

5-Year PHA Plan (for All PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 09/30/2027
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services. They also inform HUD, families served by the PHA, and members of the public of the PHA's mission, goals, and objectives for serving the needs of low-, very low-, and extremely low- income families.

Applicability. The **Form HUD-50075-5Y** is to be completed once every 5 PHA fiscal years by all PHAs. PHAs with zero public housing units must continue to comply with the PHA Plan requirements until they closeout their Section 9 programs (ACC termination).

A.	PHA Information.
A.1	PHA Name: <u>Housing Authority of the County of Santa Cruz</u> PHA Code: <u>CA072</u> PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/01/2026</u> The Five-Year Period of the Plan (i.e. 2019-2023): <u>2025-2030</u> PHA Plan Submission Type: ☐ 5-Year Plan Submission ☒ Revised 5-Year Plan Submission Public Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA and should make documents available electronically for public inspection upon request. PHAs are strongly encouraged to post complete PHA Plans on their official websites and to provide each resident council with a copy of their PHA Plans. The Housing Authority of the County of Santa Cruz (HACSC) makes its Annual Plan, MTW Supplement to the Annual Plan, Section 8 Administrative Plan, and all required Plan Elements available for public review and inspection. These documents may be accessed electronically at https://hacosantacruz.org/general-information/agency-plans/ or reviewed in person at HACSC's public lobby, located at 2160 41st Avenue, Capitola, California. The public lobby is open Monday through Thursday, from 8:00 a.m. to 4:30 p.m., excluding published holidays. Information related to the public hearing and proposed PHA Plan is available at the same locations. Copies may be provided upon reasonable request.

☐ PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below.)					
Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program	
				PH	HCV
Lead PHA:					

B.	Plan Elements. Required for all PHAs completing this form.
B.1	Mission. State the PHA's mission for serving the needs of low-, very low-, and extremely low-income families in the PHA's jurisdiction for the next 5 years. The Housing Authority of the County of Santa Cruz is committed to advancing access to affordable housing and a thriving community free from discrimination by providing affordable housing and delivering inclusive services to our diverse community with compassion and kindness. Our mission extends beyond shelter, utilizing housing as a catalyst to promote equity, economic mobility, dignity, stability, improved quality of life, and a place to call home.

B.2 **Goals and Objectives.** Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income, very low-income, and extremely low-income families for the next 5 years.

Attached to this 5-Year Plan revision is Attachment A and Attachment B. The Housing Authority is amending this section to include the information in Attachment A and Attachment B.

1. Goal: Expand Housing Choice Voucher Program Objectives:

Objectives:

- a. Achieve and Maintain a Housing Choice Voucher (HCV) utilization rate of 99% for the entire HCV program group
- b. Increase size of rental assistance programs by at least new 250 vouchers
- c. Increase total number of households assisted by at least 350 households
- d. Increase number of landlords participating in the HCV program by at least 100

2. Goal: Expand supply of affordable housing

Objectives:

- a. Increase the size of project-based voucher program by at least 500 units under HAP contract, with at least 400 of those units provided to new affordable housing developments
- b. Establish an affordable housing pipeline, with a minimum of 100 new affordable units constructed and/or entitled, through Housing Authority nonprofit or affiliated entity
- c. Enter into one or more co-development partnerships with existing affordable housing developers to develop new affordable housing and to obtain Low Income Housing Tax Credit (LIHTC) experience required to apply for future tax credits for Housing Authority projects

3. Goal: Improve quality of affordable housing

Objectives:

- a. Install solar photovoltaic panels to provide clean renewable energy at the 6 properties identified through the Solar on Multifamily Affordable Housing Program assessment.
- b. At applicable properties, convert existing natural gas appliances which includes hot water boilers and cooking ranges to an electric or other green energy source system.

4. Goal: Improve housing choices for assisted families

Objectives:

- a. Conduct FMR study bi-annually to ensure FMRs keep pace with market rents, and to maximize funding
- b. Offer voucher mobility counseling services to voucher holders, such as workshops on how to search for rental housing, preparation of rental resumes, etc.

5. Goal: Improve agency and program management

Objectives:

- a. Survey key stakeholders periodically, including but not limited to landlords and assisted families to identify areas for improvement in programs,

services, and operations

6. **Goal: Utilize housing as a catalyst to promote equity, mobility, and improved quality of life**

Objectives:

- a. Promote asset development through implementation and evaluation of HUD MTW Asset Building Savings for YOU Program
- b. Identify strategies and best practices for extending or expanding the Savings for YOU Program beyond the initial cohort
- c. Implement Board-Approved Resident Services Plan, with multi-generational services available to all tenants of Housing Authority owned or managed properties to improve quality of life.
 - i. Youth – Services targeted primarily to school age children and young adults, including scholarships, summer enrichment activities and tutoring
 - ii. Families – Services including workforce development and financial workshops and coaching
 - iii. Seniors – Services including senior support case management and assistance in access to public benefits
- d. Evaluate Resident Services periodically to measure efficiency and impact of existing services offered, to identify emerging needs, and to update Resident Services Plan

B.3

Progress Report. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.

1. Goal: Expand supply of assisted housing

- a. Apply for maximum award of additional rental assistance vouchers when available – The Housing Authority continues to apply for all voucher funding opportunities. The Housing Authority recently applied for an additional 15 HUD VASH vouchers and an additional 60 FUP vouchers; applications are pending HUD approval.
- b. Increase ACC of tenant-based voucher program by 200 new vouchers – The number of vouchers in our ACC has increased nearly 14% and exceeded our goal by 75%. From July 2020 to December 2024, the number of vouchers grew from 5,095 to 5,893 a net increase of 798. This includes 234 vouchers acquired through the Streamlined Voluntary Conversion, 280 Emergency Housing Vouchers (which are not permanent and will expire as families' attrition out of the program over time), 90 Mainstream Vouchers, 111 VASH vouchers, 41 Stability Vouchers, and 19 Foster Youth Independence (FYI) vouchers.
- c. Increase the size of project-based voucher program by 300 vouchers, with at least 150 of those vouchers provided to new affordable housing developments – The Housing Authority has exceeded this stated goal by over 35%. The number of vouchers under contract in our PBV Program has increased from 321 units in July 2020 to 728 units in December 2024, a significant increase of 407 units. , With an additional 825 units conditionally approved in the pipeline the Housing Authority is poised to continue this expansion. With the exception of 36 existing units, these represent new developments.
- d. Complete the development of a minimum of 6 new affordable units on Natural Bridges Drive – The Housing Authority has completed construction of 20 studio units at the site. Units are expected to be ready for occupancy in January 2025
- e. For new site based affordable housing, take measures to deconcentrate poverty and expand housing opportunity – The Housing Authority successfully transitioned all public housing to tenant protection vouchers and project-based vouchers, enabling enhanced mobility to high-opportunity areas. The Housing Authority project-based voucher Request for Proposals prioritizes equitable housing development by awarding additional points to projects located in low-poverty census tracts or highest-/high-opportunity areas.
- f. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:
 - i. Fund at least one full or part time housing development position, either among HA staff or through a consultant. The Housing Authority hired a fulltime development director that was filled in October 2024. The Housing Authority has contracted with an external construction project manager and will continue to build capacity within staff as well as working with external consultants as needed.
 - ii. Expand into affordable housing development and/or partner with developers. The Housing Authority has secured administrative and funding flexibility through the MTW demonstration program to support the development of affordable housing and issued a Request for Qualifications for co-development partners in August 2024. Staff continue to pursue opportunities to engage in real estate activities including the acquisition, development, disposition, and financing of affordable housing, consistent with strategies approved by the Board of Commissioners

2. Goal: Improve quality of assisted housing

- a. Renovate or modernize existing housing units and complexes as needed – The Housing Authority has overseen 53 complete unit modernizations since 2020, including painting, fixture replacements, and various upgrades.

3. Goal: Increase assisted housing choices

- a. Conduct FMR study bi-annually to continually increase voucher payment standards – The Housing Authority conducts FMR

studies at least bi-annually. The FMR study conducted in June 2023 increased FMRs by more than 20% over the previous year's rates and the Housing Authority increased payment standards effective January 1, 2024. A new FMR study is planned for early 2025.

- b. Continue or expand Landlord Incentive Program by allocating up to \$200,000 to the program – The Landlord Incentive Program budget has decreased over time, with approximately \$62,000 available from the jurisdictions, and \$50,000 available from New Horizons Affordable Housing and Development. Although we anticipated a need of up to \$200,000 in funding when the program was initially developed, the programs have been scaled down to match the funding need, based on historical data regarding consumption of funds.
- c. Increase number of landlords participating in Section 8 voucher program by 10% – The Housing Authority does not have data on the number of landlords at the beginning of the 5-year plan period, due to a software conversion and change in reporting. However, the Housing Choice Voucher Program has seen a 5.8% rise in participating landlords during the 2023-2024 calendar years alone, starting 2023 with 1,852 landlords and concluding 2024 with 1,964 landlords participating.

4. Goal: Improve agency and program management

- a. Maintain high performer status with a SEMAP score of at least 95% – The Housing Authority has maintained high performer status for SEMAP. However, with MTW designation, SEMAP is no longer applicable.
- b. Achieve and maintain high voucher and funding utilization rates of at least 95% – Voucher utilization rate is 97.1% as of the end of FY 2023-2024.
- c. Implement landlord portal with features including document uploading and electronic signature on contracts – the Housing Authority has implemented the landlord portal through YARDI Rent Café and has implemented DocuSign for executing contracts.
- d. Implement resident portal with features including online annual re-examination forms, document uploading, and online maintenance requests – the Housing Authority has implemented the resident portal through YARDI Rent Café.
- e. Implement applicant portal with features including online access to application status, online application updates – The Housing Authority has implemented the applicant portal through YARDI Rent Café.

The Housing Authority plans to utilize pre-MTW designated former Low-Income Public Housing (LIPH) reserves to address long-term financial obligations by transferring funds into an irrevocable Section 115 pension trust. This strategic use of reserves will help mitigate the agency's unfunded pension liability, ensuring future financial sustainability and the continued delivery of housing services.

If Section 22 SVC is completed:

- f. Conduct a survey of residents and program participants to determine which programs and services are most needed – The Housing Authority conducted a stakeholder survey of 1) HCV/PBV families; 2) Residents of HA owned or controlled properties, and 3) Landlords, and is in the process of using the data to inform service delivery and program development.

5. Goal: Promote self-sufficiency and asset development of families and individuals.

- a. If Section 22 SVC is completed: Consider utilizing revenue from non-profit affiliate to:
 - i. Provide or attract at least two new supportive services to improve tenant employability –
 - 1. The Housing Authority's collaboration with a local Internet provider has successfully secured free high-speed internet for seven of our properties. This initiative aims to provide digital access to numerous households, aligning with our commitment to bridging the digital divide and supporting families through the Equal Access Santa Cruz program, furthering our goal of promoting self-sufficiency and asset development.
 - 2. The Housing Authority's ongoing partnership with the Santa Cruz Metropolitan Transit District (METRO) provides free bus passes for residents living in any of the Housing Authority's owned and

controlled properties. This initiative removes barriers to mobility, empowering tenants and expanding their employability prospects.

- ii. Provide or attract at least two new supportive services to improve financial literacy
– The Housing Authority launched the Saving for YOU Program, a financial empowerment initiative focused on asset building. In collaboration with Ventures, an organization specializing in financial health education and personalized coaching, the program aims to equip participants with tools for long-term financial success. To date, we have conducted multiple workshops, both in-person and online, covering topics such as budgeting, credit, and savings strategies. Additionally, a number of households have chosen to participate in one-on-one coaching sessions, further enhancing their financial skills and knowledge.

6. Goal: Ensure equal opportunity and affirmatively furthering fair housing

- a. Take affirmative measures to ensure access to assisted housing for all protected classes or persons least likely to access assistance – The Housing Authority monitors to ensure all protected classes and persons least likely to apply have adequate representation in Housing Authority programs and waiting lists.
- b. Implement measures to deconcentrate poverty and expand housing opportunity, such as regional payment standards, policies that do not limit frequency of transfer, and consideration of poverty rates in assignment of project-based vouchers – The Housing Authority has taken many measures to expand housing opportunity, including bi-annual FMR studies that result in increased payment standards, regional payment standards that allow greater subsidy in more expensive neighborhoods, lengthy voucher search times of 270 days, and unlimited moves and transfers.

B.4

Violence Against Women Act (VAWA) Goals. Provide a statement of the PHA's goals, activities, objectives, policies, or programs that will enable the PHA to serve the needs of survivors of domestic violence, dating violence, sexual assault, or stalking.

- a. **Goals and Objectives:** The Housing Authority goal is all applicants, tenants and participants understand their rights to protection through the Violence Against Women Act (VAWA). The objective is for the Housing Authority to provide the educational material to all applicants, tenants and participants. The Housing Authority serves the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking through education on VAWA protections.
- b. **Activities and Services:** The Housing Authority activity that enables the PHA to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking is to provide all applicants, participants and tenants with the HUD Notice of Occupancy Under VAWA (HUD-5380) and Certification of VAWA (HUD-5382) forms which includes local and national resources for victims. Additional activities include transferring victims through the Housing Authority Emergency Transfer procedure and referring victims to social service and law enforcement agencies with expertise in domestic violence and other VAWA crimes. Housing Authority activities ensure that victims are not denied assistance, evicted, terminated from housing assistance, or retaliated against in any way for being a victim or being affiliated with a victim of domestic violence, dating violence, sexual assault or stalking.
- c. **Policies and Programs:** The Housing Authority has established policies and procedures to serve the needs of child and adult victims of domestic violence, dating violence, sexual assault or stalking. These policies and procedures implement VAWA protections. These include Violence Against Women Act (VAWA) Procedures, Violence Against Women Act (VAWA) Emergency Transfer Plan, and Termination and Non-Compliance Policy. The Housing Authority has developed a prevention program, the Emergency Transfer Plan that complies with VAWA. For families renting units owned or managed by the Housing Authority, agency staff also work closely with local law enforcement to address any and all crime-related problems in a proactive manner. Police officers live at several public housing locations and can assist with crime prevention and reporting.

B.5	Project-Based Activities. If a PHA intends to select one or more projects for project-based assistance without competition in accordance with 24 CFR 983.51(c), the PHA must include a statement of this intent. <u>The Housing Authority may select projects that it owns or manages for project-based assistance without competition, in accordance with MTW waiver 9.c., as approved by HUD.</u>
C.	Other Document and/or Certification Requirements.
C.1	Significant Amendment or Modification. Provide a statement on the criteria used for determining a significant amendment or modification to the 5-Year Plan. <u>The Housing Authority is revising its definition of Significant Amendment and Substantial Deviation / Modification to be as follows: Significant Amendment:</u> <u>Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A significant amendment may also include anything that HUD requires to be a significant amendment.</u> <u>A significant amendment specifically excludes the following:</u> <u>• Changes to the unit mix or count of units converted under an approved conversion</u> <u>• Changes to the number of Restore Rebuild units designated for a specific property</u> <u>• Changes to the relocation plan produced as a result of an approved conversion</u> <u>• Changes to the financing structure for an approved conversion</u> <u>• Changes to the construction and rehabilitation plans for an approved conversion</u> <u>• Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds</u> <u>• The decision to convert to either Project-Based Vouchers or Project-</u>

Based Rental Assistance under RAD

Substantial Deviation / Modification:

Any change in policy which significantly alters the Authority's stated mission and the people the Authority serves, which includes admissions preferences and demolition or disposition activities. A substantial deviation / modification may also include anything that HUD requires to be a substantial deviation / modification.

A substantial deviation / modification specifically excludes the following:

- Changes to the unit mix or count of units converted under an approved conversion
- Changes to the number of Restore Rebuild units designated for a specific property
- Changes to the relocation plan produced as a result of an approved conversion
- Changes to the financing structure for an approved conversion
- Changes to the construction and rehabilitation plans for an approved conversion
- Changes to the Capital Fund Budget as a result of each approved conversion, regardless of whether the proposed conversion will include the use of additional Capital Funds
- The decision to convert to either Project-Based Vouchers or Project-Based Rental Assistance under RAD

~~Significant Amendment – The Housing Authority defines significant amendment as any change in policy which significantly and substantially alters the Authority's stated mission and the people the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant with the Authority's stated overall mission and basic objectives will not be considered significant amendments.~~

~~Substantial Deviation / Modification – The Housing Authority defines substantial deviation/modification as any change in policy which significantly and substantially alters the Authority's stated mission and the persons the Authority serves. This would include admissions preferences, demolition or disposition activities and conversion programs. Discretionary or administrative amendments consonant~~

C.2	Resident Advisory Board (RAB) Comments. (a) Did the RAB(s) have comments to the 5-Year PHA Plan? Y N ☐ ☐ (b) If yes, comments must be submitted by the PHA as an attachment to the 5-Year PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.
C.3	Certification by State or Local Officials. Form HUD-50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public. (a) Did the public challenge any elements of the Plan? Y N ☐ ☐ (b) If yes, include Challenged Elements.



Attachment A

The Housing of the County of Santa Cruz Housing Authority (HACSC) is amending its Annual and Five-Year Plans as it has received a preliminary reservation of Rental Assistance Demonstration (RAD) authority under the Restore-Rebuild Program. As a result, HACSC will be:

1. Constructing a new affordable housing project and converting it to the RAD Project-Based Voucher Program, in accordance with PIH Notice H-2019-09 PIH-2019-23 (HA), REV-4 and any successor Notices, using Restore-Rebuild RAD authority.
2. Acquiring an existing affordable housing project and converting it to the RAD Project-Based Voucher (PBV) Program under the guidelines of PIH Notice H-2019-09 PIH-2019-23 (HA), REV-4 and any successor Notices using Restore-Rebuild RAD authority.

HACSC has proposed three sites, which will consist of 194 units.

Development	Project Type	Unit Type	0BR	1BR	2B2	3BR	Total
2021 Chanticleer	New Construction	Family	12	18	15	15	60
750 Bay Avenue	Acquisition	Elderly	0	42	27	0	69
Good Shepherd	New Construction	Family	0	31	17	17	65
Total			12	91	59	32	194

2021 Chanticleer

2021 Chanticleer is a new construction project consisting of three-story elevator building at 2021 Chanticleer and 2030 17th Avenue, Santa Cruz, CA. HACSC anticipates using MTW funds and low-income housing tax credits to finance the project. HACSC will continue to consider other sources as necessary. Financial closing is estimated to be complete by November 2027 and HACSC expects the project to open by mid-2029.

750 Bay Avenue

750 Bay Avenue is an existing 109-unit tax credit project for elderly families at 750 Bay Ave, Capitola, CA that is owned by a third-party organization. HACSC is considering financing options and closing dates for acquisition. HACSC intends to convert the project to RAD immediately upon both purchase of the property and HUD approval of the conversion.

HACSC intends to continue serving elderly families at the property and does not expect that any existing residents will be displaced as a result of the conversion.

Good Shepherd

Good Shepherd will be a new construction project consisting of multiple multi-story buildings on the site. Financing and design options are being considered and HACSC anticipates using MTW funds and low-income housing tax credits to finance the project. HACSC will consider other sources as necessary.

Conversion to RAD

HACSC anticipates converting all units to the Project-Based Voucher (PBV) Program. Ownership of the units will be held by New Horizons Affordable Housing and Development, Inc., a non-profit instrumentality of HACSC, or some other entity created by HACSC.

Upon conversion to the PBV, HACSC will adopt the resident rights, participation, waiting list and grievance procedures listed in Section 1.6, Attachment 1B of the RAD Notice H-2019-09 PIH-2019-23 Rev. 4, the RAD Fair Housing, Civil Rights, and Relocation Notice - Notice H 2016-17, PIH 2016-17 (HA), PIH-2012-32 and the Joint Housing/PIH Notice H-2014-09/ PIH-2014-17 (Attachments C, D and E). These resident rights, participation, waiting list and grievance procedures are appended below as Attachment B. HACSC will utilize an elderly preference for 750 Bay Avenue but does not plan on adopting any new waiting list preferences related to the other projects.

Additionally, HACSC is currently compliant with all fair housing and civil rights requirements. The RAD conversion complies with all applicable site selection and neighborhood reviews standards and all appropriate procedures have been and will be followed. HACSC is not under a Voluntary Compliance Agreement, consent order or consent decree or final judicial ruling or administrative ruling or decision and assures that compliance will not be negatively impacted by conversion activities.

HACSC is firmly committed to improving the quality of life for its residents and providing deeply affordable housing to low-income individuals and families. HACSC will have the ability to evaluate and address capital needs improvements at both properties. This is consistent with HACSC's PHA Plan and mission to promote adequate and affordable housing, economic opportunity and a suitable living environment free from discrimination.

HACSC intends to augment the RAD rents using Moving to Work funds and certifies that it will continue to meet the MTW substantially the same (STS) requirement.

HACSC does not currently have any Public Housing units and does not receive Capital Funds. Therefore, HACSC does not have a Capital Funds Program Grants Budgets and Five-Year Capital Action Plan that will be adjusted as a result of the conversion.



Attachment B

(Language below is inserted from Notice H-2019-09 PIH-2019-23 (HA))

- 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.³⁶ 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 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

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: 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 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.

HACSC will use a 3-year phase in period.

- 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. 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. 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.

For information on FSS PIC reporting requirements for RAD conversions, see Notice PIH 2016-08 at <http://portal.hud.gov/hudportal/documents/huddoc?id=pih201608.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 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),⁴⁰ 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.

- 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. 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.

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 underoccupied 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.

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.
- 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.

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 communitywide 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).

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.

HACSC intends to utilize an elderly preference for 750 Bay Avenue.

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 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).