation housing to residents on a nondiscriminatory basis.
- Duration of Temporary Relocation. In the event that the Plan includes relocation which is anticipated to exceed one year, it should detail the requirements which apply to those

residents (such as the issuance of a *Notice of Relocation* to the resident covering eligibility for URA relocation assistance, the offer of permanent relocation assistance and payments at URA levels and, if conditions warrant, the subsequent issuance of a *Notice of Eligibility*) as distinct from requirements that apply to residents who are not relocated for more than one year.

- Packing and Moving Assistance. The Plan should address how the PHA or Project Owner intends to provide or reimburse for packing and moving services and expenses. Considerations the Plan may want to address include:
  - Instructions and supplies (e.g., boxes, markers, tape) to be provided if residents prefer to pack their own personal possessions and items of value;
  - Assistance in packing to be provided if residents need assistance or prefer not to pack their personal possessions;
  - Guidance on how residents request to pack their own possessions or to receive packing assistance; and
  - How the PHA or Project Owner intends to provide or reimburse for moving services and expenses. The PHA or Project Owner can choose to do one or more of the following:
    - Undertake the moves itself, using employees of the PHA or Project Owner or “force account labor”<sup>120</sup>
    - Use a contractor or moving company
    - Reimburse residents for all actual, reasonable and necessary moving expenses.
- Storage. The Plan should address whether storage of the resident’s personal property is necessary and the arrangements for such storage.
- Damage or Loss. The Plan should address Insurance for the replacement value of the property in connection with the move and necessary storage and/or the replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- Out-of-Pocket Expenses. The nature of out of pocket expenses vary based on the nature of the temporary relocation moves. For example, hotel stays or in-place renovation may trigger the need for reimbursement of meals while a kitchen is unavailable. The Plan should outline the anticipated out-of-pocket expenses and the PHA’s or Project Owner’s plans and budget with respect to these expenses.
- Leasing Arrangements. The Plan should address whether the resident will have a direct lease or other contractual relationship with the owner of the temporary relocation resource or whether the PHA or Project Owner will hold the lease and the resident will maintain a contractual relationship with the PHA or Project Owner.
- Utility Costs. The Plan should address whether residents will need to disconnect and reconnect necessary utilities and, if so, how the PHA or Project Owner anticipates managing this process and any associated expenses. Necessary utilities may include telephone, cable service, Internet access or other items. The Plan should address payment of utility deposits, if required at the temporary relocation housing (HUD Handbook 1378, paragraph 2-7(A)(3)).

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<sup>120</sup> Defined at 24 C.F.R. 905.108.

- Reasonable Accommodations. The plan should address whether residents with disabilities will require reasonable accommodations during temporary relocation and, if so, how the PHA or Project Owner anticipates ensuring the provision of reasonable accommodations and any associated expenses. Reasonable accommodations may include, among other items, the provision of transportation assistance, relocation to locations which are physically accessible and located near public transportation, and modifications to policies to allow individuals with disabilities to reside with a live-in aide.

#### V. Transfer of Assistance

Relocation planning in the context of transfer of assistance is particularly complex. The PHA should address how RAD, URA and Section 104(d) requirements each apply, as the same activity may be treated differently under each regulatory framework. The Plan should specifically outline the PHA's procedures to ensure that the applicable requirements are applied to each situation appropriately. The Plan should also address whether relocation is required for any businesses or residents at the destination site. Finally, the Plan should address whether two moves – from the public housing site to an intermediate site and then to the transfer of assistance site – are necessary while the Covered Project is being constructed or rehabilitated.

#### VI. Alternative Housing Options and Voluntary Permanent Relocation Assistance

If the PHA or Project Owner seeks to offer alternative housing options, the Plan should identify those options and the manner in which they are presented to residents for decision. The plan should also outline the counseling the PHA or Project Owner will provide to assist the residents in determining what options may be available and the financial implications of those options, for example,

1. Discussion of whether units available in the market (either in the affordable market or the unrestricted market) will meet the financial and dwelling requirements of relocated residents;
2. The general area or location of unit(s);
3. Where applicable, the accessibility of such units for individuals with disabilities;
4. Criteria for receiving relocation assistance; and
5. Any other information that might benefit residents in their consideration of housing choices.

The Plan should identify how the PHA or Project Owner will work with any residents who have elected voluntary permanent relocation. The Plan should further include a description of the permanent relocation assistance the PHA or Project Owner will provide to such residents. Topics to be addressed in the Plan include:

- Replacement Housing. The Plan should address the availability of comparable replacement housing, the notices to be provided and the provisions to ensure that appropriate accessibility features are available in compliance with applicable laws and regulations.

- Fair housing considerations. The Plan should address referrals to housing not located in areas of minority concentration and compliance with requirements regarding accessible housing for persons with disabilities. The Plan should address how the PHA or Project Owner will determine if residents have paid for the acquisition and/or installation of accessible features in the housing from which they are being relocated and how the PHA or Project Owner will ensure that the replacement housing contains required and comparable accessible features or that the resident is appropriately compensated for the cost of acquiring and/or installing required and comparable accessible features.
- Packing and Moving Assistance. The Plan should address how the PHA or Project Owner intends to provide or reimburse for packing and moving services and expenses. Considerations the Plan may want to address include:
  - Instructions and supplies (e.g., boxes, markers, tape) to be provided if residents prefer to pack their own personal possessions and items of value;
  - Assistance in packing to be provided if residents need assistance or prefer not to pack their personal possessions;
  - Guidance on how residents request to pack their own possessions or to receive packing assistance; and
  - How the PHA or Project Owner intends to provide or reimburse for moving services and expenses consistent with 49 C.F.R. § 24.301 or, at the resident's option, 49 C.F.R. § 24.302.
- Storage. The Plan should address whether storage of the resident's personal property is necessary and the arrangements for such storage. See 49 C.F.R. § 24.301(g)(4).
- Damage or Loss. The Plan should address Insurance for the replacement value of the property in connection with the move and necessary storage and/or the replacement value of property lost, stolen, or damaged in the process of moving (not through the fault or negligence of the displaced person, his or her agent, or employee) where insurance covering such loss, theft, or damage is not reasonably available.
- Dislocation Allowance. The Plan should address when the resident is entitled to a dislocation allowance and the amount of such dislocation allowance, consistent with the URA Fixed Residential Moving Cost Schedule available at: [www.fhwa.dot.gov/real\\_estate/uniform\\_act/relocation/moving\\_cost\\_schedule.cfm](http://www.fhwa.dot.gov/real_estate/uniform_act/relocation/moving_cost_schedule.cfm).
- Appliances. The Plan should address disconnecting, dismantling, removing, reassembling, and reinstalling relocated household appliances and other personal property.
- Security Deposits and Utility Costs. The Plan should address how the PHA or Project Owner anticipates managing transfer of utility arrangements, security deposits and any associated expenses. Utilities may include telephone, cable service, Internet access or other items that may have been in place in the resident's original home. See 49 C.F.R. § 24.301(h)(12).
- Replacement Housing Payment. The Plan should address the circumstances in which displaced residents may be entitled to a replacement housing payment (RHP) to cover the

increase, if any, in monthly housing costs for a 42-month period pursuant to URA requirements or a 60-month period pursuant to Section 104(d).<sup>121</sup>

## VII. Relocation Budget

Based on the results of the planning process, the PHA or Project Owner should create a relocation budget that includes the following six components:

- 1) The cost of administering the plan and providing assistance and counseling.
- 2) Reasonable moving expenses for a person with disabilities, which may include the cost of moving assistive equipment that is the personal property of the residents, the furnishings and personal belonging of a live-in aide, and/or other reasonable accommodations (HUD Handbook 1378, Paragraph 3-2).
- 3) The cost of the physical move of the residents' belongings. (It is suggested that the move costs be broken down by average cost per move type multiplied by the number of moves.) This physical move cost total should be based on the move scenarios anticipated or projected by the resident survey. The move costs should consider:

For temporary relocation moves:

- Number and cost of two-way moves (i.e., a move to another unit and then a return move) within the same building/complex.
- Number and cost of two-way moves to a unit not in the same building/complex

For permanent moves:

- Number and cost of one-time moves into another unit in the same building/complex.
- Number and cost of one permanent move to a unit not within the same building/complex
- Any required dislocation allowance

- 4) The estimated cost of projected increases in monthly housing costs and other expenses for temporary relocation (if applicable).
- 5) The estimated cost of projected replacement housing payments (RHP) (42-month period for URA or 60-month period if Section 104(d) applies).
- 6) Contingency costs estimated for carrying out the relocation process necessary to complete the proposed project.

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<sup>121</sup> See also, CPD Notice 2014-09 "Effective Date of Moving Ahead for Progress in the 21<sup>st</sup> Century Act (MAP-21) Changes to Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) Payment Limits and Replacement Housing Payment Eligibility Criteria."

### **VIII. Written and Oral Communications with Individuals with Disabilities and LEP Persons and Use of Accessible Meeting Locations**

The Plan should identify how the PHA or Project Owner will take appropriate steps to ensure effective communication with residents and other individuals with disabilities involved in the relocation, such as through the provision of sign language and other interpreters and large print, Braille, accessible electronic, and other alternate format written communications. The Plan should identify the measures to be taken to ensure the most integrated meeting settings appropriate to individuals with disabilities. The Plan should identify how the PHA or Project Owner will ensure meaningful access for LEP persons, such as through written materials and oral communications provided in languages other than English.

### **IX. Appeal Process**

The Plan should specify the procedures to be followed if a resident disagrees with the PHA's or Project Owner's decision as to the resident's eligibility to receive relocation assistance, the amount of a relocation payment, or the adequacy of a comparable replacement dwelling offered to a resident. These procedures should include the process for filing a written appeal to the displacing agency and the specific appeal procedures to be followed consistent with 49 C.F.R.

24.10 (and 24 C.F.R. § 42.390 if Section 104(d) is involved).

### **X. Certification**

The Plan should contain a certification of compliance with this Notice (or H 2014-09/PIH 2014- 17, if applicable), the URA, fair housing and civil rights requirements and, if applicable, Section 104(d).

### **Technical Assistance**

For detailed technical assistance regarding the contents or provisions of a written relocation plan, the PHA or Project Owner should direct questions to their RAD Transaction Manager or email [rad@hud.gov](mailto:rad@hud.gov).



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**Office of Housing  
Office of Public and Indian Housing**

**Special Attention of:**

Public Housing Agencies  
Public Housing Hub Office Directors  
Public Housing Program Center Directors  
Multifamily Regional Center Directors  
Multifamily Regional Satellite Office Directors  
Regional and Field Office Directors  
Regional Administrators  
Performance Based Contract Administrators

**Notice H 2025-01**  
**Notice PIH 2025-03 (HA)**

Issued: January 16, 2025

Expires: This Notice remains in effect until amended, superseded, or rescinded.

Amends: H-2019-09/PIH-2019-23 as amended by H-2023-18/PIH-2023-19

Cross Reference: PIH-2021-07 (HA) and H-2016-17/PIH 2016-17

**SUBJECT:** Rental Assistance Demonstration – Supplemental Notice 4C

**Purpose**

This Supplemental Notice amends Notice H-2019-09 PIH-2019-23(HA) to implement certain changes to the Rental Assistance Demonstration (RAD) authorized under the Fiscal Year (FY) 2024 Appropriations Act as well as other changes.

**Background**

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 ([Pub. L. No. 112-55](#), approved November 18, 2011), as amended by the [Consolidated Appropriations Act, 2014](#) (Pub. L. No. 113-76, approved January 17, 2014), the [Consolidated and Further Continuing Appropriations Act, 2015](#) (Pub. L. No. 113-235, approved December 16, 2014), the [Consolidated Appropriations Act, 2016](#) (Pub. L. No. 114-113, approved December 18, 2015), the [Consolidated Appropriations Act, 2017](#) (Pub. L. No. 115-31, approved May 5, 2017), the [Consolidated Appropriations Act, 2018](#) (Pub. L. 115-141, approved March 23, 2018), the [Consolidated Appropriations Act, 2022](#) (Pub. L. 117-103, approved March 15, 2022), and the

[Consolidated Appropriations Act, 2024](#) (Pub. L. 118-42, approved March 9, 2024) (collectively, the “RAD Statute”).

#### **MAJOR REVISIONS IN SUPPLEMENTAL NOTICE 4C**

Implementation guidance for RAD is currently described in Notice H- 2019-09/ PIH- 2019-23 (HA) “Rental Assistance Demonstration – Final Implementation, Revision 4,” as amended (RAD Notice, Rev-4) and as amended by Supplemental 4B published July 27, 2024 (Housing 2023-08 and PIH 2023-19). This Supplemental Notice supplements and further amends RAD Notice, Rev-4 in the following respects:

Extension of Application Date. The Consolidated Appropriations Act, 2024 extended the date to September 30, 2029 by which a Public Housing Agency (PHA) may apply to convert public housing under RAD. Section I of this Supplemental Notice implements this statutory change, which impacts both stand-alone applications and applications for Portfolio Awards which allow a PHA to reserve RAD conversion authority for a set of projects (including for multiple phases of a large scale redevelopment effort and for planned projects) and that lock in the applicable contract rent in the year of the application.

RAD and Section 18 Blends. The RAD statute as amended by the Consolidated Appropriations Act, 2024 allows HUD to convert tenant protection voucher assistance to a RAD HAP Contract under either Project-Based Rental Assistance (PBRA) or Project Based Voucher (PBV) when a Converting Property partially converts Section 9 assistance under RAD and an event under Section 18 of the United States Housing Act of 1937 (the Act) occurs that results in the eligibility for tenant protection vouchers under Section 8(o) of the Act. Section II of this Supplemental Notice implements this statutory change.

Resident Services. The RAD statute as amended by the Consolidated Appropriations Act, 2024 provides waiver authority to facilitate the ongoing availability of services to residents for Jobs Plus, ROSS, and FSS programs. Section III of this Supplemental Notice extends the availability of these programs at Covered Projects, removes waivers with respect to the FSS program which are no longer needed due to the implementation of 24 CFR part 984, and clarifies the continuing availability of grant assistance through the Congregate Housing Services Program.

Waivers of Rent Adjustments by OCAF. Section IV of this Supplemental Notice describes the process by which Covered Projects may apply for a waiver to receive an exception to the requirement in RAD Notice, Rev-4 for annual adjustments to contract

rents during the initial contract term while limited to the Operating Cost Adjustment Factor.

Annual Financial Statements. Section V of this Supplemental Notice strengthens program requirements for Project Owners to submit annual financial statements to HUD or the Contract Administrator.

Extension from 14 to 30 Days' Notice for Non-payment of Rent. Section VI of this Supplemental Notice strengthens RAD resident protections by increasing termination notification timelines by adding 16 more days in the case of tenant nonpayment of rent.

Renewal After Initial Term. Section VII of this Supplemental Notice clarifies that each HAP Contract must be renewed/extended after its initial term of 15 or 20 years.

Leases. Section VIII of this Supplemental Notice provides guidance on security deposits, pet occupancy, and the use of plain language in resident leases.

Restore-Rebuild (formerly Faircloth-to-RAD). Section IX of this Supplemental Notice makes clarifying changes to resident notification requirements for Restore-Rebuild developments where the proposed project is occupied.

Financing Plan Requirements and Feasibility Benchmarks for Public Housing Conversions. Section X of this Supplemental Notice strengthens the Financing Plan Requirements and Feasibility Benchmarks for public housing properties undergoing a RAD conversion to ensure properties are sustainable and financially stable for the long term.

HOTMA PBV Rule conforming changes. Section XI of this Supplemental Notice modifies the RAD Notice, Rev-4 due to the publication of the Housing Opportunity Through Modernization Act of 2016 – Housing Choice Voucher and Project Based Voucher Implementation; Additional Streamlining Changes (HOTMA Voucher Final Rule), published in the Federal Register May 7, 2024 at [89 FR 38304](#), as corrected in a publication in the Federal Register on May 28, 2024 (89 FR 46020) and effective as of June 6, 2024.

### **Effective Date**

Except as noted herein, the changes in this Supplemental Notice shall be effective immediately (the “Effective Date”). Further, these provisions are subject to a 30-day comment period. If HUD receives comment that would lead to the reconsideration of any of the changes contained in

this Supplemental Notice, HUD will notify the public in a new revision upon expiration of the comment period. Please submit all comments to [RAD@hud.gov](mailto:RAD@hud.gov). Finally, any waivers or alternative requirements to statutory provisions shall take effect 10 days after such waivers are published in the Federal Register.

## **SECTION I: EXTENSION OF APPLICATION DEADLINE**

1. Section 1.9.A is amended by adding at the end of the first paragraph the following sentence: “Applications must be submitted no later than September 30, 2029.”
2. All references to the date September 30, 2024 shall be replaced with the date September 30, 2029.

## **SECTION II: RAD AND SECTION 18 BLENDS**

1. The Definitions section is amended to add the following definitions:

*Converting Public Housing Assistance.* The funding for units associated with a Converting Project whose public housing assistance is converting under RAD.

*Converting TPV Assistance.* The tenant protection voucher assistance resulting from an approval under Section 18 of the Act that is converting under RAD.

*Legacy Non-RAD PBV.* PBV assistance in a Covered Project that prior to December 31, 2024 replaced public housing at the time of conversion and that are subject to a non-RAD PBV HAP Contract.

*Legacy Non-RAD PBRA.* PBRA assistance in a Covered Project that prior to December 31, 2024 replaced public housing at the time of conversion and that are subject to a non-RAD PBRA HAP Contract.

*RAD/Section 18 Blend.* A public housing conversion that is combining RAD and Section 18 activities and that includes both Converting Public Housing Assistance and Converting TPV Assistance.

2. Section 1.5.B.2 is deleted and replaced with:

**2. RAD/Section 18 Blends.** A PHA can combine RAD and Section 18 activities towards the preservation of a project.

- a. In certain circumstances as determined by HUD (for additional details see Notice PIH 2021-07, or any amended or successor Notice), HUD will offer the PHA a streamlined process for securing HUD approval for a disposition under Section 18 and for a determination of eligibility for tenant protection vouchers (TPV) under section 8(o) of the Act.
- b. A PHA that has received a Section 18 approval under normal processing shall be subject to the provisions governing RAD/Section 18 Blends provided they request

and receive SAC approval to conditionally rescind the Section 18 approval for some portion of RAD eligible units (see paragraph 1.5.B.3.b below) and provided at least 10% of the total units in the Converting Project will be Converting Public Housing Assistance.

- c. If, at a Converting Project, a PHA is using 24 CFR § 970.17(b) or 970.17(c) to dispose of other units at the project justified on the grounds that disposition allows more efficient or effective on-site or off-site development (§ 970.17(b)) or to dispose for reasons and goals of the PHA in its PHA Plan (970.17(c)) (see Notice PIH 2021-07, as may be amended or succeeded, for more details), HUD may disapprove the conversion if HUD determines that the PHA's use of both RAD and disposition under sections 970.17(b) or 970.17(c) in a single project undermines the unit replacement requirements of the RAD program.
- d. Both the Converting Public Housing Assistance and the Converting TPV Assistance shall be converted to the selected form of Section 8 assistance (i.e., PBV or PBRA). All assistance converting under a RAD/Section 18 Blend will be placed under a single RAD form of HAP contract upon conversion, be subject to a single RAD Use Agreement, and be governed by the terms of this Notice for RAD PBV or RAD PBRA as applicable.
- e. All RAD relocation requirements (such as the resident notice and meeting requirements, the right to return and relocation assistance and payments as described in the Notice H 2016-17/PIH 2016-17 RAD Fair Housing, Civil Rights, and Relocation Notice, or successor notice) shall apply to residents of the units subject to a Section 18 action in lieu of the relocation requirements under 24 CFR § 970.21. The PHA must provide the same relocation rights and benefits to all residents of the Converting Project.
- f. Public housing properties that have been developed pursuant to the mixed-finance development method are eligible for RAD/Section 18 Blends.
- g. With HUD approval, for a Covered Project that previously entered into a RAD PBRA HAP Contract with Converting Public Housing Assistance and that also includes units assisted by a PBV HAP Contract, the Project Owner and PHA may request to terminate the PBV HAP Contract and enter into one single RAD PBRA HAP Contract for all of the assisted units for a term not less than the remaining term of the original RAD PBRA HAP Contract. Section 8(o)(F)(iv) of the Act and its implementing regulations in 24 CFR § 983.206(b) requiring provision of tenant-based assistance upon termination of a PBV contract shall not apply. Any residents of the PBV units shall not be re-screened for admission into the PBRA program and shall retain all choice-mobility rights of Section 1.6.D.8. of this Notice including counting the length of occupancy under the PBV HAP Contract toward the family's eligibility for choice-mobility.

Additionally, Section 8(c)(8)(A) of the Act and 24 CFR § 983.206(a) requires an owner to provide written notice of the impending Contract termination to residents not less than one year before the termination of any contract and, in the event the owner does not provide the notice required, prohibits the owner from evicting the tenants or increasing the tenants' rent payment until such time as the owner has provided the notice and one year has elapsed. An owner requesting to replace an eligible PBV contract with a PBRA contract under this Section of the Notice must comply with this requirement. However, placing the units formerly covered under a PBV contract under a PBRA contract will protect residents from displacement and protect them from an increase in the resident portion of the rent. Consequently, execution of the PBRA contract may be processed and completed during the one-year notification period.

Project Owners seeking to use this provision shall apply to HUD for approval pursuant to instructions to be separately provided by HUD at [www.hud.gov/rad](http://www.hud.gov/rad).

3. The second paragraph of Section 1.5.D is deleted and replaced with:

A PHA's Faircloth Limit will be reduced by the number of units that generate the Converting Public Housing Assistance. The units that generate Converting TPV Assistance shall not reduce the PHA's Faircloth Limit. For example, a PHA with a pre-RAD Faircloth Limit of 1,000 public housing units would have its Faircloth Limit reduced to 960 units if it entered into a 100-unit RAD HAP Contract utilizing Converting Public Housing Assistance from 40 ACC units and Converting TPV Assistance from 60 ACC units.

4. Section 1.6.B.5.a is deleted and replaced with:

**a. MTW Fungibility.** MTW agencies may use their MTW funds to set the initial contract rents higher than the normally applicable contract rent cap as described in this section. However, the initial contract rent set by the PHA is still subject to all other applicable program caps. The agency must use existing MTW funds to supplement the initial contract rent; HUD will only provide new incremental funding based on the normally applicable contract rent as described in this section. Any use of MTW funds in setting higher initial contract rents shall be subject to subsidy layering review and MTW continued service requirements, as calculated using the MTW Baseline Methodology described in Notice PIH 2013-02, or successor notice.

5. Section 1.6.B.5.c is deleted and replaced with:

**c. Demolition Disposition Transition Funding (DDTF).** PHAs that are scheduled to receive ongoing DDTF subsidy for an approved Section 18 action that was not part of the Converting Project may choose to forego any ongoing DDTF for the purpose of offsetting an increase to the initial RAD rent. In the case of RAD/Section 18 Blends, DDTF for which the PHA would become eligible for the units approved under Section 18 will immediately be cancelled and used to offset an increase to the initial RAD rents for the Covered Project that results from the RAD/Section 18 Blend, unless the resulting RAD rent would exceed the initial PBV contract rent cap (see Section 1.6.B.7.h) or HUD determines the Section 18 units would not have been eligible for DDTF. See [Attachment 1C](#) for the calculation of how HUD will determine the increase to the RAD rent.

6. Subsection Section 1.6.B.5.g is relabeled Section 1.6.B.5.h and a new subsection is added as Section 1.6.B.5.g, as follows:

**g. Rents in RAD/Section 18 Blends.** HUD will produce a single, blended rent schedule for all units resulting from a RAD/Section 18 Blend. The rent schedule will be calculated as the unit-weighted average contract rent by bedroom of:

- the Converting Public Housing Assistance using the RAD rents based on their “RAD rent base year” described in Attachment 1C, and
- the Converting TPV Assistance using the lower of 110% of the applicable FMR (or approved exception payment standard) minus any Utility Allowance or the Reasonable Rent.

The initial contract rent in a RAD/Section 18 Blend can use any of the flexibilities referenced in subsections a. through e. above.

7. With the exception to the references in Sections 1.5.L, 1.6.B.5.b, and the second paragraph in Section 1.6.C.9 all other instances of the phrase “Non-RAD PBV” shall be replaced with “Legacy Non-RAD PBV.”

8. The following sentence is added at the end of the 2<sup>nd</sup> paragraph in Section 1.7:

Conversions from a RAD/Section 18 Blend will result in a single form of RAD PBRA HAP contract for the Converting Public Housing Assistance and Converting TPV Assistance and will include all of the same requirements.

9. Section 1.7.A.5.c is deleted and replaced with:

**c. Demolition Disposition Transition Funding (DDTF).** PHAs that are scheduled to receive ongoing DDTF subsidy for an approved Section 18 action that was not part of the Converting Project may choose to forego any ongoing DDTF for the purpose of amending the initial RAD rent. In the case of RAD/Section 18 Blends, DDTF for which the PHA would become eligible for the units approved under Section 18 will immediately be cancelled and used to increase the initial RAD rents for the Covered Project that results from the RAD/Section 18 Blend, unless the resulting RAD rent would exceed the initial PBRA contract rent cap or HUD determines the Section 18 units would not have been eligible for DDTF. See [Attachment 1C](#) for the calculation of how HUD will determine the increase to the RAD rent.

10. A new subsection is added as Section 1.7.A.5.g, as follows:

**g. Rents in RAD/Section 18 Blends.** HUD will produce a single, blended rent schedule for all units resulting from a RAD/Section 18 Blend. The rent schedule will be calculated as the unit-weighted average contract rent by bedroom of:

- the Converting Public Housing Assistance using the RAD rents based on their “RAD rent base year” described in Attachment 1C, and
- the Converting TPV Assistance using the lower of 110% of the applicable FMR (or approved exception payment standard) minus any Utility Allowance or the Reasonable Rent.

The initial contract rent in a RAD/Section 18 Blend can use any of the flexibilities referenced in subsections a. through e. above.

11. The first paragraph of Section 1.13.B.6 is deleted and replaced, as follows, without any changes to sub-paragraphs a and b:

**6. Funding Upon Closing.** For the remainder of the first Calendar Year in which a HAP Contract is effective (the “year of conversion”), the contract will be funded as follows:

- Operating Funds and Capital Funds will be obligated to the PHA for the Covered Project at the level of public housing subsidy which the Converting Public Housing Assistance is eligible to receive regardless of the initial contract rent amount or OCAF;<sup>65</sup> and

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<sup>65</sup> For example, a closing on December 10 will result in a HAP Contract that is effective on January 1 or February 1, as selected by the Project Owner. For the remainder of the Calendar Year which includes the January 1 or February 1 date, subsidy is paid from public housing funds obligated to the PHA regardless of the RAD HAP Contract rent amount or OCAF. Following conversion, the public housing units that are included in the RAD conversion will be removed from the Public Housing Information Center (PIC). This action will not impact public housing subsidy for the Covered Project for the balance of the Calendar Year.

- For a RAD/Section 18 Blend, the amount of funding available for Covered Projects will include the Converting TPV Assistance provided to the PHA (for PBV conversions) or obligated to the contract (for PBRA conversions).

12. Note 4 in Attachment 1C is deleted and replaced with:

For scenarios in which a PHA will forego DDTF to increase the initial RAD rent pursuant to Section 1.6.B.5.c and 1.7.A.5.c., HUD will provide a forecast of total Anticipated DDTF based on the RAD Rent Base Year. The RAD rent may then be increased by the following amount:

$$[\text{Total Anticipated DDTF or Undisbursed DDTF}] \div 20 \div \text{Number of Units converting under RAD} \div 12 = \text{PUM RAD Rent Increase}$$

The PUM RAD Rent Increase would be reflected in the initial rents established in the HAP Contract. The contract rents will still be subject to applicable rent caps. PHAs electing to utilize this flexibility must acknowledge through a certification that HUD will cancel all affected obligations of DDTF.

### **Section III: Resident Services Programs**

1. Section 1.5.G is deleted and replaced with:

#### **G. Resident Opportunity and Self-Sufficiency Service Coordinators (ROSS-SC).**

With respect to ROSS, current ROSS-SC grantees will be able to finish out their current ROSS-SC grants once their project is converted under RAD and the PHAs or the new Project Owners may apply for their ROSS-SC grant to be renewed, subject to requirements of the ROSS-SC NOFO. To implement this provision, HUD is using its RAD authority to waive and establish alternative requirements to the language in the Self Sufficiency Program account in the Appropriations Acts and to Section 34 of the Act that would limit ROSS-SC to serving only public housing units or residents.

In addition, Covered Projects where the project previously received a ROSS-SC grant prior to conversion but was ineligible to renew the grant after conversion are eligible to apply for a ROSS-SC grant, subject to requirements of the ROSS-SC NOFO. Authority for this provision is provided under recent Appropriation Acts (see, for example, the FY2023 and FY2024 Appropriation Acts under the heading “Self-Sufficiency Programs”) which allow a PHA or a new owner to continue to serve (or restart service to)

residents of a project with assistance converted from public housing to RAD PBV or RAD PBRA.

All information on specific eligibility and application requirements will be described in forthcoming ROSS NOFOs. Upon completion of a ROSS-SC grant, PHAs should follow the normal closeout procedures outlined in the grant agreement. To facilitate the uniform treatment of residents and units at a Covered Project previously served by a ROSS-SC grant, any Legacy Non-RAD PBV units in a Covered Project that replace former public housing at the time of conversion shall be subject to the terms of this provision.

2. A new Section 1.5.N is added:

**N. Congregate Housing Services Program (CHSP).** A Converting Project that is receiving congregate housing services assistance under the Congregate Housing Services Act of 1978 (42 USC 8001-8010) or section 802 of the Cranston-Gonzalez National Affordable Housing Act (42 USC 8011), will be able to finish out their current grant once the project is converted under RAD. To facilitate the uniform treatment of residents and units at a Covered Project, any Legacy Non-RAD PBV or Legacy Non-RAD PBRA units in a Covered Project that replace former public housing at the time of conversion shall be subject to the terms of this provision.

3. Subsection 1.6.C.4 is deleted and replaced with:

**4. Family Self Sufficiency (FSS).** PHAs and Project Owners must follow the FSS regulations at 24 CFR part 984. Public Housing residents that are currently FSS participants must be allowed to continue to participate in the PHA's FSS program for the duration of the grant's period of performance. The PHA may continue to use any FSS funds already awarded to serve those FSS participants who live in units converted through RAD. At the completion of the FSS grant, PHAs should follow the normal closeout procedures outlined in the grant agreement and any applicable 24 CFR part 200 requirements. If the PHA continues to run an FSS program that serves public housing, HCV (including PBV), and/or PBRA participants, the PHA will continue to be eligible (subject to FSS Funding Notice requirements) to apply for FSS funding. Due to the program merger between public housing FSS and HCV FSS that took place pursuant to the FY2014 Appropriations Act (and was continued in the subsequent Appropriation Acts), no special provisions are required to continue serving FSS participants that live in public housing units converting to PBV through RAD.

4. Subsection 1.7.B.4 is deleted and replaced with:

**4. Family Self Sufficiency (FSS).** PHAs and Project Owners must follow the FSS regulations at 24 CFR part 984. Public Housing residents that are currently FSS participants must be allowed to continue to participate in the PHA's FSS program once their housing is converted through RAD for the duration of the grant's period of performance. The Project Owner must ensure that these participants continue to be served by an FSS program: The PBRA owner may administer their own FSS program or enter into a Cooperative Agreement with the PHA, another PHA or another owner, allowing the partner entity to provide service coordination to PBRA participants in accordance with the requirements of 24 CFR parts 984 and 877, and current and future guidance published by HUD. In all program administration scenarios, the Project Owner must submit an FSS Action Plan to HUD for approval upon RAD conversion where there are converted participants. Under a Cooperative Agreement, the Project Owner must assume responsibility for the administrative duties associated with FSS such as calculating and crediting escrow and reporting. The Project Owner may choose to continue to enroll new participants but is not required to continue enrollment if they plan to phase out the FSS program.

If, upon conversion, the PHA ceases to be a PHA and no longer has public housing or HCV participants, or if the PHA converts all units that were eligible for FSS and no longer wishes to run an FSS program, the FSS grant may be transferred to the PBRA Project Owner for the remainder of the FSS grant period of performance. Following such a transfer, an otherwise eligible entity will be identified as a renewal or new applicant under future FSS Funding Notices.

5. Subsection 1.6.C.8 is deleted and replaced with:

**8. Jobs Plus.** Jobs Plus grantees awarded FY2014 and/or subsequent fiscal year funds that convert the Jobs Plus target project(s) under RAD will be able to finish out their Jobs Plus period of performance unless significant relocation 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 grant agreement and/or work plan or may, at the Secretary's discretion, choose to end the Jobs Plus program at that project (see provisions in the relevant Jobs Plus NOFO and/or Grant Agreement). If the Jobs Plus program is continued, the grantee must agree to continue to implement the program according to HUD's program requirements. During the term of the Jobs Plus grant period after conversion, residents previously enrolled in the Jobs Plus rent incentive may continue their enrollment and any project resident may enroll in services or the rent incentive after conversion. To facilitate the uniform treatment of residents and units, any Jobs Plus program at a target project(s) may also enroll residents in any Legacy Non-RAD PBV units in a Covered Project that replaced former public housing at the time of conversion

in Jobs Plus services and in the Jobs Plus financial/rent incentive. To facilitate the ongoing availability of services for resident participants of Jobs Plus, HUD is waiving and establishing an alternative requirement to the “Self Sufficiency Programs” account in the Consolidated Appropriations Act, 2024 (and subsequent Appropriations Acts, as applicable) that restricts Jobs Plus grants to serving only public housing residents.

6. Subsection 1.7.B.8 is deleted and replaced with:

**8. Jobs Plus.** Jobs Plus grantees awarded FY2014 and/or subsequent fiscal year funds that convert the Jobs Plus target projects(s) under RAD will be able to finish out their Jobs Plus period of performance unless significant relocation 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 grant agreement and/or work plan or may, at the Secretary’s discretion, choose to end the Jobs Plus program at that project (see provisions in the relevant Jobs Plus NOFO and/or Grant Agreement). If the Jobs Plus program is continued, the grantee must agree to continue to implement the program according to HUD’s program requirements. During the term of the Jobs Plus grant period after conversion, residents previously enrolled in the Jobs Plus rent incentive may continue their enrollment and any project resident may enroll in services or the rent incentive after conversion. To facilitate the uniform treatment of residents and units in a Jobs Plus program at a target project(s), any Jobs Plus program at a target project(s) may also enroll residents in any Legacy Non-RAD PBRA units in a Covered Project that replaced former public housing at the time of conversion in Jobs Plus services and in the Jobs Plus financial/rent incentive. To facilitate the ongoing availability of services for resident participants of Jobs Plus, HUD is waiving and establishing an alternative requirement to the “Self Sufficiency Programs” account in the Consolidated Appropriations Act, 2024 (and subsequent Appropriations Acts, as applicable) that restrict Jobs Plus grants to serving only public housing residents.

#### **SECTION IV: WAIVERS OF RENTAL ADJUSTMENTS BY OCAF**

The RAD Statute allows HUD to set annual rent adjustments by an operating cost factor. HUD uses the annually published Operating Cost Adjustment Factor (OCAF) for this factor. HUD acknowledges that this methodology may not fully capture increases in operating costs for all Covered Projects. HUD may consider individual waivers of the annual rent adjustment in extraordinary circumstances.

In extraordinary circumstances, a Project Owner may request a waiver of the rental adjustment by OCAF and receive a rental adjustment by an alternative operating cost factor. Project Owners requesting a waiver of the rental adjustment by OCAF must submit a request with documentation

demonstrating the need for an alternative operating cost factor rental adjustment in order to preserve the Covered Project. The submission to the Office of Recapitalization must be consistent with instructions published on [www.hud.gov/rad](http://www.hud.gov/rad). The documentation will allow the Office of Recapitalization to determine if there is good cause to grant the waiver. If the Owner has demonstrated the need for the waiver, the Office of Recapitalization may grant the waiver and will determine the appropriate alternative operating cost factor and resulting rents. For PBV, the Contract Administrator must consent to the request and their consent must be evidenced in the Project Owner's documentation.

## SECTION V: ANNUAL FINANCIAL STATEMENTS

1. Section 1.6.D.2 is deleted and replaced with the following:

**2. Review of Financial Documents.** The Project Owner must submit to the administering PHA's Board the operating budget for the Covered Project annually. When timely requested by the Contract Administrator, the Project Owner must also submit property-specific audited year-end financial statements within a reasonable time established by the Contract Administrator. The Contract Administrator must confirm that the Project Owner is making deposits into the Reserve for Replacement account in accordance with the RCC as well as assess the financial health of the Covered Project.<sup>40</sup>

2. Section 1.7.C.7 is deleted and replaced with the following:

**7. Submission of Year-End Financial Statements.** Projects converting assistance to PBRA must comply with 24 CFR part 5, Subpart H, as amended, revised, or modified by HUD and must file annual financial statements to HUD in accordance with the following provisions.<sup>59</sup> HUD may require the Project Owner to amend the HAP Contract to incorporate these requirements:

- a. Within ninety (90) days, or such alternative period established in writing by HUD, following the end of the Project Owner's fiscal year, the Project Owner shall prepare a financial report for the Project Owner's fiscal year, or the portion thereof that started with the Project Owner's assumption of the HAP Contract, based on an examination of the books and records of the Project Owner in

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<sup>40</sup> 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 monitoring and evaluation, given that PBV projects do not submit annual financial statements to HUD/REAC.

<sup>59</sup> This provision is included to clarify existing requirements for PHAs that own PBRA-assisted projects through Single Asset Entities. Such owners are considered reporting entities under 24 CFR § 5.801 (a)(3) and (a)(4).

accordance with generally accepted accounting principles and in such other form and substance as specified by HUD in supplemental guidance, and provide such report to HUD in such form, substance, and manner as may be specified by HUD under the Uniform Financial Reporting Standards at 24 CFR § 5.801 (“UFRS”), or any successor regulations.

- b. Unless specifically waived or modified by HUD or to the extent otherwise exempt, the Project Owner shall: (a) engage an independent, licensed Certified Public Accountant (“CPA”) to audit the Project Owner’s annual financial report and to produce an audit report in accordance with both Generally Accepted Government Auditing Standards and Generally Accepted Auditing Standards; (b) engage an independent, licensed CPA to perform an agreed-upon procedure, in accordance with the American Institute of Certified Public Accountants Statement on Standards for Attestation Engagements, to compare the financial data template information submitted electronically by the Project Owner to HUD against the annual financial report examined by, and the audit report prepared by, the independent, licensed CPA, and report any variances to HUD; and (c) furnish to the Contract Administrator and HUD (if a PHA is the Contract Administrator) the audit report, and any other reports relating to the annual financial report or the audit report as required by HUD, by such means and in such form, substance, and manner as may be specified by HUD under UFRS, or any successor regulations.
- c. To the extent certain non-profit Project Owners’ requirement to submit annual financial reports may be waived or modified by HUD, or such Project Owners may otherwise be exempt from compliance, such waiver, modification, or exemption shall not be construed to relieve the Project Owner of any requirements of this provision, except for those requirements specifically waived, modified, or from which they are exempt.
- d. If the Project Owner fails to perform as required pursuant to this provision, the Contract Administrator or HUD (if a PHA is the Contract Administrator) may, at its sole election, and in a manner determined by HUD, and without affecting any other provisions herein, and after first providing to the Project Owner a notice of default of the HAP Contract with a reasonable opportunity to cure, initiate or cause to be initiated a forensic audit of the Project Owner’s books, records, and accounts in such a manner as to provide to the Contract Administrator and HUD (if a PHA is the Contract Administrator) with as much of the same information that would have been provided had the Project Owner not failed to perform as required. Any such audit initiated by the Contract Administrator or HUD does not relieve Project Owner of the requirement to submit to the Contract Administrator and HUD (if a PHA is the Contract Administrator) an annual audited financial report as required pursuant to this provision.

**SECTION VI: NOTICES FOR NONPAYMENT OF RENT**

1. Section 1.6.C.6.a.ii is deleted and replaced with:

- ii. Not less than 30 days in the case of nonpayment of rent and in conformance with the terms of the Tenancy Addendum (HUD Form 52530c or replacement form); and

2. Section 1.7.B.6.a.i.2 is deleted and replaced with:

- 2. Not less than 30 days in the case of nonpayment of rent and in conformance with 24 CFR part 247; and

3. Attachment 1E, Paragraph a.i.2 is replaced with:

- 2. Not less than 30 days in the case of nonpayment of rent and in conformance with 24 CFR part 247; and

**SECTION VII: RENEWAL AFTER INITIAL TERM**

1. A new sentence is added at the end of Section 1.6.B.2:

After the expiration of a 20-year initial term of the HAP Contract, the HAP Contract shall be renewed on a form approved by HUD, which shall include language that requires rents to be re-determined in accordance with 24 CFR §§ 983.301 and 983.302. If the RAD PBV HAP Contract was renewed or extended prior to the 20<sup>th</sup> year after conversion, then starting with the 20<sup>th</sup> year after execution of the original RAD PBV HAP Contract, contract rents shall be re-determined in accordance with 24 CFR § 983.302 or successor regulation.

2. A new sentence is added at the end of Section 1.7.A.2:

The renewal contract shall have contract rents set in accordance with the renewal options available under MAHRAA (see [Section 8 Renewal Guide](#), as may be amended).

**SECTION VIII: LEASES**

1. Section 1.13.B.2 is replaced with the following:

**2. Leases.** PHAs must provide residents with notification of public housing lease termination in accordance with 24 CFR § 966.4(l)(3) and in accordance with local law, and shall enter into new Section 8 leases effective as of the effective date of the HAP Contract. As part of the RAD Closing package, PHAs must provide a copy of the sample Section 8 tenant lease including all riders and addenda (i.e., House Rules) for HUD review. For PBRA conversions, PHAs must use the HUD Model Lease (Form HUD-90105a), including an approved RAD lease addendum. For PBV conversions, there is no model lease. However, the PHA/Project Owner of a PBV Covered Project must ensure that the proposed tenant lease meets the requirements in 24 CFR § 983.256, that the required Tenancy Addendum (HUD Form 52530c or replacement form) is included, and that the lease incorporates the tenancy provisions provided under this Notice. For both PBRA and PBV properties, the lease terms and provisions, including all addenda and referenced documents such as House Rules, must:

- a. Be reasonable, use plain language, and must not contain provisions that conflict with resident rights described in this Notice or requirements of the PBV or PBRA programs (as applicable). The lease, including all riders and addenda, must also be available in multiple languages as needed and written in a manner accessible to people with disabilities. Furthermore, tenant leases and House Rules should not be onerous or difficult for residents to understand, and should not impose overly restrictive rules about what residents may or may not do in their homes. HUD reserves the right to reject or require revisions to leases if they are deemed unreasonable or otherwise do not conform to the aforementioned requirements.
- b. Not require a new security deposit for residents in-place at the time of conversion,
- c. Not prohibit residents' pets in-place at the time of conversion. Owners are encouraged to adopt reasonable policies permitting pets and are required to permit residents with disabilities to have service or assistance animals.
- d. For any residences that qualify as "target housing" under 42 U.S.C. 4851b, each lease must comply with the Lead Disclosure Rule, as codified in 24 CFR part 35, subpart A.

## **SECTION IX: RESTORE-REBUILD, FORMERLY KNOWN AS FAIRCLOTH-TO-RAD**

1. All references to "Faircloth-to-RAD" shall be replaced with "Restore-Rebuild."
2. Section 1.8.I.1. is deleted and replaced as follows:

1. If the impacted property is occupied, Sections 1.8.A through 1.8.D shall apply with the following modifications unless otherwise approved by HUD. The PHA must have complied with resident notification and meeting requirements as described in Section 1.8.A. prior to submission of the public housing acquisition, mixed finance development, or other development proposal. References to the Concept Call in Section 1.8.B shall be deemed to be references to HUD approval of the public housing acquisition, mixed finance development, or other development proposal pursuant to the applicable provisions of 24 CFR part 905. References to Closing in Section 1.8.C shall be deemed to be the Closing of the RAD conversion.

## **SECTION X: FINANCING PLAN REQUIREMENTS AND FEASIBILITY BENCHMARKS FOR PUBLIC HOUSING CONVERSIONS**

The provisions of this Section X shall be effective for any transaction that has not submitted a complete Financing Plan on or before the 90th day following the Effective Date, unless otherwise approved by HUD. All other transactions will be subject to the previous provisions of the RAD Notice, Rev-4.

1. Section 1.4.A.3. is deleted and replaced with:

**3. Environmental Review.** Under Federal environmental review requirements, proposed RAD projects are subject to environmental review under either 24 CFR part 50 or 24 CFR part 58, as applicable. HUD has made a determination under 24 CFR § 58.11(c) that all conversions will be subject to an environmental review under part 50. Environmental documents are required to be submitted no later than the applicant's Financing Plan.<sup>9</sup> HUD will not issue an RCC if the project plan does not meet the environmental review requirements described in Attachment 1A. Once an awardee has submitted an application for a specific project, they may not make any choice limiting actions before the completion of the environmental review.<sup>10</sup>

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<sup>9</sup> Under Part 50, HUD staff complete the review in conjunction with the Financing Plan review and therefore the PHA should submit full environmental review documentation no later than the Financing Plan submission. HUD may require earlier submission in order to ascertain whether a conversion has sufficiently advanced (see Section 1.12 for discussion of the Concept Call).

<sup>10</sup> A choice limiting action means an action that would have an adverse impact on the environment or limit the choice of reasonable alternatives. A choice limiting action may include, but is not limited to, real property acquisition, demolition, disposition, rehabilitation, repair, new construction, site preparation or clearance, and ground disturbance. For more information see the Environmental Review Requirements for RAD Conversions Quick Reference Guide: <https://www.hudexchange.info/resource/4216/environmental-review-requirements-for-rad-transactions/>.

2. Footnote 21 following the first sentence of Section 1.4.B.6 is deleted and replaced with:

<sup>21</sup> PHAs, Project Owners, and the source of the grant funds shall determine, based on local conditions, whether funds are structured as grants or as loans pursuant to the terms of Section 1.4.B.1. The same source, such as CDBG funds or public housing Capital Funds, could be structured in either manner. Repayment may be required from cash flow when the debt is in good standing and from any available source with respect to balloon payments at maturity and accelerated payments following a declaration of default and expiration of any applicable cure period.

3. Subparagraph C.1. in Attachment 1A is deleted and replaced with:

1. Identify and address all repairs identified in the CNA as critical, immediate or required within the first two years following conversion (including all items identified in the CNA as not functioning at the time of the CNA site visit). Briefly discuss any differences between the proposed Work and the conclusions and recommendations of the CNA provider; any additional scope items not identified in the CNA; and the Project Owner's choices for replacement components.

4. Subparagraph C.8 in Attachment 1A is deleted and replaced with:

8. For all existing buildings located in a FFRMS floodplain as determined by 24 CFR § 55.7, the PHA must submit an appraisal. The appraisal must determine the market value of the building(s) either before the improvement or repair is started, or if this structure has been damaged and is being restored, before the damage occurred. If the total cost of work exceeds 50% of the market value, or if the conversion increases the total number of project units by 20%, the work is considered to be a substantial improvement in accordance with 24 CFR § 55.2(b)(12), and FFRMS requirements are triggered under 24 CFR § 55.20. Further, 24 CFR § 55.2(b)(12)(ii) states substantial improvement may not be defined to include either: (a) Any project for improvement of a structure to comply with existing state or local health, sanitary or safety code specifications that is solely necessary to assure safe living conditions, or (b) Any alteration of a structure listed on the National Register of Historical Places or on a State Inventory of Historic Places. If a building(s) will be new construction, an appraisal is not required and compliance with 24 CFR § 55.20 is required.

For buildings outside of FFRMS floodplains and therefore not covered under the FFRMS rule, PHAs are encouraged to consult other sources (e.g., historical flooding of neighboring sites, NOAA Sea Level Rise Viewer, Flood Factor) to consider and design to future flood risk.

5. Attachment 1A, Section D is deleted and replaced with:

**D. Environmental Review.** HUD cannot approve an applicant’s Financing Plan submission unless and until the required environmental review has been completed for the applicant’s proposed conversion project and found to meet environmental review requirements. The following describes the submission and approval steps for securing a completed environmental review.

All RAD transactions will be reviewed under 24 CFR part 50 (“Part 50 Reviews”) by HUD.

For multi-phase developments, the environmental documents submitted with the Financing Plan during the first phase must be submitted for the entire site (i.e. all of the phases of the multi-phase development) and the environmental review conducted during the first phase will cover the entire site.

For requests to transfer assistance from the Converting Project, the new site where the Covered Project will be located is subject to a Part 50 Review. For the Converting Project, as a condition of releasing the DOT on the Converting Project, the Converting Project must undergo a Part 58 Environmental Review, completed by the Responsible Entity. This Part 58 review is distinct from the required Part 50 requirements for the Covered Project.

The following table shows which review protocol a transaction will follow, along with who will conduct the review:

<b>Transaction Type</b>	<b>Review Performed Under</b>	<b>Review Performed by</b>
PBRA Non-FHA PBRA FHA Risk-Share PBV Non-FHA PBV FHA Risk-Share	Part 50	RAD Transaction Manager
PBRA FHA Non-Risk Share PBV FHA Non-Risk Share	Part 50	FHA Production Underwriter
Release of DOT following a Transfer of Assistance	Part 58	Responsible Entity

For transactions receiving funding from other HUD programs (i.e. HOME, CDBG, non-RAD PBV), HUD encourages all parties to complete one review for all programs, even if these programs’ environmental reviews are conducted under a different review protocol (Part 50, Part 58). In cases where two Part 58 programs are combined, HUD encourages applicants to work with the Responsible Entity to see if environmental reviews can be combined. However, this is solely the Responsible Entity’s determination. In cases where

a Part 50 program and a Part 58 program are combined, HUD may determine that it will perform one Part 50 environmental review for both programs under 24 CFR § 58.11 if performing an additional Part 58 environmental review is not feasible in the time allotted. HUD must ensure that the Part 50 review considers the full scope of all activities and funding associated with all programs. When one review is used for both programs, the HUD Approving Officials for both programs must certify the review.

**For all Part 50 reviews, the applicant must submit reports and documentation to HUD in accordance with 24 CFR part 50, as discussed in Chapter 9 of the MAP Guide, except as follows:<sup>77</sup>**

1. For all RAD conversions without FHA insurance and without any rehabilitation, construction, or demolition,<sup>78</sup> HUD has conducted the first (program-wide) tier of a tiered review of program-wide and site-specific compliance. HUD has made program-wide compliance determinations for most of the applicable environmental laws and authorities, and will complete a site-specific compliance review of the following:
  - A. Coastal protection pursuant to the Coastal Barrier Resources Act, as amended by the Coastal Barrier Improvement Act of 1990 (16 U.S.C. 3501);
  - B. Flood insurance and floodplain management pursuant to the Flood Disaster Protection Act of 1973, the National Flood Insurance Reform Act of 1994 (42 U.S.C. 4001-4128 and 42 U.S.C. 5154a), Executive Order 11988, particularly section 2(a), and 24 CFR part 55;
  - C. Contamination pursuant to 24 C.F.R. 50.3(i) (HUD Standard).
  - D. Radon pursuant to the protocols set by the American Association of Radon Scientists and Technologists, Protocol for Conducting Radon and Radon Decay Product Measurements in Multifamily Buildings (ANSI-AARST MAMF-2017) that includes testing 100% of ground floor units and at least 10% of upper floor units in all buildings included in the Covered Project. PHAs are to follow the radon requirements detailed in Section 9.6.3 of the MAP Guide (or successor versions).

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<sup>77</sup> The MAP Guide is available at [http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/administration/hudclips/guidebooks/hsg-GB4430](http://portal.hud.gov/hudportal/HUD?src=/program_offices/administration/hudclips/guidebooks/hsg-GB4430). Additional guidance on environmental review requirements is available on the HUD Environmental Review website, at <https://www.hudexchange.info/environmental-review/>.

<sup>78</sup> This is further defined as those transactions that do not anticipate any reasonably foreseeable repairs or other physical activities beyond maintenance, as defined in HUD Notice CPD 2016-02 (or future successor Notice).

Additionally, while Historic Preservation (National Historic Preservation Act of 1966, particularly sections 106 & 110; 36 CFR part 800) is not included in the tiered review, for conversions that entail no physical activities or only activities that are limited to maintenance as defined in HUD Notice CPD-16-02, HUD has no further obligations under Section 106. HUD is not required to contact SHPO, THPO, and/or other interested parties or the public.<sup>79</sup>

PHAs will be required to submit documentation to facilitate HUD's site-specific review. Refer to <https://www.hudexchange.info/resource/5799/site-specific-environmental-review-form-for-part-50-rad-conversions/> for additional information.

2. For all RAD Conversions that do not meet the requirements under paragraph 1 above, the awardee will follow the guidelines in Chapter 9 of the MAP guide. Awardees will upload all applicable documentation directly into HEROS at the time of Financing Plan submission. The following exceptions to the MAP Guide apply:
  - In lieu of a Phase I Environmental Site Assessment (ESA) in accordance with ASTM E 1527-21 (or the most recent edition),<sup>80</sup> except for conversions involving substantial rehabilitation or new construction activities, Awardees may submit a more limited report on potential sources of contamination. Where a Phase I ESA is not required (i.e., projects without any associated substantial rehabilitation<sup>81</sup> or new construction), the Awardees can submit a "transaction screen" in accordance with ASTM E 1528-22 (or the most recent edition). A transaction screen will identify potential environmental concerns based on questionnaires, owner/occupant inquiry, site visit, government records inquiry and historical sources inquiry. The transaction screen must be prepared by a qualified professional, in accordance with 24 CFR § 50.3(i)(4). As the definition of preparer in ASTM E 1528-22 does not meet this requirement, the environmental professional, as defined by the

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<sup>79</sup> This Determination is detailed in the "Determination of 'No Potential to Cause Effects' under Section 106 of the National Historic Preservation Act for Rental Assistance Demonstration (RAD) Projects Limited to Maintenance Activities and Carried Out Under 24 CFR part 50." See <https://www.hudexchange.info/resource/3865/no-potential-to-cause-effects-to-historic-properties-memos/>.

<sup>80</sup> The Transaction Screen does not meet the standard for "All Appropriate Inquiries" for CERCLA liability protection, as noted in ASTM E 1528-22 Section 4.2.1.

<sup>81</sup> Substantial rehabilitation is any rehabilitation that does not meet the conditions in 24 CFR § 50.20(a)(2) for exclusion from review under the National Environmental Policy Act. Applications to RAD for conversion assistance involving substantial rehabilitation or new construction will always require a Phase I ESA in accordance with ASTM E 1527-21.

EPA's AAI Final Rule, must have either (a) A state- or tribal-issued certification or license and three years of relevant, full-time work experience, (b) A bachelor's degree or higher in science or engineering and five years of relevant, full-time work experience, or (c) Ten years of relevant, full-time work experience. If any potential environmental concerns are identified, an ASTM Phase I ESA in accordance with ASTM E 1527-21 (or the most recent edition) must be provided.

- Awardees may submit a Phase I ESA that is up to 5 years old upon submission; however, it must be updated by a Transaction Screen that is up to 1 year old upon submission.

PHAs (or their vendors) must submit environmental reports and documentation<sup>82</sup> for HUD review into the HUD Environmental Review Online System (HEROS), where HUD will complete its review.

HUD staff will review the submissions and may require additional information in order to complete their review. HUD's review will result in a determination, which may stipulate the rejection of the site for this demonstration or may require the completion of mitigation measures. The RCC will include any conditions required to carry out any and all mitigation measures as may result from the environmental review. Any conditions or mitigation that cannot be satisfied before Closing will survive Closing and remain as a Covered Project Owner obligation to complete.

6. A new subparagraph F.7 in Attachment 1A is added, as follows:

7. To ensure that a PHA has adequate funds should operating expenses such as utilities, management fees, management staff salaries, maintenance, real estate taxes, and insurance exceed the gross rent potential of the Covered Project, HUD will require conversions without the use of Low Income Housing Tax Credits or commercial debt to include an operating reserve equal to six months of stabilized operating expenses, excluding monthly deposits to the replacement reserve.

The operating reserve may be held or escrowed at the Covered Project level and may only be used for the benefit of the Covered Project.

7. Subparagraph I.5.i. in Attachment 1A is deleted and replaced with:

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<sup>82</sup> PHAs and providers should take care to respond to all applicable laws and authorities and MAP-specific requirements when providing documentation for environmental review. For all maps, please clearly indicate where the project site is located. Information about HEROS and how to register can be found at <https://www.hudexchange.info/programs/environmental-review/housing/#heros>.

i. For non-leveraged transactions (i.e. transactions that will not be taking on any new hard debt as part of the conversion), the Operating Expense Ratio, calculated as all operating expenses and required deposits to the capital replacement reserve divided by gross potential income, must be no greater than 80% within the first five years of stabilized operations. For leveraged transactions (i.e. transactions that will be taking on new hard debt as part of the conversion), the debt-coverage ratio should not be less than 1.11 over a ten-year period using 2% growth in revenue and 3% growth in expenses.

## **SECTION XI: HOTMA CONFORMING CHANGES**

This Notice makes the following changes to the RAD Notice due to the implementation of the HOTMA Voucher Final Rule. HUD is making technical changes to the RAD Notice to update regulatory references and language and certain non-technical changes to resolve conflicts between the RAD Notice and the HOTMA Voucher Final Rule. In the event that these technical changes to the RAD Notice do not resolve all apparent conflicts, HUD will continue to apply the RAD Notice’s waivers and alternative requirements consistent with the PBV requirements in effect prior to the HOTMA Voucher Final Rule and the comparable provisions as they appear following the HOTMA Voucher Final Rule.

1. The following Definitions are modified:

- The definition for “HOTMA Implementation Notice” is deleted in its entirety.
- *The definition for “Housing Quality Standards” is replaced with “The minimum quality standards developed by HUD in accordance with [24 CFR § 5.703](#) for the PBV program, including any variations approved by HUD for the PHA under [24 CFR § 5.705\(a\)\(3\)](#).”*
- The footnote in “Project” is revised to read, “The definition of “project” in 24 CFR § 983.3 is used to determine how many PBV HAP Contracts must be entered into.”
- The definition of “Tenant Protection Vouchers” is deleted.

2. The first paragraph of the introductory language appearing at Section 1.6 is deleted and replaced with the following, and the final paragraph is deleted:

Under the Demonstration, HUD has the authority to waive statutory and regulatory provisions governing the PBV program, or to establish alternative requirements for the effective conversion of assistance. Additionally, the RAD Statute imposes certain unique requirements and authorizes HUD to establish requirements for converted assistance under the Demonstration. Conversions of public housing properties through RAD, including conversions through a RAD/Section 18 Blend, will be subject to the requirements below and in this Notice, and as reflected in the RAD PBV HAP Contract. Consequently, there are fundamental differences in the process, structure and function in

RAD PBV conversions of public housing properties as compared to the traditional PBV program.

3. Section 1.6.A.1 is deleted in its entirety and replaced with

**Maximum Number of PBV Units (Percentage Limitation).** RAD PBV units in Covered Projects do not count against the percentage limitation (program cap) applicable to the PBV program. Per 24 CFR § 983.6(e), units that meet the requirements of 24 CFR § 983.59 that were previously subject to federally required rent restrictions or received one of the listed forms of HUD assistance do not count toward the program cap. Furthermore, HUD is waiving section 8(o)(13)(B) of the Act as well as 24 CFR § 983.6(a)-(b) with respect to RAD PBV units and Legacy Non-RAD PBV units within a Covered Project when such units replace public housing units at the time of the conversion at a new location. Any additional PBV units subsequently placed at the former public housing site would not be excluded from the percentage limitation applicable to the PBV program. In other words, the number of PBV units excluded from the PHA's PBV program cap cannot exceed the number of former public housing units that those PBV units are replacing through the course of the RAD conversion. All PBV units in a Covered Project that replace former public housing units at the time of conversion are excluded from both the numerator and the denominator when calculating the percentage of vouchers that may be project-based by a PHA.

4. Section 1.6.A.2 is deleted in its entirety and replaced with:

**Cap on Number of PBV Units in Each Project (Income-Mixing requirement).** There is no cap on the number of units that may receive RAD PBV assistance in each project. Under 24 CFR § 983.54(c)(3), units excluded under 24 CFR § 983.59 that were previously subject to federally required rent restrictions or received one of the listed forms of HUD assistance do not count toward the project cap. For any RAD PBV and Legacy Non-RAD PBV units in Covered Projects not already excluded under 24 CFR § 983.59, including transfers of assistance to a new location, HUD is waiving section 8(o)(13)(D) of the Act, as well as related provisions of 24 CFR § 983.54. Accordingly, units under the contract may not be "excepted" for a specified purpose.

5. Section 1.6.A.3 is deleted in its entirety and replaced with:

**Proposal and Project Selection Procedures.** A PHA is not required to follow competitive selection procedures for units that will be subject to a RAD PBV HAP Contract. Accordingly, HUD is waiving 24 CFR § 983.51(b) (which also renders the selection procedures at 24 CFR § 983.51(c), (d), (h), and (i) inapplicable) with regard to units that will be subject to a RAD PBV HAP Contract. 24 CFR § 983.51(e)(2) does not apply, since HUD has waived the definition of existing housing for RAD PBV projects

under the First Component of the Demonstration. HUD is also waiving 24 CFR § 983.51(f), such that no written notice of proposal or project selection is required for units that will be subject to a RAD PBV HAP Contract. HUD is establishing an alternative requirement at 24 CFR § 983.51(g) to specify that the proposal or project selection date (as the term is used throughout 24 CFR part 983, where applicable) is the date of execution of the RAD PBV HAP Contract. 24 CFR § 983.51(a) (General Procedures), (e)(1) (inspection required prior to selection to determine site selection standards compliance), (j) (inapplicability of previous participation clearance) and (k) (exclusions from Federal procurement) continue to apply, except that the PHA is not required to describe in the PHA Administrative Plan the procedures for owner submission of RAD PBV proposals and PHA selection of PBV proposals for RAD PBV projects. To facilitate the uniform treatment of residents and units at a Covered Project, any Legacy Non-RAD PBV units in the same Covered Project, shall be subject to the terms of this provision. Any additional PBV units placed at the Covered Project would be subject to all of the requirements of 24 CFR § 983.51.

5. Section 1.6.B.9 is deleted in its entirety and replaced with:

**Applicability of PBV Housing Types, Execution of RAD PBV HAP Contract, and RAD Rehab Assistance Payments.** For public housing conversions to PBV, the project will not be classified as one of the housing types defined in the PBV regulations (i.e., “existing housing,” “rehabilitated housing,” or “newly constructed housing”). Accordingly, regulations as well as other requirements that stem from a project’s classification as “existing housing,” “rehabilitated housing,” or “newly constructed housing,” shall not apply until HUD has accepted the certification of Work completion under the RCC. Following the completion of Work, the contract shall be subject to all PBV requirements that apply to “existing housing.”

The PHA and Project Owner will enter into a RAD PBV HAP Contract and will follow the requirements in this Notice with regard to conditions for entering into the HAP contract, executing the HAP contract, and conducting any Work. Except as provided under Section 1.4.A.12 (Transfers of Assistance), the RAD PBV HAP Contract will take effect before any Work begins.

During the period of Work identified in the RCC, standard HAP Contract funding procedures will be used for occupied units. Units covered under the RAD PBV HAP Contract that are not occupied at any point during the period of Work identified in the RCC may be eligible, subject to the conditions below, for Rehab Assistance Payments equal to the Public Housing Operating Fund and the Capital Fund amounts that formed the basis for the calculation of initial contract rents (see Attachment 1C). During the period of rehabilitation or construction as identified in the RCC, the maximum number of

units for which a Project Owner can receive RAD Rehab Assistance Payments is limited to the number of units eligible for Operating Fund or Capital Fund subsidy prior to conversion. As a result, some units in the Covered Project may not be eligible for Rehab Assistance Payments.

The Project Owner will no longer be eligible to receive RAD Rehab Assistance Payments upon the earlier of completion of the Work or expiration of the time period identified in the RCC for completion of all Work, which date is specified in the RAD PBV HAP Contract. After such date, all units under the HAP Contract will be eligible for payment only for occupied units or for vacancy payments, as applicable. MTW agencies may not alter this requirement.

To effectuate the above requirements, the definitions of “existing housing,” “rehabilitated housing,” and “newly constructed housing” at 24 CFR § 983.3(b), the definitions of “development activity” and “substantial improvement” at 24 CFR § 983.3(b) with respect to Work completed under the RCC, and 42 USC 1437f(o)(13)(A) and 24 CFR § 983.5(a)(2) describing the housing types for which a PHA enters into a HAP Contract in the PBV program, are waived. The requirements of this Notice shall apply with regard to the procedures for attaching PBV assistance to a Covered Project or to Work completed under the RCC in place of the PBV requirements stemming from the housing type classifications, such as: 24 CFR § 983.5(a)(3) (procedure for developing housing), 24 CFR § 983.10(b)(6)(i)-(ii), (8), and (10) (Administrative Plan policies), 24 CFR § 983.11 (Subsidy Layering Review), 24 CFR § 983.51(e)(2) (requirements before entering into a HAP Contract), 24 CFR § 983.52(d) (commencement of construction), 24 CFR § 983.56(a)(2) (environmental review), 24 CFR § 983.103(a)-(c) (pre-selection and initial inspections; see Section 1.6.B.10 for alternative inspection requirements), 24 CFR Subpart D (governing development activity), and 24 CFR § 983.204(a)-(c) (procedure for executing the HAP Contract). With respect to site selection standards, HUD requires site selection standards in compliance with this Notice and Notice PIH 2016-17/H 2016-17.

2. The second paragraph of Section 2.3.2.B is deleted and replaced with:

For PBV conversions, except as modified in this Notice, the converting project must qualify as existing housing or rehabilitated housing (as defined in 24 CFR § 983.3(b)) to be selected for conversion under the Second Component of RAD. The PHA must comply with all applicable housing quality standards of 24 CFR part 983.

3. A new Section 2.5.K is added:

**K. Execution of RAD PBV HAP Contract and Rehabilitation.** Work on Mod Rehab units that convert to PBV through RAD will generally be conducted under the PBV

program requirements applicable to rehabilitated housing, except as modified by this Notice (e.g. Section 2.5.I Davis-Bacon Wages). However, until such time as 24 CFR § 983.157 is effective, allowing a Project Owner to undergo rehabilitation after the HAP Contract is effective, this section provides alternative requirements for projects completing Work. Mod Rehab projects converting to PBV through RAD shall be considered existing housing under 24 CFR part 983 so long as they meet the criteria of paragraph (i) of the definition of existing housing in 24 CFR § 983.3. Such projects shall follow the requirements governing “substantial improvements” under 24 CFR § 983.212 when conducting Work, except as modified below. Accordingly, HUD is providing a limited waiver to the requirement under paragraph (ii) of the definition of existing housing in 24 CFR § 983.3(b), which requires a PHA determination and owner certification regarding substantial improvement in order for a project to qualify as existing housing, the provision of 24 CFR § 983.212(a) prohibiting the owner from requesting PHA approval before the effective date of the HAP contract, and 24 CFR § 983.212(a)(1)(ii) which requires that PHAs do not approve substantial improvement to commence until after the first two years of the effective date of the HAP Contract. These waivers shall remain in effect for any projects where the Project Owner has submitted a Conversion Plan (which includes the substantial improvement request and approval) prior to 60 days after the implementation of 24 CFR § 983.157. During the period in which these waivers are effective, references to “construction” or “rehabilitation” in paragraph 2.5.I shall include “substantial improvements.”

4. The following references are deleted or modified as follows:

- In Section 1.4.A.7., 1.6.A.4., 2.4.H., 2.5.D., 4.4.O., and 4.5.F., replace “24 CFR § 983.57” with “24 CFR § 983.55.”
- In Section 1.4.A.12.b, Footnote 18, the reference to “See the Housing Opportunity Through Modernization Act of 2016 (HOTMA) and HUD’s implementation notices including the January 18, 2017, HOTMA implementation notice, 82 Fed. Reg. 5458, and the July 14, 2017, technical correction and clarification notice, 82 Fed. Reg. 32461. Also see Notice PIH 2017-21.” is deleted.
- In Section 1.6.B.5.d, the reference to 24 CFR § 983.2(c)(6)(iii) is deleted and replaced with 24 CFR § 983.2(c)(7)(iii) and 24 CFR § 983.301(f)(4).
- In Section 1.6.B.5.g, the reference to 24 CFR § 983.301 is removed and the reference to 24 CFR § 983.303 is replaced with 24 CFR § 982.4.
- In Section 1.6.B.7 the reference to “in accordance with section 8(o)(11) of the Act as amended by HOTMA (see Attachment A in Notice PIH 2017-21 for guidance on PHA-owned units)” is replaced with “as defined at 24 CFR § 983.3”.
- In Section 1.6.B.7 the reference to 24 CFR § 983.59(b) is replaced with 24 CFR § 983.57(b).

- In Section 1.6.B.10, the first two sentences are replaced with: “Section 8(o)(8)(A) of the Act provides that HAP Contract units must be inspected to ensure compliance with HQS prior to payment of any assistance on behalf of a family.”
- In Section 1.6.B.10, the words “24 CFR § 983.103(b) and” are removed from the last sentence.
- In Section 1.6.C.1, the reference to “a household that was over-income at time of conversion” is replaced with “a public housing program participant that was over-income at time of conversion”.
- In Section 1.6.C.1, “, 24 CFR § 983.251(a)(2) and 24 CFR § 983.255(a)(1)” is added after the reference to 24 CFR § 982.201.
- In Section 1.6.C.9, all references to 24 CFR § 983.53(c) are changed to 24 CFR §§ 983.52(c) and 983.251(a)(2).
- In Section 1.6.C.9, in the second paragraph, “and 24 CFR § 983.353(b)(1)” is added after the reference to 983.301.
- In Section 1.6.C.9, the reference to 24 CFR § 983.259 is changed to 983.258.
- In Section 1.6.D.4, the reference to 24 CFR § 983.251(c)(2) is deleted and replaced with 24 CFR § 983.251(c)(2)(iii).
- In Section 1.6.D.10 the reference to 24 CFR § 983.3(c)(6)(iii) is deleted and replaced with 24 CFR § 983.2(c)(7)(iii).
- In Attachment 1B the reference to 24 CFR § 983.260 is deleted and replaced with 24 CFR § 983.261.

### **Further Information**

Please check [www.hud.gov/rad](http://www.hud.gov/rad) for the latest information on RAD or to join the RAD listserv. *Materials referenced in this Notice may be obtained from this RAD website.* Email questions to [RAD@hud.gov](mailto:RAD@hud.gov). Additionally, HUD will develop informational materials to address various program elements that HUD will post on the RAD website.

**Paperwork Reduction Act****Approved**

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control numbers 2502-0612, 2529-0013, 2506-0087, and 2577-0169. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

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Dominique G. Blom  
General Deputy Assistant Secretary  
Public and Indian Housing

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Julia R. Gordon  
Assistant Secretary for Housing –  
Federal Housing Commissioner

# Attachment B

## Revised Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions



**ATTACHMENT B: DECONCENTRATION and OTHER POLICIES that GOVERN ELIGIBILITY, SELECTION, and ADMISSIONS**

**Deconcentration Rule (Housing Operations)**

The objective of the deconcentration rule for public housing units is to require that families are housed in a manner that will prevent a concentration of poverty families and/or a concentration of higher income families in any one development. The HABD ACOP outlines the specific objective of HABD is to house no less than 40 percent of its public housing inventory with families that have income at or below 30% of the area median income by public housing development. HABD will take action to require that no individual development has a concentration of higher income families in one or more of the developments. To assure that HABD does not concentrate families with higher income levels, it is the goal of HABD not to house more than 60% of its units in any one development with families whose income exceeds 30% of the area median income. HABD will track the status of family income, by development, on a monthly basis.

The average annual income of HABD Public Housing Communities is as follows:

Elyton Village: (AL001000001) \$14,820.19	Collegeville Center: (AL001000013) \$13,595.50
Charles P. Marks Village: (AL001000006) \$10,471.30	Russell B. Harris Homes: (AL001000014) \$16,991.96
Smithfield Court: (AL001000009) \$12,464.51	North Birmingham Homes: (AL001000016) \$12,326.78
Tom Brown Village: (AL001000010) \$14,421.10	Ralph Kimbrough Homes: (AL001000018) \$11,857.07
Rev. Dr. Morell Todd Homes: (AL001000011) \$10,259.69	Benjamin Greene Village: (AL001000023) \$29,862.20

The current (2024) HUD-published Median Income for the Birmingham-Hoover metropolitan area is \$69,627.00. Based on this amount, 30% of the area Median Income is \$20,888.00. HABD currently has one (1) site with average income at or above 30% of the median income.

**Economic and Social Deconcentration:** Housing Operations did not have an update for the Plan Year.

**Deconcentration and Income Mixing:** Housing Operations did not have an update for the plans and/or policies that impact deconcentration and income mixing to contribute to this annual plan.

**Housing Choice Voucher Program**

Local Waiting List Preferences: During this plan year, HABD will update its waiting list preferences.

Update Pending

# Attachment C

## Revised Financial Resources



### Attachment C - Financial Resources

<b>Financial Resources: Planned Sources and Uses</b>		
<b>Sources</b>	<b>Planned \$</b>	<b>Planned Uses</b>
<b>1. Federal Grants (FY 2026 grants)</b>		
a) Public Housing Operating Fund	<b>30,430,771</b>	
b) Public Housing Capital Fund	<b>13,011,565</b>	
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	<b>61,952,334</b>	
f) Public Housing Drug Elimination Program (including any Technical Assistance funds)		
g) Resident Opportunity and Self-Sufficiency Grants - ROSS	<b>170,500</b>	
h) Youth Build Grant (See below)	<b>500,000</b>	
i) HOME		
Other Federal Grants (list below) <b>FSS</b>	<b>278,930</b>	
<b>2. Prior Year Federal Grants (unobligated funds only) (list below)</b> <b>Youth Build Grant, reported total award in prior year</b>		
<b>3. Public Housing Dwelling Rental Income</b>	<b>8,741,468</b>	Operations
<b>4. Other income (list below)</b>		
Income on Investments	<b>400,000</b>	Operations
<b>Sales and Services</b>	<b>517,286</b>	Operations
Non-Subsidized Rental Income	<b>1,636,953</b>	Tax Credit Developments
<b>Total resources</b>	<b>117,639,807</b>	

# Attachment D

## Revised Rent Determination



## **ATTACHMENT D: RENT DETERMINATION**

### **Statement on Flat Rents (Housing Operations)**

The flat rent were not revised during the plan year. Update Pending for verification

#### **NOTE: Federal Mandated Changes to Flat Rent.**

On January 17, 2014, the President signed the Department of Housing and Urban Development (HUD) Appropriations Act of 2014. Section 210 of that act amended the United States Housing Act of 1937 to create a new rule for flat rents for all Public Housing Agencies (PHAs). On March 20, 2014, HUD issued instructions to all PHAs informing them that they must implement the new rules for flat rents effective June 1, 2014. All PHAs must revise the flat rent schedule to be at least 80% of the Fair Market Rent for their area. HUD gave PHAs the discretion to apply the new flat rent schedule to a family's next annual rent option or annual reexamination. Also, the statute limits annual flat rent increases to 35% of the existing flat rent amount. Therefore, these mandated increases will not go into effect until the next annual rent option or annual re- certification.

#### **Rent Determination: (Section 8) Update Pending for verification**

No changes to rent determination policies were made since the last plan. However, this plan year, HABD will update rent determination policies and implement them according to HUD's guidelines regarding HOTMA. Implementation will be no later than **January 1, 2027**. Per **PIH Notice 2025-07**, HABD must comply with Section 102 and 104 of HOTMA once its software (Yardi) is fully converted to submit transactions to the Housing Information Portal. A timeline for conversion has not yet been provided by Yardi.

# Attachment E

## Revised Operation and Management



**ATTACHMENT E: OPERATION and MANAGEMENT****Statement of Rules, Standards and Policies of the PHA Governing Maintenance and Management of Housing Owned, Assisted or Operated by the PHA which includes the Prevention and Eradication of Pests**

Update Pending

**Information Technology (IT)**

Update Pending

**Human Resources (HR)**

Human Resources (HR) has continued to strengthen employee engagement through offering HR programs, development initiatives, and improving HR operational efficiencies.

During FY 2024-2025, HR completed a comprehensive compensation analysis that resulted in salary adjustments for several employees related to pay compression and aligning salaries with minimum range requirements. HR launched an Employee Engagement Survey, achieving a 7% increase in response rate compared to the previous cycle, and an 89% positive response for the question “Overall HABD is a good place to work”.

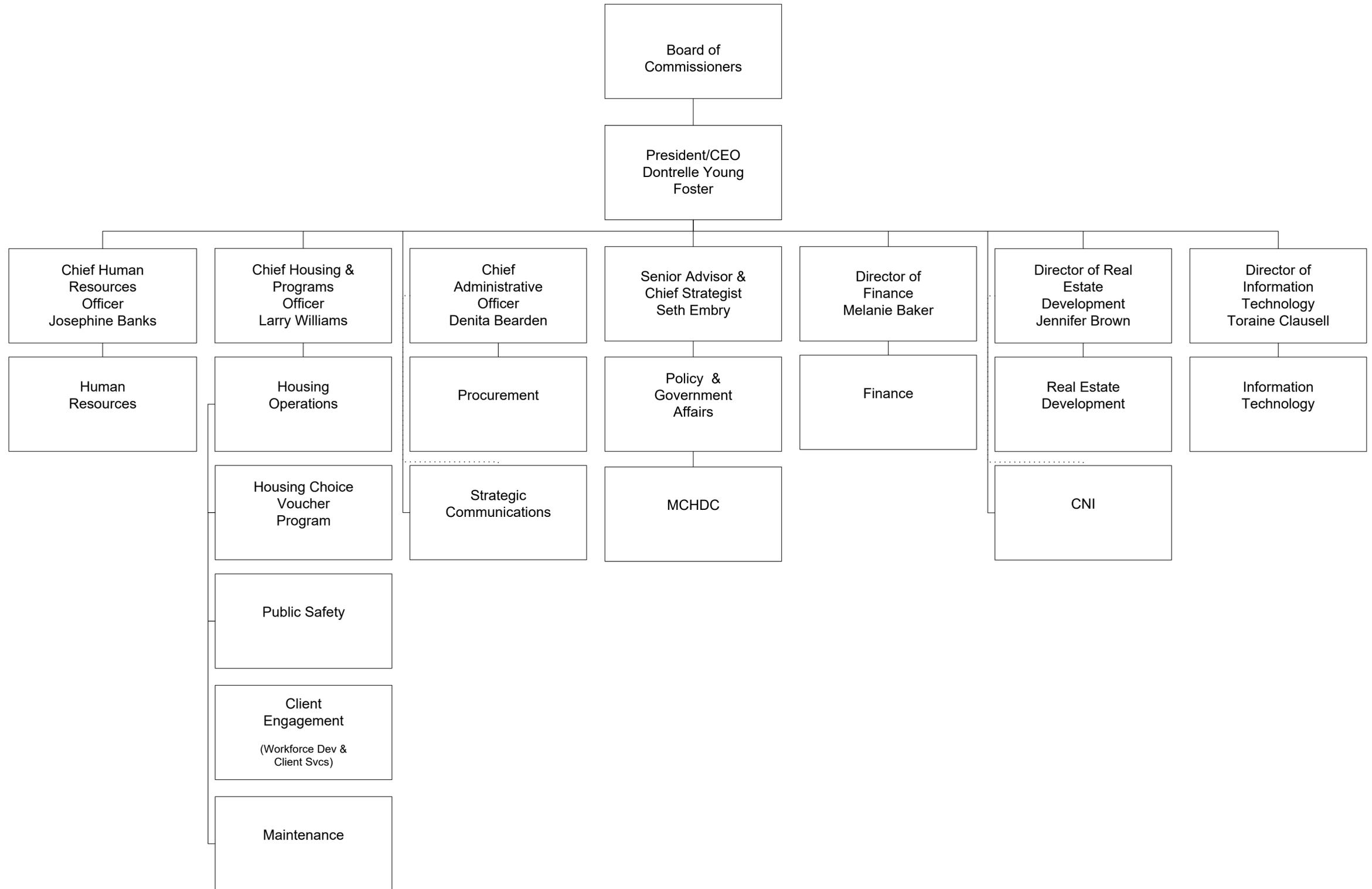
Additionally, HR developed a strengthened organizational structure and established a succession plan at the executive level. HR deployed a new HRM software system which replaced four previously non-integrated platforms, significantly reducing paper-based handoffs between Finance and HR, eliminating duplicate data entry, and reducing processing time and manual effort by digitizing paper-based processes. Implementation included Recruiting, Onboarding, Core HR, Employee Self-Service, Community Portal, Payroll, Time and Labor, GL Extracts, Benefits Administration, Learning and Development, Performance Management; FMLA, COBRA and Cafeteria Plan tracking.

HR launched an Alternate Work Program/Policy and revised the On-Call policy based on staff feedback and to help boost employee morale through offering greater flexibility that improves work-life balance. HR also delivered 3,223 hours of in-house training to staff, including HUD-mandated compliance training and onboarded 61 new hires and facilitated 12 employee promotions, 2 internal transfers.

Looking ahead, HR is working to expand leadership development opportunities for both leaders and staff through June 2029. To support these efforts, HR conducted departmental assessments to identify staffing needs, and uncover opportunities that promote a positive, productive, and thriving work environment.



# Agency Organizational Chart



# Attachment F

## Grievance Procedures



**ATTACHMENT F: GRIEVANCE PROCEDURES AND PET POLICY**

**HABD's Grievance Procedures and Pet Policy are contained in the ACOP and Administrative Plan - Update Pending.**

# Attachment G

## Homeownership Program



## **ATTACHMENT G: HOMEOWNERSHIP**

### **Public Housing Homeownership Program**

Currently, HABD's Homeownership program is based on a 5(h) Lease Homeownership Program with the purpose of providing affordable home ownership opportunities for working class families. The program currently has an inventory of [] units which are being rehabilitated and sold in compliance with the 5(h) plan.

Update Pending

### **Housing Choice Voucher (HCV) Homeownership Program**

HABD has a strategic plan to implement and expand its HCV Homeownership Program as reflected in the Agency's 5 Year Plan. Update Pending

# Attachment H

## Revised Community Service and Self Sufficiency Programs



## **ATTACHMENT H: COMMUNITY SERVICE AND SELF-SUFFICIENCY PROGRAMS**

### **Client Services**

#### Triage Initiative

The Triage initiative has yielded significant and positive results in 2025, demonstrating enhanced resident support and improved outcomes. We have adopted a comprehensive, streamlined approach encompassing the entire residency lifecycle. Residents are now required to complete the Triage questionnaire during their initial move-in process and subsequent recertification periods. This systematic tracking mechanism allows us to monitor the well-being and needs of over 14,000 residents, providing invaluable insights into their circumstances and challenges. As a direct result, we can facilitate targeted outreach, ensuring residents receive the most relevant and timely assistance.

This coordinated approach involves collaborative efforts from our Community Center staff, the Homeownership programs team, the Resident Opportunities Self-Sufficiency (ROSS) program, and the Family Self-Sufficiency (FSS) program, all working in synergy to address individual needs effectively.

The Housing Authority of the Birmingham District (HABD) reaffirms its unwavering commitment to providing each resident with the comprehensive resources and support necessary to empower them in their journey towards achieving long-term self-sufficiency and stability.

#### Empowerment Centers

As we close out 2025, we are pleased to provide an update on the implementation of the HABD Empowerment Centers. A key focus is the physical transformation of these spaces, and we are excited to share that enhancements have commenced at our Collegeville Center location. This initial phase includes a comprehensive range of improvements: fresh paint, the strategic addition of new furniture to enhance functionality and comfort, and thoughtful aesthetic updates. These changes are aimed at creating a welcoming and inspiring environment for all our participants.

We are committed to ensuring that each Empowerment Center reflects our dedication to providing a supportive and empowering atmosphere. The transformation of all our centers will continue over the next several months.

#### Every Day Counts

In 2025, HABD is excited about the remarkable success of the Everyday Counts program. The Birmingham City Schools have, for the very first time in their history, been awarded the highest grade ever by the State of Alabama Education Department, and this achievement is, in no small part, attributable to the combined efforts of the Everyday Counts initiative and the enhanced HABD school attendance programs. The Housing Authority of the Birmingham District (HABD) has played a pivotal role, having generously distributed over \$10,000 in rental and/or utility allowances to the fortunate winners of the monthly lottery. We extend our sincere gratitude to our

valued partners for their unwavering support, which enables us to assist deserving winners. This support allows us to make a real difference in the lives of the families we serve.

We are incredibly thankful for their dedication and commitment to the success of the Everyday Counts program and the Birmingham City Schools. Building upon the impressive successes of the Everyday Counts program and other strategic initiatives, HABD remains steadfast in its commitment to fostering self-sufficiency among its residents. We are dedicated to continuing to be a national leader in designing and implementing innovative programs that empower families and individuals to achieve economic stability and lead fulfilling lives.

### **Section 3 Program**

Section 3 initiatives focused on economic empowerment and job creation within the community. The Annual Section 3 Opportunity Fair successfully connected contractors with active HUD-funded contracts to partner with our residents. This event provided a dedicated space for contractors to share information about employment, training, and contracting opportunities created through their projects with the HABD.

We welcomed five contractors and more than 60 residents to the fair. The event yielded immediate results:

- Five residents were hired by The M. Mitchell Group.
- Two residents secured positions with PACES.

These outcomes reflect the continued importance of our Section 3 initiatives in supporting career and economic goals for our residents. We look forward to building on this momentum and hosting an even more impactful Opportunity Fair next year.

### **Workforce Development**

In 2025, HABD, in partnership with Ōnin Staffing, successfully conducted three Adult Ready to Work (RTW) cohorts designed to equip residents with essential workforce skills and industry-recognized credentials. Participating residents received a stipend of \$17 per hour to attend the sessions, removing financial barriers and supporting full engagement throughout the program.

Each cohort included comprehensive training in key soft skills and culminated in participants earning their ACE (Alabama Career Essentials) Certification. In addition, residents had the opportunity to receive introductory training in multiple industry pathways through the MAPS curriculum, administered by Lawson State Community College.

The Ready to Work program spanned five weeks, with participants attending three-hour sessions each day. During this time, residents practiced professional interviewing techniques, received support in securing appropriate workplace attire through our partnership with Goodwill, explored job opportunities, and worked with staff to identify and address individual employment barriers.

We are proud to report that every participant received a job offer upon completing their cohort—an achievement that highlights the impact and value of this initiative. Due to current funding

limitations, the program is temporarily on hold. HABD is actively seeking additional resources to resume this transformative opportunity for our residents.

# Attachment I

## Revised Safety and Crime Prevention



## **ATTACHMENT I: SAFETY AND CRIME PREVENTION**

The HABD Public Safety Department remains committed to crime prevention, particularly related to domestic violence, and ensuring compliance with the Violence Against Women Act (VAWA).

We achieve this through inter-departmental collaboration and partnerships to provide security for programs and events.

### **Key Initiatives and Partnerships:**

- **Resident Support and Education:** We work closely with the HABD Client Services Department to engage partners that provide counseling, programs, and education focused on preventing and reporting domestic violence. Partners are available daily to offer resources and counseling to residents in need.
- **Programs:** Our efforts include monthly "Lunch and Learn" programs held at multiple locations with various partners, as well as on-call counselors who work with HABD to reach residents.
- **External Partner:** HABD partners with the Birmingham Police Department for above-baseline police services. The current agreement for those services is set to expire in April 2026. Accordingly, a new agreement will need to be negotiated and finalized which will exclude these Rental Assistance Demonstration (RAD) converted sites, Southtown Court and Cooper Green Homes.
- **External Partners:** HABD partners with the Department of Human Resources (DHR), One Place, and other agencies to bring domestic violence prevention programs to all HABD sites. These programs are held at least once annually, including an agency-wide program for residents and staff every October for Domestic Violence Awareness Month.

### **Additional Crime Prevention Measure:**

A recent measures have been established with the addition of a public safety officer role, increasing the usage of the HABD community complaint form, and the public safety anonymous tip line to address concerns.

(The VAWA Updated Forms are attached on the next pages.)

Attachment I – Safety and Crime  
Prevention: Emergency Transfer Plan for  
Victims of Domestic Violence, Dating  
Violence, Sexual Assault, or Stalking



## EMERGENCY TRANSFER REQUEST FOR VICTIMS OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING

**Confidentiality Note:** Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

**Purpose of Form:** If you are a tenant of housing assisted under a covered housing program, or if you are receiving transitional housing or rental assistance under a covered housing program, you may use this form to request an emergency transfer and certify that you qualify for an emergency transfer under the Violence Against Women Act (“VAWA”). This form refers to domestic violence, dating violence, sexual assault, or stalking as “VAWA violence/abuse.”

**VAWA protects individuals and families regardless of a victim’s age, sex, or marital status.**

**You may request an emergency transfer when:**

1. You (or a household member) are a victim of VAWA violence/abuse;
2. You expressly request the emergency transfer; **AND**
3. **EITHER**
  - a. you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; **or**
  - b. if you (or a household member) are a victim of sexual assault, either you reasonably believe there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

A covered housing provider, in response to an emergency transfer request, should not evaluate whether you are in good standing as part of the assessment or provision of an emergency transfer. Whether or not you are in good standing does not impact your ability to request an emergency transfer under VAWA.

However, submitting this form does not necessarily mean that you will receive an emergency transfer. See your covered housing provider’s VAWA Emergency Transfer Plan for more information about VAWA emergency transfers and see “Notice of Occupancy Rights Under the Violence Against Women Act,” Form HUD-5380, for additional housing rights you may be entitled to.

**Am I required to submit any documentation to my covered housing provider?** Your covered housing provider may request documentation proving that you, or a household member, are a victim of VAWA violence/abuse, in addition to completing this emergency transfer request form. The request can be met by completing and submitting the VAWA Self-certification Form (Form HUD-5382), unless the covered housing provider receives conflicting information about the VAWA violence/abuse. If you have third-party documentation that demonstrates why you are eligible for an emergency transfer, you may, instead, choose to submit that documentation to your covered housing provider. See “Notice of Occupancy Rights Under the Violence Against Women Act,” Form HUD-5380, for more information.

**Will my information be kept confidential?** Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person’s access for that reason, **and** (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, **or** (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

**What if I need this information in a language other than English?** To read this in Spanish or another language, please contact

or go to

You can read translated VAWA forms at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4). If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

**Can I request a reasonable accommodation?** If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities.

**Need further help?** For additional information on VAWA and to find help in your area, visit <https://www.hud.gov/vawa>. To speak with a housing advocate, contact

### **TO BE COMPLETED BY OR ON BEHALF OF THE TENANT REQUESTING AN EMERGENCY TRANSFER**

1. Name(s) of victim(s): \_\_\_\_\_
2. Your name (if different from victim 's): \_\_\_\_\_
3. Name(s) of other household member(s): \_\_\_\_\_  
\_\_\_\_\_
4. Name(s) of other household member(s) who would transfer with the victim: \_\_\_\_\_  
\_\_\_\_\_
5. Name of the perpetrator (if known and can be safely disclosed): \_\_\_\_\_
6. Address of location from which the victim seeks to transfer: \_\_\_\_\_  
\_\_\_\_\_
7. Current Unit Size (# of bedrooms): \_\_\_\_\_
8. **What is the safest and most secure way to contact you? (You may choose more than one.)**  
If any contact information changes or is no longer a safe contact method, notify your covered housing provider.
  - Phone Phone Number: \_\_\_\_\_  
Safe to receive a voicemail:  Yes  No
  - E-mail E-mail Address: \_\_\_\_\_  
Safe to receive an email:  Yes  No
  - Mail Mailing Address: \_\_\_\_\_  
Safe to receive mail from your housing provider:  Yes  No
  - Other Please List: \_\_\_\_\_

**9. Anything else your housing provider should know to safely communicate with you?**

**10. What features are requested for a safe unit?** You may list here any information that would facilitate a suitable transfer, such as accessibility needs, and a description of where it is safe or unsafe for you to live.

(Please note that the ability to provide an emergency transfer is based on unit availability.)

- |   |  |
|---|--|
| <input type="checkbox"/> New Neighborhood | <input type="checkbox"/> New Building                  |
| <input type="checkbox"/> First Floor unit | <input type="checkbox"/> Second Floor unit (and above) |
| <input type="checkbox"/> Near an Exit     | <input type="checkbox"/> Well-lit hallways/walkways    |
| <input type="checkbox"/> 24-hour Security | <input type="checkbox"/> Accessible unit               |
| <input type="checkbox"/> Other:           |  |

**11. To approve your request for an emergency transfer, your covered housing provider may require that you provide written documentation that you (or a household member) are a victim of VAWA violence/abuse. Your covered housing provider must make this request for documentation in writing. You can choose to submit any one of the following types of documentation:**

- Form HUD-5382 *Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking, and Alternate Documentation*, which asks your name and the perpetrator's name (if known and safe to provide);
- A document signed by a victim service provider, attorney, mental health professional, or medical professional who has helped you address the VAWA violence/abuse. The professional must state "under penalty of perjury" that he/she/they believe in the occurrence of the incident of VAWA violence/abuse and that it is covered by VAWA. Both you and the professional must sign the statement;
- A police, administrative, or court record (such as a protective order) that shows you (or a household member) are a victim of VAWA violence/abuse; OR
- If permitted by your covered housing provider, a statement or other evidence provided by you.

**Certification of Tenant:** By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that I meet the conditions described on this form to qualify for an emergency transfer.

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Public reporting burden** for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Covered housing providers in programs covered by VAWA may ask for a written request for an emergency transfer for a tenant who is a victim of domestic violence, dating violence, sexual assault, or stalking. Housing providers may distribute this form to tenants and tenants may use it to request an emergency transfer. The information is subject to the confidentiality requirements of VAWA. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

# Attachment I – Safety and Crime Prevention: Violence Against Women Act (VAWA) Updated Forms



**CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,  
 SEXUAL ASSAULT, OR STALKING**

**Confidentiality Note:** Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

**Purpose of Form:** If you are a tenant of or applicant for housing assisted under a covered housing program, or if you are applying for or receiving transitional housing or rental assistance under a covered housing program, and ask for protection under the Violence Against Women Act (“VAWA”), you may use this form to comply with a covered housing provider's request for written documentation of your status as a "victim". This form is accompanied by a "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

**VAWA protects individuals and families regardless of a victim’s age or actual or perceived sexual orientation, gender identity, sex, or marital status.**

You are not expected **and cannot be asked or required** to claim, document, or prove victim status or VAWA violence/abuse other than as stated in "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

This form is **one of your available options** for responding to a covered housing provider’s written request for documentation of victim status or the incident(s) of VAWA violence/abuse. If you choose, you may submit one of the types of third-party documentation described in Form HUD-5380, in the section titled, “What do I need to document that I am a victim?”. Your covered housing provider must give you at least 14 business days (weekends and holidays do not count) to respond to their written request for this documentation.

**Will my information be kept confidential?** Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person’s access for that reason, **and** (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, **or** (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

**What if I require this information in a language other than English?** To read this in Spanish or another language, please contact \_\_\_\_\_; FOR HOPWA PROVIDERS – \_\_\_\_\_ or go to \_\_\_\_\_

\_\_\_\_\_. You can read translated VAWA forms at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4). If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

**Can I request a reasonable accommodation?** If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your

covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities.

**Need further help?** For additional information on VAWA and to find help in your area, visit <https://www.hud.gov/vawa>. To speak with a housing advocate, contact

**TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

1. Name(s) of victim(s): \_\_\_\_\_

2. Your name (if different from victim's): \_\_\_\_\_

3. Name(s) of other member(s) of the household: \_\_\_\_\_

\_\_\_\_\_

4. Name of the perpetrator (if known and can be safely disclosed): \_\_\_\_\_

5. What is the safest and most secure way to contact you? (You may choose more than one.)

If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

Phone Phone Number: \_\_\_\_\_

Safe to receive a voicemail:  Yes  No

E-mail E-mail Address: \_\_\_\_\_

Safe to receive an email:  Yes  No

Mail Mailing Address: \_\_\_\_\_

Safe to receive mail from your housing provider:  Yes  No

Other Please List: \_\_\_\_\_

6. Anything else your housing provider should know to safely communicate with you?

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Applicable definitions of domestic violence, dating violence, sexual assault, or stalking:**

*Domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who lives with or has lived with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Spouse or intimate partner of the victim includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

*Dating violence* means violence committed by a person:

- (1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; **and**
- (2) Where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) The length of the relationship; (ii) The type of relationship; and (iii) The frequency of interaction between the persons involved in the relationship.

*Sexual assault* means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

*Stalking* means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (1) Fear for the person's individual safety or the safety of others **or**
- (2) Suffer substantial emotional distress.

**Certification of Applicant or Tenant:** By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that one or more members of my household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking as described in the applicable definitions above.

---

**Signature**

---

**Date**

**Public Reporting Burden** for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Housing providers in programs covered by VAWA may request certification that the applicant or tenant is a victim of VAWA violence/abuse. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**Protections for Victims of Domestic Violence, Dating Violence, Sexual Assault or Stalking**

**When should I receive this form?** A covered housing provider must provide a copy of the Notice of Occupancy Rights Under The Violence Against Women Act (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you are admitted as a tenant, when you receive an eviction or termination notice and prior to termination of tenancy, or when you are denied as an applicant. A covered housing provider may provide these forms at additional times.

**What is the Violence Against Women Act (“VAWA”)?** This notice describes protections that may apply to you as an applicant or a tenant under a housing program covered by a federal law called the Violence Against Women Act (“VAWA”). VAWA provides housing protections for victims of domestic violence, dating violence, sexual assault or stalking. VAWA protections must be in leases and other program documents, as applicable. VAWA protections may be raised at any time. You do not need to know the type or name of the program you are participating in or applying to in order to seek VAWA protections.

**What if I require this information in a language other than English?** To read this information in Spanish or another language, please contact  
HOPWA PROVIDERS –

FOR

or go to

. You can read translated VAWA forms at

[https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4). If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

**What do the words in this notice mean?**

- *VAWA violence/abuse* means one or more incidents of domestic violence, dating violence, sexual assault, or stalking.
- *Victim* means any victim of *VAWA violence/abuse*, regardless of actual or perceived sexual orientation, gender identity, sex, or marital status.
- *Affiliated person* means the tenant’s spouse, parent, sibling, or child; or any individual, tenant, or lawful occupant living in the tenant’s household; or anyone for whom the tenant acts as parent/guardian.
- *Covered housing program*<sup>1</sup> includes the following HUD programs:
  - Public Housing
  - Tenant-based vouchers (TBV, also known as Housing Choice Vouchers or HCV) and Project-based Vouchers (PBV) Section 8 programs
  - Section 8 Project-Based Rental Assistance (PBRA)
  - Section 8 Moderate Rehabilitation Single Room Occupancy
  - Section 202 Supportive Housing for the Elderly
  - Section 811 Supportive Housing for Persons with Disabilities
  - Section 221(d)(3)/(d)(5) Multifamily Rental Housing
  - Section 236 Multifamily Rental Housing
  - Housing Opportunities for Persons With AIDS (HOPWA) program
  - HOME Investment Partnerships (HOME) program
  - The Housing Trust Fund
  - Emergency Solutions Grants (ESG) program
  - Continuum of Care program
  - Rural Housing Stability Assistance program
- *Covered housing provider* means the individual or entity under a covered housing program that is responsible for providing or overseeing the VAWA protection in a specific situation. The covered housing provider may be a public housing agency, project sponsor, housing owner, mortgagor, housing manager, State or local government, public agency, or a nonprofit or for-profit organization as the lessor.

<sup>1</sup> For information about non-HUD covered housing programs under VAWA, see Interagency Statement on the Violence Against Women Act’s Housing Provisions at <https://www.hud.gov/sites/dfiles/PA/documents/InteragencyVAWAHousingStmnt092024.pdf>.

**What if I am an applicant under a program covered by VAWA?** You can't be denied housing, housing assistance, or homeless assistance covered by VAWA just because you (or a household member) are or were a victim or just because of problems you (or a household member) had as a direct result of being or having been a victim. For example, if you have a poor rental or credit history or a criminal record, and that history or record is the direct result of you being a victim of VAWA abuse/violence, that history or record cannot be used as a reason to deny you housing or homeless assistance covered by VAWA.

**What if I am a tenant under a program covered by VAWA?** You cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because you (or a household member) are or were a victim of VAWA violence/abuse. You also cannot lose housing, housing assistance, or homeless assistance covered by VAWA or be evicted just because of problems that you (or a household member) have as a direct result of being or having been a victim. For example, if you are a victim of VAWA abuse/violence that directly results in repeated noise complaints and damage to the property, neither the noise complaints nor property damage can be used as a reason for evicting you from housing covered by VAWA. You also cannot be evicted or removed from housing, housing assistance, or homeless assistance covered by VAWA because of someone else's criminal actions that are directly related to VAWA abuse/violence against you, a household member, or another affiliated person.

**How can tenants request an emergency transfer?** Victims of VAWA violence/abuse have the right to request an emergency transfer from their current unit to another unit for safety reasons related to the VAWA violence/abuse. An emergency transfer cannot be guaranteed, but you can request an emergency transfer when:

1. You (or a household member) are a victim of VAWA violence/abuse;
2. You expressly request the emergency transfer; **AND**
3. **EITHER**
  - a. you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) stay in the same dwelling unit; **OR**
  - b. if you (or a household member) are a victim of sexual assault, either you reasonably believe that there is a threat of imminent harm from further violence, including trauma, if you (or a household member) were to stay in the unit, or the sexual assault occurred on the premises and you request an emergency transfer within 90 days (including holidays and weekend days) of when that assault occurred.

You can request an emergency transfer even if you are not lease compliant, for example if you owe rent. If you request an emergency transfer, your request, the information you provided to make the request, and your new unit's location must be kept strictly confidential by the covered housing provider. The covered housing provider is required to maintain a VAWA emergency transfer plan and make it available to you upon request.

To request an emergency transfer or to read the covered housing provider's VAWA emergency transfer plan,

The VAWA emergency transfer plan includes information about what the covered housing provider does to make sure your address and other relevant information are not disclosed to your perpetrator.

**Can the perpetrator be evicted or removed from my lease?** Depending on your specific situation, your covered housing provider may be able to divide the lease to evict just the perpetrator. This is called "lease bifurcation."

**What happens if the lease bifurcation ends up removing the perpetrator who was the only tenant who qualified for the housing or assistance?** In this situation, the covered housing provider must provide you and other remaining household members an opportunity to establish eligibility or to find other housing. If you cannot or don't want to establish eligibility, then the covered housing provider must give you a reasonable time to move or establish eligibility for another covered housing program. This amount of time varies, depending on the covered housing program involved. The table below shows the reasonable time provided under each covered housing programs with HUD. Timeframes for covered housing programs operated by other agencies are determined by those agencies.

NOTICE OF OCCUPANCY RIGHTS UNDER  
THE VIOLENCE AGAINST WOMEN ACT  
HUD-5380: Rights for Survivors

U.S. Department of Housing and Urban Development  
OMB Approval No. 2577-0286  
Expires 1/31/2028

<b>Covered Housing Program(s)</b>	<b>Reasonable Time for Remaining Household Members to Continue to Receive Assistance, Establish Eligibility, or Move.</b>
HOME and Housing Trust Fund, Continuum of Care Program (except for permanent supportive housing), ESG program, Section 221(d)(3) Program, Section 221(d)(5) Program, Rural Housing Stability Assistance Program	Because these programs do not provide housing or assistance based on just one person's status or characteristics, the remaining tenant(s), or family member(s) in the CoC program, can keep receiving assistance or living in the assisted housing as applicable.
Permanent supportive housing funded by the Continuum of Care Program	The remaining household member(s) can receive rental assistance until expiration of the lease that is in effect when the qualifying member is evicted.
Housing Choice Voucher, Project-based Voucher, and Public Housing programs (for Special Purpose Vouchers (e.g., HUD-VASH, FUP, FYI, etc.), see also program specific guidance)	<p>If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.</p> <p>For HUD-VASH, if the veteran is removed, the remaining family member(s) can keep receiving assistance or living in the assisted housing as applicable. If the veteran was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days to establish program eligibility or find alternative housing.</p>
Section 202/811 PRAC and SPRAC	The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or until the lease expires, whichever is first, to establish program eligibility or find alternative housing.
Section 202/8	<p>The remaining household member(s) must be given 90 calendar days from the date of the lease bifurcation or when the lease expires, whichever is first, to establish program eligibility or find alternative housing.</p> <p>If the person removed was the only tenant who established eligible citizenship/immigration status, the remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.</p>
Section 236 (including RAP); Project-based Section 8 and Mod Rehab/SRO	The remaining household member(s) must be given 30 calendar days from the date of the lease bifurcation to establish program eligibility or find alternative housing.
HOPWA	The remaining household member(s) must be given no less than 90 calendar days, and not more than one year, from the date of the lease bifurcation to establish program eligibility or find alternative housing. The date is set by the HOPWA Grantee or Project Sponsor.

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**Are there any reasons that I can be evicted or lose assistance?** VAWA does not prevent you from being evicted or losing assistance for a lease violation, program violation, or violation of other requirements that are not due to the VAWA violence/abuse committed against you or an affiliated person. However, a covered housing provider cannot be stricter with you than with other tenants, just because you or an affiliated person experienced VAWA abuse/violence. VAWA also will not prevent eviction, termination, or removal if other tenants or housing staff are shown to be in immediate, physical danger that could lead to serious bodily harm or death if you are not evicted or removed from assistance. **But only if no other action can be taken to reduce or eliminate the threat** should a covered housing provider evict you or end your assistance, if the VAWA abuse/violence happens to you or an affiliated person. A covered housing provider must provide a copy of the Notice of Occupancy Rights Under The Violence Against Women Act (Form HUD-5380) and the Certification of Domestic Violence, Dating Violence, Sexual Assault, or Stalking (Form HUD-5382) when you receive an eviction or termination notice and prior to termination of tenancy.

**What do I need to document that I am a victim of VAWA abuse/violence?** If you ask for VAWA protection, the covered housing provider may request documentation showing that you (or a household member) are a victim. **BUT** the covered housing provider must make this request in writing and must give you at least 14 business days (weekends and holidays do not count) to respond, and you are free to choose any one of the following:

1. A self-certification form (for example, Form HUD 5382), which the covered housing provider must give you along with this notice. Either you can fill out the form or someone else can complete it for you;
2. A statement from a victim/survivor service provider, attorney, mental health professional or medical professional who has helped you address incidents of VAWA violence/abuse. The professional must state “under penalty of perjury” that he/she/they believes that the incidents of VAWA violence/abuse are real and covered by VAWA. Both you and the professional must sign the statement;
3. A police, administrative, or court record (such as a protective order) that shows you (or a household member) were a victim of VAWA violence/abuse; **OR**
4. If allowed by your covered housing provider, any other statement or evidence provided by you.

It is your choice which documentation to provide and the covered housing provider must accept any one of the above as documentation. The covered housing provider is prohibited from seeking additional documentation of victim status or requiring more than one of these types of documentation, unless the covered housing provider receives conflicting information about the VAWA violence/abuse.

If you do not provide one of these types of documentation by the deadline, the covered housing provider does not have to provide the VAWA protections you requested. If the documentation received by the covered housing provider contains conflicting information about the VAWA violence/abuse, the covered housing provider may require you to provide additional documentation from the list above, but the covered housing provider must give you another 30 calendar days to do so.

**Will my information be kept confidential?** If you share information with a covered housing provider about why you need VAWA protections, the covered housing provider must keep the information you share strictly confidential. This information should be securely and separately kept from your other tenant files. No one who works for your covered housing provider will have access to this information, unless there is a reason that specifically calls for them to access this information, your covered housing provider explicitly authorizes their access for that reason, and that authorization is consistent with applicable law.

Your information **will not be disclosed** to anyone else or put in a database shared with anyone else, except in the following situations:

1. If you give the covered housing provider written permission to share the information for a limited time;
2. If the covered housing provider needs to use that information in an eviction proceeding or hearing; or
3. If other applicable law requires the covered housing provider to share the information.

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**How do other laws apply?** VAWA does not limit the covered housing provider's duty to honor court orders about access to or control of the property, or civil protection orders issued to protect a victim of VAWA abuse/violence.

Additionally, VAWA does not limit the covered housing provider's duty to comply with a court order with respect to the distribution or possession of property among household members during a family break up. The covered housing provider must follow all applicable fair housing and civil rights requirements.

**Can I request a reasonable accommodation?** If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. To request a reasonable accommodation, please contact [INSERT APPROPRIATE STAFF MEMBER CONTACT INFORMATION]. Your covered housing provider must also ensure effective communication with individuals with disabilities.

**Have your protections under VAWA been denied?** If you believe that the covered housing provider has violated these rights, you may seek help by contacting [INSERT LOCAL HUD FHEO FIELD OFFICE & CONTACT INFORMATION]. You can also find additional information on filing VAWA complaints at <https://www.hud.gov/VAWA> and [https://www.hud.gov/program\\_offices/fair\\_housing\\_equal\\_opp/VAWA](https://www.hud.gov/program_offices/fair_housing_equal_opp/VAWA). To file a VAWA complaint, visit <https://www.hud.gov/fairhousing/fileacomplaint>.

**Need further help?**

- ° For additional information on VAWA and to find help in your area, visit <https://www.hud.gov/vawa>.
- ° To talk with a housing advocate, contact [ENTER CONTACT INFO FOR LOCAL ADVOCACY AND LEGAL AID ORGANIZATIONS].

**Public reporting burden** for this collection of information is estimated to range from 45 to 90 minutes per each covered housing provider's response, depending on the program. This includes time to print and distribute the form. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, D.C. 20410. This notice is required for covered housing programs under section 41411 of VAWA and 24 CFR 5.2003. Covered housing providers must give this notice to applicants and tenants to inform them of the VAWA protections as specified in section 41411(d)(2). This is a model notice, and no information is being collected. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

**CERTIFICATION OF DOMESTIC VIOLENCE, DATING VIOLENCE,  
SEXUAL ASSAULT, OR STALKING**

**Confidentiality Note:** Any personal information you share in this form will be maintained by your covered housing provider according to the confidentiality provisions below.

**Purpose of Form:** If you are a tenant of or applicant for housing assisted under a covered housing program, or if you are applying for or receiving transitional housing or rental assistance under a covered housing program, and ask for protection under the Violence Against Women Act (“VAWA”), you may use this form to comply with a covered housing provider's request for written documentation of your status as a "victim". This form is accompanied by a "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

**VAWA protects individuals and families regardless of a victim’s age, sex, or marital status.**

You are not expected **and cannot be asked or required** to claim, document, or prove victim status or VAWA violence/abuse other than as stated in "Notice of Occupancy Rights Under the Violence Against Women Act," Form HUD-5380.

This form is **one of your available options** for responding to a covered housing provider’s written request for documentation of victim status or the incident(s) of VAWA violence/abuse. If you choose, you may submit one of the types of third-party documentation described in Form HUD-5380, in the section titled, “What do I need to document that I am a victim?”. Your covered housing provider must give you at least 14 business days (weekends and holidays do not count) to respond to their written request for this documentation.

**Will my information be kept confidential?** Whenever you ask for or about VAWA protections, your covered housing provider must keep any information you provide about the VAWA violence/abuse or the fact you (or a household member) are a victim, including the information on this form, strictly confidential. This information should be securely and separately kept from your other tenant files. This information can only be accessed by an employee/agent of your covered housing provider if (1) access is required for a specific reason, (2) your covered housing provider explicitly authorizes that person’s access for that reason, **and** (3) the authorization complies with applicable law. This information will not be given to anyone else or put in a database shared with anyone else, unless your covered housing provider (1) gets your written permission to do so for a limited time, (2) is required to do so as part of an eviction or termination hearing, **or** (3) is required to do so by law.

In addition, your covered housing provider must keep your address strictly confidential to ensure that it is not disclosed to a person who committed or threatened to commit VAWA violence/abuse against you (or a household member).

**What if I require this information in a language other than English?** To read this in Spanish or another language, please contact

or go to

. You can read translated VAWA forms at [https://www.hud.gov/program\\_offices/administration/hudclips/forms/hud5a#4](https://www.hud.gov/program_offices/administration/hudclips/forms/hud5a#4). If you speak or read in a language other than English, your covered housing provider must give you language assistance regarding your VAWA protections (for example, oral interpretation and/or written translation).

**Can I request a reasonable accommodation?** If you have a disability, your covered housing provider must provide reasonable accommodations to rules, policies, practices, or services that may be necessary to allow you to equally benefit from VAWA protections (for example, giving you more time to submit documents or assistance with filling out forms). You may request a reasonable accommodation at any time, even for the first time during an eviction. If a provider is denying a specific reasonable accommodation because it is not reasonable, your covered housing provider must first engage in the interactive process with you to identify possible alternative accommodations. Your covered housing provider must also ensure effective communication with individuals with disabilities.

**Need further help?** For additional information on VAWA and to find help in your area, visit <https://www.hud.gov/vawa>. To speak with a housing advocate, contact

**TO BE COMPLETED BY OR ON BEHALF OF THE VICTIM OF DOMESTIC VIOLENCE, DATING VIOLENCE, SEXUAL ASSAULT, OR STALKING**

1. Name(s) of victim(s): \_\_\_\_\_

2. Your name (if different from victim's): \_\_\_\_\_

3. Name(s) of other member(s) of the household: \_\_\_\_\_

\_\_\_\_\_

4. Name of the perpetrator (if known and can be safely disclosed): \_\_\_\_\_

5. What is the safest and most secure way to contact you? (You may choose more than one.)

If any contact information changes or is no longer a safe contact method, notify your covered housing provider.

Phone Phone Number: \_\_\_\_\_

Safe to receive a voicemail:  Yes  No

E-mail E-mail Address: \_\_\_\_\_

Safe to receive an email:  Yes  No

Mail Mailing Address: \_\_\_\_\_

Safe to receive mail from your housing provider:  Yes  No

Other Please List: \_\_\_\_\_

6. Anything else your housing provider should know to safely communicate with you?

**Applicable definitions of domestic violence, dating violence, sexual assault, or stalking:**

*Domestic violence* includes felony or misdemeanor crimes of violence committed by a current or former spouse or intimate partner of the victim, by a person with whom the victim shares a child in common, by a person who lives with or has lived with the victim as a spouse or intimate partner, by a person similarly situated to a spouse of the victim under the domestic or family violence laws of the jurisdiction, or by any other person against an adult or youth victim who is protected from that person's acts under the domestic or family violence laws of the jurisdiction.

Spouse or intimate partner of the victim includes a person who is or has been in a social relationship of a romantic or intimate nature with the victim, as determined by the length of the relationship, the type of the relationship, and the frequency of interaction between the persons involved in the relationship.

*Dating violence* means violence committed by a person:

- (1) Who is or has been in a social relationship of a romantic or intimate nature with the victim; **and**
- (2) Where the existence of such a relationship shall be determined based on a consideration of the following factors: (i) The length of the relationship; (ii) The type of relationship; and (iii) The frequency of interaction between the persons involved in the relationship.

*Sexual assault* means any nonconsensual sexual act proscribed by Federal, tribal, or State law, including when the victim lacks capacity to consent.

*Stalking* means engaging in a course of conduct directed at a specific person that would cause a reasonable person to:

- (1) Fear for the person's individual safety or the safety of others **or**
- (2) Suffer substantial emotional distress.

**Certification of Applicant or Tenant:** By signing below, I am certifying that the information provided on this form is true and correct to the best of my knowledge and recollection, and that one or more members of my household is or has been a victim of domestic violence, dating violence, sexual assault, or stalking as described in the applicable definitions above.

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**Signature**

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**Date**

**Public Reporting Burden** for this collection of information is estimated to average 20 minutes per response. This includes the time for collecting, reviewing, and reporting. Comments concerning the accuracy of this burden estimate and any suggestions for reducing this burden can be sent to the Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street, SW, Washington, DC 20410. Housing providers in programs covered by VAWA may request certification that the applicant or tenant is a victim of VAWA violence/abuse. A Federal agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget control number.

# Attachment J

## Asset Management



**ATTACHMENT J: ASSET MANAGEMENT**

**Update Pending**

# Attachment K

## Revised Substantial Deviation



**ATTACHMENT K: SUBSTANTIAL DEVIATION**

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

- a. **The decision to convert to either Project Based Rental Assistance (PBRA) or Project Based Voucher Assistance (PBV) ;**
- b. Changes to the Capital Fund Budgets produced as a result of each approved RAD conversion, Section 18/RAD Blend regardless of whether the proposed conversion will include use of additional Capital Funds;
- c. Changes to the construction and/or rehabilitation plan for each approved RAD conversion; and
- d. Changes to the financing structure for each approved RAD/Section 18 Blend conversion.

Attachment L  
Revised Significant  
Amendment/Modification



**ATTACHMENT L: SIGNIFICANT AMENDMENT/MODIFICATION**

As mandated by the HUD, a public housing authority must define a substantial change to the Agency Plan. If a proposed change to the Agency Plan is considered a “substantial change,” it must undergo a public process that includes consultation with the Resident Advisory Board, a public comment period, public notification of where and how the proposed change can be reviewed and approved by the Housing Authority Boards of Commissioners. Therefore, HABD defines significant changes to the Agency Plan as follows:

- a. Significant changes to tenant/resident admissions policies;
- b. Significant changes to the tenant/resident screening policy;
- c. Significant changes to public housing rent policies;
- d. Significant changes to the organization of the public housing or HCV waiting lists;
- e. Significant Changes in the use of replacement reserve funds under the Capital Fund Grant;
- f. Non-de-minimis changes to the identification of public housing units and/or property that will be subject to demolition, disposition, designation, or conversion activities; to exclude casualty or otherwise uninhabitable units.

Excluded from the definition of significant amendment/modification is the implementation or refinement of policies and programs contained in the 5-Year Plan or Annual Plan, or those implemented to comply with changes in regulations or law.

Attachment M  
New Activities: HOPE VI and  
Choice Neighborhoods  
Update Pending

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Attachment N  
New Activities: Demolition and  
Disposition  
Update Pending



**Pending Update – The information below has remained unchanged since the last Annual Plan submission.**

**ATTACHMENT N: DEMOLITION AND DISPOSITION PUBLIC HOUSING UNITS PROPOSED FOR DEMOLITION AND DISPOSITION**

The Housing Authority of the Birmingham District (HABD) will pursue demolition and/or disposition activities to support its Thrive 2035 repositioning strategy as set forth in Attachment O of this plan. The following list reflects demolition and disposition activities that HABD intends to commence and/or complete during the plan year which may or may not be shown in Attachment O.

1. **Multiple Properties** - Thirty-five (35) structural damaged units located in multiple properties.
2. **Ralph Kimbrough Homes (AL001000018)** - Eight (8) units will be demolished that were damaged by fire resulting in a total loss of the units.
3. **Smithfield Court (AL001000009)** - Four hundred fifty-six (456) units will be demolished in accordance with the Choice Neighborhood Implementation Plan. It is expected that demolition will commence in 2025 and will be done in three phases.
4. **Marks Village (AL001000006)** - Two hundred two dwelling units (202) and two (2) non-dwelling units will be demolished in accordance with the previous approval.
5. **Elyton Village Gymnasium (AL001000001)** - One (1) non-dwelling building will be demolished upon approval of a non-dwelling demolition application.
6. **Collegeville Center (AL001000013)** - One hundred fifty (150) units to be demolished for a new off-site development of public housing units under the Section 8 platform.
7. **Multiple Properties** - HABD has an approved 5(h) plan, and will dispose of single-family houses within the 5 (h) plan's inventory over the course of the fiscal year.

Attachment O  
New Activities: Conversion of Public  
Housing to Project Based Assistance under  
RAD – “Thrive 2035”



**ATTACHMENT O: CONVERSION OF PUBLIC HOUSING to PROJECT-BASED ASSISTANCE under RAD**

Update Pending

# Attachment P

## New Activities: Occupancy by Police Officers



**ATTACHMENT P: OCCUPANCY BY POLICE OFFICERS**

**Statement on Police Units**

Update Pending.

# Attachment Q

## New Activities: Project Based Voucher Program



**ATTACHMENT Q: REVISED PROJECT BASED VOUCHERS OTHER PROJECT BASED VOUCHERS – Update Pending**

During the Plan Year, HABD will implement a Project Based Voucher (PBV) Program to assist with public housing repositioning strategies and the preservation and development of affordable housing in its jurisdiction. HABD intends to utilize PBVs for on-site, transfer of assistance, and all other options available now and in the future. HABD outlined its geographic and other criteria for the location of PBVs in its 5 Year and HCV Administrative Plans. HABD will also explore the feasibility of the Restore-Rebuild program to activate some Faircloth Authority with new units. HABD’s PHA Plan allows for PBVs to be used on HABD-owned land and housing.

The current 5 Year Plan outlines HABD’s goal to award 1,000 PBVs over the course of the next five years, and solicitations will be posted to assist in meeting that goal. The phases are outlined in the chart below. Update Pending

Phase	Location	RAD Replacement	NON-RAD PBV Replacement	LIHTC-only	Market Rate	Total Units

Housing Opportunity Through Modernization Act (HOTMA) added section 8(o)(13)(N) to the Act, which allows a PHA to attach PBV assistance to units in a project for which the PHA has an ownership interest. HABD will exercise this authority on units under its ownership, including replacement housing for Smithfield Court and Glenbrook at Oxmoor.

HABD anticipates project-basing 285 vouchers as replacement units for Smithfield Court public housing units, alongside 171 RAD units, in accordance with HOTMA and PIH Notice 2017-21. Additionally, HABD anticipates placing 50 vouchers on units at Glenbrook at Oxmoor, a development HABD **acquired** ownership of in 2025.

# Attachment R

## New Activities: Units Proposed for HUD Approved Vacancies – Undergoing Modernization

Charts Showing Public Housing Units Approved as  
Undergoing Modernization





















<b>Russell B. Harris Homes Modernization Units</b>						
<b>AMP Number</b>	<b>Building Number</b>	<b>Entrance Number</b>	<b>Unit</b>	<b>Address</b>	<b>Effective Date</b>	<b>Expiration Date</b>
AL001000014						
AL001000014						
AL001000014						
AL001000014						
AL001000014						



AL001000016						
AL001000016						
AL001000016						
AL001000016						
AL001000016						



<b>Roosevelt City-Benjamin Greene Homes Modernization Units</b>						
<b>AMP Number</b>	<b>Building Number</b>	<b>Entrance Number</b>	<b>Unit</b>	<b>Address</b>	<b>Effective Date</b>	<b>Expiration Date</b>
AL001000023						
AL001000023						
AL001000023						
AL001000023						



<b>Tuxedo Terrace I/II Modernization Units</b>						
<b>AMP Number</b>	<b>Building Number</b>	<b>Entrance Number</b>	<b>Unit</b>	<b>Address</b>	<b>Effective Date</b>	<b>Expiration Date</b>
AL001000034						
AL001000035						
AL001000035						
AL001000035						
AL001000034						
AL001000034						
AL001000034						
AL001000035						
AL001000035						
AL001000035						
AL001000044						
AL001000045						



# Attachment S

## New Activities: Other Capital Grant Programs



**ATTACHMENT S: OTHER CAPITAL GRANT PROGRAMS**

HABD will apply for HUD Capital Fund grants as they become available. HABD will also consider applying for grants to assist in the development of affordable housing, public safety, and social services.

### **B.3 Progress Report**



Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan

### B.3 Progress Report

Statements below in blue font reflect HABD's progress made towards meeting goals in the previous 5-Year Plan.

#### HUD Strategic Goal 1: Support Underserved Communities

1. PHA Goal: Expand the supply of assisted housing (Resource: Section 8)

Objectives:

- 1) Support the development of 1,000 units of affordable housing through the awarding of Project Based Vouchers (PBVs).
- 2) Maintain 98% utilization of the Housing Choice Voucher (HCV) Program.
- 3) We will augment the supply of assisted housing by identifying new opportunities for development and optimizing the use of existing resources.

2. PHA Goal: Improve the quality of assisted housing (Resource: Section 8)

Objectives:

- 1) Exceed the American Customer Satisfaction Index (or a similar rating system) for government with a score of at least 75%.
- 2) Achieve a SEMAP High Performer Rating annually.
- 3) Enhance Housing Quality: The quality of assisted housing will be improved through ongoing maintenance programs and regular updates to living facilities, including resident education on upkeep.

3. PHA Goal: Increase assisted housing choices (Resource: Section 8)

Objectives:

- 1) Prioritize deconcentration of voucher families.
- 2) Ensure PBV projects reflect a diversity of housing choices, accessible to members of our community in underserved areas.
- 3) Place at least 1/3 of new PBVs in areas with target areas – low poverty, low rates of affordable housing, access to transportation, etc. – *to be defined*).
- 4) Broaden Housing Choices: By collaborating with regional and site property managers, we will broaden the array of housing choices available to our residents.

#### HUD Strategic Goal 2: Ensure Access to and Increase the Production of Affordable Housing

4. PHA Goal: Provide an improved living environment (Resource: Housing Operations/Programs/Workforce Development and Public Safety)

Objectives:

- 1) Vetted List of Residents: Our goal is to have a vetted list of over 500 residents interested in employment and/or training opportunities. The vetted list of residents currently stands at 308 and growing.
  - 2) Launch a Workforce Essentials Closet: The objective of this initiative is to launch a boutique shopping experience for HABD Public Housing Residents who are actively seeking employment or training opportunities. This closet will provide essential professional attire, which will also be available to residents needing appropriate work wear throughout their employment. We are pleased to confirm that this project is moving forward and is currently scheduled to open in Spring 2026.
  - 3) Reduce Overall Crime by 5% Annually. Public Safety currently reports the crime reduction number at 26.09% exceeding the agency's goal of overall crime reduction.
  - 4) Identify security measures in all HABD properties to assist property management with access in knowing who is entering and exiting the property and main office (See PHA Goal 11). Public Safety reviews logs from the gated communities which are Collegeville Center and North Birmingham Homes that have security guards to control access by checking and logging visitors. All communities have surveillance systems in which property management can monitor the incoming and outgoing traffic. The surveillance camera systems agreement will expire in September 2026. Public Safety will be seeking to enter into a new agreement for these surveillance systems.
5. PHA Goal: Promote self-sufficiency and asset development of assisted households (Resource: Section 8 and Housing Operations/Programs)

Objectives:

- 1) Increase homeownership in the HCV program to 2.5% of available vouchers (156)
  - 2) Dedicate staff to the homeownership program
  - 3) Partner internally and externally with service providers
6. PHA Goal: Ensure equal opportunity and affirmatively further fair housing (Resource: Executive – Policy and Planning)

Objectives:

- 1) Partnered with local agencies on fair housing efforts by hosting a secondary round of community conversation to educate participants, landlords, and the community at large on fair housing. The video series of conversations is available on HABD's YouTube Channel.
- 2) Conducted meetings and training sessions for Fair Housing Working Group (FHWG).
- 3) Established a Fair Housing Advocacy Committee (FHAC): This newly formed external group consists of seven members: two public housing residents, two HCV participants, and three HABD partners - Legal Services of Alabama (LSA), The Well House, and the Hispanic and Immigrant Center of Alabama (HICA).
- 4) The purpose of the FHAC is to advise and support HABD in improving its fair housing efforts, with a strong emphasis on providing meaningful services and the highest level of customer service to the communities in Birmingham, Alabama.

- 5) The kick-off meeting was held on July 22, 2025, in the Multi-purpose Room at Freedom Manor.
- 6) Distributed Standard Operating Procedures to FHAC October 22, 2025.

### **HUD Strategic Goal 3: Promote Homeownership**

7. PHA Goal: Take a leadership role in the creation of significant additional organizational capacity to provide and maintain quality affordable housing in Birmingham and the region. (Resource: Homeownership)

#### Objectives:

- 1) Build upon the successes of clients served under the 5(h) program,
  - 2) HABD has recruited and hired a Lease/Purchase Facilitator to engage partners on progress for readiness and timeline for purchase and prioritization of existing HABD program participants (FSS, Section 8, and current Lease/Purchase participants).
  - 3) HABD will continue to engage with HUD Approved counseling agencies to prepare our residents for the transition to homeownership. Coordination of homebuyer education workshops for Legacy Homeownership program participants.
  - 4) HABD is also working to establish counseling practices in accordance with the Housing and Urban Development's National Industry Standard for approved counseling agencies. Including the establishment of a software repository (CounselorMax) for client information to be reported to the Department Head of Strategic Initiatives, HABD leadership team, and Department of Housing and Urban Development.
8. PHA Goal: Increase the public awareness of HABD's resources and programs that are offered to assist in improving the lives of residents. (Resource Strategic Communications formerly Public Relations)

#### Objectives:

- 1) Create opportunities for residents and stakeholders to ask questions, share concerns, and provide feedback on HABD programs and decisions.
- 2) Provide stakeholders with detailed, easy-to-understand reports on HABD's activities, performance, and financials to foster trust and accountability.
- 3) Foster a transparent and inclusive communication strategy for residents and stakeholders.
- 4) Enhance HABD's digital presence and accessibility so residents can obtain information efficiently through modern digital platforms.
- 5) Use social media platforms to regularly communicate updates, success stories, and news about HABD's initiatives, responding to questions and engaging with residents in real time.

- 6) Create digital communication materials accessible by using inclusive design, such as screen reader compatibility, translation options, and easy-to-read content, to ensure all residents can engage.
  - 7) Optimize the website's search functionality and content organization so residents can access essential updates, forms, and guidelines through clear communication pathways.
  - 8) Increase strategic media partnerships to build more awareness surrounding HABD's initiatives.
  - 9) Regularly engage with reporters and media outlets through personalized pitches, media briefings, and networking events to establish trust and rapport.
  - 10) Identify and pitch compelling stories about HABD's programs, resident success stories, or community impact that align with the interests of journalists and their audiences.
  - 11) Monitor and measure the effectiveness of media coverage to assess how well the partnerships are raising awareness and shaping public perception.
  - 12) Establish protocols for working with media during crises or emergencies to ensure accurate, timely, and coordinated messaging.
9. PHA Goal: Leverage public/private partnerships to provide more resources and opportunities for our residents (Resource: Housing Operations/Programs and Strategic Communications)

Objectives:

- 1) Efforts will be made to elevate public awareness of HABD's resources and programs through direct engagement with residents, social media campaigns, and local media partnerships.
- 2) Conducted focus groups with residents to enhance direct engagement with residents. Participated in resident engagement activities such as resident knock and talk to disperse important information.
- 3) Developed a social media series that recognized HABD success stories from our residents.
- 4) Created press opportunities with residents so that stakeholders could hear firsthand from residents on their experiences with HABD.

**HUD Strategic Goal 4: Advance Sustainable Communities**

10. PHA Goal: Increase opportunities for economic empowerment and community development (Resource: Housing Operations/Programs-Client Services)

Objectives:

- 1) Client Services worked with various partners to offer job opportunities with the State of Alabama Department of Human Resources' (DHR) A-Reset Program, career fairs, and the Summer Youth Employment Program (SYEP).
- 2) It facilitated health and wellness opportunities through the Jefferson County Health Department's (JCHD) mobile van visits at various housing communities.

- 3) Our team hosted programs and events like lunch and learns, financial literacy classes, and after school tutoring to promote the importance of education.
- 4) Character development was offered for residents to participate in Girl Scouts, and with other partners.
- 5) Grant funded programs like FSS and ROSS remain active year round to offer self-sufficiency opportunities. Client Services is looking to apply for the Jobs Plus grant at the next funding cycle.

11. PHA Goal: Create and support strategies to promote environmental quality with sustainable plans that include frequent check-ins for progress. (Resource: Public Safety)

Objectives:

- 1) Central Office Front Lobby Visitor Access: Public Safety is currently researching equipment that fits the needs of the Housing Authority to install ID Machine technology to increase sufficiency and safety of visitors and contractors entering and working in the building.
- 2) Central Office Card Swipe: Public Safety has completed this objective to better control access from the front lobby to the main hallways.
- 3) Central Office Additional Cameras: [Public Safety has completed this objective with the IT Department to cover current blind spots within the building and the perimeter.](#)
- 4) Central Office Cameras Remote Access: Public Safety is collaborating with the IT Department to research best practices to move forward in installing the equipment to change CCTV to remote access in order to verify alarms.
- 5) Public Safety Office: [Public Safety has completed this objective and has created a badge for the Public Safety Office/Employees for proper identification when handling official public safety duties.](#)

**HUD Strategic Goal 5: Strengthen HABD's Internal Capacity**

12. PHA Goal: Make the work environment a place that employees enjoy. (Resource: HR)

Objectives:

- 1) [Human Resources completed the agency's pay and grade structure/compensation analysis that resulted in salary adjustments for several employees related to pay compression and aligning salaries with minimum range requirements. HR also updated some job descriptions and will continue updates as needed.](#)
- 2) [Human Resources worked with IT and Finance to assess human resource management systems and selected Paylocity, a cloud-based payroll and human capital management \(HCM\) system which replaced four non-integrated systems.](#)
- 3) [HR implemented the Paylocity HCM software system which significantly reduced paper-based handoffs, eliminated duplicate data entry, and reduced processing time and manual effort by digitizing paper-based processes. Paylocity has also improved data accessibility and is enabling the shift from paper-based records management to a centralized electronic file system. The implementation included Recruiting,](#)

Onboarding, Core HR, Employee Self-Service, Community Portal, Payroll, Time and Labor, GL Extracts, Benefits Administration, Learning and Development, Performance Management; FMLA, COBRA and Cafeteria Plan tracking.

- 4) The HRMS/HCM implementation (Paylocity) is completed. HR will continue to enhance and optimize system utilization through 2029.
- 5) HR launched an Employee Engagement Survey in 2024, achieving a 7% increase in response rate compared to the previous cycle, and an 89% positive response for the question "Overall HABD is a good place to work". The plan is to administer the survey every two years, with the next cycle scheduled for December 2026.
- 6) HR implemented an Alternate Work Program/Policy to help boost employee morale through offering greater flexibility that improves work-life balance.
- 7) HABD holds quarterly meetings with agency staff to foster open communication, leading to increased engagement and a notable improvement in engagement survey scores.
- 8) HR created a solid organizational structure and established a succession plan at the executive level and will continue enhancing a training program to build effective and future ready leaders through June 2029.

13. PHA Goal: Support the team by giving employees what they need to be successful (Resource: IT)

#### Objectives:

- 1) The IT department has made improvements in this area by assisting procurement with the implementation of service contracts in Yardi P2P. This solution allows procurement to enter all service contracts in a single digital location for better management. Additionally, all contract vendors can now access and view their contracts electronically in their portal, eliminating the need to manage paper copies or emailed files.
- 2) Commit to recruiting and retaining the right talent and the professional and technical development of the IT team. The IT department remained fully staffed for most of 2024. Recruiting the right talent will always be a priority and will continue throughout 2025.
- 3) Create an IT Governance Structure through collaboration with department heads, users, residents, and vendors. This is a work in progress, and the updates provided in the other areas show the growth.
- 4) Enhance communication efforts through monthly constant contact, the agency website, and the agency email system. All three solutions serve as the primary means of communication for the agency, both internally and externally. IT will continue to seek improvement in these areas.
- 5) Research alternative ways of conducting business processes that could leverage technology. There were no updates in 2024, but we plan to explore opportunities in 2025.
- 6) The IT department has significantly improved the agency's infrastructure over the past year. The internet connection was upgraded from 500 Mbps to 1 Gbps, and the

network's Cisco switches and routers, along with the agency's domain controller, were also upgraded. Currently, IT is collaborating with AT&T to install failover wireless internet connections at each agency property location to ensure continuity during primary service outages by January 1st. Additionally, IT transitioned from an internal file server to an online solution using Microsoft SharePoint and Microsoft Office 365 for document management and collaboration.

- 7) Identify and eliminate barriers, unnecessary workflows, duplicative and/or redundant effort, processes, and steps. Further enhancements were made to Yardi MarketPlace, which allows HABD staff to shop online based on their approval limits, streamlining the purchasing process. This solution reduces the procurement team's workload by enabling staff to buy necessary items directly from retail vendors available in MarketPlace, including Lowe's, HD Supply, Office Depot, Sherwin-Williams, Grainger, and Staples. IT is working to add Ferguson Enterprises as an additional vendor in MarketPlace by December 31st.
- 8) Leverage hosted solutions where feasible. In collaboration with Verizon, IT is implementing a Fleet Management solution. This involves creating an online vehicle database to catalog all agency vehicles accurately. The installation of vehicle tracking devices is being scheduled. Key benefits of this solution include reduced risk of false claims, real-time data on vehicle locations and activities, preventative maintenance alerts when vehicles are due for service, monitoring of driver behavior (including speeding, harsh braking, and cornering), onboard video/dashcam for recording driving events, and the use of geofences to monitor vehicle movement in specific areas.
- 9) Ensure services are available, and proper backup procedures are being followed. In 2024, IT ensured that all services were available and ready for use with minimal agency downtime. IT will continue this reliability throughout 2025. IT has implemented failover connectivity for most agency locations.
- 10) Maintain a comprehensive IT security position and proactively address information security, network security, disaster recovery, and compliance issues. Throughout the year, IT has emphasized the importance of cybersecurity to all staff. During multiple staff meetings, IT explained each individual's role in ensuring the protection of agency data. Key topics included email security, website safety, data access, password management, the usage of public Wi-Fi, and debit/credit card protection. IT encouraged staff to follow procedures to quickly address any cyber threats. Additionally, an external vendor, Global Solutions Group, performed penetration testing in June 2024 to assess the agency's internal and external network's vulnerability to malicious exploits. The consultant's recommendations have since been implemented to enhance data security.

## B.4 Statement of Capital Improvements



Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).

Capital Fund Program - Five-Year Action Plan

Status: Approved

Approval Date: 03/20/2025

Approved By: THOMAS, SHAUNIQUEA

Part I: Summary						
PHA Name : Housing Authority of the Birmingham District			Locality (City/County & State)			
PHA Number: AL001			<input checked="" type="checkbox"/> Original 5-Year Plan		<input type="checkbox"/> Revised 5-Year Plan (Revision No: )	
A.	Development Number and Name	Work Statement for Year 1 2024	Work Statement for Year 2 2025	Work Statement for Year 3 2026	Work Statement for Year 4 2027	Work Statement for Year 5 2028
	AUTHORITY-WIDE	\$5,544,401.00	\$4,350,000.00	\$3,600,000.00	\$3,300,000.00	\$3,000,000.00
	TOM BROWN VILLAGE (AL001000010)	\$120,000.00	\$1,000,001.00		\$50,000.00	\$2,000,000.00
	ELYTON VILLAGE (AL001000001)	\$20,270.00	\$150,000.00	\$3,000,000.00		
	CHARLES P MARKS VILLAGE (AL001000006)	\$2,020,000.00	\$1,000,000.00	\$1,400,000.00		
	SMITHFIELD COURT (AL001000009)	\$1,500,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00	\$1,000,000.00
	REV. DR. MORRELL TODD COMMUNITY (AL001000011)	\$2,020,000.00	\$1,950,000.00		\$3,000,000.00	
	SOUTHTOWN (AL001000004)	\$2,500,000.00	\$3,500,000.00			
	RUSSELL B HARRIS HOMES (AL001000014)	\$20,000.00	\$50,000.00		\$50,000.00	\$2,000,000.00
	NORTH BIRMINGHAM HOMES (AL001000016)	\$20,000.00	\$50,000.00		\$50,000.00	\$2,000,000.00
	ROOSEVELT CITY (AL001000023)	\$20,000.00	\$50,000.00		\$3,550,000.00	

Capital Fund Program - Five-Year Action Plan

Status: Approved

Approval Date: 03/20/2025

Approved By: THOMAS, SHAUNIQUEA

Part I: Summary						
PHA Name : Housing Authority of the Birmingham District		Locality (City/County & State)				
PHA Number: AL001		<input checked="" type="checkbox"/> Original 5-Year Plan		<input type="checkbox"/> Revised 5-Year Plan (Revision No: )		
A.	Development Number and Name	Work Statement for Year 1 2024	Work Statement for Year 2 2025	Work Statement for Year 3 2026	Work Statement for Year 4 2027	Work Statement for Year 5 2028
	GLENBROOK AT OXMOOR-HOPEVI PHASE I (AL001000037)	\$10,000.00	\$550,000.00			
	COLLEGEVILLE CENTER (AL001000013)	\$120,000.00	\$849,999.00	\$3,000,000.00		
	RALPH KIMBROUGH HOMES (AL001000018)	\$2,899,999.00				

## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$5,544,401.00
ID0000249	Administration(Administration (1410)-Salaries)	Administration		\$1,681,467.00
ID0000250	Operations(Operations (1406))	Operations		\$3,362,934.00
ID0000256	General Development Activity(Dwelling Unit - Conversion (1480))	RAD and replacement housing projects legal and other third party fees and services		\$500,000.00
	REV. DR. MORRELL TODD COMMUNITY (AL001000011)			\$2,020,000.00
ID0000251	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$2,000,000.00
ID0000281	Capital Needs Assessment(Dwelling Unit-Development (1480)-Other)	Capital Needs Assessment		\$20,000.00

## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	TOM BROWN VILLAGE (AL001000010)			\$120,000.00
ID0000252	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$100,000.00
ID0000310	Capital Need Assessment (Contract Administration (1480)-Other Fees and Costs)	Capital Need Assessment		\$20,000.00
	COLLEGEVILLE CENTER (AL001000013)			\$120,000.00
ID0000253	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$100,000.00
ID0000279	Capital Needs Assessment(Dwelling Unit-Development (1480)-Other)	Capital Needs Assessment		\$20,000.00
	SMITHFIELD COURT (AL001000009)			\$1,500,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 1 2024</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
ID0000254	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD - CNI Phase 2		\$1,500,000.00
	CHARLES P MARKS VILLAGE (AL001000006)			\$2,020,000.00
ID0000255	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD Phase 2		\$2,000,000.00
ID0000280	Capital Needs Assessment(Dwelling Unit-Development (1480)-Other)	Capital Needs Assessment		\$20,000.00
	SOUTHTOWN (AL001000004)			\$2,500,000.00
ID0000276	Southtown Demolition - Grading(Dwelling Unit - Demolition (1480))	Grading vacant portion of Southtown		\$2,500,000.00
	ELYTON VILLAGE (AL001000001)			\$20,270.00





## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	2	2025		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$4,350,000.00
ID0000257	Administration(Administration (1410)-Salaries)	Administration		\$1,450,000.00
ID0000258	Operations(Operations (1406))	Operations		\$2,900,000.00
	TOM BROWN VILLAGE (AL001000010)			\$1,000,001.00
ID0000259	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$950,000.00
ID0000275	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$1.00
ID0000291	Vacancy Reduction(Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	Repair of vacant units		\$50,000.00

## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	2	2025		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	ELYTON VILLAGE (AL001000001)			\$150,000.00
ID0000260	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$100,000.00
ID0000290	Vacancy Reduction(Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	Repair of vacant units		\$50,000.00
	CHARLES P MARKS VILLAGE (AL001000006)			\$1,000,000.00
ID0000261	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$1,000,000.00
	SMITHFIELD COURT (AL001000009)			\$1,000,000.00
ID0000262	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$1,000,000.00

## Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 2 2025</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	REV. DR. MORRELL TODD COMMUNITY (AL001000011)			\$1,950,000.00
ID0000264	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$1,900,000.00
ID0000292	Vacancy Reduction(Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen	Repair of vacant units		\$50,000.00
	SOUTHTOWN (AL001000004)			\$3,500,000.00
ID0000277	Southtown Demolition - Remaining Units(Dwelling Unit - Demolition (1480))	Demolition of units and site work for remaining units		\$3,500,000.00
	RUSSELL B HARRIS HOMES (AL001000014)			\$50,000.00
ID0000293	Vacancy Reduction(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and Showers,Dwelling Unit-Development (1480)-	Repair of vacant units		\$50,000.00

Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year</b>				
	2	2025		
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	NORTH BIRMINGHAM HOMES (AL001000016)			\$50,000.00
ID0000295	Vacancy Reduction(Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	Repair of vacant units		\$50,000.00
	ROOSEVELT CITY (AL001000023)			\$50,000.00
ID0000296	Vacancy Reduction(Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	Repair of vacant units		\$50,000.00
	GLENBROOK AT OXMOOR-HOPEVI PHASE I (AL001000037)			\$550,000.00
ID0000297	Vacancy Reduction(Dwelling Unit-Development (1480)-Other,Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Bathroom Flooring (non cyclical),Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Interior Doors,Dwelling Unit-Interior (1480)-Interior Painting (non routine),Dwelling Unit-Interior (1480)-Kitchen Cabinets,Dwelling Unit-Interior (1480)-Kitchen Sinks and Faucets,Dwelling Unit-Interior (1480)-Other,Dwelling Unit-Interior (1480)-Tubs and	Repair of vacant units		\$50,000.00
ID0000298	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD		\$500,000.00













Capital Fund Program - Five-Year Action Plan

<b>Part II: Supporting Pages - Physical Needs Work Statements (s)</b>				
<b>Work Statement for Year 5 2028</b>				
<b>Identifier</b>	<b>Development Number/Name</b>	<b>General Description of Major Work Categories</b>	<b>Quantity</b>	<b>Estimated Cost</b>
	AUTHORITY-WIDE (NAWASD)			\$3,000,000.00
ID0000269	Administration(Administration (1410)-Salaries)	Administration		\$1,000,000.00
ID0000271	Operations(Operations (1406))	Operations		\$2,000,000.00
	SMITHFIELD COURT (AL001000009)			\$1,000,000.00
ID0000273	General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD - CNI Phase 5		\$1,000,000.00
	TOM BROWN VILLAGE (AL001000010)			\$2,000,000.00
ID0000307	Copy of General Development Activity(Dwelling Unit - Conversion (1480))	Repositioning of public housing through Section 18 and/or RAD -		\$2,000,000.00



<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 1	2024
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$1,681,467.00
Operations(Operations (1406))	\$3,362,934.00
General Development Activity(Dwelling Unit - Conversion (1480))	\$500,000.00
Subtotal of Estimated Cost	\$5,544,401.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 2	2025
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$1,450,000.00
Operations(Operations (1406))	\$2,900,000.00
Subtotal of Estimated Cost	\$4,350,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 3	2026
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	\$1,200,000.00
Operations(Operations (1406))	\$2,400,000.00
Subtotal of Estimated Cost	\$3,600,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 4	2027
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$1,100,000.00
Operations(Operations (1406))	\$2,200,000.00
Subtotal of Estimated Cost	\$3,300,000.00

<b>Part III: Supporting Pages - Management Needs Work Statements (s)</b>	
<b>Work Statement for Year</b> 5	2028
<b>Development Number/Name General Description of Major Work Categories</b>	<b>Estimated Cost</b>
Housing Authority Wide	
Administration(Administration (1410)-Salaries)	\$1,000,000.00
Operations(Operations (1406))	\$2,000,000.00
Subtotal of Estimated Cost	\$3,000,000.00

## B.5 Most Recent Fiscal Year Audit



Recent results of PHA's fiscal year audit. This statement provides the results of the most recent fiscal year audit of the PHA conducted under section 5(h)(2) of the 1937 Act (42 U.S.C. 1437c(h)).

**HOUSING AUTHORITY OF THE  
BIRMINGHAM DISTRICT**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION**

**Year Ended June 30, 2024**

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**Year Ended June 30, 2024**

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**RUBINO**  
STRENGTH IN NUMBERS

## INDEPENDENT AUDITOR'S REPORT

Board of Commissioners  
Housing Authority of the Birmingham District  
Birmingham, Alabama

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of the Birmingham District (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of June 30, 2024, and the respective changes in financial position, and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the discretely presented component unit, which represents 100% of the respective assets, net position, and revenues of the discretely presented component unit. These statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 11 and the Schedule of Changes in the Total OPEB Liability and Related Ratios on page 41 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 6, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink. The signature is written in a cursive style and reads "Rubino & Company". The ampersand is clearly visible between the words.

Bethesda, Maryland  
June 6, 2025

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT  
MANAGEMENTS DISCUSSION AND ANALYSIS**

**June 30, 2024**

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The Housing Authority of the Birmingham District (the Authority) was incorporated in 1935 and in 1937 began participation under the provisions of the United States Housing Act of 1937. As a public benefit corporation, the Authority provides subsidized public housing within the City of Birmingham, Alabama, in accordance with federal legislation.

A five-member Board of Commissioners governs the Authority. The Mayor appoints members of the governing board for staggered terms; they, in turn, elect a Chairperson and Vice Chairperson. The Board members also appoint a President/CEO to administer the affairs of the Authority.

The governing Board authorizes subsidy contracts with the U. S. Department of Housing and Urban Development (HUD) pursuant to the latter agency's regulations and statutory authorizations. One contract allows the Authority to construct, own and operate public housing facilities. A second contract allows the Authority to accommodate the leasing of housing from private owners and make it available to low-income families at rents they can afford. Other contracts authorize the Authority to make housing assistance payments for eligible individuals and families and to participate in mixed-financing transactions to construct market-rate units and assisted housing units within the same development.

As management of the Housing Authority of the Birmingham District (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2024, with selected comparative information for the year ended June 30, 2023. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the financial statements and the notes thereto, which follow this section.

### **The Financial Statements**

The Authority's financial statements, reported on an entity-wide basis, are prepared in accordance with accounting principles generally accepted in the United States of America as promulgated by the *Government Accounting Standards Board* (GASB) principles. The financial statements are prepared on an accrual basis and reflect a special-purpose government engaged in a single business-type activity.

**Statement of Net Position** – This statement presents information on all of the Authority's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as net position. This statement provides information about the nature and the amounts of investments in resources (assets) and the obligations to the Authority's creditors (liabilities). It provides one way to measure the financial health of the Authority by providing the basis for evaluating the capital structure of the Authority and assessing the liquidity and financial flexibility of the Authority. However, one will need to consider other non-financial factors such as changes in economic conditions, population and resident growth, and new or changed governmental legislation.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**June 30, 2024**

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The statement, similar to a balance sheet, is presented in the format where “Assets plus Deferred Outflows of Resources” minus “Liabilities plus Deferred Inflows of Resources” equals “Net Position.” Assets and liabilities are presented in order of liquidity. The focus of the “Statement of Net Position” is designed to represent the net available liquid (noncapital) assets, net of liabilities for the Authority. “Net Position” (formerly equity) may be reported in three broad categories:

*Net Investment in Capital Assets* - This consists of capital assets, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position* - This component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants, grantors, contributors, laws, regulations, etc.).

*Unrestricted Net Position* - This consists of net position that does not meet the definition of “net investment in capital assets” or “restricted net position.”

**Statement of Revenues, Expenses and Changes in Net Position** – This statement presents information concerning the Authority’s current year revenues and expenses. This statement, similar to an Operating Statement reflects the Authority’s income or loss for the period. Revenues and expenses are categorized as either operating or non-operating based upon definitions provided by GASB Statement Nos. 33 and 34. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.

**Statement of Cash Flows** – This statement complements the accrual-basis financial statements and presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, noncapital financing, capital financing, and investing activities. This statement provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

**Notes to the Financial Statements** – Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided. These notes give greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainty the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority’s various programs and the required information mandated by regulatory bodies that fund the Authority’s various programs.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT  
MANAGEMENTS DISCUSSION AND ANALYSIS  
June 30, 2024**

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**Authority Programs**

The Authority consists exclusively of one enterprise fund utilizing the full accrual basis of accounting. An overview of the programs that comprise the fund maintained by the Authority follows:

*Low-Rent Housing*

The Authority rents units that it owns to low-to-moderate income households. This program operates under an Annual Contributions Contract (ACC) with HUD. HUD provides an annual Operating Subsidy to enable the Authority to provide the housing at a rent that is based upon 30% of household adjusted income.

*HOPE VI*

The HOPE VI Program was developed as a result of recommendations by the National Commission on Severely Distressed Public Housing, which was charged with proposing a National Action Plan to eradicate severely distressed public housing. The Commission recommended revitalization in three general areas: physical improvements, management improvements, and social and community services to address resident needs. This program provides grants with unprecedented flexibility to address housing revitalization and community and supportive service needs.

The Authority has been awarded two HOPE VI grants: 1999 \$34 million for revitalization of Metropolitan Gardens; 2003 \$20 million for Tuxedo Court revitalization.

*Capital Fund*

This program provides annual formula-based funding to the Authority for capital and management activities, including modernization and development of public housing.

*Housing Choice Vouchers*

Under this Section 8 program, the Authority administers contracts with independent landlords who own property that may be leased by low-to-moderate income households. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is also administered under an ACC with HUD. HUD provides annual funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household adjusted income.

*Other Non-Major Programs*

Non-major programs are defined as programs that have assets, liabilities, revenues, or expenses that represent less than 5% of the Authority's total assets, liabilities, revenues or expenses.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**June 30, 2024**

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**Financial Highlights**

The number of residents served by the Low-Rent Housing and Housing Choice Voucher programs shaped the financial results of fiscal year 2024.

- The Authority's assets exceeded its liabilities at the close of the most recent fiscal year by approximately \$206 million (net position). Of this amount, approximately \$92.1 million (unrestricted net position) may be used to meet the Authority's ongoing obligations.
- The Authority's total net position decreased by approximately \$1 million as net position was \$206 million and \$207 million for 2024 and 2023, respectively.
- Total operating revenue increased by approximately \$13.1 million during 2024. Total operating revenue for 2024 was \$108.5 million; 2023 was \$95.4 million.
- The total operating expenses for all Authority programs increased by approximately \$6.3 million. The total operating expenses for 2024 amounted to \$106.9 million and for 2023 were \$100.6 million.

**Net Position**

As previously noted, Net Position may serve over time as a useful indicator of an entity's financial position. In the case of the Authority, assets exceeded liabilities by \$206 million at the close of the most recent fiscal year. The increase in invested in capital assets is due to the increase in construction in progress. Restricted net position increased primarily due to increases in HCV restricted cash. Other Liabilities increased primarily due to an increase in accrued expenses and other accruals. A condensed Summary of Net Position is presented in Table 1.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**June 30, 2024**

**Housing Authority of The Birmingham District**  
**Comparative Statement of Net Position**  
**TABLE 1**

	<u>2024</u>	<u>2023</u>	<u>Total Change</u>	<u>% Change</u>
<b>ASSETS</b>				
Current and Other Assets	\$ 43,216,733	\$ 48,079,414	\$ (4,862,681)	-10.11%
Capital Assets	116,038,258	118,944,309	(2,906,051)	-2.44%
Other Noncurrent Assets	58,846,386	53,706,658	5,139,728	9.57%
Total Assets	218,101,377	220,730,381	(2,629,004)	-1.19%
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
	21,432	25,187	(3,755)	-14.91%
<b>Total Assets and Deferred Outflow of Resources</b>	<u>\$ 218,122,809</u>	<u>\$ 220,755,568</u>	<u>\$ (2,632,759)</u>	-1.19%
<b>LIABILITIES</b>				
Current Liabilities	\$ 7,178,399	\$ 5,651,664	\$ 1,526,735	27.01%
Noncurrent Liabilities	4,733,512	7,636,433	(2,902,921)	-38.01%
<b>Total Liabilities</b>	11,911,911	13,288,097	(1,376,186)	-10.36%
<b>DEFERRED INFLOW OF RESOURCES</b>				
	127,495	140,395	(12,900)	-9.19%
<b>NET POSITION</b>				
Investment in Capital Assets	111,449,449	111,177,350	272,099	0.24%
Restricted	1,973,837	1,503,053	470,784	31.32%
Unrestricted	92,660,117	94,646,673	(1,986,556)	-2.10%
<b>Total Net Position</b>	206,083,403	207,327,076	(1,243,673)	<b>-0.60%</b>
<b>Total Liabilities &amp; Net Position</b>	<u>\$ 218,122,809</u>	<u>\$ 220,755,568</u>	<u>\$ (2,632,759)</u>	<b>-1.19%</b>

**Revenues, Expenses, and Changes in Net Position**

Table 2 compares the revenues and expenses for the current and previous fiscal years. Additionally, the change in Net Position is presented. The decrease in Net Position is primarily attributed to a prior period adjustment. Additional details are discussed below.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT  
MANAGEMENTS DISCUSSION AND ANALYSIS  
June 30, 2024**

**Housing Authority of The Birmingham District  
Comparative Statement of Revenues, Expenses and Changes in Net Position  
Table 2**

	<u>2024</u>	<u>2023</u>	<u>Total Change</u>	<u>% Change</u>
<b>OPERATING REVENUES</b>				
HUD Operating Revenue	\$ 96,173,827	86,762,706	\$ 9,411,121	10.85%
Tenant Revenue	7,850,112	7,145,109	705,003	9.87%
Other Government Grants	1,687,464	107,145	1,580,319	0.00%
Other Revenue	2,824,994	1,410,242	1,414,752	100.32%
	<u>108,536,397</u>	<u>95,425,202</u>	<u>13,111,195</u>	<b>13.74%</b>
<b>OPERATING EXPENSES</b>				
Administration	16,778,326	13,676,505	3,101,821	22.68%
Tenant Services	1,989,593	1,582,049	407,544	25.76%
Utilities	9,466,253	10,075,662	(609,409)	-6.05%
Ordinary Maintenance and Operations	13,832,727	11,638,593	2,194,134	18.85%
Protective Services	1,520,401	2,326,765	(806,364)	-34.66%
Insurance	3,135,526	2,504,414	631,112	25.20%
Other General Expenses	3,041,020	2,750,462	290,558	10.56%
Housing Assistance Payments	49,360,296	47,585,070	1,775,226	100.00%
Depreciation	7,810,079	8,460,373	(650,294)	-7.69%
	<u>106,934,221</u>	<u>100,599,893</u>	<u>6,334,328</u>	<b>6.30%</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>				
	1,602,176	(5,174,691)	6,776,867	
<b>Non-Operating Revenues (Expenses)</b>				
Investment Income	817,512	195,387	622,125	318.41%
Interest Expense	(90,490)	(157,071)	66,581	-42.39%
	<u>727,022</u>	<u>38,316</u>	<u>688,706</u>	<b>1797.44%</b>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>				
	2,329,198	(5,136,375)	7,465,573	
Government Capital Grants	4,063,674	3,480,260	583,414	16.76%
Change in Net Position	6,392,872	(1,656,115)	8,048,987	-486.02%
Beginning Net Position	207,327,076	203,147,916	4,179,160	2.06%
Prior Period Adjustments	(7,636,545)	5,835,275	(13,471,820)	100.00%
<b>Ending Net Position</b>	<u>\$ 206,083,403</u>	<u>207,327,076</u>	<u>\$ (1,243,673)</u>	<b>-0.60%</b>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**MANAGEMENTS DISCUSSION AND ANALYSIS**  
**June 30, 2024**

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**Capital Assets**

Capital assets consist of apartments available to lease to qualified residents, administrative buildings, community service areas and gyms, vehicles and sundry equipment used by the Authority to administer its programs.

Factors contributing to the increase in construction in progress are ongoing modernization projects at various developments.

Capital Asset details are provided in the schedule below:

**Housing Authority of The Birmingham District**  
**Comparative Statement of Capital Assets**

	<u>2024</u>	<u>2023</u>	<u>Total Change</u>	<u>% Change</u>
Land	\$ 10,838,189	10,838,189	\$ -	0.00%
Buildings & Infrastructure	275,784,818	275,405,089	379,729	0.14%
Furniture & Equipment - Dwelling	3,315,705	3,269,205	46,500	100.00%
Furniture & Equipment - Administrative	4,740,799	4,572,746	168,053	3.68%
Leasehold Improvements	40,812,750	40,817,863	(5,113)	-0.01%
Construction in Process	16,373,626	12,198,155	4,175,471	100.00%
	351,865,887	347,101,247	4,764,640	1.37%
Accumulated Depreciation	(235,827,629)	(228,156,938)	(7,670,691)	3.36%
<b>Total Capital Assets</b>	<b>\$ 116,038,258</b>	<b>\$ 118,944,309</b>	<b>\$ (2,906,051)</b>	<b>-2.44%</b>

**Debt Administration**

The Authority received funding under an Energy Performance Contract in Fiscal Year 2016. The outstanding liability as of June 30, 2024 is approximately \$4.6 million.

**Contacting the Authority**

This financial report is designed to provide our residents, the citizens of Birmingham, Alabama, all federal and state regulatory bodies, and any creditors with a general overview of the Authority's finances and its accounting for the monies it receives. If you should have any questions, contact the Authority at 1826 Third Avenue South, Birmingham, Alabama 35233.

Dontrelle Young-Foster  
 CEO

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>Primary Government</b>	<b>Discretely Presented Component Unit</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents - unrestricted	\$ 26,472,275	\$ 133,477
Cash and cash equivalents - restricted	2,532,413	668,131
Cash and cash equivalents - tenant security deposits	209,262	19,850
Receivables, net of allowance for doubtful accounts	7,097,195	109,263
Notes receivable, current portion	1,000,000	-
Prepaid expenses	860,682	934
Assets held for sale	5,044,906	-
Total Current Assets	<u>43,216,733</u>	<u>931,655</u>
<b>NONCURRENT ASSETS</b>		
Capital Assets:		
Land	10,838,189	-
Construction in process	16,373,626	-
Buildings	264,980,276	12,712,065
Leasehold improvements	40,812,750	-
Infrastructure	10,804,542	-
Furniture, fixtures, and equipment - dwelling	3,315,705	-
Furniture, fixtures, and equipment - administration	4,740,799	67,512
Less: Accumulated depreciation	<u>(235,827,629)</u>	<u>(5,055,276)</u>
Net Capital Assets	116,038,258	7,724,301
Other Assets:		
Notes receivable, net of current portion	54,821,048	-
Investment in LP	1,399,731	-
Due from DCU	2,625,607	-
Total Other Assets	<u>58,846,386</u>	<u>-</u>
Total Assets	218,101,377	8,655,956
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - OPEB	<u>21,432</u>	<u>-</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u><u>\$ 218,122,809</u></u>	<u><u>\$ 8,655,956</u></u>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2024**

<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>Primary Government</b>	<b>Discretely Presented Component Unit</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable - vendors	\$ 1,353,548	\$ 46,532
Accrued payroll	326,283	-
Accrued interest payable	16,731	-
Accrued liabilities - other	86,602	316,125
Compensated absences, current	314,066	-
Tenant security deposits	209,262	19,850
Due to HABD	-	2,625,607
Unearned revenue	1,559,766	21,531
Current portion of long-term debt	3,312,141	-
Total Current Liabilities	7,178,399	3,029,645
<b>NONCURRENT LIABILITIES</b>		
Long-term debt, net of current portion	2,276,668	3,896,331
Compensated absences, net of current	587,403	-
Total OPEB liability	503,258	-
Noncurrent liabilities - other	1,366,183	-
Total Noncurrent Liabilities	4,733,512	3,896,331
Total Liabilities	11,911,911	6,925,976
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources - OPEB	127,495	-
<b>NET POSITION</b>		
Net investment in capital assets	111,449,449	3,827,970
Restricted net position	1,973,837	668,131
Unrestricted net position	92,660,117	(2,766,121)
Total Net Position	206,083,403	1,729,980
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 218,122,809</b>	<b>\$ 8,655,956</b>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>
<b>OPERATING REVENUES</b>		
HUD operating revenue	\$ 96,173,827	\$ 392,526
Tenant revenue	7,850,112	403,325
Other government grants	1,687,464	-
Other revenue	2,824,994	2,555,193
	<u>108,536,397</u>	<u>3,351,044</u>
<b>OPERATING EXPENSES</b>		
Administration	16,778,326	188,523
Tenant services	1,989,593	-
Utilities	9,466,253	585,089
Ordinary maintenance and operations	13,832,727	594,076
Protective services	1,520,401	-
Insurance	3,135,526	-
Other general expenses	3,041,020	236,929
Housing assistance payments	49,360,296	-
Depreciation	7,810,079	354,009
	<u>106,934,221</u>	<u>1,958,626</u>
	<u>1,602,176</u>	<u>1,392,418</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income - unrestricted	326,475	1,760
Investment income - restricted	122,229	-
Gain on investment in LP	368,808	-
Interest expense	(90,490)	-
	<u>727,022</u>	<u>1,760</u>
	<u>2,329,198</u>	<u>1,394,178</u>
<b>CAPITAL CONTRIBUTIONS</b>		
HUD capital grants	4,063,674	-
	<u>6,392,872</u>	<u>1,394,178</u>
<b>CHANGE IN NET POSITION</b>		
Net Position - beginning	207,327,076	335,802
Prior period adjustments	(7,636,545)	-
	<u>\$ 206,083,403</u>	<u>\$ 1,729,980</u>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**Year ended June 30, 2024**

	<b>Primary Government</b>
<b>Cash flows from operating activities</b>	
Receipts from tenants	\$ 6,274,834
Proceeds from other governments - operations	98,576,398
Other income receipts	2,714,427
Payments to suppliers	(31,319,429)
Payment for housing assistance	(49,360,296)
Payment to employees	(17,852,539)
<b>Net cash provided (used) by operating activities</b>	<b>9,033,395</b>
<b>Cash flows from capital and related financing activities</b>	
Proceeds from other governments - capital	1,513,332
Principal payments on mortgage and notes payable	(3,157,695)
Interest payments on mortgage and notes payable	(102,441)
Purchase of capital assets	(4,863,029)
<b>Net cash provided (used) by capital and related financing activities</b>	<b>(6,609,833)</b>
<b>Cash flows from investing activities</b>	
Payments collected on notes receivable	881,652
Issuance of notes receivable	(13,350,571)
Interest received	448,704
Payments collected from assets held for sale	4,524
<b>Net cash provided (used) by investing activities</b>	<b>(12,015,691)</b>
<b>NET INCREASE (DECREASE) IN CASH</b>	(9,592,129)
<b>CASH AND CASH EQUIVALENTS, beginning</b>	<b>38,806,079</b>
<b>CASH AND CASH EQUIVALENTS, ending</b>	<b>\$ 29,213,950</b>

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT  
OF CASH FLOWS TO THE STATEMENT OF NET POSITION**

Cash and cash equivalents - unrestricted	\$ 26,472,275
Cash and cash equivalents - restricted	2,532,413
Cash and cash equivalents - tenant security deposits	209,262
Cash and Cash Equivalents per Statement of Net Position	<b>\$ 29,213,950</b>

The accompanying notes are an integral part of these financial statements.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**Year ended June 30, 2024**

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**Reconciliation of net operating income (loss) to net cash provided (used) by operating activities**

Net operating income (loss)	\$	1,602,176
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**Adjustments to reconcile net operating income (loss) to net cash provided by (used) operating activities:**

Depreciation		7,810,079
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**Changes in operating assets and liabilities**

Decrease (increase) in accounts receivable		(1,074,847)
Decrease (increase) in prepaid expenses		(108,783)
Increase (decrease) in accounts payable		147,087
Increase (decrease) in accrued liabilities		44,289
Increase (decrease) in accrued compensated absences		(169,359)
Increase (decrease) in unearned revenue		1,276,231
Increase (decrease) in other current liabilities		(13,580)
Increase (decrease) in noncurrent liabilities		(479,898)

<b>Net cash provided (used) by operating activities</b>	<b>\$</b>	<b><u>9,033,395</u></b>
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The accompanying notes are an integral part of these financial statements.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Housing Authority of Birmingham District, Alabama (the Authority) is organized under the laws of the state of Alabama for the purpose of providing decent, safe, and sanitary dwelling accommodations for persons of low-income. The Authority is engaged in the acquisition, development, modernization, and administration of low-rent housing and the acquisition and development of housing for sale to individuals qualifying under its homeownership program.

The Authority is administrated by a governing Board of Commissioners (the Board), whose members are appointed by the mayor of the City of Birmingham, Alabama. Each member serves a five-year term on a rotating basis. A substantial portion of the Authority's revenue is derived from subsidy contracts with the U.S. Department of Housing and Urban Development (HUD). The Annual Contributions Contracts entered by the Authority and HUD provide operating subsidies for the Authority-owned public housing facilities and Section 8 housing assistance payments for eligible families.

The Authority's financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in the United States of America. Management has elected to present its annual financial statements using the enterprise method, in accordance with guidelines prepared by HUD. The Authority maintains its accounts in accordance with the chart of accounts prescribed by HUD. The following is a summary of the more significant accounting policies:

**Financial Reporting Entity**

In determining how to define the reporting entity, management has considered all potential component units. The decision to include component units in the reporting entity was made by applying the criteria set forth in the Governmental Accounting Standards Board (GASB). These include manifestations of oversight responsibility including financial accountability, imposition of will, financial burden or benefit on primary organization, and financial accountability because of fiscal dependency.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. Blending involves merging the component unit data and data from the primary government. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

The Authority determined, based on the criteria above, that Magic City Housing Development and Naomi H. Truman Scholarship Foundation, should be presented as blended component units.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Tuxedo Court Rental I, LP was formed as a limited partnership on February 22, 2007 under the laws of the State of Alabama, for the purpose of developing, constructing, owning, maintaining and operating a 112 unit multifamily apartment complex for rental to individuals and families of low-income, to be known as Tuxedo Court Apartments (Phase I) as “public housing” units and receive operating subsidies for the term of the regulatory and operating agreement for the mixed income project.

The limited partnership interests are held by third parties unrelated to the Authority. The Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnership. Additionally, the Authority is financially accountable for the limited partnership as the Authority is legally obligated to fund operating deficits in accordance with terms of the partnership agreements. The limited partnership does not serve the primary government exclusively, or almost exclusively, and, therefore, is shown as a discretely presented component unit.

Tuxedo Court Rental I, LP has a December 31 year-end. December 31, 2023 financial statements may be obtained by contacting the Authority.

**Basis of Accounting and Basis of Presentation**

Basis of Accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. The accompanying financial statements are prepared using the accrual basis of accounting.

The measurement focus is upon determination of financial position, changes in net position, and changes in cash flows. The generally accepted accounting principles used are those applicable to similar businesses in the private sector.

Revenues are recognized when earned and expenses are recognized when incurred. All assets and liabilities (whether current or concurrent) associated with the Authority’s activities are included in the statement of net position. The reported net position is segregated into invested in capital assets, restricted, and unrestricted components. The intent of the governing body is that the costs (expenses including depreciation) of providing services to the public on a continuing basis be financed or recovered primarily through user charges.

**Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, amounts due from banks, interest-bearing deposits at various financial institutions, and highly liquid investments with an original maturity of three months or less.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Investments**

In accordance with GASB Statement No. 31 – as amended, the Authority’s investments are stated at fair value, except for interest-earning investment contracts that have a remaining maturity of one year or less at the time of purchase. Any change in the value of investments recorded at fair value is included in investment income. Fair value is based on quoted market prices. The Authority had no investments as of June 30, 2024.

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future accounting periods and they are recorded as prepaid items.

**Capital Assets**

All capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost if actual historical cost is not available and contributed capital assets are valued at acquisition value.

All of the Authority’s capital assets and associated depreciation are recorded in the Authority’s enterprise fund. Depreciation has been calculated using the straight-line method over the estimated useful lives of the related assets, which are as follows:

Dwelling, Structures and Improvements	15 to 40 years
Fixtures and Equipment and Leases	3 to 7 Years

**Assets Held for Sale**

Assets Held for Sale consist of land and infrastructure expected to be sold within one year and is valued at the lesser of cost or market value.

**Other Assets**

Other Assets consist of the Authority’s 0.01% interest in Metropolitan Gardens Partnership III, L.P. (other assets). Per the terms of the agreement, as the Class A Limited Partner, the Authority made a Capital Contribution of \$1,399,731.

Complete financial statements of the joint venture can be obtained at 4000 Ridge Park, 1130 22nd Street South, Birmingham, Alabama 35205.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Compensated Absences**

The Authority's employees accrue personal leave, or compensated absences, primarily by a prescribed formula based on length of service. The value of accumulated benefits earned by employees, which may be used in subsequent years or paid upon termination or retirement, is recorded in the period earned.

**Postemployment Benefits Other Than Pensions (OPEB)**

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the Authority recognizes benefits payments when due and payable in accordance with the benefit terms.

**Leases**

The Authority is the lessor of dwelling units to low-income and market rate residents. The low-income rents under the leases are determined generally by the resident's income as adjusted for eligible deductions regulated by HUD, although the resident may opt for a flat rent. Leases may be cancelled by the lessee at any time or renewed every year. The Authority may cancel the leases only for cause. A significant majority of the capital assets are used in these leasing activities. Revenues associated with these leases are recorded in the accompanying financial statements and related schedules within tenant revenue.

**Deferred Outflow/Inflow of Resources**

Deferred outflows and deferred inflows of resources relate to the Authority's OPEB plan. Potential components of deferred outflows and inflows or resources included the difference between expected and actual experiences and changes in actuarial assumptions.

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The amounts will be recognized as increases in pension and OPEB expense in future years.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The amounts will be recognized as decreases in pension and OPEB expense in future years.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Net Position**

The Authority's financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

**Net Investment in Capital Assets** – is intended to reflect the portion of net position which is associated with net capital assets less outstanding capital asset related debt.

**Restricted Net Position** – represents net position that has third party (statutory, bond covenant or granting agency) limitations on its use. The Authority's policy is generally to use any restricted net position first, as appropriate opportunities arise.

**Unrestricted Net Position** – represents unrestricted net position. While management may have categorized and segmented portions for various purposes, the Authority has the unrestricted authority to revisit or alter these managerial decisions.

**Operating and Nonoperating Revenue and Expenses**

The Authority recognizes operating revenue and expenses as a result of providing low rent housing and other services. The principal operating revenues of the Authority consist of tenant rental charges, operating subsidies and fees received from the federal government and other grantor organizations and other revenue received from ancillary operations such as maintenance charges to tenants, laundry operations and similar operations.

Operating expenses include the costs of operating the Authority owned housing complexes, housing assistance payments to landlords, administrative expenses, and costs associated with providing program services and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Grant Revenue**

The subsidies and grants received by the Authority from HUD under Annual Contributions Contracts and other grantor entities are recorded as revenue in the period earned in accordance with accounting principles generally accepted in the United States of America.

Pursuant to the Annual Contributions Contract with HUD, the Authority receives an operating subsidy for its operation.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Grant Revenue (Continued)**

The Section 8 Housing Choice Vouchers Program Annual Contributions Contract with HUD provides for housing assistance payments to private owners of residential units on behalf of eligible low-income or very low-income families. The program provides for such payments covering the difference between the maximum rental on a dwelling unit and the amount of rent contribution by the participating family plus related administrative expenses.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**Adoption of New Accounting Standards**

GASB issued the following accounting standards which became effective during the year ended June 30, 2024:

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* will enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

GASB Statement No. 101, *Compensated Absences* updates the recognition, measurement, and disclosure guidance for compensated absences.

GASB issued the following accounting standards which will become effective in subsequent years. The Authority is evaluating the impact of these standards on future financial statements:

GASB Statement No. 102, *Certain Risk Disclosures* will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The requirements of this statement are effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements* improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Adoption of New Accounting Standards (Continued)**

GASB Statement No. 104, *Disclosure of Certain Capital Assets* will provide users of government financial statements with essential information about certain types of capital assets. The requirements of this statement are effective for fiscal years beginning after June 15, 2025.

**NOTE 2 CASH, CASH EQUIVALENTS, AND INVESTMENTS**

**Deposits**

At June 30, 2024, the amount of cash and cash equivalent deposits for the Authority were \$29,213,950. The bank balance at June 30, 2024 was \$35,826,867. The bank balance is covered by Federal depository insurance, collateral held by the Authority's agent in the Authority's name, or collateral held by the Federal Reserve Bank acting as third-party agent. The Authority did not experience any losses because of insufficient collateral.

**Investments**

The Authority has a formal investment policy that limits its investments to direct obligations of the U.S. Government and its agencies, certificates of deposit, obligations of the United States or its agencies under repurchase agreements (with certain restrictions), and money market funds with HUD approval. It is the Authority's policy that depositories provide collateralization of demand and time deposits with a market value equal to 100% of that portion of the deposit which is uninsured by the FDIC. Allowable collateral should include only the following securities: direct obligations of the Federal Government backed by the Full Faith and Credit of the United States; Obligations of the Federal Government Agencies; and Securities of Government-Sponsored Agencies.

**Custodial Credit Risk**

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned. The Authority has a deposit policy for custodial credit risk which requires collateral to be held in the Authority's name by its agent or by the bank's trust department.

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy limits its exposure to the declines in the fair values of its investment portfolio by only investing in HUD allowed investments and by monitoring the investments. The Authority's investments have maturities of no more than one year.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 3 RECEIVABLES**

Receivables consist of the following at June 30, 2024:

Accounts Receivable - Miscellaneous	\$ 389,917
Accounts Receivable - HUD	4,261,792
Accounts Receivable - Other Governments	609,585
Fraud Recovery	1,830
Due from Residents	2,257,200
Allowance for Doubtful Accounts	<u>(423,129)</u>
	<u>\$ 7,097,195</u>

**NOTE 4 CAPITAL ASSETS**

Capital asset activity for the primary government for the year ended September 30, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Nondepreciable Capital Assets:</b>				
Land	\$ 10,838,189	\$ -	\$ -	\$ 10,838,189
Construction in Progress	12,198,155	4,175,471	-	16,373,626
<b>Total Nondepreciable Capital Assets</b>	<b>23,036,344</b>	<b>4,175,471</b>	<b>-</b>	<b>27,211,815</b>
<b>Depreciable Capital Assets:</b>				
Buildings	264,600,547	379,729	-	264,980,276
Leasehold Improvements	40,817,863	134,275	(139,388)	40,812,750
Infrastructure	10,804,542	-	-	10,804,542
Furniture, Equipment, and Machinery - Dwelling	3,269,205	46,500	-	3,315,705
Furniture, Equipment, and Machinery - Administrative	4,572,746	168,053	-	4,740,799
<b>Total capital assets</b>	<b>324,064,903</b>	<b>728,557</b>	<b>(139,388)</b>	<b>324,654,072</b>
Less: Accumulated Depreciation	(228,156,938)	(7,810,079)	139,388	(235,827,629)
<b>Total Capital Assets Being Depreciated, Net</b>	<b>\$ 95,907,965</b>	<b>\$ (7,081,522)</b>	<b>\$ -</b>	<b>\$ 88,826,443</b>
<b>Capital Assets, Net</b>	<b>\$ 118,944,309</b>	<b>\$ (2,906,051)</b>	<b>\$ -</b>	<b>\$ 116,038,258</b>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 5 NOTES RECEIVABLE AND OTHER ASSETS**

Notes receivable at June 30, 2024, consist of the following:

	Ending Balance
TBG Southtown Senior LP - Permanent Loan	\$ 5,500,000
TBG Southtown Senior LP - Bridge Loan	1,000,000
Metro Gardens Part I LP - Second Mortgage (Loan A)	6,500,000
Metro Gardens Part I LP - Third Mortgage (Loan B)	2,030,000
Metro Gardens Part II, LP - Second Mortgage (Loan A)	3,350,000
Metro Gardens Part II, LP - Third Mortgage (Loan B)	4,500,000
Metro Gardens Part III, LP	1,998,064
Glenbrook at Oxmoor I, LLC	6,476,532
Tuxedo Court Rental I, LP - Construction and Permanent Loan	3,896,452
Loveman Redevelopment II, LTD - Second Mortgage	4,770,000
Loveman Redevelopment I, LTD - HOME Loan	1,500,000
Sydney Drive Apartments, LTD	9,300,000
Farrington LP - Authority Note	4,000,000
Farrington LP - Owed to Magic City	500,000
Loveman Redevelopment II, LTD - Owed to Magic City	500,000
Total	\$55,821,048

As of June 30, 2024, an allowance has been recorded for any accrued interest that is not expected to be collected.

At June 30, 2024 the Authority had \$5,044,906 of assets held for sale representing the construction-in-process costs of additional homes to be sold under the Authority's home-ownership program. Therefore, notes receivable originations will increase in future years.

The Authority temporarily advanced funds to Tuxedo Court Rental I, LP (the discretely presented component unit) to help cover costs. As of June 30, 2024, the outstanding balance still owned to the Authority is \$2,625,607.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 5    NOTES RECEIVABLE (CONTINUED)**

**Southtown Senior**

On September 28, 2023, the Authority entered into a promissory note with TBG Southtown Senior, LP for \$5,500,000. Interest shall accrue at a rate equal to 1%. The unpaid balance of the principal sum shall be due and payable on September 28, 2058.

On September 1, 2023, the Authority entered into a promissory note with TBG Southtown Senior, LP for \$1,000,000. The unpaid balance of the principal sum was due and payable on October 28, 2023. Subsequent to year end, the Authority received the outstanding balance of \$1,000,000.

**HOPE VI Note Receivable**

The Authority received HUD grant revenues under the HUD Revitalization of Severely Distressed Public Housing program. This HUD program is commonly known as the HOPE VI program. During 2009 the Authority, along with other parties, finalized development activities under a HOPE VI grant approved in 1999. The development is known as Metropolitan Gardens (Development).

The Authority has multiple roles in connection with the development, as listed below:

1. Shall lease the development site to the owner pursuant to the ground lease for a term of 65 years.
2. Shall advance approximately \$2.1 million in infrastructure bridge financing and lend the Owner entity a total of \$18,378,064.
3. Shall enter into an agreement with the owner entity which requires that 239 rental units shall continuously be set aside and operated as public housing authority assisted units and provides for the distribution of a portion of the Authority's operating subsidy to the owner entity for the benefit of such units.
4. Shall enter into the Affordability Reserve Escrow Agreement with the owner entity and the escrow agent and shall place an aggregate amount of \$300,000 in such escrows.
5. Shall provide development services to the developer.
6. Shall provide \$1,013,445 in capital grant funds to assist in the development.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 5    NOTES RECEIVABLE (CONTINUED)**

**HOPE VI Note Receivable (Continued)**

The Authority is committed to lend \$6,500,000 to the Development's owner entity as a second priority construction lender and \$2,030,000 to the Development's owner entity as a third priority mortgage lender. Each loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner entity's leasehold estate in the Development. At June 30, 2016, the Authority had funded \$6,500,000 of the AFR Loan "A" and funded \$2,030,000 of the Below Market Loan "B". The AFR Loan "A" bears interest at the Applicable Federal Rate which was 5.1% at June 30, 2022. The Below Market Loan "B" bears interest at .5%. The AFR Loan "A" matures April 30, 2067, and the Below Market Loan "B" matures July 31, 2068. Such loans are related to Phase I of the Development.

The Authority is committed to lend \$3,350,000 to the Development's owner entity as a second priority construction lender and \$4,500,000 to the Development's owner entity as a third priority mortgage lender. Each loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner's entity's leasehold estate in the Development. At June 30, 2016, the Authority had funded \$3,350,000 and funded \$4,500,000. The \$3,350,000 loan bears interest at the Applicable Federal Rate which was 5.1% at June 30, 2022. The Below Market Loan "D" bears interest at .5%. The AFR Loan "C" matures December 31, 2069 and the Below Market Loan "D" matures July 31, 2059. Such loans are related to Phase II of the Development.

The Authority is committed to lend \$1,998,064 to the Development's owner entity as a second priority mortgage lender. The loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner entity's leasehold estate in the Development. The Authority has funded \$1,998,064 of the loan. The loan bears interest at the greater of 5.09% or the highest long-term annual compounding applicable federal rate in effect for any month in which loan proceeds are disbursed. The loan matures forty (40) years from the first day of the month following the Substantial Completion Date as defined in the agreement. The loan is related to Phase III of the Development.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 5 NOTES RECEIVABLE (CONTINUED)**

**HOPE VI Note Receivable (Continued)**

The Authority is committed to lend \$6,476,532 to the Development's owner entity as a second priority construction lender. The loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner entity's leasehold estate in the Development. The Authority has funded \$6,476,532 of the loan. The loan bears interest at the highest long-term annual compounding applicable federal rate in effect for any month in which loan proceeds are disbursed, which was 4.74% as of September 28, 2007. The loan matures forty (40) years from the first day of the month following the Substantial Completion Date as defined in the agreement. This loan is related to Phase I of the Glenbrook at Oxmoor Development.

In July 2004, the Authority was awarded a second HOPE VI grant in the amount of \$20,000,000 to be used in a development known as Tuxedo Terrace (Development).

The Authority has multiple roles in connection with the development, as listed below.

- Shall lease the development site to the owner pursuant to the ground lease for a term of 65 years.
- Shall provide development services as the developer.
- Shall enter into an agreement with the owner entity which requires that 56 rental units, shall continuously be set aside and operated as public housing authority assisted units and provides for the distribution of a portion of the Authority's operating subsidy to the Owner entity for the benefit of such units.
- Shall enter into the Affordability Reserve Escrow Agreement with the owner entity.

The Authority is committed to lend \$4,323,905 to the Development's owner entity as a second priority construction lender. The loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner entity's leasehold estate in the Development. The Authority has funded \$4,323,905 of the loan. The loan bears interest at 0% This loan related to Phase I of the Tuxedo Terrace Development. The balance of the loan at June 30, 2024 is \$3,896,452.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 5 NOTES RECEIVABLE (CONTINUED)**

**Rental Assistance Demonstration (RAD) Notes Receivable**

Phase II “Loveman Redevelopment II” a.k.a. The Villas at Titusville II consists of 64 low-income housing units all of which are subsidized with Section 8 Project Based Rental Assistance under the RAD program. The Authority committed to lend \$4,770,000 (Loveman Redevelopment Loan to the Development’s owner entity on 2019. The loan will be secured by a subordinate mortgage on the long-term ground lease interest. At June 30, 2024, the Authority funded \$4,770,000 of the “Loveman Redevelopment Loan. The “Loveman Redevelopment Loan” matures on November 1, 2061. As of June 30, 2024, the balance of the “Loveman Redevelopment Loan” was \$4,770,000.

On October 2, 2017, the Authority and Loveman Redevelopment I, LTD (partnership) entered into HOME Investment Partnership Program agreement, in which the Authority loaned \$1,500,000 to the Partnership. The full \$1,500,000 has been received by the Partnership as of June 30, 2022. The loan is a 40-year loan with a 0.5% annual interest rate. All payments on the loan are deferred and will be forgiven as long as the Partnership maintains the property as affordable housing.

The Authority entered into an agreement to redevelop Loveman Village in three separate phases. Phase I “Park at Sydney Drive” consists of 120 low income housing units all of which are subsidized with Section 8 Project Based Rental Assistance under the RAD program. The Authority committed to lend \$9,300,000 to the Development’s owner entity on December 20, 2016. The loan will be secured by a Leasehold Mortgage and Security Agreement encumbering the owner entity’s leasehold estate in the Development. At June 30, 2022, the Authority had funded \$9,300,000 of the loan which bears 2% interest compounded annually on the outstanding principal. All accrued but unpaid interest on this note shall be payable annually from cash available after payment of all operating expenses, reserve deposits, any deferred developer fee, and debt service on senior debt. The loan matures in 41 years on December 20, 2058.

The Authority entered into an agreement of the redevelopment of Farrington Apartments. Farrington Apartments consists of 104 low-income housing units of which 22 units are subsidized with Section 8 Project Based Rental Assistance under the RAD program. The Authority committed to lend \$4,000,000 (Farrington LP Loan) to the Development’s owner entity on June 26, 2019. The note is secured by the property. Payment is subject to net annual net cash flow. At June 30, 2022, the Authority had funded \$4,000,000 of the Farrington LP Loan which bears 0.50% interest compounded annually on the outstanding principal. The Farrington LP Loan matures on June 25, 2059.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
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**NOTE 5    NOTES RECEIVABLE (CONTINUED)**

**Rental Assistance Demonstration (RAD) Notes Receivable (Continued)**

Magic City Housing Development (a blended component unit) entered into a loan agreement in the original amount of \$500,000 with Farrington LP under the Federal Home Loan Bank of Atlanta (FHLB) Affordable Housing Program (AHP). The loan is non-interest bearing with the outstanding principal due at maturity on June 25, 2039. The outstanding balance of the loan was \$500,000 as of June 30, 2024.

Magic City Housing Development entered into a loan agreement in the original amount of \$500,000 with Loveman Redevelopment II, LTD under the Federal Home Loan Bank of Atlanta (FHLB) Affordable Housing Program (AHP). The loan is non-interest bearing with the outstanding principal due at maturity on July 1, 2061. The outstanding balance of the loan was \$500,000 as of June 30, 2024.

The FHLB funding of the loans to Magic City are reflected in the accompanying financial statements as ‘long term debt, net of current portion’ in the primary government financial statements.

**NOTE 6    EMPLOYEE BENEFITS PLANS**

**Retirement Plan**

As defined by the personnel policy, the HABD provides a retirement plan to all eligible employees. Employees are eligible to participate in the retirement plan after successful completion of the introductory period, as evidenced by the written evaluation signed by the authorized supervisor and reviewer, completion of a minimum of 480 hours of service as a full-time employee, and the employee has reached the age of 21 years. There are 174 participants in the retirement plan as of June 30, 2024.

The HABD contributes monthly into a retirement account for each employee an amount that totals 8% of the employee’s salary. The employee is required to contribute an additional 4% for a total of 12% annually. The employee’s contribution is 100% refundable upon termination. The employer’s portion is distributable to the employee only upon vesting and termination of employment. An employee is fully vested after five years of service.

Retirement expense for the year ended June 30, 2024 amounted to \$1,455,555. Total payroll for the Authority during the years ended June 30, 2024, amounted to \$12,224,300.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
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**NOTE 6 EMPLOYEE BENEFITS PLANS (CONTINUED)**

**Deferred Compensation Plan**

The Authority sponsors a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The HABD makes available to eligible employees a tax-deferred compensation plan which permits the employee to contribute an elected portion of his/her salary before federal taxes to a retirement account. All full-time employees are eligible at the time of employment to participate in the deferred compensation plan. There are 174 participants in the deferred compensation plan as of June 30, 2024.

**NOTE 7 LONG-TERM DEBT**

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Energy Performance Contract	\$7,746,505	\$ -	\$(3,157,696)	\$4,588,809	\$3,312,141
FHLB Loans - Magic City	-	1,000,000	-	1,000,000	-
Compensated Absences	1,070,828	-	(169,359)	901,469	314,066
Total	<u>\$8,817,333</u>	<u>\$1,000,000</u>	<u>\$(3,327,055)</u>	<u>\$6,490,278</u>	<u>\$3,626,207</u>

**Energy Performance Contract**

In July 16, 2015, HABD entered into a Master -Purchase agreement with Grants Capital Management to fund the Energy Performance Contract for 13 of HABD's low rent properties, the total amount financed is \$37,436,205. The balance outstanding on this loan at June 30, 2023 was \$4,588,810. The loan has an interest rate at 3.30% and matures on October 16, 2025.

On July 16, 2021, the loan servicer changed from PNC Equipment Finance, LLC to Huntington Public Capital Corporation.

Future principal and interest repayment requirements are as follows on the Grants Capital Management Master Purchase agreement as of June 30, 2024:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$3,312,141	\$58,865	\$3,371,006
2026	1,276,668	7,454	1,284,122
Total	<u>\$4,588,809</u>	<u>\$66,319</u>	<u>\$4,655,128</u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 7 LONG-TERM DEBT (CONTINUED)**

The Authority has pledged, as security for the payment of the Bonds, a certain portion of the annual grant proceeds it expects to receive pursuant to its Capital Fund Program grants with HUD. HUD has approved such pledges and HUD’s agreement provides for direct remittance of such pledged amounts directly to Public Housing Finance Corporation (PHFC). Any Authority Capital Fund Program funds not remitted directly to PHFC are not subject to the lien of the Trust Indenture. As further security for the payment of the Bonds, the Authority has pledged all monies and securities from time to time held by the Trust Agent under the terms of the Trust Indenture dated August 6, 2003. Additionally, the Authority has secured from Financial Security Assurance, Inc., an insurance policy representing its Municipal Bond Insurance Policy for the Bonds. Such policy is in-force and guarantees the scheduled payment of principal and interest on the Bonds when due.

**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Housing Authority of Birmingham District’s Retiree Health Care Plan (the Plan) is a single employer defined benefit postemployment health care plan that covers eligible retired employees of the Authority. The Plan, which is administered by the Authority, allows employees who retire and meet retirement eligibility requirements under one of the Authority’s retirement plans to continue health insurance coverage as a participant in the Authority’s plan. For purposes of applying Paragraph 4 under Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, the Plan does not meet the requirements for an OPEB plan administered through a trust.

**Employees Covered by Benefit Terms**

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive plan members, or beneficiaries currently receiving benefits	2
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	174
	176
	176

**Benefits**

The Authority provides medical coverage for HABD employees who wish to retire but are less than sixty-five (65) years of age and are not eligible for Medicare coverage. Eligible employees must be at least 62 years of age with sixteen (16) years of service. HABD pays a portion of the retiree premium for the elected coverage tier for eligible retirees. Spouse coverage is available as well. An explicit subsidy for the health plan exists for these participants.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
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**June 30, 2024**

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**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Net OPEB Liability**

The Authority's total OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2024, updated to June 30, 2024, using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	Varies by Service
Discount Rate	4.21%
Initial Trend Rate	6.75%
Ultimate Trend Rate	4.00%
Years to Ultimate	50

All mortality rates were based on the 2019 public pension mortality reported prepared by the Society of Actuaries with Scale MP-2021.

**Discount Rate**

Given the District's decision not to fund the program, all future benefit payments were discounted using a high-quality municipal bond rate of 4.21%. The high-quality municipal bond rate was based on the S&P Municipal Bond 20 Year High Grade Rate Index as published by S&P Dow Jones Indices nearest the measurement date. The S&P Municipal 20 Year High Grade Rate Index consists of bonds in the S&P Municipal Bond Index with a maturity of 20 years. Eligible bonds must be rated at least AA by Standard and Poor's Ratings Services, Aa2 by Moody's or AA by Fitch. If there are multiple ratings, the lowest rating is used.

Changes in the Total OPEB Liability

	Increase (Decrease)
	<u>Total OPEB</u>
	<u>Liability</u>
Balance at June 30, 2023	\$ 500,085
Changes for the Year:	
Service Cost	29,778
Interest	21,038
Difference Between Expected and Actual Experience	20,308
Changes in Assumptions	(26,569)
Benefit Payments	(41,382)
Net Changes	<u>3,173</u>
Balance at June 30, 2024	<u>\$ 503,258</u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
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**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Net OPEB Liability (Continued)**

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB Liability of the Authority, as well as what the Authority's Total OPEB Liability would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current discount rate:

	Discount Rate		
	One Percent Decrease 3.21%	Current 4.21%	One Percent Increase 5.21%
Total OPEB Liability	\$ 535,788	\$ 503,258	\$ 466,301

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.

The following presents the Total OPEB Liability of the Authority, as well as what the Authority's Total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	Healthcare Cost Trend Rates		
	One Percent Decrease (3.00 - 5.75)%	Current (4.00 - 6.75)%	One Percent Increase (5.00 - 7.75)%
Total OPEB Liability	\$ 460,805	\$ 503,258	\$ 552,445

For the year ended June 30, 2024, the Authority will recognize OPEB expense of \$42,810.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**Net OPEB Liability (Continued)**

On June 30, 2024, the Authority reported Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Expected	\$ 16,923	\$ 23,031
Changes in Assumptions	4,509	104,464
Total	<u>\$ 21,432</u>	<u>\$ 127,495</u>

Amounts reported as Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	<u>Amount</u>
2025	\$ (31,575)
2026	(36,084)
2027	(36,082)
2028	(1,276)
2029	(1,046)

The Authority has not advance-funded or established a funding methodology for the annual Other Postemployment Benefit (OPEB) or the total OPEB obligation. Contribution requirements of the Authority are established and may be amended through the Authority. The plan is currently being funded on a pay-as-you-go basis. No trust or agency fund has been established for the plan. The plan does not issue a separate financial report.

**NOTE 9 RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; medical benefits; unemployment compensation; injuries to employees; errors and omissions; and natural disasters. As part of the Authority's risk management program, certain commercial insurance policies are purchased to cover designated exposures and potential loss situations. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for 2022, 2023, and 2024.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 10 COMMITMENTS, CONTINGENCIES, AND UNCERTAINTIES**

The Authority receives substantially all its financial assistance from HUD in the form of grants and operating subsidies. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the agreements and are subject to audit by the grantor agency. Any disallowed claims resulting from such audits could become a liability of the Authority. In the opinion of management, any such disallowed claims will not have a material effect on the overall financial position of the Authority at June 30, 2024.

The Authority, through its operation, development, and modernization programs, had outstanding contracts totaling approximately \$1.4 million as of June 30, 2024. These commitments, which were made pursuant to the Authority's budgets, are anticipated to be expended in subsequent years.

The Authority is a party to various lawsuits and claims in the ordinary course of operations. Management believes that the potential adverse impact of these proceedings would not be material to the combined financial statements of the Authority.

**NOTE 11 RELATED PARTIES**

The Authority provides certain accounting and assistance services to residential related organizations at no charge. The Authority's cost of such services and assistance is not considered material to those resident related organizations. Such services are provided under written agreements between the Authority and the resident organization.

The Authority is part of four real estate limited partnerships as of June 30, 2024 that are related parties: Glenbrook at Oxmoor I, LLC (Glenbrook), Metropolitan Gardens Partnership I, LP (Metro I), Metropolitan Gardens Partnership II, LP (Metro II), and Metropolitan Gardens Partnership III, LP (Metro III).

**NOTE 12 COMPONENTS OF NET POSITION**

Net position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. The Authority's restricted net positions as of June 30, 2024 is as follows:

Unspent HAP	\$ 1,826,773
Restricted for Reserves	<u>147,064</u>
Total Restricted Net Position	<u>\$ 1,973,837</u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

**NOTE 13 CONDENSED COMBINING FINANCIAL INFORMATION – BLENDED COMPONENT UNITS**

**Condensed Combining Statement of Net Position**

	<u>Magic City</u>	<u>Naomi Truman Scholarship Foundation</u>	<u>Total</u>
<b>Assets</b>			
Current assets	\$ 391,086	\$ 273,990	\$ 665,076
Noncurrent assets	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Assets	<u>\$ 1,391,086</u>	<u>\$ 273,990</u>	<u>\$ 1,665,076</u>
<b>Liabilities</b>			
Current liabilities	\$ -	\$ -	\$ -
Noncurrent liabilities	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
Total Liabilities	<u>1,000,000</u>	<u>-</u>	<u>1,000,000</u>
<b>Net Position</b>			
Unrestricted net position	<u>\$ 391,086</u>	<u>\$ 273,990</u>	<u>\$ 665,076</u>
Total Liabilities and Net Position	<u>\$ 1,391,086</u>	<u>\$ 273,990</u>	<u>\$ 2,665,076</u>

**Condensed Combining Statement of Revenue, Expenses, and Changes in Net Position**

	<u>Magic City</u>	<u>Naomi Truman Scholarship Foundation</u>	<u>Total</u>
<b>Operating Revenues</b>			
Other operating revenue	\$ -	\$ 34,295	\$ 34,295
Total Operating Revenues	<u>-</u>	<u>34,295</u>	<u>34,295</u>
<b>Operating Expenses</b>			
Operating expenses	<u>-</u>	<u>54,701</u>	<u>54,701</u>
Total Operating Expenses	<u>-</u>	<u>54,701</u>	<u>54,701</u>
Operating income (loss)	<u>-</u>	<u>(20,406)</u>	<u>(20,406)</u>
Increase (Decrease) in Net Position	-	(20,406)	(20,406)
Net Position, Beginning of Year	<u>391,086</u>	<u>294,396</u>	<u>685,482</u>
Net Position, End of Year	<u>\$ 391,086</u>	<u>\$ 273,990</u>	<u>\$ 665,076</u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTE TO FINANCIAL STATEMENTS**  
**June 30, 2024**

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**NOTE 13 CONDENSED COMBINING FINANCIAL INFORMATION – BLENDED COMPONENT UNITS (CONTINUED)**

**Condensed Combining Statement of Cash Flows**

	Magic City	Naomi Truman Scholarship Foundation	Total
Net cash provided by operating activities	\$ (8)	\$ (20,398)	\$ (20,406)
Net Increase (Decrease) in Cash and Cash Equivalents	(8)	(20,398)	(20,406)
Net Cash, Beginning of Year	391,094	294,396	685,490
Net Cash, End of Year	\$ 391,086	\$ 273,998	\$ 665,084

**NOTE 14 SUBSEQUENT EVENTS**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through June 6, 2025 (the date the financial statements were available to be issued) and determined that there are no material subsequent events requiring disclosure.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**JUNE 30, 2024**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
<b>Total OPEB liability</b>						
Changes in Benefit Terms	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 441,039
Service cost	29,778	28,906	41,898	37,233	28,674	22,880
Interest	21,038	20,470	15,153	16,877	14,560	17,597
Changes in assumptions	(26,569)	(1,393)	(46,062)	22,541	30,510	-
Differences between expected and actual experience	20,308	-	(162,790)	-	50,348	40,216
Benefit payments	(41,382)	(38,585)	(21,365)	(19,965)	(20,072)	(18,585)
<b>Net change in total OPEB liability</b>	3,173	9,398	(173,166)	56,686	104,020	503,147
<b>Total OPEB liability - Beginning of Year</b>	500,085	490,687	663,853	607,167	503,147	-
<b>Total OPEB liability - END OF YEAR</b>	<u>\$ 503,258</u>	<u>\$ 500,085</u>	<u>\$ 490,687</u>	<u>\$ 663,853</u>	<u>\$ 607,167</u>	<u>\$ 503,147</u>
<b>PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL OPEB LIABILITY</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Covered payroll</b>	<u>\$ 12,224,300</u>	<u>\$ 11,027,849</u>	<u>\$ 11,836,269</u>	<u>\$ 13,315,648</u>	<u>\$ 13,110,314</u>	<u>\$ 13,110,314</u>
<b>TOTAL OPEB LIABILITY AS A PERCENTAGE OF THE COVERED EMPLOYEE PAYROLL</b>	4.12%	4.53%	4.15%	4.99%	4.63%	3.84%

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

	Project Total	14.877 Public Housing Family Self-Sufficiency under ROSS	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
111 Cash - Unrestricted	\$ 18,211,115	\$ 59,825	\$ 325,638	\$ 4,041,752	\$ -	\$ -
113 Cash - Other Restricted	98,617	-	-	2,286,732	-	-
114 Cash - Tenant Security Deposits	186,894	-	-	-	-	-
100 Total Cash	<u>18,496,626</u>	<u>59,825</u>	<u>325,638</u>	<u>6,328,484</u>	<u>-</u>	<u>-</u>
122 Accounts Receivable - HUD Other Projects	3,862,184	22,689	56,593	161,827	16,172	-
124 Accounts Receivable - Other Government	-	-	-	371,529	-	-
125 Accounts Receivable - Miscellaneous	-	-	-	-	-	-
126 Accounts Receivable - Tenants	1,999,298	-	-	116,138	-	-
126.1 Allowance for Doubtful Accounts -Tenants	(399,864)	-	-	-	-	-
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	<u>5,461,618</u>	<u>22,689</u>	<u>56,593</u>	<u>649,494</u>	<u>16,172</u>	<u>-</u>
142 Prepaid Expenses and Other Assets	551,528	-	-	85,216	-	-
144 Inter Program Due From	1,432,668	-	-	-	-	-
145 Assets Held for Sale	5,044,906	-	-	-	-	-
150 Total Current Assets	<u>30,987,346</u>	<u>82,514</u>	<u>382,231</u>	<u>7,063,194</u>	<u>16,172</u>	<u>-</u>
161 Land	6,842,594	-	-	-	-	-
162 Buildings	230,845,294	-	-	520,186	-	-
163 Furniture, Equipment & Machinery - Dwellings	-	-	-	46,500	-	-
164 Furniture, Equipment & Machinery - Administration	3,463,270	-	-	420,733	-	-
165 Leasehold Improvements	32,763,190	-	-	18,483	-	-
166 Accumulated Depreciation	(203,829,543)	-	-	(445,683)	-	-
167 Construction in Progress	16,370,826	-	-	-	-	-
168 Infrastructure	-	-	-	-	-	-
160 Total Capital Assets, Net of Accumulated Depreciation	<u>86,455,631</u>	<u>-</u>	<u>-</u>	<u>560,219</u>	<u>-</u>	<u>-</u>
171 Notes, Loans and Mortgages Receivable - Non-Current	9,300,000	-	-	-	-	-
174 Other Assets	-	-	-	-	-	-
176 Investments in Joint Ventures	-	-	-	-	-	-
180 Total Non-Current Assets	<u>95,755,631</u>	<u>-</u>	<u>-</u>	<u>560,219</u>	<u>-</u>	<u>-</u>
200 Deferred Outflow of Resources	13,579	-	-	1,580	-	-
290 Total Assets	<u>\$ 126,756,556</u>	<u>\$ 82,514</u>	<u>\$ 382,231</u>	<u>\$ 7,624,993</u>	<u>\$ 16,172</u>	<u>\$ -</u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

	Project Total	14.877 Public Housing Family Self-Sufficiency under ROSS	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
312 Accounts Payable <= 90 Days	\$ 727,232	\$ -	\$ -	\$ 151,063	\$ 17,980	\$ -
321 Accrued Wage/Payroll Taxes Payable	129,612	2,837	-	24,586	2,441	-
322 Accrued Compensated Absences - Current Portion	179,675	-	-	23,685	-	-
325 Accrued Interest Payable	16,731	-	-	-	-	-
341 Tenant Security Deposits	186,894	-	-	-	-	-
342 Unearned Revenue	1,537,386	-	12,513	941	-	-
343 Current Portion of L-T Debt - Capital Projects/Mortgage Revenue	3,312,141	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-
346 Accrued Liabilities - Other	38,040	-	-	20,700	-	-
347 Inter Program - Due To	4,206,111	-	25,383	7,775	22,435	-
310 Total Current Liabilities	<u>10,333,822</u>	<u>2,837</u>	<u>37,896</u>	<u>228,750</u>	<u>42,856</u>	<u>-</u>
351 L-T Debt, Net of Current - Capital Projects/Mortgage Revenue	1,276,668	-	-	-	-	-
352 Long-term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-
353 Non-current Liabilities - Other	892,495	-	-	459,959	-	-
354 Accrued Compensated Absences - Non Current	333,684	-	-	43,986	-	-
357 Accrued Pension and OPEB Liabilities	327,603	-	-	38,100	-	-
350 Total Non-Current Liabilities	<u>2,830,450</u>	<u>-</u>	<u>-</u>	<u>542,045</u>	<u>-</u>	<u>-</u>
300 Total Liabilities	<u>13,164,272</u>	<u>2,837</u>	<u>37,896</u>	<u>770,795</u>	<u>42,856</u>	<u>-</u>
400 Deferred Inflow of Resources	83,635	-	-	9,096	-	-
508.4 Net Investment in Capital Assets	81,866,822	-	-	560,219	-	-
511.4 Restricted Net Position	-	-	-	1,826,773	-	-
512.4 Unrestricted Net Position	31,641,827	79,677	344,335	4,458,110	(26,684)	-
513 Total Equity - Net Assets / Position	<u>113,508,649</u>	<u>79,677</u>	<u>344,335</u>	<u>6,845,102</u>	<u>(26,684)</u>	<u>-</u>
<b>600 Total Liabilities and Equity - Net</b>	<u><b>\$ 126,756,556</b></u>	<u><b>\$ 82,514</b></u>	<u><b>\$ 382,231</b></u>	<u><b>\$ 7,624,993</b></u>	<u><b>\$ 16,172</b></u>	<u><b>\$ -</b></u>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

		14.195 Section 8 Housing Assistance Payments		14.EHV Emergency Housing Voucher		8 Other Federal Program 1		17.274 YouthBuild Program	
		Program_Special Allocations	State & Local	Component Unit - Blended	Business Activities				
111	Cash - Unrestricted	\$ 837,405	\$ 9,768	\$ 665,076	\$ 304,264	\$ 2,017,432	\$ -	\$ -	
113	Cash - Other Restricted	147,064	-	-	-	-	-	-	
114	Cash - Tenant Security Deposits	6,543	-	-	-	15,825	-	-	
100	Total Cash	991,012	9,768	665,076	304,264	2,033,257	-	-	
122	Accounts Receivable - HUD Other Projects	79,947	-	-	-	-	-	-	
124	Accounts Receivable - Other Government	-	134,183	-	-	-	15,620	88,253	
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	-	
126	Accounts Receivable - Tenants	22,616	-	-	1,312	117,836	-	-	
126.1	Allowance for Doubtful Accounts -Tenants	(2,380)	-	-	-	(20,885)	-	-	
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	1,000,000	-	-	
128	Fraud Recovery	-	-	-	-	1,830	-	-	
120	Total Receivables, Net of Allowances for Doubtful Accounts	100,183	134,183	-	1,312	1,098,781	15,620	88,253	
142	Prepaid Expenses and Other Assets	15,207	-	-	12,324	5,814	-	-	
144	Inter Program Due From	205,387	-	-	-	786,694	15,620	376,578	
145	Assets Held for Sale	-	-	-	-	-	-	-	
150	Total Current Assets	1,311,789	143,951	665,076	317,900	3,924,546	31,240	464,831	
161	Land	515,745	-	-	-	2,812,850	-	-	
162	Buildings	12,760,281	-	-	-	12,331,464	-	-	
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	
164	Furniture, Equipment & Machinery - Administration	52,251	-	-	-	-	-	-	
165	Leasehold Improvements	189,888	-	-	-	7,491,618	-	-	
166	Accumulated Depreciation	(4,620,374)	-	-	-	(14,741,821)	-	-	
167	Construction in Progress	-	-	-	-	-	-	-	
168	Infrastructure	-	-	-	-	10,804,542	-	-	
160	Total Capital Assets, Net of Accumulated Depreciation	8,897,791	-	-	-	18,698,653	-	-	
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	1,000,000	-	44,521,048	-	-	
174	Other Assets	-	-	-	-	2,625,607	-	-	
176	Investments in Joint Ventures	-	-	-	-	1,399,731	-	-	
180	Total Non-Current Assets	8,897,791	-	1,000,000	-	67,245,039	-	-	
200	Deferred Outflow of Resources	-	-	-	-	253	-	-	
290	<b>Total Assets</b>	<b>\$ 10,209,580</b>	<b>\$ 143,951</b>	<b>\$ 1,665,076</b>	<b>\$ 317,900</b>	<b>\$ 71,169,838</b>	<b>\$ 31,240</b>	<b>\$ 464,831</b>	

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

		14.195 Section 8 Housing Assistance Payments		14.EHV Emergency Housing Voucher		8 Other Federal Program 1		17.274 YouthBuild Program	
		Program_Special Allocations	State & Local	Component Unit - Blended	Business Activities				
312	Accounts Payable <= 90 Days	\$ 19,275	\$ -	\$ -	\$ -	\$ 73,241	\$ -	\$ -	\$ 4,345
321	Accrued Wage/Payroll Taxes Payable	4,472	63,367	-	-	-	-	-	2,588
322	Accrued Compensated Absences - Current Portion	3,619	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	6,543	-	-	-	15,825	-	-	-
342	Unearned Revenue	8,926	-	-	-	-	-	-	-
343	Current Portion of L-T Debt - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	17,601	-	-	-
347	Inter Program - Due To	-	74,391	-	24,860	-	-	-	67,465
310	Total Current Liabilities	42,835	137,758	-	24,860	106,667	-	-	74,398
351	L-T Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	-	-	-	-	-
352	Long-term Debt, Net of Current - Operating Borrowings	-	-	1,000,000	-	-	-	-	-
353	Non-current Liabilities - Other	-	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	10,857	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	10,857	-	1,000,000	-	-	-	-	-
300	Total Liabilities	53,692	137,758	1,000,000	24,860	106,667	-	-	74,398
400	Deferred Inflow of Resources	-	-	-	-	434	-	-	-
508.4	Net Investment in Capital Assets	8,897,791	-	-	-	18,698,653	-	-	-
511.4	Restricted Net Position	147,064	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	1,111,033	6,193	665,076	293,040	52,364,084	31,240	-	390,433
513	Total Equity - Net Assets / Position	10,155,888	6,193	665,076	293,040	71,062,737	31,240	-	390,433
<b>600</b>	<b>Total Liabilities and Equity - Net</b>	<b>\$ 10,209,580</b>	<b>\$ 143,951</b>	<b>\$ 1,665,076</b>	<b>\$ 317,900</b>	<b>\$ 71,169,838</b>	<b>\$ 31,240</b>	<b>\$ -</b>	<b>\$ 464,831</b>

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

	14.889 Choice Neighborhood	COCC	Eliminations	Primary Government	Discretely Presented Component Unit	Total
111 Cash - Unrestricted	\$ -	\$ -	\$ -	\$ 26,472,275	\$ 133,477	\$ 26,605,752
113 Cash - Other Restricted	-	-	-	2,532,413	668,131	3,200,544
114 Cash - Tenant Security Deposits	-	-	-	209,262	19,850	229,112
100 Total Cash	-	-	-	29,213,950	821,458	30,035,408
122 Accounts Receivable - HUD Other Projects	62,380	-	-	4,261,792	-	4,261,792
124 Accounts Receivable - Other Government	-	-	-	609,585	-	609,585
125 Accounts Receivable - Miscellaneous	-	389,917	-	389,917	-	389,917
126 Accounts Receivable - Tenants	-	-	-	2,257,200	120,492	2,377,692
126.1 Allowance for Doubtful Accounts -Tenants	-	-	-	(423,129)	(11,229)	(434,358)
127 Notes, Loans, & Mortgages Receivable - Current	-	-	-	1,000,000	-	1,000,000
128 Fraud Recovery	-	-	-	1,830	-	1,830
120 Total Receivables, Net of Allowances for Doubtful Accounts	62,380	389,917	-	8,097,195	109,263	8,206,458
142 Prepaid Expenses and Other Assets	-	190,593	-	860,682	934	861,616
144 Inter Program Due From	10,236	1,898,345	(4,725,528)	-	-	-
145 Assets Held for Sale	-	-	-	5,044,906	-	5,044,906
150 Total Current Assets	72,616	2,478,855	(4,725,528)	43,216,733	931,655	44,148,388
161 Land	-	667,000	-	10,838,189	-	10,838,189
162 Buildings	-	8,523,051	-	264,980,276	12,712,065	277,692,341
163 Furniture, Equipment & Machinery - Dwellings	-	3,269,205	-	3,315,705	-	3,315,705
164 Furniture, Equipment & Machinery - Administration	-	804,545	-	4,740,799	67,512	4,808,311
165 Leasehold Improvements	-	349,571	-	40,812,750	-	40,812,750
166 Accumulated Depreciation	-	(12,190,208)	-	(235,827,629)	(5,055,276)	(240,882,905)
167 Construction in Progress	-	2,800	-	16,373,626	-	16,373,626
168 Infrastructure	-	-	-	10,804,542	-	10,804,542
160 Total Capital Assets, Net of Accumulated Depreciation	-	1,425,964	-	116,038,258	7,724,301	123,762,559
171 Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	54,821,048	-	54,821,048
174 Other Assets	-	-	-	2,625,607	-	2,625,607
176 Investments in Joint Ventures	-	-	-	1,399,731	-	1,399,731
180 Total Non-Current Assets	-	1,425,964	-	174,884,644	7,724,301	182,608,945
200 Deferred Outflow of Resources	-	6,020	-	21,432	-	21,432
290 Total Assets	\$ 72,616	\$ 3,910,839	\$ (4,725,528)	\$ 218,122,809	\$ 8,655,956	\$ 226,778,765

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF NET POSITION**  
**June 30, 2024**

	14.889 Choice Neighborhood	COCC	Eliminations	Primary Government	Discretely Presented Component Unit	Total	
312	Accounts Payable <= 90 Days	\$ 52,144	\$ 308,268	\$ -	\$ 1,353,548	\$ 46,532	\$ 1,400,080
321	Accrued Wage/Payroll Taxes Payable	-	96,380	-	326,283	-	326,283
322	Accrued Compensated Absences - Current Portion	-	107,087	-	314,066	-	314,066
325	Accrued Interest Payable	-	-	-	16,731	-	16,731
341	Tenant Security Deposits	-	-	-	209,262	19,850	229,112
342	Unearned Revenue	-	-	-	1,559,766	21,531	1,581,297
343	Current Portion of L-T Debt - Capital Projects/Mortgage Revenue	-	-	-	3,312,141	-	3,312,141
345	Other Current Liabilities	-	-	-	-	2,625,607	2,625,607
346	Accrued Liabilities - Other	-	10,261	-	86,602	316,125	402,727
347	Inter Program - Due To	-	297,108	(4,725,528)	-	-	-
310	Total Current Liabilities	52,144	819,104	(4,725,528)	7,178,399	3,029,645	10,208,044
351	L-T Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	1,276,668	3,896,331	5,172,999
352	Long-term Debt, Net of Current - Operating Borrowings	-	-	-	1,000,000	-	1,000,000
353	Non-current Liabilities - Other	-	13,729	-	1,366,183	-	1,366,183
354	Accrued Compensated Absences - Non Current	-	198,876	-	587,403	-	587,403
357	Accrued Pension and OPEB Liabilities	-	137,555	-	503,258	-	503,258
350	Total Non-Current Liabilities	-	350,160	-	4,733,512	3,896,331	8,629,843
300	Total Liabilities	52,144	1,169,264	(4,725,528)	11,911,911	6,925,976	18,837,887
400	Deferred Inflow of Resources	-	34,330	-	127,495	-	127,495
508.4	Net Investment in Capital Assets	-	1,425,964	-	111,449,449	3,827,970	115,277,419
511.4	Restricted Net Position	-	-	-	1,973,837	668,131	2,641,968
512.4	Unrestricted Net Position	20,472	1,281,281	-	92,660,117	(2,766,121)	89,893,996
513	Total Equity - Net Assets / Position	20,472	2,707,245	-	206,083,403	1,729,980	207,813,383
600	<b>Total Liabilities and Equity - Net</b>	<b>\$ 72,616</b>	<b>\$ 3,910,839</b>	<b>\$ (4,725,528)</b>	<b>\$ 218,122,809</b>	<b>\$ 8,655,956</b>	<b>\$ 226,778,765</b>

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	Project Total	14.877 Public Housing Family Self Sufficiency under ROSS	14.879 Mainstream Vouchers	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy
70300 Net Tenant Rental Revenue	\$ 6,156,177	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant Revenue - Other	268,297	-	-	-	-	-
70500 Total Tenant Revenue	6,424,474	-	-	-	-	-
70600 HUD PHA Operating Grants	39,159,907	281,724	938,474	54,342,445	168,719	-
70610 Capital Grants	4,063,674	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-
70730 Book Keeping Fee	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	283,232	-	-
71100 Investment Income - Unrestricted	246,133	-	-	-	-	3,670
71400 Fraud Recovery	-	-	-	5,000	-	-
71500 Other Revenue	763,525	-	-	15,285	-	-
72000 Investment Income - Restricted	-	-	-	122,197	-	-
<b>70000 Total Revenue</b>	<b>50,657,713</b>	<b>281,724</b>	<b>938,474</b>	<b>54,768,159</b>	<b>168,719</b>	<b>3,670</b>
91100 Administrative Salaries	2,426,904	170,889	-	1,155,398	115,731	-
91200 Auditing Fees	219,141	-	-	113,049	-	-
91300 Management Fee	4,750,515	-	16,938	953,407	-	-
91310 Book-keeping Fee	273,241	-	8,445	505,612	-	-
91400 Advertising and Marketing	(1,711)	-	-	-	-	-
91500 Employee Benefit contributions - Administrative	1,529,026	62,577	-	431,849	50,542	-
91600 Office Expenses	2,085,546	5,195	-	854,727	2,446	-
91800 Travel	12,638	3,159	-	19,847	-	-
91900 Other	31,560	-	-	7,418	-	-
91000 Total Operating - Administrative	11,326,860	241,820	25,383	4,041,307	168,719	-
92000 Asset Management Fee	416,640	-	-	-	-	-
92100 Tenant Services - Salaries	1,017,075	39,702	-	-	-	-
92300 Employee Benefit Contributions - Tenant Services	268,493	202	-	-	-	-
92400 Tenant Services - Other	106,528	-	-	159	-	-
92500 Total Tenant Services	1,392,096	39,904	-	159	-	-
93100 Water	5,958,152	-	-	26,683	-	-
93200 Electricity	2,287,819	-	-	89,149	-	-
93300 Gas	334,105	-	-	8,015	-	-
93600 Sewer	1,196	-	-	-	-	-
93000 Total Utilities	8,581,272	-	-	123,847	-	-

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	<b>Project Total</b>	<b>14.877 Public Housing Family Self Sufficiency under ROSS</b>	<b>14.879 Mainstream Vouchers</b>	<b>14.871 Housing Choice Vouchers</b>	<b>14.870 Resident Opportunity and Supportive Services</b>	<b>14.249 Section 8 Moderate Rehabilitation Single Room Occupancy</b>
Expenses (continued):						
94100 Ordinary Maintenance and Operations - Labor	3,811,587	-	-	38,905	-	-
94200 Ordinary Maintenance and Operations - Materials and Other	6,363,417	-	-	99,389	-	-
94300 Ordinary Maintenance and Operations Contracts	1,584,385	-	-	14,599	-	-
94500 Employee Benefit Contributions - Ordinary Maintenance	720,234	-	-	24,173	-	-
94000 Total Maintenance	<u>12,479,623</u>	-	-	<u>177,066</u>	-	-
95100 Protective Services - Labor	7,624	-	-	-	-	-
95200 Protective Services - Other Contract Costs	1,374,432	-	-	48,933	-	-
95000 Total Protective Services	<u>1,382,056</u>	-	-	<u>48,933</u>	-	-
96110 Property Insurance	162,559	-	-	7,415	-	-
96120 Liability Insurance	2,123,032	-	-	65,512	-	-
96130 Workmen's Compensation	136,469	-	-	32,450	-	-
96140 All Other Insurance	160,040	-	-	20,744	-	-
96100 Total insurance Premiums	<u>2,582,100</u>	-	-	<u>126,121</u>	-	-
96200 Other General Expenses	2,253,291	-	-	(14,632)	-	(24,166)
96400 Bad debt - Tenant Rents	571,127	-	-	-	-	-
96800 Severance Expense	4,182	-	-	-	-	-
96000 Total Other General Expenses	<u>2,828,600</u>	-	-	<u>(14,632)</u>	-	<u>(24,166)</u>
96720 Interest on Notes Payable (Short and Long Term)	90,490	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	<u>90,490</u>	-	-	-	-	-
<b>96900 Total Operating Expenses</b>	<b><u>41,079,737</u></b>	<b><u>281,724</u></b>	<b><u>25,383</u></b>	<b><u>4,502,801</u></b>	<b><u>168,719</u></b>	<b><u>(24,166)</u></b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b><u>9,577,976</u></b>	<b>-</b>	<b><u>913,091</u></b>	<b><u>50,265,358</u></b>	<b>-</b>	<b><u>27,836</u></b>
97200 Casualty Losses - Non-capitalized	135,500	-	-	-	-	-
97300 Housing Assistance Payments	48,578	-	829,882	47,373,042	-	-
97350 HAP Portability-In	-	-	-	283,232	-	-
97400 Depreciation Expense	6,971,561	-	-	53,047	-	-
<b>90000 Total Expenses</b>	<b><u>48,235,376</u></b>	<b><u>281,724</u></b>	<b><u>855,265</u></b>	<b><u>52,212,122</u></b>	<b><u>168,719</u></b>	<b><u>(24,166)</u></b>
10010 Operating Transfer In	4,735,109	-	-	538,071	-	-
10020 Operating Transfer Out	(4,735,109)	-	-	-	-	(538,071)
10100 Total Other financing Sources (Uses)	<u>-</u>	-	-	<u>538,071</u>	-	<u>(538,071)</u>
<b>10000 Excess of Total Revenue Over Total Expenses</b>	<b><u>2,422,337</u></b>	<b>-</b>	<b><u>83,209</u></b>	<b><u>3,094,108</u></b>	<b>-</b>	<b><u>(510,235)</u></b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	(3,932,316)	41,691	-	(1,579,880)	(30,933)	-
<b>11030 Beginning Net Position</b>	<b><u>115,018,628</u></b>	<b><u>37,986</u></b>	<b><u>261,126</u></b>	<b><u>5,330,874</u></b>	<b><u>4,249</u></b>	<b><u>510,235</u></b>
<b>Ending Net Position</b>	<b><u>\$ 113,508,649</u></b>	<b><u>\$ 79,677</u></b>	<b><u>\$ 344,335</u></b>	<b><u>\$ 6,845,102</u></b>	<b><u>\$ (26,684)</u></b>	<b><u>-</u></b>

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

		14.195 Section 8 Housing Assistance Payments		14.EHV		8 Other Federal Program 1	
		Program_Special Allocations	State & Local	Component Unit - Blended	Emergency Housing Voucher	Business Activities	
70300	Net Tenant Rental Revenue	\$ 846,751	\$ -	\$ -	\$ -	\$ 564,097	\$ -
70400	Tenant Revenue - Other	11,356	-	-	-	3,434	-
70500	Total Tenant Revenue	858,107	-	-	-	567,531	-
70600	HUD PHA Operating Grants	-	-	-	927,326	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	326,428	-	-	723,041	51,684
71100	Investment Income - Unrestricted	16,574	3,037	-	-	53,692	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	34,295	25	2,269,064	-
72000	Investment Income - Restricted	-	-	-	-	-	32
<b>70000</b>	<b>Total Revenue</b>	<b>874,681</b>	<b>329,465</b>	<b>34,295</b>	<b>927,351</b>	<b>3,613,328</b>	<b>51,716</b>
91100	Administrative Salaries	77,334	-	-	-	150,964	-
91200	Auditing Fees	7,560	-	-	-	-	-
91300	Management Fee	-	-	-	15,987	-	-
91310	Book-keeping Fee	-	-	-	7,973	-	-
91400	Advertising and Marketing	2,124	-	-	-	-	720
91500	Employee Benefit contributions - Administrative	58,380	-	-	-	29,026	-
91600	Office Expenses	68,511	1,104	5,337	-	92,581	3,741
91800	Travel	2,076	-	-	-	46	-
91900	Other	-	-	-	-	-	47,255
91000	Total Operating - Administrative	215,985	1,104	5,337	23,960	272,617	51,716
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant Services - Salaries	-	294,585	-	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	37,432	-	-	-	-
92400	Tenant Services - Other	8,916	-	-	-	2,110	-
92500	Total Tenant Services	8,916	332,017	-	-	2,110	-
93100	Water	37,791	-	-	-	411,778	-
93200	Electricity	122,007	-	-	-	20,698	-
93300	Gas	19,062	-	-	-	14,088	-
93600	Sewer	-	-	-	-	-	-
93000	Total Utilities	178,860	-	-	-	446,564	-

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	14.195 Section 8 Housing Assistance Payments		Component Unit - Blended	14.EHV Emergency Housing Voucher		8 Other Federal Program 1
	Program_Special Allocations	State & Local		Business Activities		
Expenses (continued):						
94100 Ordinary Maintenance and Operations - Labor	85,116	-	-	-	118,093	-
94200 Ordinary Maintenance and Operations - Materials and Other	93,311	-	-	-	212,978	-
94300 Ordinary Maintenance and Operations Contracts	20,763	-	-	-	77,196	-
94500 Employee Benefit Contributions - Ordinary Maintenance	35,077	-	-	-	14,726	-
94000 Total Maintenance	234,267	-	-	-	422,993	-
95100 Protective Services - Labor	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	33,498	-	-	-	55,653	-
95000 Total Protective Services	33,498	-	-	-	55,653	-
96110 Property Insurance	927	-	-	-	-	-
96120 Liability Insurance	106,267	-	-	-	120,344	-
96130 Workmen's Compensation	4,470	-	-	-	1,291	-
96140 All Other Insurance	4,405	-	-	-	-	-
96100 Total insurance Premiums	116,069	-	-	-	121,635	-
96200 Other General Expenses	25,110	-	49,364	24	(28,500)	-
96400 Bad debt - Tenant Rents	9,060	-	-	-	68,010	-
96800 Severance Expense	-	-	-	-	-	-
96000 Total Other General Expenses	34,170	-	49,364	24	39,510	-
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	-	-	-	-	-
<b>96900 Total Operating Expenses</b>	<b>821,765</b>	<b>333,121</b>	<b>54,701</b>	<b>23,984</b>	<b>1,361,082</b>	<b>51,716</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>52,916</b>	<b>(3,656)</b>	<b>(20,406)</b>	<b>903,367</b>	<b>2,252,246</b>	<b>-</b>
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	-	825,562	-	-
97350 HAP Portability-In	-	-	-	-	-	-
97400 Depreciation Expense	324,997	-	-	-	247,200	-
<b>90000 Total Expenses</b>	<b>1,146,762</b>	<b>333,121</b>	<b>54,701</b>	<b>849,546</b>	<b>1,608,282</b>	<b>51,716</b>
10010 Operating Transfer In	-	169,033	-	-	-	-
10020 Operating Transfer Out	-	-	-	-	(169,033)	-
10100 Total Other financing Sources (Uses)	-	169,033	-	-	(169,033)	-
<b>10000 Excess of Total Revenue Over Total Expenses</b>	<b>(272,081)</b>	<b>165,377</b>	<b>(20,406)</b>	<b>77,805</b>	<b>1,836,013</b>	<b>-</b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	249,486	(295,785)	-	-	163,826	31,240
<b>11030 Beginning Net Position</b>	<b>10,178,483</b>	<b>136,601</b>	<b>685,482</b>	<b>215,235</b>	<b>69,062,898</b>	<b>-</b>
<b>Ending Net Position</b>	<b>\$ 10,155,888</b>	<b>\$ 6,193</b>	<b>\$ 665,076</b>	<b>\$ 293,040</b>	<b>\$ 71,062,737</b>	<b>\$ 31,240</b>

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	17.274 YouthBuild Program	14.889 Choice Neighborhood	COCC	Eliminations	Primary Government	Discretely Presented Component Unit	Total
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ -	\$ 7,567,025	\$ 403,325	\$ 7,970,350
70400 Tenant Revenue - Other	-	-	-	-	283,087	-	283,087
70500 Total Tenant Revenue	-	-	-	-	7,850,112	403,325	8,253,437
70600 HUD PHA Operating Grants	-	355,232	-	-	96,173,827	392,526	96,566,353
70610 Capital Grants	-	-	-	-	4,063,674	-	4,063,674
70710 Management Fee	-	-	5,736,847	(5,736,847)	-	-	-
70720 Asset Management Fee	-	-	416,640	(416,640)	-	-	-
70730 Book Keeping Fee	-	-	795,271	(795,271)	-	-	-
70700 Total Fee Revenue	-	-	6,948,758	(6,948,758)	-	-	-
70800 Other Government Grants	303,079	-	-	-	1,687,464	-	1,687,464
71100 Investment Income - Unrestricted	1,509	-	1,860	-	326,475	1,760	328,235
71400 Fraud Recovery	-	-	-	-	5,000	-	5,000
71500 Other Revenue	-	-	106,608	-	3,188,802	2,555,193	5,743,995
72000 Investment Income - Restricted	-	-	-	-	122,229	-	122,229
<b>70000 Total Revenue</b>	<b>304,588</b>	<b>355,232</b>	<b>7,057,226</b>	<b>(6,948,758)</b>	<b>113,417,583</b>	<b>3,352,804</b>	<b>116,770,387</b>
91100 Administrative Salaries	88,254	-	3,664,203	-	7,849,677	166,728	8,016,405
91200 Auditing Fees	-	-	27,769	-	367,519	-	367,519
91300 Management Fee	-	-	-	(5,736,847)	-	21,795	21,795
91310 Book-keeping Fee	-	-	-	(795,271)	-	-	-
91400 Advertising and Marketing	-	-	-	-	1,133	-	1,133
91500 Employee Benefit contributions - Administrative	13,213	-	1,156,703	-	3,331,316	-	3,331,316
91600 Office Expenses	63,203	343,057	1,465,934	-	4,991,382	-	4,991,382
91800 Travel	2,080	-	89,886	-	129,732	-	129,732
91900 Other	21,334	-	-	-	107,567	-	107,567
91000 Total Operating - Administrative	188,084	343,057	6,404,495	(6,532,118)	16,778,326	188,523	16,966,849
92000 Asset Management Fee	-	-	-	(416,640)	-	14,247	14,247
92100 Tenant Services - Salaries	38,261	-	-	-	1,389,623	-	1,389,623
92300 Employee Benefit Contributions - Tenant Services	-	-	-	-	306,127	-	306,127
92400 Tenant Services - Other	132,388	11,240	32,502	-	293,843	-	293,843
92500 Total Tenant Services	170,649	11,240	32,502	-	1,989,593	-	1,989,593
93100 Water	-	-	4,433	-	6,438,837	110,213	6,549,050
93200 Electricity	-	-	131,090	-	2,650,763	149,587	2,800,350
93300 Gas	-	-	187	-	375,457	307	375,764
93600 Sewer	-	-	-	-	1,196	324,982	326,178
93000 Total Utilities	-	-	135,710	-	9,466,253	585,089	10,051,342

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**FINANCIAL DATA SCHEDULE - STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**Year ended June 30, 2024**

	17.274 YouthBuild Program	14.889 Choice Neighborhood	COCC	Eliminations	Primary Government	Discretely Presented Component Unit	Total
Expenses (continued):							
94100 Ordinary Maintenance and Operations - Labor	-	-	38,271	-	4,091,972	-	4,091,972
94200 Ordinary Maintenance and Operations - Materials and Other	2,160	-	302,616	-	7,073,871	-	7,073,871
94300 Ordinary Maintenance and Operations Contracts	1,050	-	38,007	-	1,736,000	594,076	2,330,076
94500 Employee Benefit Contributions - Ordinary Maintenance	-	-	1,174	-	795,384	-	795,384
<b>94000 Total Maintenance</b>	<b>3,210</b>	<b>-</b>	<b>380,068</b>	<b>-</b>	<b>13,697,227</b>	<b>594,076</b>	<b>14,291,303</b>
95100 Protective Services - Labor	-	-	-	-	7,624	-	7,624
95200 Protective Services - Other Contract Costs	-	-	261	-	1,512,777	-	1,512,777
<b>95000 Total Protective Services</b>	<b>-</b>	<b>-</b>	<b>261</b>	<b>-</b>	<b>1,520,401</b>	<b>-</b>	<b>1,520,401</b>
96110 Property Insurance	-	-	28,734	-	199,635	-	199,635
96120 Liability Insurance	-	-	14,781	-	2,429,936	-	2,429,936
96130 Workmen's Compensation	-	-	50,943	-	225,623	-	225,623
96140 All Other Insurance	-	-	95,143	-	280,332	-	280,332
<b>96100 Total insurance Premiums</b>	<b>-</b>	<b>-</b>	<b>189,601</b>	<b>-</b>	<b>3,135,526</b>	<b>-</b>	<b>3,135,526</b>
96200 Other General Expenses	480	935	126,104	-	2,388,010	222,682	2,610,692
96400 Bad debt - Tenant Rents	-	-	-	-	648,197	-	648,197
96800 Severance Expense	-	-	631	-	4,813	-	4,813
<b>96000 Total Other General Expenses</b>	<b>480</b>	<b>935</b>	<b>126,735</b>	<b>-</b>	<b>3,041,020</b>	<b>222,682</b>	<b>3,263,702</b>
96720 Interest on Notes Payable (Short and Long Term)	-	-	-	-	90,490	-	90,490
<b>96700 Total Interest Expense and Amortization Cost</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,490</b>	<b>-</b>	<b>90,490</b>
<b>96900 Total Operating Expenses</b>	<b>362,423</b>	<b>355,232</b>	<b>7,269,372</b>	<b>(6,948,758)</b>	<b>49,718,836</b>	<b>1,604,617</b>	<b>51,323,453</b>
<b>97000 Excess of Operating Revenue over Operating Expenses</b>	<b>(57,835)</b>	<b>-</b>	<b>(212,146)</b>	<b>-</b>	<b>63,698,747</b>	<b>1,748,187</b>	<b>65,446,934</b>
97200 Casualty Losses - Non-capitalized	-	-	-	-	135,500	-	135,500
97300 Housing Assistance Payments	-	-	-	-	49,077,064	-	49,077,064
97350 HAP Portability-In	-	-	-	-	283,232	-	283,232
97400 Depreciation Expense	-	-	213,274	-	7,810,079	354,009	8,164,088
<b>90000 Total Expenses</b>	<b>362,423</b>	<b>355,232</b>	<b>7,482,646</b>	<b>(6,948,758)</b>	<b>107,024,711</b>	<b>1,958,626</b>	<b>108,983,337</b>
10010 Operating Transfer In	-	-	-	(5,442,213)	-	-	-
10020 Operating Transfer Out	-	-	-	5,442,213	-	-	-
<b>10100 Total Other financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>10000 Excess of Total Revenue Over Total Expenses</b>	<b>(57,835)</b>	<b>-</b>	<b>(425,420)</b>	<b>-</b>	<b>6,392,872</b>	<b>1,394,178</b>	<b>7,787,050</b>
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	448,268	20,472	(2,752,614)	-	(7,636,545)	-	(7,636,545)
<b>11030 Beginning Net Position</b>	<b>-</b>	<b>-</b>	<b>5,885,279</b>	<b>-</b>	<b>207,327,076</b>	<b>335,802</b>	<b>207,662,878</b>
<b>Ending Net Position</b>	<b>\$ 390,433</b>	<b>\$ 20,472</b>	<b>\$ 2,707,245</b>	<b>\$ -</b>	<b>\$ 206,083,403</b>	<b>\$ 1,729,980</b>	<b>\$ 207,813,383</b>



**RUBINO**  
STRENGTH IN NUMBERS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED  
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners  
Housing Authority of the Birmingham District  
Birmingham, Alabama

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Birmingham District (the Authority), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 6, 2025. Our report includes a reference to other auditors who audited the financial statements of the discretely presented component unit, as described in our report on the Authority's financial statements. This report does not include the results of other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the discretely presented component unit was not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding No. 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding No. 2024-002 to be a significant deficiency.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **The Authority's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bethesda, Maryland  
June 6, 2025



**RUBINO**  
STRENGTH IN NUMBERS

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

Board of Commissioners  
Housing Authority of The Birmingham District  
Birmingham, Alabama

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the Housing Authority of the Birmingham District's (the Authority's) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

***Basis for Opinion on Each Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Authority's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Authority's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Other Matters***

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Finding No. 2024-002 and 2024-003. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding No. 2024-002 and 2024-003 to be significant deficiencies.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in black ink. The signature is written in a cursive style and reads "Rubins & Company". The word "Rubins" is written in a large, flowing script, followed by an ampersand "&" and the word "Company" in a similar but slightly smaller script.

Bethesda, Maryland  
June 6, 2025

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year ended June 30, 2024**

<b>Federal Grantor/Program or Cluster Title</b>	<b>Federal Assistance Listing Number</b>	<b>Pass-through Identifying Number</b>	<b>Total Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development (HUD):</b>			
Public and Indian Housing	14.850	N/A	\$ 28,988,885
Public Housing Capital Fund	14.872	N/A	14,234,696
Housing Voucher Cluster:			
Section 8 Housing Choice Vouchers	14.871	N/A	54,342,445
Mainstream Vouchers	14.879	N/A	938,474
Emergency Housing Choice Vouchers	14.871	N/A	927,326
Total Housing Choice Vouchers			<u>56,208,245</u>
Resident Opportunity and Supportive Services	14.870	N/A	168,719
Public Housing Family Self-Sufficiency under ROSS	14.877	N/A	281,724
Choice Neighborhood Implementation Grant	14.889	N/A	<u>355,232</u>
Total HUD Expenditures			100,237,501
<b>U.S. Department of Labor:</b>			
Youthbuild Program	17.274	N/A	303,079
<b>Federal Communications Commission:</b>			
Affordable Connectivity Outreach Grant Program	32.011	N/A	<u>51,684</u>
TOTAL FEDERAL EXPENDITURES			<u><u>\$ 100,592,264</u></u>

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES AND FEDERAL AWARDS**  
**Year ended June 30, 2024**

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**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Housing Authority of the Birmingham District (the Authority) under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*. Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

**NOTE 3. SUBRECIPIENTS**

The Authority did not pass through any federal awards to subrecipients during the year ended June 30, 2024.

**NOTE 4. INDIRECT COST RATE**

The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year ended June 30, 2024**

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**SECTION I – SUMMARY OF AUDITORS’ RESULTS**

**Financial Statements**

- |  |            |
|--|------------|
| 1. Type of auditors’ report issued:  | Unmodified |
| 2. Internal control over financial reporting:  |            |
| a. Material Weakness(es) identified?   | Yes        |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)? | Yes        |
| 3. Noncompliance material to financial statements noted?                                       | No         |

**Federal Awards**

- |   |                    |
|---|--------------------|
| 4. Internal control over major programs:  |                    |
| a. Material weakness(es) identified?  | No                 |
| b. Significant deficiency(ies) identified that are not considered to be material weakness(es)?                          | Yes                |
| 5. Type of auditors’ report issued on compliance for major programs:  | Unmodified         |
| 6. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Uniform Guidance? | Yes                |
| 7. Identification of major federal programs:  | Federal Assistance |
| <u>Name of Federal Program or Cluster</u>   | <u>Listing No.</u> |
| Housing Voucher Cluster   | 14.871/14.879      |
| 8. Dollar threshold used to distinguish between Type A and Type B programs:   | \$ 3,000,000       |
| 9. Auditee qualified as low-risk auditee under Uniform Guidance, section 530?   | No                 |

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year ended June 30, 2024**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Finding 2024-001: Inadequate Controls Over Financial Reporting (Material Weakness)**

**Condition:** The Authority did not have adequate controls over the financial reporting process and, as a result, material adjustments were posted related to the prior year.

**Criteria:** The Authority should maintain appropriate controls over the financial reporting process to prevent or detect and correct material misstatements.

**Cause:** The Authority did not have the appropriate controls over the financial reporting process to prevent or detect and correct material misstatements.

**Effect:** The Authority recorded numerous material adjustments, resulting in material changes account balances, including a prior period adjustment of \$7,636,545.

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure that year-end adjustments and reconciliations are performed in a timely and accurate manner.

**Views of Responsible Officials:** The Authority agrees with the finding.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year ended June 30, 2024**

---

**SECTION II – FINANCIAL STATEMENT FINDINGS (CONTINUED)**

**Finding 2024-002: Late Submission of Financial Statements to FAC and REAC (Significant Deficiency)**

**Condition:** The Authority did not submit its audited financial statements to the Federal Audit Clearinghouse and to REAC by the required due dates.

**Criteria:** Per 2 CFR Section 200.512, the Authority is required to submit the Data Collection Form and the rest of the reporting package within the earlier of 30 calendar days after receipt of the auditor’s report or nine months after the end of the audit period. Per 2 CFR Section 902.33, the Authority is required to submit its audited Financial Data Schedule (FDS) and audited financial statements no later than 9 months after the PHA’s fiscal year end.

**Cause:** The Authority did not have the proper controls in place to ensure the audited financial statements were submitted on time.

**Effect:** The Authority did not submit its audited financial statements to the Federal Audit Clearinghouse or to REAC by the required due date.

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure the financial reporting package and audited financial statements are submitted by the required due date.

**Views of Responsible Officials:** The Authority agrees with the finding.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended June 30, 2024**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

**Finding 2024-002: Late Submission of Financial Statements to FAC and REAC (Significant Deficiency)**

**Federal Agency: U.S. Department of Housing and Urban Development**  
**Federal Program Title: Housing Voucher Cluster**  
**Federal Assistance Listing Number: 14.871/14.879**  
**Compliance Requirement: Reporting**

**Criteria:** Per 2 CFR Section 200.512, the Authority is required to submit the Data Collection Form and the rest of the reporting package within the earlier of 30 calendar days after receipt of the auditor’s report or nine months after the end of the audit period. Per 2 CFR Section 902.33, the Authority is required to submit its audited Financial Data Schedule (FDS) and audited financial statements no later than 9 months after the PHA’s fiscal year end.

**Condition:** The Authority did not submit its audited financial statements to the Federal Audit Clearinghouse and to REAC by the required due dates.

**Context:** PHAs are required to submit an audited FDS and audited financial statements to REAC within 9 months of year end, as well as submit audited financial statements and a Data Collection Form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of auditor’s report or nine months after the end of the audit period. The Authority did not submit its audited FDS and financial statements by the required due dates.

**Effect:** The Authority did not submit its audited financial statements to the Federal Audit Clearinghouse or to REAC by the required due date.

**Cause:** The Authority did not have the proper controls in place to ensure the audited financial statements were submitted on time.

**Repeat Finding:** This is a repeat finding.

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure the financial reporting package and audited financial statements are submitted by the required due date.

**Views of Responsible Officials:** The Authority agrees with the finding.

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**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended June 30, 2024**

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**SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS  
(CONTINUED)**

**Finding 2024-003: Missing Unit Inspections (Significant Deficiency)**

**Federal Agency: U.S. Department of Housing and Urban Development**  
**Federal Program Title: Housing Voucher Cluster**  
**Federal Assistance Listing Number: 14.871/14.879**  
**Compliance Requirement: Special Tests and Provisions**

**Criteria:** Per 24 CFR, the Authority must inspect the unit leased to a family at least biennially to determine if the unit meets Housing Quality Standards and the Authority must conduct quality control re-inspections.. Per the Authority’s internal policies and procedures, an annual inspection is required for each unit.

**Condition:** The Authority did not inspect each unit at least once during a 24-month period.

**Context:** Out of the 40 units selected for testing, 6 of them did not have a timely inspection performed during the 24-month period.

**Effect:** The Authority did not comply with its internal requirements to comply with 24 CFR.

**Cause:** The Authority did not have the proper controls in place to ensure the bi-annual inspections were performed.

**Repeat Finding:** This is not a repeat finding.

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure the bi-annual inspections are performed and on time.

**Views of Responsible Officials:** The Authority agrees with the finding.

**HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**Year ended June 30, 2024**

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**Finding 2023-001: Inadequate Controls Over Financial Reporting (Material Weakness)**

**Condition:** The Authority did not have adequate controls over the financial reporting process and, as a result, material adjustments were posted related to the prior year.

**Current Year Status:** This finding was repeated in the current year.

**Finding 2023-002: Late Submission of Financial Statements to FAC and REAC (Significant Deficiency)**

**Condition:** The Authority did not submit its audited financial statements to the Federal Audit Clearinghouse and to REAC by the required due dates.

**Current Year Status:** This finding was repeated in the current year.



President and CEO  
Dontrelle Young Foster

## HOUSING AUTHORITY OF THE BIRMINGHAM DISTRICT

**Board of Commissioners**  
DeJuana L. Thompson, Chairwoman  
Abra A. Barnes, Vice-Chair  
Anthony C. Hood, Commissioner  
D. G. Pantazis, Jr., Commissioner  
Alyshia Cook, Commissioner

### **CORRECTIVE ACTION PLAN**

The Housing Authority of Birmingham District respectfully submits the following corrective action plan for the year ended June 30, 2024.

Audit period: July 1, 2023 – June 30, 2024

The findings from the schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

#### **SECTION II – FINANCIAL STATEMENT FINDINGS**

##### **Finding 2024-001: Inadequate Controls Over Financial Reporting (Material Weakness)**

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure that year-end adjustments and reconciliations are performed in a timely manner .

**Explanation of disagreement with audit finding:** There is no disagreement.

**Action taken in response to finding:** The Authority has implemented a year-end closing process to ensure all accounts are properly reconciled. Due to the changes in the financial data in the prior year audits, the Agency was unable to obtain an accurate beginning balance sheet data, which impacted current years financial reporting process. The Authority has rectified the issues that warranted prior year adjustments, including restatement of FY23 audited financial statements, as prior year audits have been approved with no further changes in historical data. Additionally, The Authority has restructured the accounting team and implemented multiple internal controls, policy and procedures over financial reporting.

**Name of the contact person responsible for corrective action:** Dontrelle Young Foster, Executive Director

**Planned completion date for corrective action plan:** We expect to have the finding resolved by March 31, 2026.

##### **Finding 2024-002: Late Submission of Financial Statements to FAC and REAC (Significant Deficiency)**

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure the financial reporting package and audited financial statements are submitted by the required due date.

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**Explanation of disagreement with audit finding:** There is no disagreement.

**Action taken in response to finding:** Along with FY22 financial data changes to the Financial Data Schedule, and changes to the FY23 Financial Data Schedule and the issuance of FY23 audit on March 21, 2025, caused a delay in the finalization of the FY24 Financial Data Schedule submission.

With the completion of the HUD requested changes, the Agency anticipates future submissions to be timely and accurate without continuous changes to balance sheet accounts. Additionally, The Authority has restructured the accounting team and implemented multiple internal controls, policy and procedures over financial reporting.

To ensure a timely audit, the finance team and the auditors maintain clear and detailed communication throughout the entire process.

Additionally, confirm that the auditors have sufficient capacity to complete the audit within the agreed-upon timeline.

**Name of the contact person responsible for corrective action:** Dontrelle Young Foster, Executive Director

**Planned completion date for corrective action plan:** We expect to have the finding resolved by March 31, 2026.

**Finding 2024-003: Missing Unit Inspections (Significant Deficiency)**

**Recommendation:** The Authority should review and enhance its policies, procedures, and internal controls to ensure the bi-annual inspections are performed and on time.

**Explanation of disagreement with audit finding:** There is no disagreement.

**Action taken in response to finding:** The Authority has hired inspectors to expand staffing capacity and fill previously vacant roles in order to ensure inspections are completed timely. The Agency is current with inspections at this time.

If the U.S. Department Housing and Urban Development has questions regarding this plan, please call Dontrelle Foster at (205) 521-0623.

Sincerely,

A handwritten signature in black ink that reads "Dontrelle Young Foster". The signature is written in a cursive, flowing style.

Dontrelle Young Foster

President & Chief Executive Officer

## C.1 Resident Advisory Board (RAB) Comments



Narrative to describe the analysis of the RAB recommendations and the decisions made on those recommendations.

## C.2 Certification by State or Local Officials



Form HUD 50077-SL, Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan.

### C.3 Civil Rights Certification



Form HUD-50077-ST-HCV-HP, PHA Certifications of Compliance with the PHA Plans and Related Regulations, must be submitted by the PHA as an electronic attachment to the PHA Plan