Public Housing Agency (PHA) Plan

Desk Guide

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Office of Policy, Program and Legislative Initiatives

Please Note:

This Desk Guide is current as of September 20, 2001. Changes in regulations or additional guidance, as they are published, will modify the content of this guide.

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Section One
Introduction

1.1 What is the PHA Plan?

The PHA Plan is a comprehensive guide to public housing agency (PHA) policies, programs, operations, and strategies for meeting local housing needs and goals. There are two parts to the PHA Plan: the Five-Year Plan, which each PHA submits to HUD once every fifth PHA fiscal year, and the Annual Plan, which is submitted to HUD every year. It is through the Annual Plan that a PHA receives capital funding and/or Public Housing Drug Elimination Program (PHDEP) funding.

Section 511 of the Quality Housing and Work Responsibility Act (QHWRA) of 1998 created the public housing agency Five-Year and Annual Plan requirement. The Five-Year Plan describes the mission of the agency and the agency's long-range goals and objectives for achieving its mission over a five-year period, and their approach to managing programs and providing services for the upcoming year. The PHA Plan also serves as the annual application for grants to support improvements to public housing buildings (Capital Fund Program) and safety in public housing (Public Housing Drug Elimination Program).

Any local, regional or State agency that receives funds to operate Federal public housing or Section 8 tenant-based assistance (vouchers) programs must submit a PHA Plan. The law considers these agencies to be public housing agencies even though they may not be called a PHA locally. For example, State Housing Finance Agencies that administer vouchers are considered PHAs and required to submit a PHA Plan.

1.2 Congressional Intent and Purpose in Creating the PHA Plan Requirement

The Quality Housing and Work Responsibility Act (QHWRA) of 1998 provided more flexibility and discretion for PHAs to use funding to address the needs of low-income families. The PHA Plan is Congress's way of ensuring that the PHA is accountable to the local community for choices it makes with this flexibility.

With the creation of the PHA Plan requirement, the law specified both the type of information that should be included in the plan – the content of the Plan – and the steps a PHA must go through to obtain resident and public involvement in the plan – the process for its development. In addition, the law required that the plan be consistent with the housing and community development plans of the community (as described in the jurisdiction's Consolidated Plan).

To ensure public participation in the process, PHA Plans, including attachments and supporting documents, must be available for inspection by the public at the principal office of the PHA during normal business hours both during the public review period prior to the board hearing and submission to HUD, as well as after HUD approval of the PHA Plan. HUD encourages PHAs to make the PHA Plan available at the principal business office(s) of the jurisdiction(s) served by the PHA if different from the PHA's principal office (or of several of the jurisdictions served by the PHA if the PHA covers a large jurisdiction). PHAs are also encouraged to make the PHA Plan and attachments available at other locations, such as libraries or community centers and on PHA or community web sites.

1.3 How the PHA Plan Can Serve as a Strategic Planning Tool

With the passage of the QHWRA, PHAs have many more "tools" to manage their programs. These tools include: flexible rent structures and payment standards; new admissions and occupancy procedures (including

site-based waiting lists); alternative management options; steady formula funding for capital and drug elimination programs; replacement of obsolete public housing with vouchers; and strengthened ties to Temporary Assistance to Needy Families (TANF) and Community Development Block Grant (CDBG) agencies. The PHA Plan is the opportunity for the PHA to fully consider these tools and then inform the public how the PHA will use them. The PHA Plan process is an annual opportunity to determine the role of the PHA in the community – now and in the future. Strategic planning helps the PHA decide what mechanisms it will use to reach its goals.

PHA Plan as a Strategic Planning Tool

The PHA Plan essentially walks the PHA through the strategic planning process because the Plan components reflect a basic organizational planning process.

- The PHA **assesses the housing needs** of the community;
- the PHA **identifies the financial and other resources** available to the PHA to help address those needs;
- the PHA **establishes goals and strategies** for addressing the needs identified; and
- the PHA translates these strategies into **policies and programs.**

1.4 How the PHA Resident Community Is Involved in the PHA Plan Process

The PHA's resident community plays an important role in the development of the PHA Plan. Residents can ensure that their needs are being addressed and become more involved in issues that directly affect them. In addition, through involvement in the PHA Plan, residents will be more aware of the process that the PHA undergoes to prioritize agency activities. PHAs also benefit by working with residents since the residents can provide important information regarding the physical condition of the developments, physical or

management improvements that are needed, and resident self-sufficiency needs. This information helps PHAs to prioritize capital improvement activities and obtain supportive services for residents.

PHAs are required to establish one or more Resident Advisory Boards (RAB) to enable residents to advise the PHA in Plan development. The membership consists of individuals who reflect and represent the residents assisted by the PHA. The RAB makes recommendations regarding the development of the PHA Plan, and any significant amendments or modifications to the Plan. The RAB process and requirements are discussed more fully in Section 4 of this Guide.

1.5 What This Desk Guide Provides

The Desk Guide provides comprehensive instructions on the development of a PHA Plan. The information presented here is based on HUD's regulations, notices, training materials, Field Office guidance, and frequently asked questions and answers posted on HUD's PHA Plans web site mentioned below. The Guide includes the following sections:

- Section One – Introduction
- Section Two – Overview of the PHA Plan Process
- Section Three – Review of the PHA Plan Template
- Section Four – The Resident Advisory Board (RAB)
- Section Five – Submitting the PHA Plan
- Section Six – HUD Review of the PHA Plan
- Section Seven – Amendments/Modifications to the Plan
- Appendix A – Resources for PHA Plan Development and Submission
- Appendix B – Glossary of Terms

Throughout the Desk Guide, you will see pushpin notes that indicate where source information can be found. The Code of Federal Regulations, cited as 24 CFR, can be found on-line at: http://www.access.gpo.gov/nara/cfr/. The Public and Indian Housing Notices, cited as "Notice PIH" can be found on the PIH web site at:

http://www.hud.gov/offices/pih/regs/index.cfm, or on the PHA Plans web site at: http://www.hud.gov/pih/pha/plans/phaps-home.html.

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Section Two
Overview of the PHA Plan Process

This section of the Desk Guide provides an overview of the PHA Plan process, including: the various types of plans, a sample timeline for the Plan's completion, sanctions imposed on a PHA that fails to complete and submit an approvable PHA Plan, and the requirement for Consortium PHAs to submit a joint PHA Plan. Finally, this section provides information on the various federal regulations and notices that have been published to date related to the PHA Plan.

2.1 Types of Plans and Performance Designation

See 24 CFR 903.11 and Notice PIH 2000-43

As described in Section 1 of the Desk Guide, the Public Housing Reform Act requires submission of both a Five-Year and an Annual Plan. The Five-Year PHA Plan describes the agency's mission and the long-term plan for achieving that mission over the subsequent five years. The Annual Plan provides details about the PHA's current programs and the resident population served, as well as the PHA's strategy for addressing the housing needs of currently assisted families and the larger community. The Plan also serves as the PHA's annual request for grants to support improvements to public housing buildings (through the Capital Fund Program) and safety in public housing (through the Public Housing Drug Elimination Program).

There are several types of PHA Plan submission. The type of submission depends upon the PHA's performance designation and/or its size. The Standard Plan is simply the full PHA Plan template. A high performer PHA or a small, non-troubled PHA with fewer than 250 units of public housing is

eligible to submit a streamlined version of the standard plan. In addition, a Section 8-only PHA (a PHA or government agency that administers Section 8 only) may also complete a streamlined submission.

Finally, a non-troubled PHA with a total of 250 or fewer units of public housing **and** 250 or fewer Section 8 vouchers is eligible to submit a further streamlined plan, a "Small PHA Plan Update" in years 2-5 of the five-year PHA Plan cycle. See Section 3.24 of this Guide for further discussion of the Small PHA Plan Update.

Exhibit 1 below describes the various types of PHA Plan submission.

Exhibit 1

Types of PHA Plan Submission	
Standard PHA Plan	The *standard plan* is simply the full PHA Plan template (Form HUD-50075). A PHA that has received a "standard" performance designation and is not a "small" PHA (less than 250 units of public housing) would submit a standard PHA Plan.
Streamlined PHA Plan	High-performing housing authorities, small non-troubled agencies (with less than 250 units of public housing) or agencies that operate only Section 8 tenant-based assistance are eligible to develop and submit *streamlined PHA Plan* submissions. As described in 24 CFR 903.11, streamlined submissions exempt eligible PHAs from submitting full statements in certain components of the annual plan for HUD review. The streamlined submission does *not*, however, exempt the PHA from either the Resident Advisory Board or public display requirements. In addition, the streamlined submission does not exempt these PHAs from developing the required and applicable policies, and including these policies as supporting documents to the Plan. The PHA Plan template and guidance specify which sections of the plan are exempt in the streamlined plans. (See Section 3 of the Guide.)
Troubled PHA Plan	Agencies that have been designated as "troubled," or are at risk of being designated as troubled, must complete all components of a standard PHA Plan and may be required by HUD's Troubled Agency Recovery Center (TARC) to submit additional information with its PHA Plan. Such additional information might include, for example, the PHA's operating budget, any applicable memorandum of agreement with HUD, or any other plan to improve performance.
Small PHA Plan Update	In an effort to further streamline the PHA Plan for small agencies, HUD created an additional template called the *Small PHA Plan Update*. Small, non-troubled PHAs that operate 250 or fewer units of public housing and 250 or fewer Section 8 vouchers are eligible to submit the *Update*. The Small PHA Plan Update can be submitted in years 2-5 of the five-year planning cycle. This template asks for brief statements of upcoming grant activities and any changes in policies from the previous year, but is a significantly reduced version of the Annual PHA Plan. The elements of the Small PHA Plan Update are discussed more fully in Section 3.24 of this Guide.

Performance Designation

The designation for a high performer "streamlined" plan or a troubled agency plan is based on the PHA's designation under the Public Housing Assessment System (PHAS) or predecessor system. To determine performance status, the PHA must reference the most recently issued PHAS score and accompanying designation (as provided in the PHAS regulations at **24 CFR Part 902.63** and **Part 902.67**). However, because HUD is issuing only "advisory" scores under PHAS at this time, the Management Operations Assessment (MASS) score is the vehicle that determines a PHA's designation and status. A PHA's performance designation can affect information a PHA includes in its Plan, such as eligibility for Capital Fund Program funding flexibility or bonus funds.

Note:
A score of 27 or above on the Management Assessment is a high performer; a score of 18 – 26.999 indicates a standard performer; and a score below 18 is troubled.

PHAS Guidance

On May 30, 2001, HUD published a *Federal Register* Notice stating that the Management Operations indicator under PHAS will continue to be the official assessment for PHAs with fiscal years ending on June 30, 2000 through June 30, 2001.

On August 2, 2001, HUD issued Notice PIH 2001-26, stating that all designations other than MASS troubled (substandard management) will be held in abeyance as well as any incentives that are awarded for such designations for all PHA FYs through June 30, 2001. PHAs with FYs ending after June 30, 2001, through June 30, 2002 may be issued modified PHAS scores as established by appropriate procedures and notification. For the purpose of the PHA Plan, PHAs that were eligible to submit streamlined Plans based on "high performance" prior to the May 30, 2001 *Federal Register* Notice, will be allowed to submit streamlined agency Plans until they receive modified PHAS scores under a PHAS system that again designates high performers.

For the most current information on PHAS, please see HUD's Real Estate Assessment Center (REAC) web site at: http://www.hud.gov/offices/reac/index.cfm.

Exhibits 2 and 3 below show the required components of the PHA Plan template for each type of Plan submission.

Exhibit 2

Streamlined vs. Standard Plan Submission
By Type of Agency
Key: ● = Full submission required; X = Omitted from Streamlined submission

	Streamlined Submission			Standard
	High-Performing	Small	Section 8 Only	
PHA Identification Page	●	●	●	●
5-year plan (24 CFR Part 903.5 (all components))	●	●	●	●
Annual plan (24 CFR Part 903.7)	●	●	●	●
i. Executive Summary	●	●	●	●
ii . TABLE OF CONTENTS	●	●	●	●
1. Housing Needs	●	●	●	●
2. Financial Resources	●	●	●	●
3. Policies on Eligibility, Selection, and Admissions	●	●	●	●
4. Rent Determination Policies	●	●	●	●
5. Operations and Management Policies	X	X	●	●
6. Grievance Procedures	X	X	●	●
7. Capital Improvement Needs	●	●	X	●
8. Demolition and Disposition	●	●	X	●
9. Designation of Housing	X	X	X	●
10. Conversions of Public Housing	●	●	X	●
11. Homeownership	X	Section 8 Only	Section 8 Only	●
12. Community Service and Self Sufficiency Programs	X	X	●	●
13. Crime and Safety	PHDEP Plan Only	PHDEP Plan Only	X	●
14. Pets	●	●	X	●
15. Civil Rights Certification (included with PHA Plan Certifications)	●	●	●	●
16. Audit	●	●	●	●
17. Asset Management	X	X	X	●
18. Other Information	●	●	●	●
Attachments (See Section 3.22)	●	●	●	●
PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations	●	●	●	●
State/Local Government Certification of Consistency with the Consolidated Plan	●	●	●	●

Exhibit 3

Small PHA Plan Update Submission Key: ● = Submission required; X = Optional, ❍ = Contingent on Participation	
PHA Identification Page	●
Table of Contents	●
Executive Summary	X
1. Summary of Policy and Program Changes	●
2. Capital Improvement Needs *Capital Fund Program 5-Yr Action Plan* *Capital Fund Program Annual Statement/P&E Report*	❍
3. Demolition and Disposition	❍
4. Section 8 Homeownership Capacity Statement	❍
5. Safety and Crime Prevention: PHDEP Plan	❍
6. Other Information *RAB Recommendations and PHA Response*	●
PHA's Statement of Consistency with the Consolidated Plan	●
PHA Criteria for Substantial Amendments or Modifications, Significant Deviations	●
List of Supporting Documents	●
Required Attachments (See Section 3.24)	●

See *Federal Register* Final Rule 65 71204, published 11/29/2000; Notice PIH 2000-43; and Notice PIH 2001-4

2.2 Submission of Joint Plans as Part of Consortia

For public housing and/or Section 8 tenant-based assistance programs operated under a consortium agreement, PHAs must submit a joint PHA Plan (Five-Year and Annual Plan) as specified in the November 29, 2000 *Consortia of Public Housing Agencies and Joint Ventures; Final Rule*.

January and April 2001 PHAs that implemented a consortium agreement according to the guidelines in the proposed rule and **Notice PIH 2000-43** were not required to change their joint PHA Plan to conform to regulatory changes implemented by the Final Rule until their next PHA Plan submission. Per **Notice PIH 2001-4**, beginning with July 2001 PHAs, agencies must follow the *Final Rule* when submitting a joint PHA Plan for public housing and/or Section 8 Tenant-Based Assistance programs operated under a consortium agreement.

The joint plan is the *collective* plan for all of the agencies and programs included in the consortium. As such, the policies discussed within the plan should be a joint representation of the policies in effect at consortium PHAs. Grant amounts mentioned in the joint plan should reflect the sum of the amounts that would be calculated for *all* participating agencies. Collective grant allocations will be issued directly to lead agencies in a consortium.

The lead agency of the consortium must submit joint Five-Year Plans and joint Annual Plans for all participating PHAs. If the lead agency will manage substantially all programs and activities of a consortium, HUD interprets financial accountability to rest with the consortium and therefore will apply independent audit and performance assessment requirements on a consortium-wide basis. If the lead agency will not manage substantially all programs and activities of a consortium, the consortium must identify in its PHA Plan submission which PHAs have financial accountability for specific programs.

Things to keep in mind when submitting a joint plan:

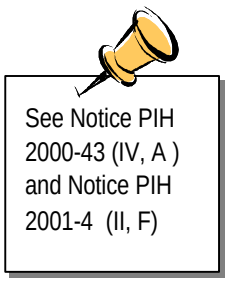
- All PHAs in the consortium must have the same fiscal year start date.
- PHAs will need to modify the "Agency Identification Page" of the PHA Plan template to add a statement that this is a joint plan for a consortium; and the name, PHA code, and programs included in the consortium for each participating agency.
- The consortium agreement is considered a "supporting document" to the PHA Plan and must be made available for public inspection during the PHA Plan public review/comment period.

2.3 Submission of Plans by Moving To Work (MTW) Demonstration Sites

PHAs under the Moving to Work Demonstration (MTW) Program may have distinct requirements in lieu of the PHA Plan, determined by their

Moving To Work Demonstration Agreement. PHAs operating block grants are exempt from the requirement to submit a PHA Plan and are directed to submit an Annual MTW Plan and an Annual MTW Report. The Annual MTW Plan is a comprehensive framework for the PHA's activities, including funding allocations. The Annual MTW Plan must be submitted to HUD with a board resolution approving the plan and certifying that a public hearing was held regarding the plan. The Annual MTW Report includes a Consolidated Financial Report describing the sources and uses of funds and will compare the PHA's performance with its Annual MTW Plan.

2.4 Consequences for Failure to Submit an Approvable PHA Plan



See Notice PIH 2000-43 (IV, A) and Notice PIH 2001-4 (II, F)

The PHA Plan serves as the agency's request for formula Capital Funds and PHDEP grants. PHAs that fail to submit their PHA Plan (and thus the application for funds) will not receive funding until their Plan has been submitted and approved by HUD. If a PHA fails to submit a PHA Plan in a timely manner, HUD may impose sanctions.

For FY 2001 and beyond, HUD may apply sanctions to any PHA that has not submitted its Plan within 75 days of the due date, unless otherwise permitted by HUD.

2.5 The PHA Plan Development Process and Timeline

See generally Notice PIH 99-51, Notice PIH 2000-43, Notice PIH 2001-4 and 24 CFR 903

This section of the Guide reviews the basic steps to PHA Plan development. Many of these steps require coordination with other organizations and agencies, as well as the Resident Advisory Board (RAB). It is important, therefore, that the PHA begin the Plan development process well ahead of the due date for the Plan (which is 75 days prior to the commencement of the PHA's fiscal year). The steps to completing the Plan are discussed below. Exhibit 4 illustrates the process.

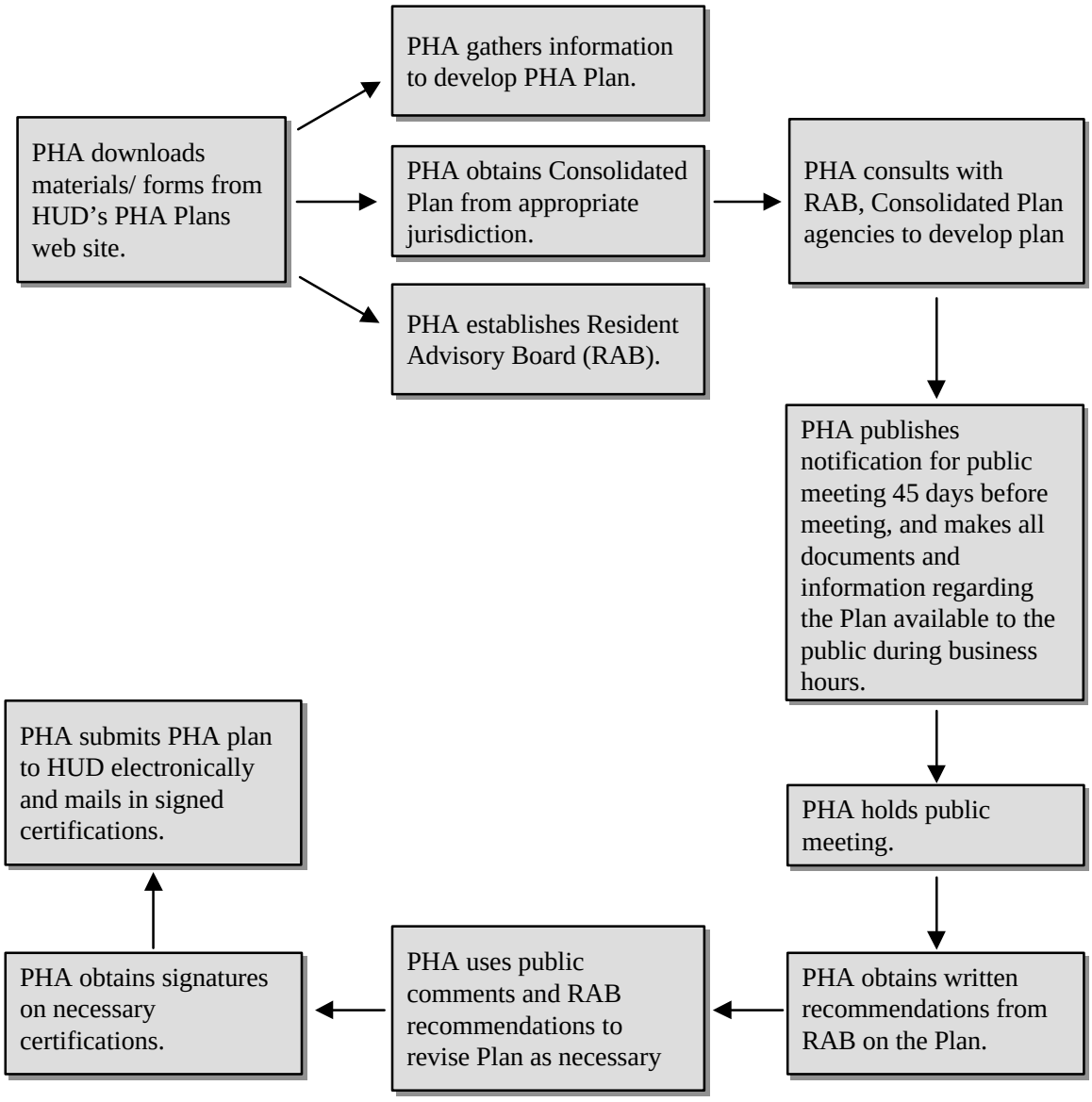
1. **Establish Schedule:** The first step in the plan development process is to establish a schedule for the plan's completion. The Annual PHA Plan is due **75 days prior to commencement of the PHA's fiscal year**. The PHA's schedule for plan development should build in sufficient time for the following: submission of the plan by the due date; the 45-day public review period; the public hearing and incorporation of public comments received on the plan; and obtaining the proper signed certifications and board certification. As is clear from the sample timeline below, the PHA should begin the process of plan development well ahead of the due date for submission.

Sample Timeline for PHA Plan Completion

Action	Jan. 1 FY Start	April 1 FY Start	July 1 FY Start	Oct. 1 FY Start
Begin preparations for developing PHA Plan, including compiling information and obtaining a copy of the jurisdiction's Consolidated Plan	May	August	November	February
Draft Plan developed for discussion with partners	Mid-July	Mid-Oct.	Mid-Jan.	Mid-April
Notice of hearing and Plan on file for review	Mid-Aug.	Mid-Nov.	Mid-Feb.	Mid-May
Public Hearing	First week of Oct.	First week of Jan.	First week of April	First week of July
PHA Plan due*	Mid-Oct.	Mid-Jan	Mid-April	Mid-July

* Note: exact due date depends on calendar days in PHA's fiscal year

Exhibit 4
PHA Plan Development Process



2. **Gather Template and Guidance:** The PHA should obtain the template and appropriate guidance from the PHA Plans web site at: http://www.hud.gov/pih/pha/plans/phaps-home.html. The PHA should update references to both the PHA Fiscal Year and the Federal Fiscal year made throughout the Plan and the attachments.

3. **Establish RAB(s):** Early on in the process, the PHA should establish the Resident Advisory Board or Boards. (The RAB is discussed more fully in Section 4.)

4. **Consult with Consolidated Plan Agency:** The next step in the process is consultation with the Consolidated Plan agency in the PHA's jurisdiction(s). There are several reasons for this consultation and collaboration. Most important, PHAs must submit a "State or Local Government Certification of Consistency with the Consolidated Plan" along with the PHA Plan. Communication and coordination with the Consolidated Plan agency will facilitate the process for obtaining that signed certification. In addition, this agency may be the best source of information for identifying housing needs in the community.

Note:
Submission of the Certification of Consistency is not required for agencies submitting the Small PHA Plan Update in years 2-5 of the 5-year planning cycle.

5. **Gather Relevant PHA Documents and Information:** The PHA should gather relevant documents and policies. It is useful to review these policies and determine whether they need to be updated or revised. Many of these documents serve as "supporting documents" to the Plan. If the PHA will implement new policies in the coming fiscal year (such as a new preference structure or establishment of site-based waiting lists), this is the time to develop these policies for inclusion as supporting documents to the PHA Plan. The public hearing held for the PHA Plan will then serve as the public hearing for all of these new policies to be adopted and implemented by the PHA at the beginning of the PHA's fiscal year.

6. **Develop Plan:** The next step in the process is the actual development of the PHA Plan. This step involves consultation with the RAB, partner agencies and organizations, and review of the information the PHA has gathered regarding housing needs, resources and PHA policies.

7. **Publish Notification and Make Plan Available for Review:** Once the plan is fully developed, the PHA then publishes a notification of a public meeting **not less than 45 days prior to the meeting**. The notice must be published in a newspaper of general circulation. In addition, a HA may use its newsletter to notify residents and ensure partner agencies and organizations are informed. The notice should inform the public that the PHA Plan is available for review, and that a public hearing will be held, noting the date, time, and location of the hearing. The PHA should make the proposed plan, all attachments and supporting documents related to the Plan, and all information relevant to the public hearing available for review by the public at the PHA's principal office during normal business hours. PHAs are required to conduct reasonable outreach activities to encourage broad public participation. A 45-day public review period allows residents and members of the community adequate time to review the PHA Plan and the supporting documents.

Note:
The PHA Plan, attachments and supporting documents must be available for inspection and review by the public at the PHA's principal office during normal business hours, both during the public review period **prior** to the board hearing and submission to HUD **and after** HUD approval of the PHA Plan.

See Notice PIH 99-51 (Attachment B, Section 1.5)

HUD encourages PHAs to make the PHA Plan available at their principal business office (or at several offices if the area served by the PHA covers more than one jurisdiction). PHAs are also encouraged to make the PHA Plans and attachments available at other public locations, such as libraries or community centers as well as PHA or community web sites.

8. **Hold Public Hearing:** The PHA is required to hold a public meeting to discuss the Plan and receive public comments on the PHA Plan every year. The PHA's board of commissioners or similar governing body must conduct this public hearing in a location that is accessible to the

residents served by the PHA. It is best to hold the public hearing with sufficient time before the plan is due to HUD – at least a week is recommended – to give the PHA time to incorporate pertinent public comments into the PHA Plan.

The PHA may also receive written comments from the RAB on the plan. The PHA will then use the public comments and RAB recommendations to revise the plan as necessary.

Note:

The Resident Advisory Board (RAB) process is discussed more fully in Section 4.

9. **Obtain Signatures on Certifications:** The PHA should obtain all the necessary signatures on the required certifications that accompany the PHA Plan submission. In addition, the PHA Board must provide a signed "Certification of Compliance with the PHA Plans and Related Regulations /Board Resolution to Accompany the PHA Plan." These certifications are discussed more fully in Section 3.21.

10. **Submit Completed Electronic Template:** Finally, the PHA submits the completed PHA Plan template electronically and mails in the signed certifications. Submission procedures are discussed more fully in Section 5 of the Desk Guide and instructions are included on the PHA Plans web site.

11. **Obtain HUD Review and Approval:** HUD will review the plan and may request additional information or a revision to the PHA Plan from the PHA. HUD will inform the PHA when the plan is approved and post it on the PHA Plans web site on the "Approved Plans" page. The HUD review process is discussed more fully in Section 6.

2.6 Related Federal Regulations and Other Guidance

Since Congress established the PHA Plan requirement, HUD has issued several pieces of guidance on the Plan which are summarized below.

- On February 18, 1999, HUD issued an Interim Rule implementing the PHA Plan. On July 29, 1999, PIH issued **Notice PIH 99-33.** Attachment B to Notice 99-33 transmitted "Instructions and Supplemental Guidance For Preparation and Submission of PHA Plans" (Instructions under the Interim Rule). These Instructions included the announcement of the availability of the template that PHAs must use to create and electronically submit PHA Plans to HUD (form HUD 50075) and the creation of the HUD web site for PHA Plans.

- Following public comment and an enhanced rulemaking process that included four public forums on the rule, HUD issued the ***Public Housing Agency Plans; Final Rule*** on October 21, 1999. The PHA Plan regulations established in the final rule are found at **24 CFR Part 903**. Significant changes in the regulation between the February 18, 1999 Interim Rule and the Final Rule were listed as preambles to the rule. The Final Rule, at Section 903.7, states that HUD will advise PHAs by notice of any additional instructions or directions necessary for the submission of their first plans.

- **Notice PIH 99-51**, issued on December 14, 1999, provided additional instructions on PHA Plan submissions. This notice still serves as a primary source of guidance for PHA Plan development, as supplemented and amended by subsequent notices. The additional instructions, which included the release of a Public Housing Drug Elimination Program (PHDEP) Plan template, were stated as amendments to the instructions that had been provided as Attachment B to Notice PIH 99-33. Anticipating that the template and instructions would be revised to accommodate changes in the PHA Plan and other QHWRA implementing regulations, Notice PIH 99-51 also informed PHAs that HUD would issue further instructions to PHAs with fiscal years beginning on July and October 1, 2000.

- **Notices PIH 2000-12** and **PIH 2000-22** instructed PHAs with fiscal years beginning July 2000 and October 2000, respectively, that they should use the currently available template (issued July

1999) and Instructions (issued in Notice 99-51) in preparing their plans. Notice 2000-22 stated some exceptions to those Instructions for October 2000 PHAs.

- On August 14, 2000, HUD published a Final Rule with regard to further streamlining of Streamlined PHA Plans. **Notice PIH 2000-43,** published on September 18, 2000, implemented the provisions of the August 14, 2000 Final Rule through the announcement of the Small PHA Plan Update. More generally, Notice PIH 2000-43 provided further guidance on the implementation of PHA Plans with fiscal years beginning on January 1, 2001. The Notice instructed PHAs to use the current template and Instructions, as supplemented by Notice PIH 2000-43, to develop and submit second year PHA Plans.

- **Notice PIH 2000-36**, issued on August 21, 2000, provided further guidance on the formation of Resident Advisory Boards (RAB).

- On December 22, 2000, HUD published ***Rule to Deconcentrate Poverty and Promote Integration in Public Housing: Final Rule*** which amended HUD's Public Housing Agency Plan regulations to fully reflect the importance of deconcentration by income and affirmatively furthering fair housing in a PHA's admission policy.

- On January 19, 2001, HUD published **Notice PIH 2001-4**, which instructed PHAs with fiscal years beginning on July 1, 2001 on development of their second year PHA Plans. This notice provided further guidance on submission requirements regarding deconcentration, joint PHA Plans for Consortia, project-based vouchers, and the Capital Fund Program.

- Soon after publication of Notice PIH 2001-4, HUD published a clarification of the Notice on the PHA Plan web site. This clarification included revised Capital Fund Program tables.

- On February 5, 2001, HUD published the ***Rule to Deconcentrate Poverty and Promote Integration in Public Housing: Final Rule; Change in Applicability Date of Deconcentration Component of PHA Plan*** which instructed PHAs that the deconcentration requirement would commence with PHA fiscal year start dates of October 1, 2001.

- On August 2, 2001, HUD published **Notice PIH 2001-26,** which provided guidance to PHAs with fiscal years beginning January 1, 2002, on the development of third year PHA Plans. Topics covered in the Notice include further streamlining for small PHAs, Capital Fund Program, deconcentration of poverty and income mixing, and the initial assessments required for voluntary conversion.

Direct links to the above guidance and to other PHA Plan-related information can be found on the PHA Plans web site.

The following Exhibit summarizes applicable guidance for the PHA Plan:

Exhibit 5
HUD Guidance Regarding PHA Plans

Document Type	Guidance
Regulation	• *Final Rule (24 CFR Part 903, published in the Federal Register 10/21/99)* • *FR 08/14/2000 amending 24 CFR Part 903.11* • *FR 12/22/2000 amending 24 CFR Part 903 to incorporate Deconcentration requirement* • *FR 2/5/2001 amending 12/22/2000 Deconcentration Rule*
Notice PIH and guidance	• Notice PIH 99-33. This document presents the entire text of the Instructions in "Attachment B," as amended by 99-51 • Instructions: Amended Attachment B to Notice • Notice PIH 99-51 (which amended Notice PIH 99-33) • Notice PIH 2000-12 • Notice PIH 2000-22 • Notice PIH 2000-36 • Notice PIH 2000-43 • Notice PIH 2001-4 • Clarification of Notice PIH 2001-4 • Notice PIH 2001-26
Template (50075)	• Plan template issued July, 1999 (with exceptions noted in Notice PIH 99-51, Notice PIH 2000-43, and Notice PIH 2001-4) • PHDEP Plan template issued December, 1999 • Small PHA Plan Update: see instructions in Notice PIH 2000-43
PHA Plan-related certifications issued	• PHA certifications: December, 1999 • Consolidated Plan Agency certifications: July, 1999

Section Three
Review of the PHA Plan Template

This section provides a component-by-component review of the PHA Plan template, with guidance and instructions for completion of each component. The section begins with an overall introduction to the template and provides instructions on completing initial sections of the template. Each template component is then reviewed in turn with an explanation of the information required and instructions for completing that component. Where possible, the applicable guidance for each component (*Federal Register* notice, Notice PIH) is noted.

3.1 Introduction to the PHA Plan Template

See generally Notices PIH 99-51, 2000-12, 2000-22 , 2000-36, 2000-43, 2001-4 and 2001-26.

3.1.1. General Instructions for Completing the Template

- **Format:** The electronic PHA Plan template is designed in a question-and-answer format to allow for easy completion. The template contains numerous checkbox and text "fields." The PHA may "double-click" on a checkbox, change the default value to "checked," and then click "OK." This action will place an "X" in the checkbox automatically. PHAs can also type a response to a question by clicking on text fields and typing.

- **Instructions:** Instructions for each component are in the template. PHAs should respond to all questions unless instructed otherwise or if the questions are not applicable to the PHA's programs (e.g., a Section 8-only PHA would not respond to a question related only to public housing).

- **Applicable Period:** Information contained in the PHA Plan covers the period beginning with the PHA's upcoming fiscal year. The PHA can report policies and activities that they expect to employ but may not yet have in place.

- **Update References:** At each annual submission, the PHA should update references to both the PHA Fiscal Year and the Federal Fiscal year made throughout the plan and the attachments.

- **Due Date:** As is discussed in Section 2.4, the PHA Plan is due 75 days prior to the beginning of the PHA's fiscal year start date.

See Notice PIH 99-51 (Attachment B, Section 3.4); and generally 24 CFR 903.

3.1.2. Initial Section

- **Annual Plan Type:** On the first page of the Annual Plan, the PHA should indicate the type of Plan being submitted: Standard, Streamlined (high performing PHA, small, non-troubled agency with fewer than 250 Public Housing Units, or Section 8-only PHA), or Troubled PHA. See Section 2.1 for further discussion of Annual Plan type and performance designation. See Section 3.24 for discussion of submission of Small PHA Plan Update.

- **Executive Summary of the Annual PHA Plan:** The Executive Summary is not a required component of the PHA Plan. A PHA may, at its own option, include a brief executive summary of the plan, including highlights of major initiatives and discretionary policies planned for the coming fiscal year.

- **Annual Plan Table of Contents***:* The Table of Contents includes a list of all Plan components, as well as required and optional attachments. The Table of Contents also includes a comprehensive list of all supporting documents available for review. Once the Plan template is fully completed, the PHA should include a page number in the right hand column for each item listed in the Table of Contents**.**

3.2 Component One: Housing Needs

3.2.1. Overview of Required Information

The first component of the PHA Plan template asks the PHA for an assessment of the housing needs within the PHA's community. PHAs must describe the housing needs of income-eligible families who reside in the jurisdiction served by the PHA, as well as of families who are on the PHA's public housing and Section 8 program waiting lists. The component asks for information on categories of income-eligible families, including: families of different income levels, elderly families, families with members with disabilities, and households of any races or ethnic groups that have greater housing needs than average for the jurisdiction. The final part of this component requires the PHA to describe the various strategies the PHA will undertake in the coming year in order to address the needs that have been identified.

3.2.2. Resources for Identifying Housing Needs

In order to complete this component, the PHA will have to research a number of sources to obtain the required information. In many jurisdictions, the most likely and valuable source of information on housing needs is the Consolidated Plan. In completing this component, and in planning for execution of the PHA Plan, PHAs are strongly encouraged to collaborate and cooperate with the appropriate Consolidated Plan agency (or agencies). Not only will early and full communication about the PHA Plan facilitate the process of obtaining the required "Certification of Consistency with the Consolidated Plan" from the Consolidated Plan agency, this communication will enhance the information contained in the PHA Plan. The PHA should obtain a copy of the jurisdiction's Consolidated Plan fairly early in the process in order to review information related to housing needs.

Sources of Information on Housing Needs

- ✓ Consolidated Plan
- ✓ State and Local governments
- ✓ Census data
- ✓ Housing needs data available through the Internet
- ✓ Local universities/colleges
- ✓ Social Security Administration
- ✓ The PHA

Consolidated Plan agencies can also benefit from the input of PHAs. Consolidated Plan agencies are now required to

indicate how they will address the needs of public housing in the jurisdiction. In addition, Consolidated Plan agencies that share a jurisdiction with troubled agencies are further required to state in the Consolidated Plan how they will assist in improving the performance of such agencies.

In addition to the Consolidated Plan agency, there are a number of other potential sources of information to determine housing needs within a community. State and local governments are good sources of information, as is Census data. PHAs are encouraged to review the 2000 Census data as it is released. Many Consolidated Plans and initial agency Plans were based on 1990 Census data, and the 2000 Census data may alter the PHA's strategies to address the community's housing needs. HUD has also made housing needs data for communities available on the Internet through the Public and Indian Housing (PIH) PHA Plans web page. PHAs may also be able to access information through local universities or college urban and regional planning departments, and the Social Security Administration (for information on families with disabilities). Finally, the PHA itself will likely have several sources of valuable program data to complete this component. None of these sources is likely to have complete or accurate data about the needs of people with disabilities. Agencies that advocate for such individuals can be helpful, as can publicly funded organizations engaged in service delivery or rehabilitation.

3.2.3. Completing the Component

Component One is divided into several subcomponents. Each is described below.

Subcomponent A: Housing Needs of Families in the Jurisdiction(s) Served by the PHA

This subcomponent asks for information in a table about housing needs of the PHA's jurisdiction(s). A PHA with several jurisdictions may either combine the statement of housing needs for all jurisdictions into one table or provide a separate table for each jurisdiction, copying the table provided in the template as many times as necessary. If using more than

one table to describe housing needs in multiple jurisdictions, be sure to label each table with the jurisdiction's name.

Directions for Completing the Table: In this table, the PHA rates the impact of several factors on the housing needs of families in the jurisdiction, by family type. Family type includes families with income less than or equal to 30 percent of area median income (AMI); families with income greater than 30 percent but less than or equal to 50 percent of AMI; families with income greater than 50 percent but less than 80 percent of AMI; elderly families; families with disabilities; and family type by race/ethnicity.

In the first column, "Overall," the PHA provides the estimated number of renter households that have housing needs. In the remaining columns, the PHA rates the impact of each factor on a scale of 1 to 5, with 1 considered "no impact," and 5 being "severe impact." The PHA may use N/A to indicate that no information is available upon which the PHA can make an assessment. Under "Affordability", the PHA should indicate the impact of rent burden (i.e., rent comprising more than 30 percent of income) or severe rent burden (i.e., rent comprising more than 50 percent of income). Under "Supply" please indicate the impact of the shortage of units available for occupancy. The rating for "Quality" addresses the prevalence of units in substandard physical condition. The impact of "Accessibility" addresses the availability of units that are accessible for persons with mobility impairments. Next, the rating for "Size" takes into account any mismatch between the units available and family sizes. Finally, under "Location" , the PHA indicates the extent to which the supply of units available limits housing choices for families to particular locations, notably areas of poverty/minority concentration

Sources of Information: The PHA must indicate which sources of information the PHA used to conduct the analysis contained in the Housing Needs table.

Note:
The materials used must be made available for public inspection.

Subcomponent B: Housing Needs of Families on the Public Housing and Section 8 Tenant-Based Assistance Waiting Lists

Subcomponent B requests information about the housing needs of families on the PHA's public housing and Section 8 tenant-based assistance waiting lists. The PHA provides separate tables for site-based or sub-jurisdictional public housing waiting lists at their option. As in Table 1A, Table 1B requests information on Income and Race/Ethnicity as well as information on the number of families with children, elderly families, families with disabilities, and characteristics by bedroom size (for public housing only).

Subcomponent C: Strategies for Addressing Needs

In this section, the PHA identifies strategies that it will undertake in the coming year to address the needs outlined in subcomponents 1A and 1B. The PHA completes this section by simply marking an "X" in the boxes next to the strategies that it will employ. The PHA also indicates the reasons for selecting particular strategies, and can add additional strategies to the list presented in the template.

Possible Strategies Listed in the Template

- Maximize the number of affordable housing units available to the PHA within its current resources
- Increase the number of affordable housing units
- Target available assistance to families at or below 30% of Area Median Income
- Target available assistance to families at or below 50% of Area Median Income
- Target available assistance to the elderly
- Target available assistance to Families with disabilities
- Increase awareness of PHA resources among families of races and ethnicities with disproportionate need

3.3 Component Two: Statement of Financial Resources

3.3.1 Overview of Required Information

See Notice PIH 99-51 (Attachment B, Section 4, Component 2) and 24 CFR 903.7(c)

In this component, the PHA provides information about the financial resources available to the PHA to support the housing programs administered by the agency and described in the Plan. These include Federal resources such as Public Housing Operating Fund and Capital Fund, HOPE VI Revitalization and Demolition, Section 8 Tenant-Based Assistance Support, Public Housing Drug Elimination Program, Resident Opportunity and Self-Sufficiency Grants, Community Development Block Grants, and HOME. In addition, the PHA must include public housing rental income, and other income from non-Federal sources.

The PHA must indicate the amount of grant funds anticipated for the upcoming Plan year. If at the time of Plan development, a PHA cannot determine its total Federal funding, it provides estimates based on the amount of funds received in previous years or another reasonable method for estimating future funding. In both Operating Subsidy and Tenant-Based Section 8 Assistance, PHAs must indicate the amount to be awarded during the PHA fiscal year addressed in the PHA Plan. PHAs may contact their HUD Field Offices for an estimate to be used in this component.

3.3.2. Completing the Component

The information is requested in a table form. The PHA must list all of its sources of income and include, where applicable, the planned use for each financial resource. The possible planned uses for these funds are listed in the instructions.

See Notice PIH 99-51 (Attachment B, Section 4, Component 3); 2000-43 (III, B.3); 2001-4; 2001-26; *Federal Register 65 16691, (A & O Final Rule)* published 3/29/00; *Federal Register 65 81214, (Deconcentration Final Rule)* published 12/22/2000 and amended 2/5/2001; and 24 CFR 903.7(b)

3.4 Component Three: PHA Policies Governing Eligibility, Selection, and Admissions

3.4.1 Overview of Required Information

While Components 1 and 2 allow the PHA to assess needs and examine resources, Component 3 is the starting point for the PHA to establish how it will accomplish its goals. In this component, the PHA provides information about the various discretionary policies for the eligibility, admissions and occupancy of both public housing and Section 8 tenant-based assistance.

3.4.2 Completing the Component

Subcomponent A: Public Housing
The first subcomponent covers eligibility, admissions, and occupancy policies for public housing. A PHA that does not administer public housing is not required to respond to this subcomponent.

Section 1 asks for information regarding how the PHA determines eligibility for applicants to public housing.

Section 2 asks for information on the PHA's organization of its waiting list. If the PHA plans to implement a site-based waiting list at any of its public housing developments, the PHA should take into account that in the following year's Annual Plan, the PHA will be required to provide an assessment (a table or brief narrative) of the changes in racial, ethnic or disability-related resident composition at each applicable PHA site. This assessment must be based on Multifamily Tenant Characteristic (MTCS) occupancy data. In order to prepare for this reporting requirement, the PHA should draw necessary "baseline" data from MTCS at the commencement of the SBWL policy.

A sample table showing the type of information that must be presented is provided below.

Assessment of Site-Based Waiting List Development Demographic Characteristics				
Development Information: (Name, number, location)	Date Initiated	Initial mix of Racial, Ethnic or Disability Demographics	Current mix of Racial, Ethnic or Disability Demographics since Initiation of SBWL	Percent change between initial and current mix of Racial, Ethnic, or Disability demographics

The PHA should include the "Assessment of Site-Based Waiting List Development Demographic Changes" as a required attachment to the Plan, and it must be listed in the Table of Contents.

Section 3 asks for the PHA's policies regarding the assignment of units.

Section 4 requests information on the PHA's admissions preferences. For this section, the PHA must consider the various options for setting preferences for admission to public housing. Preferences are the primary method for the PHA to achieve the income targeting and income mixing goals of the QHWRA; therefore, the PHA must carefully consider its goals and establish preferences accordingly.

Section 5 asks for information on the occupancy policies of the PHA.

Section 6 covers deconcentration and income mixing. Beginning with October 1, 2001 fiscal year PHAs, the PHA is required to include information on the agency's deconcentration policy in the plan. Specifically, as outlined in **Notice PIH 2001-4**, the PHA is required to answer the following questions:

- Does the PHA have any general occupancy (family) public housing developments covered by the deconcentration rule? If no, this section is complete.

- Do any of these covered developments have average incomes above or below 85% to 115% of the average incomes of all such developments?

- If yes, the PHA completes the table shown below.

Deconcentration Policy for Covered Developments			
Development Name:	**Number of Units**	**Explanation (if any) [see step 4 at 24 CFR 903.2(c)(1)(iv)]**	**Deconcentration policy (if no explanation) [see step 5 at 24 CFR 903.2(c)(1)(v)]**

This information is submitted as a required attachment to the PHA Plan. The document containing the new deconcentration questions can be downloaded from the PHA Plans web site at: http://www.hud.gov/pih/pha/plans/phaps-whats-new.html.

Under the final rule, PHAs must include an explanation if they propose not to adopt admissions policies to promote income mixing for developments outside the Established Income Range (EIR). During review of the PHA Plan, HUD Field Offices will accept as a reasonable explanation, cases where the average income range for such developments is above the EIR but is and will remain (given current admissions policies, waiting lists and turnover rates) below 30 percent of the area median income.

Note:
On August 15, 2001, HUD published a Proposed Rule that would, if implemented, revise the definition of established income range (EIR) to include developments in which the average income level is up to 30 percent of the area median income. This would ensure that such developments cannot be categorized as having income "above" the EIR.

In determining the average income of all families residing in each covered development, the final rule provides a PHA the option of adjusting its income analysis for unit size in accordance with procedures prescribed by HUD. The bedroom adjustment factor, which is

based on national rent averages for units grouped by the number of bedrooms and which has been used by HUD to adjust for costs of units when the number of bedrooms vary, assigns to each unit the following factors: 0.70 for zero-bedroom units; 0.85 for one-bedroom units: 1.0 for two-bedroom units; 1.25 for three-bedroom units; 1.40 for four-bedroom units; 1.61 for five-bedroom units; and 1.82 for six or more bedroom units. The bedroom adjustment factor is the unit-weighted average of the distribution.

In step 1, a PHA must determine the average income of all families residing in all of the PHA's covered developments. A PHA may divide the average income of all families of all covered developments by the appropriate bedroom adjustment factor described above to obtain the PHA-wide adjusted average income. For example, if a PHA has 1,000 units with 400 two-bedroom units and 600 three-bedroom units, then the PHA would multiply 400 by 1.0 and 600 by 1.25, sum these products, and divide by the total number of PHA units (1,000) to derive a bedroom adjustment factor of 1.15 [(400 x 1.0 + (600 x 1.25) / 1,000 = 1.15]. If the PHA has an average income of $10,000, then the PHA would divide $10,000 by the bedroom adjustment factor of 1.15, which equals $8,696. This is the PHA-wide adjusted average income.

In step 2, a PHA must determine the average income of all families residing in each covered development. A PHA may divide the average income of the families residing in each covered development by the appropriate adjustment factor described below to obtain each covered development's average income. For example, if the PHA in the example above has a covered development that has 100 units, with 80 two-bedroom units and 20 three-bedroom units, then the PHA would multiply 80 by 1.0 and 20 by 1.25, sum these products, and divide by the total number of units in that development (100) to derive a bedroom adjustment factor of 1.05 [(80 x 1.0) + (20 x 1.25) / 100 = 1.05]. If that development has an average income of $8,000, then the PHA would divide $8,000 by the bedroom adjustment factor of 1.05, which equals $7,619. This is the covered development average income.

In step 3, a PHA must determine whether each of its covered developments falls above, below or within the Established Income Range of 85% to 115% of the PHA-wide average income for covered developments. In this comparison, if a PHA chooses to use a bedroom adjustment approach, it must do so for both the PHA-wide and the covered development analyses. To determine where the covered development falls within the Established Income Range, divide the income of the development by the income of the PHA and multiply by 100. In the example above, the PHA would divide $7,619 by $8,696 and then multiply by 100, which equals 88%. This is within the Established Income Range. In the example above, if the PHA decided not to adjust income by bedroom size, then the ratio would have been $8,000 divided by $10,000, then multiplied by 100, which equals 80%. This falls outside of the Established Income Range.

The final rule on Deconcentration describes public housing developments not subject to deconcentration. One of the provisions of the rule exempts "public housing developments operated by a PHA with fewer than 100 public housing units," which covers PHAs with fewer than a total of 100 public housing units. A public housing development includes units or buildings with the same project number. Also, contiguous sites with more than one project number may be considered as one development. With respect to the covered mixed-finance development, only the incomes of families residing in public housing units will be included in income analyses.

Please note that beginning with the January 2002 Plan cycle, Income Analysis of Public Housing Covered Developments must be a supporting document to an Agency's Plan and must be available for public inspection, but not submitted to HUD for review.

Subcomponent B: Section 8

If a PHA does not administer a Section 8 program, the PHA proceeds to Component 4.

In this subcomponent, the PHA provides information concerning agency policies on eligibility determination, waiting list organization, search time, admissions preferences, and special purpose Section 8 Assistance Programs.

3.5 Component Four: Rent Determination Policies

3.5.1 Overview of Required Information

See Notice PIH 99-51 (Attachment B, Section 4, Component 4); 2001-4; and 24 CFR 903.7(d)

Within specified guidelines, PHAs are allowed to use discretionary policies for determining income-based rent for their public housing units. In addition, PHAs can set the Section 8 voucher payment standard (or maximum subsidy level) at a level from 90% to 110% of the Fair Market Rent. In this Plan component, the PHA describes its basic policies and the discretionary choices it has made regarding rent setting for assisted families. For public housing units, this includes income-based, minimum and flat rents, and optional rent policies, such as optional deductions. For families receiving Section 8 voucher assistance, the Plan addresses topics such as minimum rents and payment standard policies.

3.5.2 Completing the Component

Note:
In completing this component, PHAs should refer to the March 29, 2000 *Final Rule on Changes to Admissions and Occupancy Requirements in the Public Housing and Section 8 Housing Assistance Programs* as guidance.

This component is divided into two sections, one for public housing rent policies and one for Section 8 rent policies. PHAs that do not operate public housing may skip Subcomponent A. Likewise, PHAs that do not administer Section 8 tenant-based may skip Subcomponent B.

In completing this component, the PHA should simply mark the appropriate boxes (using an "X") and explain policies as requested in the template.

If the PHA is planning to administer Project-Based vouchers, the PHA should include as an attachment to the Plan a statement indicating the projected number of units and general locations as well as how such action

is consistent with the PHA Plan. See Section 3.22.2 for further discussion of this attachment.

3.6 Component Five: Operations and Management

See Notice PIH 99-51 (Attachment B, Section 4, Component 5) and 24 CFR 903.7(e)

3.6.1 Overview of Required Information

In this component, the PHA describes its management and operational structure by listing the rules, standards, and policies that govern maintenance and management of public housing units and the voucher program. A description of the PHA's management organization is also requested here or as an attachment to the Plan.

3.6.2 Completing the Component

In Subcomponent A, the PHA may either include an organizational chart (as an attachment to the plan), or a brief, narrative description of the management structure and organization of the PHA. In Subcomponent B, the PHA lists, in table format, the various programs that are under the PHA's management. Finally, Subcomponent C asks the PHA to list the internal policy documents that govern the maintenance and management of public housing. Examples of management policies would include Admissions And Continued Occupancy Policy, personnel policies, procurement policies, Section 8 Administrative Plan, and asset disposition policies. Examples of maintenance policies would include the PHA's maintenance plan and schedule of maintenance charges. Maintenance policies would also include a description of any measures necessary for the prevention or eradication of pest infestation (including cockroach infestation).

Note:
High performing and small PHAs are not required to complete this component. Section 8-only PHAs must complete parts A, B and C(2).

See Notice PIH 99-51 (Attachment B, Section 4, Component 6) and 24 CFR 903.7(f)

3.7 Component Six: PHA Grievance Procedures

3.7.1 Overview of Required Information

In this component, the PHA provides information on the grievance and informal hearing and review procedures that are available to its applicants and participants in public housing and Section 8 programs.

3.7.2 Completing the Component

Note:
High performing PHAs are not required to complete component 6, and Section 8-only PHAs are exempt from completing Subcomponent 6A (applicable only to public housing).

To complete this component, the PHA provides information regarding any written grievance procedures the PHA has adopted in addition to the federal requirements. In Subcomponent A, Public Housing, the PHA indicates the office through which residents or applicants may initiate the grievance process. For Subcomponent B, Section 8, the PHA indicates the office through which Section 8 applicants and participants may initiate an informal review.

3.8 Component Seven: Capital Improvement Needs

See Notice PIH 99-51 (Attachment B, Section 4, Component 7 and Section 2.1); Notice PIH 2000-22 (III); Notice PIH 2000-43 (IV.B); Notice PIH 2001-4 (II.D); Notice PIH 2001-26; and 24 CFR 903.7(g)

3.8.1 Overview of Required Information

Note:
The Annual Plan now serves as the PHA's application for Capital Fund formula grants as provided under Section 9 of the **U.S. Housing Act of 1937**, as amended by Section 519(a) of the Quality Housing and Work Responsibility Act of 1998.

In this section of the template, PHAs that operate public housing describe the capital improvements necessary to ensure the long-term physical viability of public housing developments. The component is divided into two parts: Capital Fund Activities; and HOPE VI and Public Housing Development and replacement activities (non-Capital Fund). If the PHA is eligible for Capital Funds, the PHA also completes the Capital Fund Tables and submits these as an attachment to the PHA Plan.

3.8.2 Completing the Component

Subcomponent A: Capital Fund Activities

Subcomponent A serves as the submission for receipt of Public Housing Capital Fund Program (CFP) formula grants. PHAs

Note:
PHAs that administer only Section 8 tenant-based assistance are not required to complete Component 7.

complete the questions posed on the template indicating whether the Capital Fund Annual Statement is provided as an attachment to the PHA Plan, or is inserted into the template. In addition, the PHA indicates whether the 5-year Action Plan is provided.

Specific instructions on how to complete the Capital Fund Program tables are provided in Section 3.20.

Subcomponent B: HOPE VI and Public Housing Development and Replacement Activities (non-Capital Fund)

Subcomponent B requests information about HOPE VI revitalization grants, mixed-finance development activities, and any other public housing development or replacement activities not discussed in Part A.

In this section, the PHA provides information on any HOPE VI revitalization grants applied for or planned for application in the coming year. In addition, the PHA answers questions regarding any mixed-finance development activities and any other public housing development or replacement activities for public housing planned for the coming year.

All PHAs that operate public housing, regardless of whether they are participating in the Capital Fund Program, are required to provide any applicable information requested in Part B of the Capital Improvement Needs section.

3.9 Component Eight: Demolition and Disposition

3.9.1 Overview of Required Information

See Notice PIH 99-51 (Attachment B, Section 2.3) and 24 CFR 903.7(h)

In this section, the PHA describes any demolition or disposition activities for which it has applied to HUD or plans to apply to HUD in the coming fiscal year. The description includes the name and location of the development, the planned activities, and the timelines for carrying out these activities.

Note:
PHAs that administer Section 8 only are not required to complete Component 8.

3.9.2 Completing the Component

Please note that the demolition and disposition application and HUD approval process is **separate** from the PHA Plan process, and approval of the PHA Plan **does not** constitute approval of demolition and disposition activities.

If the PHA plans to conduct any demolition or disposition activities in the coming fiscal year, the PHA completes the "Demolition/Disposition Activity Description" table provided in Component 8. The PHA completes one Activity Description Table for each development. In addition, the PHA may complete the "Optional Public Housing Asset Management Table" at the end of the template.

See Notice PIH 99-51 (Attachment B, Section 2.3) and 24 CFR 903.7(i)

3.10 Component Nine: Designation of Public Housing

3.10.1 Overview of Required Information

In this component, the PHA identifies any public housing developments, or any portion of these developments that are designated for occupancy by only elderly families, only families with disabilities, or both elderly families and families with disabilities. The description includes the names and location of the development, planned activities, and the timelines for carrying out these activities.

Note:
The designated housing application and approval process is **separate** from the PHA Plan process and approval of the PHA Plan **does not** constitute approval of these activities.

3.10.2 Completing the Component

The PHA describes any planned activities regarding public housing for elderly families only, for families with disabilities only, or for both elderly families and families with disabilities. This information is requested in a table called "Designation of Public Housing Activity Description" provided in the template at Component 9. The PHA may copy the Activity Description table as many times as necessary.

Note:
PHAs that administer Section 8 only are not required to complete Component Nine.

See Notice PIH 99-51 (Attachment B, Section 2.3); Notice PIH 2001-26; and 24 CFR 903.7(j)

3.11 Component Ten: Conversion of Public Housing

3.11.1 Overview of Required Information

This section of the PHA Plan describes any building(s) that is so severely distressed that the PHA or HUD has determined that it is no longer cost-effective to rehabilitate and maintain and therefore must be converted to Section 8 tenant-based assistance (under Section 202 of the HUD FY1996 Appropriations Act). The PHA provides the name and location of the development, the planned activities, and the timelines implementation. PHAs must also provide details of any voucher or other assistance that will be used in connection with the conversion plan.

Note:
PHAs that administer Section 8 only are not required to complete Component Ten.

PHAs submitting a mandatory conversion application to HUD must notify the public of its intent to do so in the PHA Plan. This is a statutory requirement and must be followed by all PHAs subject to Section 202, even if they are submitting a streamlined PHA Plan. PHAs must submit required conversion plans to the HUD Special Application Center (SAC) for approval. Approval by the HUD Field Office or Troubled Agency Recovery Center of the Annual Plan does not constitute approval of a conversion application.

On June 22, 2001, the *Voluntary Conversion of Developments from Public Housing Stock; Required Initial Assessments; Final Rule* was published in the *Federal Register*. Prior to issuance of this rule, PHAs were not required to provide this information and as a result, Subcomponent B was reserved in the Plan template. The statute now requires all PHAs to conduct an initial assessment for each of its covered developments by October 1, 2001, and to submit the results to HUD as part of the PHA Plan beginning with January 1, 2002 fiscal year start PHAs.

Exempt developments, or those that are not "covered" under this rule, include the following categories: the development is subject to required conversion; the development is the subject of an application for demolition or disposition that has not been disapproved by HUD; the development

has been awarded a HOPE VI revitalization grant; or the development is designated for occupancy by the elderly and/or persons with disabilities.

3.11.2 Completing the Component

Subcomponent A: Mandatory Conversions
If the PHA is required to convert a public housing building to Section 8 tenant-based assistance, the PHA should provide a description of conversion activities in the optional Public Housing Asset Management Table available within the template or complete a "Conversion of Public Housing Activity Description" table. This table may be copied as many times as necessary. The conversion plan must be submitted as an attachment to the PHA Plan.

Subcomponent B: Voluntary Conversions
A PHA must certify that it has reviewed each covered development's operations as public housing; considered the implications of converting the public housing to tenant-based assistance; and concluded that conversion of the development may be: (i) appropriate because removal of the development would meet the necessary conditions for voluntary conversion; or (ii) inappropriate because removal of the development would not meet the necessary conditions for voluntary conversion.

After completing the required initial assessment, a PHA must retain documentation of the reasoning (which may be as short as a few sentences for a covered development) with respect to each required initial assessment and include the results as a supporting document to an agency's PHA Plan. The supporting document must be available for public inspection, but not submitted to HUD for review.

As stated in **Notice PIH 2001-26**, beginning with Fiscal Year 2002, all PHAs must address the following questions about their Required Initial Assessments and include the information as a required attachment to the PHA Plan:

a. How many of the PHA's developments are subject to the Required Initial Assessments?

b. How many of the PHA's developments are not subject to the Required Initial Assessments based on exemptions (e.g., elderly and/or disabled developments not general occupancy projects)?

c. How many Assessments were conducted for the PHA's covered developments?

d. Identify PHA developments that may be appropriate for conversion based on the Required Initial Assessments:

Development Name	Number of Units

e. If the PHA has not completed the Required Initial Assessments, describe the status of these assessments.

3.12 Component Eleven: Homeownership

See Notice PIH 2000-43 (III.B.4), 24 CFR 903.7(k); 24 CFR 982.65 and 24 CFR 982.625

3.12.1 Overview of Required Information

In this section, the PHA describes any public housing or Section 8 tenant-based assistance homeownership programs administered or planned by the PHA. Subcomponent A covers public housing only, therefore any PHA that only administers Section 8 is required to only complete Subcomponent B. In addition, any small or high performing PHA completing a streamlined submission may also skip to Component 12.

3.12.2 Completing the Component

For any public housing homeownership program that the PHA currently administers or plans to administer, the PHA should either provide the homeownership description information in the "Optional Public Housing Asset Management Table" at the end of the template, or complete the "Public Housing Homeownership Activity Description" table within the component.

If planning to administer a Section 8 homeownership program, the PHA must provide a "Section 8 Homeownership Capacity Statement" as an attachment to the PHA Plan. This capacity statement must be a brief (one page or less), narrative statement. The PHA must also list the "Section 8 Homeownership Capacity Statement" as a required attachment in the Annual Plan Table of Contents.

As is provided in the Final Rule on the Section 8 Homeownership Program included in 24 CFR 982.625 (d), a PHA can demonstrate its capacity to administer the program by satisfying one of the following criteria:

1) Establish a minimum homeowner downpayment requirement of at least 3 percent and require that at least 1 percent of the downpayment come from the family's resources;

2) Require the financing for purchase of a home under its Section 8 homeownership program will: be provided, insured, or guaranteed by the state or Federal government; comply with secondary mortgage underwriting requirements; or comply with generally accepted private sector underwriting standards; or

3) Demonstrate in its Annual Plan that it has the capacity or will acquire the capacity to successfully operate a Section 8 homeownership program.

A PHA satisfying criterion 1 or 2 above will be considered to have the capacity to administer the program. The PHA's statement that it is employing any of these provisions is all that is required in the capacity

statement. A PHA that has adopted and specified either of the first two criteria in its Administrative Plan may also implement this program prior to review and approval of the PHA Plan.

If the PHA's program does not satisfy criterion 1 or 2, then the PHA's capacity statement must demonstrate its capacity or the capacity it will acquire to administer a successful program. A PHA in this case may not implement a Section 8 homeownership program prior to approval of the PHA Plan.

See Notice PIH 99-51 (Attachment B, Section 4, Component 12); Notice PIH 2000-22 (II.B.1.); Notice PIH 2000-43 (III.B.6); and 24 CFR 903.7(l)

3.13 Component Twelve: Community Service and Self-Sufficiency

3.13.1 Overview of Required Information

In this section, the PHA describes the self-sufficiency services and programs offered to residents by the PHA. The PHA must report on efforts to enter into a cooperative agreement with the local welfare (TANF) agency and to coordinate activities with the TANF agency for the provision of services to residents.

The PHA must also include information on the agency's self-sufficiency policies and programs, provide a description of the program (including the number of residents in the program, and the means of providing assistance to households). For the Family Self-Sufficiency (FSS) program specifically, the required and actual number of participants must be provided.

Per the *Final Rule on Admissions and Occupancy Requirements in Public Housing and Section 8 Housing Assistance Programs* (March 29, 2000), PHAs and public housing residents must comply with the community service requirement beginning with PHA fiscal years commencing October 1, 2000. Because the current PHA Plan template does not have a space for describing the PHA's implementation of community service requirements, the PHA must provide a brief description as a required attachment to the PHA Plan.

3.13.2 Completing the Component

Public housing high performers and small PHAs are not required to complete Component 12 as part of the streamlined PHA Plan submission. However, these PHAs are still required to implement the community service requirements, and make the policy on these requirements a locally-available supporting document to the PHA Plan.

To complete the component, the PHA will check the appropriate boxes and complete the two tables as indicated in the template.

In **Subcomponent 12A**, the PHA indicates whether they have entered into a cooperative agreement with the TANF agency and describes other coordinated efforts.

Note:
Section 8-only PHAs are only required to complete Subcomponent 12 C.

In **Subcomponent 12B(1)**, the PHA completes a table describing services and programs offered to residents. Examples might include: job training programs, basic skills training, financial or household management, apprenticeship, employment counseling, computer training, work placement, education programs, child care, medical services, or any program necessary to ready a participant for work (including a substance abuse or mental health program). The types of information requested for each program in services is summarized in the following chart.

Information Required for the "Services and Programs" Table in Component 12 B(1)

Program Name and Description:	may include location, if appropriate
Estimated Size:	number of families served
Allocation Method:	the manner in which the services are allocated, may be characterized as "waiting list," "random assignment," "specific criteria," or "other"
Access:	what organization/person should an interested person contact to obtain information about the program
Eligibility:	public housing residents, Section 8 participants, or both

In **Subcomponent 12 B(2)** the PHA needs to provide information related to Family Self-Sufficiency programs. In estimating the number of required participants in the table on Family Self-Sufficiency program(s), the PHA should consider any reduction in minimum program size resulting from attrition of participants the PHA expects to successfully complete FSS before the beginning of the PHA's fiscal year.

In **Subcomponent 12C**, the PHA needs to report compliance with statutory requirements that dictate treatment of changes in income as a result of welfare programs requirements. The PHA must mark applicable activities undertaken to comply with the requirements, which might include the following:

- Adoption of changes in rent determination policies and staff training on the changes;
- Informing the residents of changes in admission and reexamination policies;
- Notifying residents of new policies;
- Establishing cooperative agreements with appropriate TANF agencies; and
- Establishing protocols for exchange of information with appropriate TANF agencies.

The attachment describing the PHA's Community Service Requirements Policy must be provided at the end of the template file that is transmitted to HUD. PHAs should list the "Implementation of Public Housing Resident Community Service Requirements" as a required attachment to the PHA Plan in the Annual Plan Table of Contents. Please note that PHAs are still required to complete the existing portions of Component 12 of the PHA Plan template in addition to this attachment.

Note:
PHAs are required to make the **full** policy of administration of Community Service Requirements available as a supporting document to the PHA Plan.

PHAs are not required to submit their full local policy on administration of Community Service Requirements as part of the PHA Plan. Rather, the description included as an attachment to the plan may be approximately one

page in length or shorter. It must address the following:

1. The administrative steps being taken to implement the requirement:
   - changes in the public housing lease;
   - development of written description of the service requirement;
   - written notification to residents regarding requirement or exempt status of each adult family member;
   - entering into cooperative agreements with TANF (welfare) agencies to assist the PHA in verifying residents' status; and
   - whether the PHA or another entity will administer the program.

2. The programmatic aspects of the requirement:
   - the types of activities that residents who are subject to Community Service Requirements may participate in to fulfill their obligations; and
   - which partner agencies may offer residents opportunities to fulfill requirements, and the process to cure noncompliance.

See Notice PIH 99-51 (Attachment B, Section 4, Component 13 and Section 2.1); Notice PIH 2000-43 (III.B.5); and 24 CFR 903.7(m)

3.14 Component Thirteen: PHA Safety and Crime Prevention

3.14.1 Overview of Required Information

In this component, the PHA describes its plan for safety and crime prevention to promote the safety of the residents it serves. This Plan must be developed in consultation with the law enforcement agency in the PHA's locality.

Note:
Because completion of the Public Housing Drug Elimination Program (PHDEP) Plan relates to Subcomponent 13D, specific information on the PHDEP Plan and the requirements to complete the PHDEP Template are included in this section of the Guide.

3.14.2 Completing the Component

Only PHAs that administer public housing are required to respond to this component. High Performing and small PHAs that do not plan to participate in PHDEP are also exempt from

completing this section. High Performing and small PHAs that are participating in PHDEP and are submitting a PHDEP Plan, are only required to complete the information requested under Subcomponent D.

Subcomponent 13A: Need for Measures to Ensure the Safety of Public Housing Residents

Question 1 asks the PHA to determine its need for actions to ensure the safety of public housing residents. The information requested under this component is to be provided by development or jurisdiction-wide. For this section, the PHA must consider the prevalence of violent and drug-related criminal activity in its developments and the surrounding areas.

Question 2 asks the PHA to identify the source(s) of information or data used to determine the need for actions to improve the safety of the PHA's residents. As sources of information, the PHA may include: resident surveys, police reports, newspaper articles, and any other reliable data that may support a determination of the existing drug-related situation. The PHA must ensure that the information used in this section is available for public inspection.

In Question 3, the PHA is required to list those developments that have the highest incidence of violent and drug-related criminal activities.

Subcomponent 13B: Crime and Drug Prevention Activities the PHA has Undertaken or Plans to Undertake in the Next Fiscal Year

In Question 1, the PHA indicates the crime and drug prevention activities the agency has undertaken or plans to develop in the coming year. The PHA should evaluate its current activities in order to develop additional future strategies. The PHA should also identify the activities by target group, and those that include crime prevention through environmental design.

In Question 2, the PHA lists the targeted developments.

Subcomponent 13C: Coordination Between PHA and the Police

Under Question 1 the PHA reports on existing coordination between the PHA and the law enforcement agency(ies) responsible for carrying out crime prevention measures and activities. The PHA also indicates the

appropriate degree of participation by law enforcement officials in the PHA's crime and drug prevention activities.

Under Question 2, the PHA lists those developments where the police are involved.

Subcomponent 13D: Additional information as required by PHDEP/ PHDEP Plan

This Subcomponent requests the PHA to identify whether it is eligible to participate in the Public Housing Drug Elimination Program (PHDEP) and if so, to indicate if they have included the PHDEP Plan as part of the PHA Plan. In order to receive PHDEP funds, the PHA must complete the PHDEP Plan as described on the next pages.

The PHDEP Plan is submitted as an attachment to the PHA Plan template. The PHA should identify this attachment in the PHA Plan Table of Contents.

3.14.3 Public Housing Drug Elimination Program (PHDEP) Plan

In order to receive Public Housing Drug Elimination (PHDEP) formula funds, a PHA must submit a PHDEP Plan with the PHA Annual Plan. The PHDEP Plan must provide the information specified in 24 CFR part 761.21 (as reflected in the PHDEP Final Rule, published September 14, 1999) in a format specified by HUD. HUD has provided the required format for the PHDEP Plan as a template file made available on the PHA Plans web site (HUD 50075-PHDEP Plan).

Any PHA applying for funding must provide the residents of the developments to be affected by the PHDEP Plan with a reasonable opportunity to comment on its application. As an attachment to the PHA Plan, the PHDEP Plan must be made available for public inspection.

Any PHA applying for funding under PHDEP must provide the following information included in the Annual PHDEP Plan Table of Contents:

- information/history;

- goals and budget; and
- milestones and certifications.

General Information/ History

In *Section 1A* of the PHDEP Plan, the PHA indicates the amount of PHDEP Grant the PHA is requesting. If the actual amount is unknown, the PHA may estimate the amount of the grant based on the previous year final award or may contact the local Field Office.

Section 1B requires the PHA to identify its Eligibility Type: "N1," "N2" or "R".

- *"N1" PHAs* are those designated eligible on the basis of need as determined under the formula characteristics. PHAs under this category must be in the top 50% of the unit-weighted distribution of an index rolling average rate of violent crimes in the community, as computed for each Federal Fiscal Year. The eligible PHA must have qualified for PHDEP funding by receiving an application score of 70 or more points under previous years NOFAs.
- *"N2" PHAs* are eligible on the basis of need if they qualified for funding under FYs 1996, 1997 or 1998 but were not funded due to unavailability of funds.
- *"R" PHAs* are eligible for funding as preference PHAs. These PHAs successfully competed for PHDEP funding under at least one of the PHDEP NOFAs for FY 1996, 1997 or 1998.

In *Section 1C* the PHA must identify the Federal Funding Year in which funding is requested.

Section 1D asks for an executive summary of the annual PHDEP Plan submitted. This summary should include highlights, major initiatives and expected outcomes.

In *Section 1E*, the PHA must identify the developments to be targeted, the number of units and the population served.

Under *Section 1F*, the PHA must identify the duration of the program for which funding is needed from 6 months to 24 months.

In *Section 1G*, the PHA is required to disclose the PHA's PHDEP funding history for each fiscal year for which the agency has been funded and must include balance, any grant extensions or waivers received, and completion date. The template provides for funding years up to FY 1999. The PHA may modify this table to include additional years.

PHDEP Plan Goals/Budget

In *Section 2A*, the PHA is required to submit a summary of the PHDEP strategies it has considered to address the needs of the target population or area. The summary must briefly describe the planned activities, the role of each partner and their contribution to carrying out the plan. It must also include the system to be used for monitoring and evaluating the outcome of the activities to be funded. This narrative should not exceed five to ten sentences.

Section 2B presents a table where the PHA enters the total amount of PHDEP funding to be used for each planned activity by budget line item.

Section 2C contains a series of tables identified by budget line item, for which the PHA must provide information on its PHDEP strategy. For each budget line item, the PHA must identify measurable goals and objectives and list all the proposed activities to be undertaken. Each budget line item must include a total amount. This amount should be the same as the amount identified in the PHDEP Budget Summary under *Section 2B*. The PHA may modify these tables and insert additional rows to include all proposed activities. The description of the proposed activities should be brief, not to exceed two sentences. PHAs may delete the tables for those line items for which they have no planned goals or activities.

Expenditures/Obligation and Milestones

In the table provided in this section, the PHA identifies measurable performance goals and interim milestones for the proposed activities. The PHA indicates by budget line item the percentage of funds that will be

expended and obligated within the duration of the grant. PHDEP requires that the PHA expend at least 25 percent and obligate at least 50 percent of the total grant award within 12 months of grant execution. In completing this table, the PHA must make reference to each activity included in *Section 2C*, and must indicate for what activities the PHA will expend and obligate, 25 percent and 50 percent of PHDEP funds, respectively, by budget line item.

Certifications

The PHDEP Plan requires the same Certifications that are required by the PHA Plan: the PHA Certification of Compliance with the PHA Plan and Related Regulations; Form HUD–50070, Certification for Drug Free Workplace; Standard Form SF-LLL and SF LLLa, Disclosure of Lobbying Activities (if applicable); and Form HUD–50071, Certification of Payments to Influence Federal Transactions. Only one set of these certifications needs to be submitted to HUD.

The PHA Certification of Compliance with the PHA Plan and Related Regulations includes an assurance that the PHA will maintain and have available for review/inspection (at all times), records or documentation regarding: baseline law enforcement services; consortium agreement(s) under **24 CFR 761.15**; partnership agreements and services; coordination with other law enforcement efforts; agreement(s) with local law enforcement agencies; and crime statistics. Each of these items is a supporting document for the PHA Plan, and must be made available accordingly.

3.15 Component Fourteen: Pet Policy

See Notice PIH 2000-43 (III.B.7.) and 24 CFR 903.7(n)

3.15.1 Overview of Required Information

For this component, PHAs provide a statement of their policy regarding pet ownership in public housing. In the first year of the PHA Plan (FY 2000), PHAs were not required to address this component and the Section is identified as “reserved” under the current PHA Template-HUD 50075.

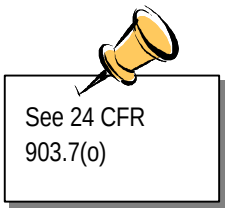
Subsequently, on July 10, 2000 the *Pet Ownership in Public Housing; Final Rule* was published in the *Federal Register*, requiring any PHA with a fiscal year beginning on or after January 1, 2001, to include information regarding its pet policy. Because the PHA Plan template is not revised to include specific information on this component, the PHA is required to submit information on their pet policy as a required attachment.

3.15.2 Completing the Component

PHAs administering Section 8 only, High Performing and Small PHAs are not required to respond to this component. However, this exemption does not relieve PHAs that administer public housing from complying with the requirement to implement a pet policy and publish it as part of the PHA Plan. The PHA's pet policy will become effective on the approval date of the PHA Plan.

The PHA is not required to submit its entire pet policy at the time of transmission of the PHA Plan. The PHA must submit only a brief statement with basic information pertaining to the policy. This statement may include any reasonable standards on pet ownership that the PHA will adopt such as monetary deposit, standards of pet care, and limitations in the number of animals per unit. This statement is considered a required attachment to the PHA Plan and must be listed as such in the Annual Plan Table of Contents.

PHAs are required to provide the agency's full pet policy as a Supporting Document to the PHA Plan. As a Supporting Document, the Pet Policy should be available for public review during the 45-day comment period prior to PHA Plan submission, as well as after the PHA Plan has been approved.



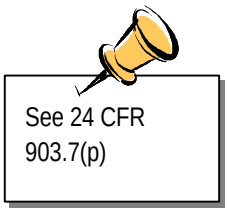
3.16 Component Fifteen: Civil Rights Certifications

3.16.1 Overview of Required Information

For this component, the PHA must certify that it will carry out its PHA Plan in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601-19), Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), and Title II of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.), and also certify that it will affirmatively further fair housing.

3.16.2 Completing the Component

PHAs comply with this component by submitting the Civil Rights certifications incorporated in the *PHA Plan Certifications of Compliance with the PHA Plans and Related Regulations.* This certification is applicable for a PHA's Five-Year and Annual Plan. The form is available through HUD's PHA Plans web site. As is further described in Section 3.21, the PHA must download, complete and sign this form, and mail it to the appropriate HUD Field Office as part of the PHA Plan submission process.



3.17 Component Sixteen: Fiscal Audit

3.17.1 Overview of Required Information

In this component, PHAs that receive over $300,000 in Federal funds must include the results of the most recent year fiscal year audit as required under the Single Audit Act, as implemented by OMB Circular A-133. The Single Audit Act Amendment of 1996 exempts any PHA that expends less than $300,000 in Federal dollars in a fiscal year from the Single Audit requirement as well as from individual Federal Program award audit requirements.

3.17.2 Completing the Component

Under Question 1, the PHA should indicate if it must have an audit conducted. If "yes", the PHA completes sections 2-5. PHAs that respond "no" are exempt from answering the remaining questions under the component. Question 2 asks the PHA to indicate if the PHA has submitted its most recent fiscal audit to the local HUD Field Office. In Question 3, the PHA must state if there were any findings as a result of the audit. If the answer is "yes," the PHA must disclose under Question 4 the number of findings that it may still have outstanding. In Question 5, the PHA must denote if it has submitted to the local HUD Field Office a response to any open finding.

3.18 Component Seventeen: PHA Asset Management

See Notice PIH 99-51 (Attachment B, Section 4, Optional Table) and 24 CFR 903.7(q)

3.18.1 Overview of Required Information

PHAs are asked to submit a statement that describes how the PHA will carry out its asset management functions with respect to the PHA's public housing inventory, including how the PHA will schedule its long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

3.18.2 Completing the Component

The PHA can complete a narrative statement or use the Optional Public Housing Asset Management Table provided as part of the PHA Plan. This optional table is found at the end of the PHA Plan template. If the PHA opts to use this table, it must identify it as an attachment to the Plan and list it in the Table of Contents. The PHA is required to respond to the three questions under the component regardless of which reporting method is used.

Note:
The PHA cannot use this optional table to comply with the requirements of component 7A, Capital Funds Activities. Component 7A has specific requirements that will not be satisfied by the use of this table.

In Question 1, the PHA indicates if the agency is participating in any activity that may contribute to the long-term asset management of its inventory. A PHA may include information that has not been previously addressed as part of any other component of the Plan.

In Question 2, the PHA is requested to indicate the type of activities it plans to undertake.

Question 3 asks whether the PHA has addressed the description of the asset management activities in the "Optional Public Housing Asset Management Table".

In using the table, a PHA should identify those activities that are not applicable as *N/A.* A PHA submitting a streamlined plan should identify those activities for which it is not required to report as *component not applicable or CN/A.* Where a PHA is reporting on initiatives applicable to several categories, it should repeat the information under each appropriate column.

See Notice PIH 99-51 (Attachment B, Section 4, Component 18, 19); Notice PIH 2000-36; Notice PIH 2000-43 (III.B.9 and 10); Notice PIH 2001-4 (II.E); and Notice PIH 2001-26.

3.19 Component Eighteen: Other Information

3.19.1 Overview of Required Information

In this component, the PHA provides information regarding several topics, including its Resident Advisory Board and Resident Membership in the PHA's Governing Board. **All** PHAs are required to respond to this component.

A Resident Advisory Board consists of individuals who adequately represent the residents served by a public housing authority. A PHA that has a substantial population of Section 8 participants must ensure that families receiving tenant-based assistance are reasonably represented on a Resident Advisory Board and that a reasonable process is undertaken to ensure this representation.

See Section 4 for a more detailed discussion of the Resident Advisory Board, its role and responsibilities.

3.19.2 Completing the Component

PHAs are first required to provide the name, method of selection (election or appointment), and term of appointment for the resident(s) member(s) of the PHA Governing Board. If the PHA does not have a resident serving on its Board, it must provide a statement including: the reason why a resident member has not been appointed to the Board (including its exemption category); the date of the next term expiration that would provide an opportunity to appoint a resident to the Board; and the name and title of the appointing official for the Governing Board. This information is provided as a required attachment to the PHA Plan and should be titled "Resident Membership of the PHA Governing Board" and listed in the Plan's Table of Contents.

Note:
HUD's October 21, 1999 publication, *Public Housing Agency Organization: Required Resident Membership on Board of Directors or Similar Governing Body Final Regulation* requires PHAs to have a resident member on the agency's Governing Board.

The PHA is also required to provide a list of the members of its Resident Advisory Board (RAB). When the list of participants is extensive, the PHA may list the name of the organization that the residents represent. The list of RAB members must be identified as a required attachment under the Annual Plan Table of Contents. The PHA must make its RAB members' list available for public inspection at the time it announces the PHA Plan public hearing.

Subcomponent 18A addresses the RAB's recommendations in the development of the PHA Plan. The PHA must consider thoroughly the recommendations made by its RAB, although the PHA is not required to concur with them. In Question 1, the PHA indicates if the agency received any comments from the RAB. If " yes", the PHA must include the comments under this section or as an attachment to the Plan. If the comments are provided as an attachment, the PHA must identify the file name and include it in the Table of Contents. In Question 3, the PHA indicates what action has been taken or will be taken to address the RAB's

comments. The PHA also lists any changes made to the PHA Plan as a result of the RAB's comments.

Under **Subcomponent 18B**, the PHA describes the process to select Board residents. Question 1 asks if the PHA meets the exemption criteria under section (2)(b) of the *U.S. Housing Act of 1937*. A "yes" answer refers the PHA to address Question 3. If the PHA does not meet the exemption criteria, the PHA must indicate in question 2 whether the PHA's resident population selected the Board member. (If the residents were not part of the selection process, the PHA must skip to Subcomponent 18C.) In Question 3, the PHA describes the election process, including its nomination process, eligible candidates, and eligible voters.

Under **Subcomponent 18C**, the PHA must provide a statement that demonstrates the consistency of its PHA Plan with the Consolidated Plan. Beginning with January 2002 PHAs, for PHA covering multiple jurisdictions, only the largest jurisdiction with more than half of the total population (or combination of the largest jurisdictions with more than half the population, if no single jurisdiction meets this requirement) represented in the PHA Plan, will be required to submit the *Certification by State and Local Official of the PHA Plans Consistency with the Consolidated Plan.* The statement(s) must be included as an attachment(s) to the Plan. In Question 1, the PHA identifies the jurisdiction of the Consolidated Plan. In Question 2, the PHA must describe the steps it has taken to ensure the consistency of its PHA Plan with the Consolidated Plan. In Question 4, the PHA must describe how the Consolidated Plan supports the PHA Plan. The PHA lists all supporting activities and commitments included in the Consolidated Plan(s).

Subcomponent 18D is reserved for any additional information required by HUD. In this section, the PHA may provide its definition of Substantial Deviation and Significant Amendment/Modification. See Section 7 of this Guide for further discussion of this topic.

3.20 Capital Fund Tables

3.20.1 Overview of Required Information

See Notice PIH 99-51 (Attachment B, Section 4, Component 7); Notice PIH 2000-43 (IV.D.); Notice PIH 2001-4 (II.D); Notice PIH 2001-4a rev; and Notice PIH 2001-26.

The Capital Fund Tables in the PHA Plan are used in conjunction with Component 7, Capital Improvement Needs. Using the Annual Statement/ Performance and Evaluation Report Tables, the PHA must identify the capital activities the PHA is proposing for the upcoming year for its public housing developments as well as report on its on-going capital activities. The PHA also summarizes the use of Capital Funds by Development Account, describes the major work categories at each development, and provides an implementation schedule. The Capital Fund Tables may be found at the end of Section 3.20.

Housing authorities also are encouraged to submit the Five-Year Action Plan Table to describe long-term planned capital improvement projects. Using the PHA Plan process, the housing authority can ensure that the public is involved in the capital planning process and can minimize the number of substantial deviations from planned activities that would necessitate additional public approval processes.

Limitations of the use of Capital Fund grants are specified in section 9(g) of the U.S. Housing Act (USHA), including partial flexibility for Capital Fund amounts as specified in section 9(g)(1) of the USHA and full flexibility for certain PHAs operating fewer than 250 public housing dwelling units as specified in section 9(g)(2) of USHA. PHAs are subject to the obligation and expenditure requirements of section 9(j) of the USHA, as well as current HUD requirements. As discussed in **Notice PIH 2001-26**, until the CFP final rule is published, PHAs must meet benchmarks established under existing program guidelines that require earlier obligation and expenditure deadlines to ensure compliance with the Act. The benchmarks require PHAs to obligate funds within 18 months and to expend funds within 3 years after funds are made available.

For the purpose of statutory obligation and expenditure deadlines for CFP funds received in Fiscal Year 2000, the commencement date is September 30, 2000 (for determining when funds must be obligated and expended). For

Fiscal Year 2001, the commencement date is June 30, 2001 for PHAs with a fiscal year beginning on January 1st, April 1st, and July 1st. For October 2001 PHAs, the commencement date is September 30, 2001.

Commencing with Fiscal Year 2002, HUD anticipates putting systems in place that will allow a portion of CFP funds to be available to PHAs for obligation as close as possible to the Federal fiscal year rather than quarterly after the approval of individual PHA Plans. With this procedure, PHAs would be provided with 50% of the CFP total formula share for obligation on work items in the PHA's Five-year Plan, already approved by HUD, prior to the submission and approval of the current PHA Plan. Assuming a timely appropriation of capital funds and adaptation of HUD systems, this could occur in approximately January 2002. Participation in this initiative would be limited to non-troubled agencies that have submitted PHA Plans for Fiscal Years 2000-2001 (unless notified by HUD) and are not otherwise disqualified by HUD for reasons such as failure to obligate prior funds in a timely manner.

3.20.2 Annual Statement Tables

Beginning with plans submitted by PHAs with fiscal year start date July 1, 2001, PHAs must use Parts I, II and III of the Annual Statement/Performance and Evaluation Report for the Capital Fund Program (CFP) found on the PHA Plans web site. **Notice PIH 2001-4a (revised)** also includes the revised Capital Fund Program Tables required at the time of submission of the PHA Plan. A separate Report should be developed for the upcoming year (Annual Statement), as well as for each open, approved capital grant (Performance and Evaluation Report).

Until notified of their actual formula share of the Capital Fund, PHAs may use estimated funding amounts in developing the Annual Statement. Estimates are based on the amount of the previous Federal fiscal year grants or another reasonable method for estimating future funding. PHAs can contact the HUD Field Office for additional information.

Each PHA annually submits to the Field Office as part of its PHA Plan, the Performance and Evaluation Report for each approved Annual Statement including replacement housing factor or emergency grants, where the PHA is still expending funds. The reporting period ends six months before the start of the PHA's fiscal year. Since the Report is part of the PHA Plan, it is subject to the public hearing process. The chart below provides information on the Report dates:

Performance and Evaluation Report Due Dates

PHA FY Begins	Plan Submission (75 days before PHA FY begins)	P&E Reports Due	P&E Report As Of
January 1	Mid-October	Mid-October	June 30
April 1	Mid-January	Mid-January	September 30
July 1	Mid-April	Mid-April	December 31
October 1	Mid-July	Mid-July	March 31

(Note: exact day depends on calendar days in PHA's fiscal year)

Annual Statement/Performance and Evaluation Report Capital Fund Program Part I: Summary

In Part I of the table, the PHA should provide a program-wide summary, by budget category, for the upcoming fiscal year or report on the status of existing grants. In preparing the Annual Statement/Performance and Evaluation Report, the PHA should be aware that eligible expense categories are those specified in Section 9(d) of the U.S. Housing Act (USHA) of 1937, as amended by section 519(a) of the Quality Housing and Work Responsibility Act of 1998.

Notice PIH 2001-4 provides the following revisions to reporting requirements to the Capital Fund Program Tables:

- After initial approval by HUD, the PHA tracks cost decreases or increases in the "Original Total Estimated Cost" column and report these revisions in the "Revised Total Estimated Cost" column at the end of each program year on the Performance and Evaluation

Report. If revisions are reported in the "Revised Total Estimated Cost" column when a Performance and Evaluation Report is submitted, the revisions must be reflected in the "Original Total Estimated Cost" column when the next Performance and Evaluation Report is submitted.

- Complete the section on "Actual Cost" on the Performance and Evaluation Report at the end of the Capital Program year for each grant number year with leftover funds.
- The Annual Statement/Performance and Evaluation Report contains a budget line item for development activities (1499) and deletes the budget line item for modernization used for development (1498).
- Grants awarded for the Replacement Housing Factor must remain in Account 1499, development activities, until the PHA has accumulated adequate funds and received approval of a development proposal. The two-year statutory obligation of Replacement Housing Funds will begin upon approval of a development proposal.
- Small PHAs awarded emergency grants beginning in fiscal year 2000 must repay the grants from future year formula amounts. Field Offices must reserve grants for emergencies and disasters.
- Until the new Capital Fund regulations are published, the regulations at 24 CFR Part 968 remain in effect, including cost limitations. The PHA is permitted to expend no more than a total of 10 percent of its annual grant for administrative costs in Account 1410.

Eligible PHAs wishing to expend CFP funds on operating costs have been permitted to do so by reporting the amount of funds "transferred" to operating costs on budget line item 1406 in the "CFP Annual Statement Part I: Summary" and drawing the funds down for operating expenditures. Amounts allocated by PHAs to line 1406 must only be used for non-capital operating costs. (Capital costs are those that would be classified under line 7540 "Property Betterments and Improvements" in the PHAs Operating Budget.) PHAs must distribute all CFP amounts intended for

use on capital activities among the appropriate capital-related budget line items in the CFP Annual Statement.

This does not limit a PHA's ability to apply capital funds to operating costs up to the regulatory limit. However, each PHA's Capital Fund Program Annual Statement must reflect accurately its intention to conduct capital activities with Capital Fund Program funds.

- PHAs, other than high performers, must not use more than a total of 20 percent of their annual grant for management improvement costs in account 1408. High performers under the Public Housing Assessment System have no limits on the use of their annual grants for management improvements.
- PHAs may initially budget up to 8 percent of their annual grants for contingencies in Account 1502. The PHA does not draw down, obligate or expend funds against Account 1502. Funds budgeted in Account 1502 are considered unobligated until they are rebudgeted within the Annual Statement or other eligible accounts and obligated for work items.
- Pending publication of the Capital Fund Program Final Rule, PHAs may use the Comprehensive Grant program (CGP) LOCCS/VRS forms for the Capital Fund Program. The voucher number must be identified as "092" and the program as "CFP."

Exhibit 6 below describes the information required in Part 1 of the Annual Statement/Performance and Evaluation Report.

Exhibit 6

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Replacement Housing Factor
Part I: Summary

PHA Name	Enter the Name and Number of the PHA
Grant Type and Number	Enter the Number of the Grant next to the appropriate number
Federal FY of Grant	Enter the Federal Fiscal Year of the Grant on which the report is being submitted
Type of Report	Check the appropriate box to indicate what type of report is being submitted
Total Estimated Cost: Original	Enter the original estimate by Development Account code for all activities
Total Estimated Cost: Revised	Enter the revised estimate by Development Account. Include the original estimate
Total Actual Cost: Original	Enter the obligated amount by Development Account
Total Actual Cost: Expended	Enter the expended amount by Development Account. Include the obligated amount
Collaterization Expenses or Debt Services	The amount of the total grant being used as collateral or to service debt
Amount of Annual Grant – Line 21	Enter the total amount of the grant on which the report is being submitted. The Amount should be the total of all Development Accounts (Lines 2-20)
Amount of Line 21 Related to LBP Activities	The amount of the total grant related to lead-based paint activities
Amount of Line 21 Related to Section 504 Compliance	The amount of the total grant related to Section 504 Compliance
Amount of Line 21 Related to Security-Soft Costs	The amount of the total grant related to Security-Soft Costs, such as law enforcement, security guards, drug prevention
Amount of Line 21 Related to Security-Hard Costs	The amount of the total grant related to Security-Hard Costs, such as security lighting, fencing, access control
Amount of Line 21 Related to Energy Conservation Measures	The amount of the total grant related to Energy Conservation Measures, such as low-flow toilets, efficient water heaters

Annual Statement/Performance and Evaluation Report Capital Fund Program Part II: Supporting Table

A separate Supporting Table should be prepared for each open grant and for the upcoming fiscal year. On the Supporting Table, the PHA should group, by development, the capital improvement work that will occur in the upcoming fiscal year or for the year in which the Performance and Evaluation Report is being submitted. A brief description of the work planned, its estimated cost and development account number must be included. The Total Estimated Cost should equal the Total Estimated Cost on the Part I table. The Total Actual Cost should equal the Total Actual Cost on the Part I table. Agency-wide activities should be listed after the development-specific activities.

Annual Statement/Performance and Evaluation Report Capital Fund Program Part III: Implementation Schedule

A separate Implementation Schedule Table is prepared for each open grant and for the upcoming year. On the Annual Statement Implementation Schedule Table, the PHA identifies the estimated timeline for obligation and expenditure for each activity. The estimate on the Part III table is required only if the timeline extends beyond the HUD obligation (18 months) and expenditure (36 months) deadlines. On the Annual Statement/Performance and Evaluation Report, "Part III: Implementation Schedule," the PHA lists the development number and planned activities, and information on all funds obligated and expended by quarter ending date. All funds obligated must be categorized by the original date funds were anticipated to be obligated, revised projections for obligation, and the actual obligation date for the planned activities. All funds expended also must be categorized by the original date funds were anticipated to be expended, revised projections for expenditures, and the actual expenditure date for completed activities. The PHA must also include the reasons for revisions to the target dates for both obligated and expended funds. A description of Agency-wide activities, such as management improvements, should be identified after the development-specific activities.

3.20.3 Capital Fund Program Five-Year Action Plan

The CFP Five-Year Action Plan is one of the most important documents of a PHA. Development of the CFP Five-Year Action Plan requires strategic planning that involves the PHA staff, Board, residents and community to detail the capital improvements that coordinate with the PHAs mission, goals and strategies.

Notice PIH 2001-4a (revised) provides the revised Capital Fund Program Tables required at the time of submission of the PHA Plan. The CFP Five-Year Action Plan form is located on the PHA Plans web site: http://www.hud.gov/pih/pha/plans/phaps-home.html).

The PHA is required to list "all large capital" items on its CFP Five-Year Action Plan. Although the PHA is only *required* to list large capital items, the PHA will only be permitted to exercise fungibility (as defined in 24 CFR 968.305) between work items that *are included* in the Annual Plan and/or the Five-Year Action Plan. A PHA that wishes to exercise fungibility should include as many work items in the Five-Year Action Plan as necessary, even if some of the items are not large capital items. If a PHA wishes to conduct a non-emergency capital work item that has not been included in a previously approved plan, it must first amend its plan. HUD must approve the amended plan before the PHA may begin the work.

Exhibits 7 and 8 below describe the information required in the Capital Fund Program Five-Year Action Plan.

Exhibit 7
Capital Fund Program Five-Year Action Plan
Part I: Summary

PHA Name	Enter the Name and PHA Number
Original Five-YearPlan/Revision No.	Check the appropriate box. Consecutively number each Revision submitted
Development Number/Name/HA-Wide	Group the planned capital projects by Development. List the HA-Wide projects last
Year 1	Do not enter any information on Year 1. That information is contained on the Annual Statement
Work Statement for Year 2/3/4/5	Enter the Federal Fiscal Year and the PHA's Fiscal Year for Years 2, 3, 4, and 5. Group the planned capital projects for each individual development by year
Total CFP funds (Est.)	Enter the total Capital Fund Program funds listed for Years 2, 3, 4, and 5.
Total Replacement Housing Factor Funds	Enter the total Replacement Housing Factor Funds anticipated for Years 2, 3, 4, and 5.

Exhibit 8
Capital Fund Program Five-Year Action Plan
Part II: Supporting Pages-Work Activities

Activities for Year 1	Do not enter any information on Year 1. That information is contained on the Annual Statement
Activities for Year 2/3/4/5	Enter the Federal Fiscal Year and the PHA's Fiscal Year for Years 2, 3, 4, and 5.
Development Name/Number	Enter the name and number of the developments with planned activities.
Major Work Categories	Identify the planned major work categories by Development for Years 2, 3, 4 and 5. (example: doors, windows, etc.)
Estimated Cost	Enter the estimated cost for work activities by category for each development for Years 2, 3, 4, and 5. A subtotal amount must be entered for all work activities by development.
Total CFP Estimated Cost	Enter the total estimated Capital Funds Program Cost for all planned work activities for Years 2, 3, 4, and 5.

CAPITAL FUND PROGRAM TABLES

Annual Statement/Performance and Evaluation Report **Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary**					
PHA Name:		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No:		**Federal FY of Grant:**	
☐**Original Annual Statement** ☐**Reserve for Disasters/ Emergencies** ☐**Revised Annual Statement (revision no:**) ☐**Performance and Evaluation Report for Period Ending:** ☐**Final Performance and Evaluation Report**					
Line No.	**Summary by Development Account**	**Total Estimated Cost**		**Total Actual Cost**	
		Original	**Revised**	**Obligated**	**Expended**
1	Total non-CFP Funds				
2	1406 Operations				
3	1408 Management Improvements				
4	1410 Administration				
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs				
8	1440 Site Acquisition				
9	1450 Site Improvement				
10	1460 Dwelling Structures				
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Nondwelling Structures				
13	1475 Nondwelling Equipment				
14	1485 Demolition				
15	1490 Replacement Reserve				
16	1492 Moving to Work Demonstration				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF) Part I: Summary

PHA Name:	Grant Type and Number Capital Fund Program Grant No: Replacement Housing Factor Grant No:	Federal FY of Grant:

☐ Original Annual Statement ☐ Reserve for Disasters/ Emergencies ☐ Revised Annual Statement (revision no:)
☐ Performance and Evaluation Report for Period Ending: ☐ Final Performance and Evaluation Report

Line No.	Summary by Development Account	Total Estimated Cost		Total Actual Cost	
		Original	Revised	Obligated	Expended
17	1495.1 Relocation Costs				
18	1499 Development Activities				
19	1501 Collaterization or Debt Service				
20	1502 Contingency				
21	Amount of Annual Grant: (sum of lines 2 – 20)				
22	Amount of line 21 Related to LBP Activities				
23	Amount of line 21 Related to Section 504 compliance				
24	Amount of line 21 Related to Security – Soft Costs				
25	Amount of Line 21 Related to Security – Hard Costs				
26	Amount of line 21 Related to Energy Conservation Measures				

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part II: Supporting Pages

PHA Name:		**Grant Type and Number** Capital Fund Program Grant No: Replacement Housing Factor Grant No:				**Federal FY of Grant:**		
Development Number Name/HA-Wide Activities	General Description of Major Work Categories	Dev. Acct No.	Quantity	Total Estimated Cost		Total Actual Cost		Status of Work
				Original	Revised	Funds Obligated	Funds Expended	

Annual Statement/Performance and Evaluation Report
Capital Fund Program and Capital Fund Program Replacement Housing Factor (CFP/CFPRHF)
Part III: Implementation Schedule

PHA Name:	**Grant Type and Number** Capital Fund Program No: Replacement Housing Factor No:	**Federal FY of Grant:**

Development Number Name/HA-Wide Activities	All Fund Obligated (Quarter Ending Date)			All Funds Expended (Quarter Ending Date)			Reasons for Revised Target Dates
	Original	Revised	Actual	Original	Revised	Actual	

Capital Fund Program Five-Year Action Plan **Part I: Summary**		***S A M P L E***			
PHA Name ***Anytown Housing Authority***				☐**Original 5-Year Plan** ☐**Revision No:**	
Development Number/Name/HA-Wide	Year 1	Work Statement for Year 2 FFY Grant: ***2002*** PHA FY: ***2002***	Work Statement for Year 3 FFY Grant: ***2003*** PHA FY: ***2003***	Work Statement for Year 4 FFY Grant: ***2004*** PHA FY: ***2004***	Work Statement for Year 5 FFY Grant: ***2005*** PHA FY: ***2005***
10-01/ Main Street	Annual Statement	***$80,000***	***$36,000***	***$65,000***	***$55,000***
10-02/Broadway		***$90,000***	***$40,900***	***$40,000***	***$43,000***
HA-wide		***$100,000***	***$50,000***	***$35,000***	***$27,000***
CFP Funds Listed for 5-year planning		***$270,000***	***$162,900***	***$140,000***	***$125,000***
Replacement Housing Factor Funds		***$40,000***			

Capital Fund Program Five-Year Action Plan

Part II: Supporting Pages—Work Activities *S A M P L E*

Activities for Year 1	Activities for Year :__2__ FFY Grant: 2002 PHA FY: 2002			Activities for Year: __3_ FFY Grant: 2003 PHA FY: 2003		
	Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
See	*10-01/Main Street*	*Porches*	*$35,000*	*10-01/Main Street*	*Security Doors replaced*	*$36,000*
Annual		*Doors*	*$45,000*			
Statement						
	Subtotal		*$80,000*			
	10-02/Broadway	*Windows*	*$55,000*	*10-02/Broadway*	*Kitchen cabinets*	*$40,900*
		Site Improvements	*$35,000*			
	Subtotal		*$90,000*			
	HA-wide	*Office Equip/computer System Upgrade*	*$100,000*	*HA-wide*	*Security/Main Office and Common Hallways*	*$50,000*
Total CFP Estimated Cost			*$270,000*			*$162,900*

Capital Fund Program Five-Year Action Plan

Part II: Supporting Pages—Work Activities *S A M P L E (continued)*

Activities for Year : ***4*** FFY Grant: ***2004*** PHA FY: ***2004***			Activities for Year: ***5*** FFY Grant: ***2005*** PHA FY: ***2005***		
Development Name/Number	**Major Work Categories**	**Estimated Cost**	**Development Name/Number**	**Major Work Categories**	**Estimated Cost**
10-01/Main Street	***Storage sheds and landscaping***	***$65,000***	***10-01/Main Street***	***Replace bathroom tile***	***$55,000***
10-02/Broadway	***Tub/shower replacement***	***$40,000***	***10-02/Broadway***	***New gutters and interior doors***	***$43,000***
HA-wide	***Lead-based paint abatement***	***$35,000***	***HA-wide***	***Office furniture***	***$27,000***
Total CFP Estimated Cost		***$140,000***			***$125,000***

3.21 Certifications

See Notice PIH 99-51 (Attachment B, Section 5); and Notice PIH 2001-26 (II E.)

The PHA must complete, sign and mail certification forms **with original signatures** to its local HUD office as a part of the PHA Plan submission process. The certification forms, which can be downloaded from the PHA Plans web site, validate the plan before submission to a local HUD office, and validate the Plan's consistency with the Consolidated Plan. In addition, a PHA submitting a request for the Capital Fund Program/Capital Fund Program Replacement Housing Factor or the Public Housing Drug Elimination Program grant is required to complete certifications related to the receipt of Federal funds.

3.21.1 Overview of Required Forms

All PHAs are required to submit the **Plans Certification of Compliance with the PHA Plans and Related Regulations** form of December 1999. The Plans Certification requires signature of the Chairman of the Board of Commissioners, or other authorized PHA official if there is no Board of Commissioners. On the form, the Chairman, acting on behalf of the Board, will certify, among other things:

- that the PHA is in compliance with Civil Rights laws and regulations;
- that the PHA will only undertake activities and programs covered by the PHA Plan in a manner consistent with the Plan;
- that the PHA will use grant funds only for approved activities; and
- that the PHA will comply with all regulations.

PHAs also are required to submit the following forms:

- **Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan** form of July 1999. All housing authorities, except small, non-troubled PHAs submitting a Small PHA Plan Update must submit this form. Small, non-

troubled PHAs must provide a Statement of Consistency with the Consolidated Plan as a part of the Small PHA Plan Update in years 2-5. During years when small non-troubled PHAs submit a regular PHA Plan, the *Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan* must be completed.

Beginning with January 2002 PHAs, for PHAs covering multiple jurisdictions, only the largest jurisdiction with more than half of the total population (or a combination of the largest jurisdictions with more than half the population, if no single jurisdiction meets this requirement) represented in the PHA Plan, will be required to submit the *Certification by State or Local Official of PHA Plans Consistency with the Consolidated Plan.* Other jurisdictions covered by the PHA Plan must be notified in writing by the PHA(s) covering the larger jurisdiction(s) of this process, the timeframe, where the Plan is available for review and where they can submit comments to the PHA or HUD.

- **Certification for a Drug-Free Workplace** (form HUD 50070) must be completed by all PHAs requesting funding under the Public Housing Drug Elimination Program (PHDEP) and/or the Capital Fund Program (CFP). A PHA requesting funding under both programs is required to submit only one *Certification for a Drug-Free Workplace* form.

- **All PHAs requesting funding under the Public Housing Drug Elimination Program (PHDEP) and/or Capital Fund Program (CFP) must complete disclosure of Lobbying Activities (SF-LLL)**. A PHA requesting funding under both programs is required to submit only one *Disclosure of Lobbying Activities* form.

- **Certification of Payments to Influence Federal Transactions** (HUD 50071) must be completed by all PHAs requesting funding under the Public Housing Drug Elimination Program (PHDEP) and/or Capital Fund Program (CFP). A PHA requesting funding

under both programs is required to submit only one *Certification of Payments to Influence Federal Transactions* form.

3.22 Attachments

See Notice PIH 99-51 (Attachment B, Section 3.2); Notice PIH 2000-43 (III.B); Notice PIH 2001-4 (II); and Notice PIH 2001-26.

In addition to the template and certifications, there are several mandatory and optional attachments to the PHA Plan. Please note that some of these are new requirements that have been implemented since the PHA Plan template was first introduced in July 1999.

In the instructions for completing the Plan and in the Table of Contents for the Annual Plan, HUD has specified certain information that may be provided as an attachment to the PHA Plan, rather than included in the main body of the Plan. All such attachments are considered to be part of the PHA Plan for purposes of public display and submission and review by HUD. All certifications that the PHA makes regarding the PHA Plan will extend to attachments.

In general, attachments should be provided at the end of the electronic template in the "Attachments" section. However, PHAs may submit some attachments as separate files to HUD. The PHA Plans naming conventions (discussed in Section 5 of this Guide and on the PHA Plans web site) must be followed to ensure successful transmission of these files to HUD. The PHA should name the attachment files as: "Your PHA code, the letter 'a' for Attachment A or the letter 'b' for Attachment B, etc. and the version number of the attachment." All attachments to the Plan should be labeled (e.g. "Attachment A") and listed sequentially in the Table of Contents.

3.22.1 Required Attachments

The following Attachments are required for submission, either as a part of the Plan file or as a separate attachment:

- **Brief Statement of Progress in Meeting the Five-Year Plan Mission and Goals** – PHAs may choose to update their Five-Year

Plans every year as good management practice. However, PHAs are required to provide a brief update on the PHA's progress in meeting its mission and goals as described in its Five-Year Plan submitted in FY 2000. The PHA may either provide this brief statement as a narrative (approximately one page or shorter) or may add progress statements to the goals and objectives provided in the current Five-Year Plan, and indicate that the list constitutes a progress report.

- **Component 3, (6) Deconcentration and Income Mixing** – Pending revision of the PHA Plan Template (form HUD 50075), the PHA must substitute the ***revised*** Deconcentration and Income Mixing Section available on the PHA Plans web site for the Deconcentration and Income Mixing Section on the Template.

- **Voluntary Conversion Required Initial Assessment** – Pending revision of the PHA Plan template, the PHA must address the questions on Voluntary Conversion Initial Assessments published in **Notice PIH 2001-26**.

- **Description of the PHA's Implementation of Community Service Requirements** – The PHA (other than high-performing, small PHAs or Section 8 only) must attach a brief description of its Community Service Requirements. The description may be approximately one page in length or shorter. This description must address the administrative steps being taken to implement the requirement; scheduled changes in leases; development of written description of the service requirement; written notification to residents regarding requirement or exempt status of each adult family member; entering into cooperative agreements with TANF (welfare) agencies to assist the PHA in verifying residents' status; and whether the PHA will administer the program, etc.). The programmatic aspects of the requirements are also discussed, including: the types of activities that residents who are subject to community service requirements may participate in to fulfill their obligations; partner agencies that may offer residents opportunities to fulfill requirements; and a process to cure non-compliance. The

PHA's full Community Service Requirements Policy must be a supporting document to the PHA Plan. Although High-Performing or Small PHAs are not required to submit an Attachment with the Description of their Community service program, these PHAs are still required to implement the community service requirements.

- **Description of the PHA's Pet Policy** – Any PHA that operates general occupancy (family) public housing (other than high-performing or small PHAs) must attach information regarding the pet policies it has or will adopt. The PHA is not required to submit its full pet policy as part of the PHA Plan. Rather, the statement in the plan may be approximately one page in length or shorter. The narrative must include basic information including a list of any reasonable requirements on pet ownership that the PHA will adopt. The PHA's full Pet Policy must be a supporting document to the PHA Plan. Although High-Performing or Small PHAs are not required to submit an Attachment with the description of the Pet Policy, these PHAs are still required to implement a Pet Policy.

- **Most recent Board-approved operating budget** – A PHA that is designated as troubled or is at risk of being designated as troubled must submit its most recent Board-approved budget as an attachment.

- **Announcement of Membership of the Resident Advisory Board (RAB)** – The PHA must provide an attachment listing the members of its Resident Advisory Board or Board(s). If the number of participants is too large to reasonably list, then the attachment should include a list of the organizations represented on the RAB or other description sufficient to identify how members were chosen.

- **Resident Advisory Board Recommendations** – The PHA is required to attach copies of the recommendations of the RAB, if these have not been incorporated into the PHA Plan text. The attachment must include a description of the manner in which the PHA addressed

the recommendations in the PHA Plan. The PHA is expected to give careful consideration to the recommendations, but is not required to agree with them.

- **Resident Membership of the PHA Governing Board** – Each PHA must provide the name, method of selection (election or appointment), and term of appointment for the Resident Member of the PHA Governing Board. If the PHA does not have a resident serving on its Board, it must provide a statement including: the reason why the resident member has not been appointed to the Board (including its exemption category), the date of the next term expiration that would provide an opportunity to appoint a resident to the Board, and the name and title of the appointing official for the Governing Board.

  HUD will consider the circumstances and may disapprove the Plan of any PHA that is subject to the resident member requirements, had an opportunity to have a resident appointed to the Board at any time since the issuance of the Final Rule, and did not receive a resident appointment.

- **Definition of Substantial Deviation and Significant Amendment or Modification** – The PHA must provide its definition of significant amendment and substantial deviation/modification in Section 18D of the PHA Plan template or as an attachment to the PHA Plan.

Required Attachments

- Brief Statement of Progress in Meeting 5-Year Plan Mission and Goals
- Deconcentration and Income Mixing Questions
- Voluntary Conversion Required Initial Assessment
- Description of Implementation of Community Service Requirements
- Description of Pet Policy
- Most Recent Board-approved Operating Budget (for troubled or at-risk of being designated as troubled PHAs)
- Announcement of Membership of the Resident Advisory Board
- Resident Advisory Board Recommendations
- Resident Membership of the PHA Governing Board
- Definition of Substantial Deviation and Significant Amendment

3.22.2 Optional Attachments

- **PHA Management Organization Chart** – A PHA may include a copy of its organization chart.

- **Capital Fund Tables** – Any PHA with open, approved Capital Fund grants and/or a PHA wishing to receive a Capital Fund Grant for the upcoming Federal fiscal year must include the Capital Fund Tables. Pending revision of the PHA Plan template, the PHA must substitute the revised Capital Fund Tables (Annual Statement/Performance and Evaluation Reports and the Five-Year Action Plan), which may be found on the PHA Plans web site.

- **Public Housing Drug Elimination Program Plan** – Any PHA wishing to receive a Public Housing Drug Elimination Program Grant funds for the upcoming Federal fiscal year must submit the Public Housing Drug Elimination Program Plan.

- **Assessment of Demographic Changes in Public Housing Developments with Site-Based Waiting Lists** – Any PHA that has implemented a site-based waiting list or lists is required to attach an assessment of changes in racial, ethnic or disability-related tenant composition at each PHA site that may have occurred during the implementation of the site-based waiting list at that site. This assessment must be based on Multifamily Tenant Characteristic System (MTCS) occupancy data. The assessment should include a brief narrative discussion or a table displaying changes in racial/ethnic or disability-related tenant composition of these sites based on occupancy data gathered before and after implementation.

- **Section 8 PHA Project-Based Vouchers** – Any PHA using or intending to use the project-based voucher program must include a statement indicating the projected number of units and general locations as well as how such action is consistent with the PHA Plan. The PHA should report the reason(s) why project-basing of the assistance – rather than tenant-basing – is an appropriate option (e.g., because the supply of units for tenant-based assistance is very limited and project-basing in certain strategic locations is needed to assure the availability of units for a period of years.) General locations refer to eligible Census tracts or smaller areas within eligible Census tracts that will still result in a reasonable choice of buildings or projects to be provided project-based assistance when the PHA solicits applications.

- **Section 8 Homeownership Program Capacity Statement** – Any PHA that wishes to administer a Section 8 homeownership program must attach a capacity statement. The PHA must demonstrate its capacity to administer the program by satisfying one of the following criteria:

1. Establish a minimum homeowner downpayment requirement of at least three percent and require that at least one percent of the downpayment come from the family's resources;

2. Require that financing for purchase of a home under its Section 8 homeownership program will: be provided, insured or guaranteed by the state or Federal government; comply with secondary mortgage market underwriting requirements; or comply with generally accepted private sector underwriting standards; or
3. Demonstrate in its annual Plan that it has the capacity, or will acquire the capacity to successfully operate a Section 8 homeownership program.

A PHA satisfying criterion 1 or 2 above will be considered to have capacity to administer the program. The PHA's statement that it is employing any of these provisions is all that is required in the capacity statement. A PHA that has adopted and specified either of the first two criteria in its Administrative Plan may implement this program prior to approval of the PHA Plan.

If a PHA's program does not satisfy criteria 1 or 2, its capacity statement must demonstrate its capacity or the capacity it will acquire to administer a successful program. This should be a brief narrative statement (one page or less). A PHA in this situation may not implement a Section 8 homeownership program prior to approval of the PHA Plan.

Optional Attachments

- PHA Management Organization Chart
- Capital Fund Tables
- Public Housing Drug Elimination Program Plan
- Assessment of Demographic Changes in Public Housing Developments with Site-Based waiting lists
- Section 8 PHA Project Based Vouchers Statement
- Section 8 Homeownership Capacity Statement

See Notice PIH 99-51 (Attachment B, Section 3.3); Notice PIH 2000-43 (III.6, 7, 11); Notice PIH 2001-4 (II.B.); and Notice PIH 2001-26.

3.23 Supporting Documents

Supporting documents are documents and exhibits that are made available with the PHA Plan for local inspection but are not submitted to HUD for review. There are two kinds of supporting documents: required and optional.

3.23.1 Required Supporting Documents

In order to fulfill the Plan's role as a comprehensive statement of the PHA's policies and operations, HUD requires PHAs to provide documents containing such information for display and public inspection with the PHA Plan. A list of required supporting documents is contained in the Table of Contents of the current PHA Plan template. PHAs should amend the list by adding the following additional required supporting documents:

- Community Service Requirement Plan (required for PHAs operating public housing);
- Pet Policy(ies) (required for PHAs operating public housing);
- Consortium Agreement (required if a Consortium is submitting a joint PHA Plan);
- Documentation of reasoning with regard to voluntary conversion required initial assessments; and
- Income Analysis of Public Housing Covered Developments (for responding to Deconcentration questions).

PHAs must have all of the listed supporting documents and must make them available for public review, unless the documents are inapplicable to the programs administered or the activities conducted by the PHA. If the policies described in the PHA Plan are not reflected in the supporting documentation (for example, because the PHA does not plan to implement changes and amend its policies until after the issuance of a final regulation from HUD), the PHA **must** alert readers of this difference in the supporting documentation made available for review via a cover letter, indications in the documents, or similar mechanism.

All required supporting documents are subject to normal HUD review and audit, but PHAs **do not** submit supporting documents to HUD as part of the PHA Plan and they are not part of the Plan itself.

3.23.2 Optional Supporting Documents

PHAs are encouraged to include other instructive information for the public as optional supporting documents. Examples of optional supporting documents would include a comprehensive agency budget or maps displaying the location of proposed public housing redevelopment activities. Optional supporting documents must be listed in the Table of Contents, but PHAs **do not** submit optional supporting documents to HUD as part of the PHA Plan.

3.24 Small PHA Plan Update

3.24.1 Overview of Required Information

As is described in Section 2, the PHA Plan offers several options for a "streamlined" PHA Plan submission. One option, as described in **Notice PIH 2000-43**, is the Small PHA Plan Update. PHAs eligible to submit the Update are non-troubled PHAs that operate 250 or fewer units of public housing **and** administer 250 or fewer units of Section 8 tenant-based assistance. Small PHAs designated as troubled under **section 6(j)(2) of the 1937 Housing Act** may not use the streamlined Update. The Update is intended to serve as a further streamlined version of the PHA Plan for years 2-5 of the 5-year planning cycle, and is meant to capture essential PHA Plan information and inform the public of this information, while reducing the reporting burden on smaller PHAs.

See Notice PIH 2000-43 (III.A); and Notice PIH 2001-26 (IIA).

The Update is a brief statement of upcoming grant activities and any changes in policies from the previous year. The Resident Advisory Board and the public may comment each year on any of the information in the PHA Plan (even if the information has not been included in the Update because it has not changed from previous submissions).

The Small PHA Plan Update can be completed by a PHA either through a narrative document that covers all elements of the Update, along with the PHDEP and Capital Fund tables, or by completing the Small PHA Plan Update Template that is available through the PHA Plans web site.

The Small PHA Plan Update remains subject to all of the same procedural requirements of the PHA Plan regulation (at 24 CFR 903) with one exception. PHAs are **not required** to include in the Update submission a certification from the appropriate State or local officials that the Plan is consistent with the Consolidated Plan of the PHA's jurisdiction.

A submission checklist contained in **Notice PIH 2000-43** outlines the following required elements of the Small PHA Plan Update. It has been modified to reflect new requirements published in **Notice PIH 2001-26**, and is presented in Exhibit 9 below.

Exhibit 9
Required Elements of the Small PHA Plan Update

PHA Identification	Information included on the PHA Agency Identification Page of the PHA Plan template
Table of Contents	Self-explanatory
Executive Summary	An optional item, summarizing the Plan's contents
Capital Fund Program Submissions	The Capital Fund Program Annual Statement and Five-Year Action Plan, if the PHA is eligible to and will participate in the Public Housing Capital Fund Program. If the agency is eligible but does not plan to participate in the CFP, the PHA may omit the Capital Fund documents, but must state in the Plan that it will not participate and specify the amount of the CFP grant refused.
Demolition and Disposition	Information as contained in Component 8 of the Annual Plan, Demolition and Disposition, if applicable.
Section 8 Homeownership Capacity Statement	As described in Notice 2000-43, required only if the PHA Plans to implement a Section 8 Homeownership Program.
PHDEP Plan	If the agency is eligible and plans to participate in the PHDEP program for the upcoming year, this plan should be completed. If the PHA is eligible, but does not plan to participate in the PHDEP, it can

	omit the PHDEP documents, but must state in the Plan that it will not participate and identify the amount of the PHDEP grant refused.
RAB Recommendations and PHA Response	Resident Advisory Board recommendations on the PHA Plan and an explanation of the manner in which the PHA addressed those comments in its Plan.
PHA's Statement of Consistency with the Consolidated Plan	Statement indicating how the PHA Plan is consistent with the Consolidated Plan (in lieu of signed certification).
PHA criteria for substantial amendments or modifications, significant deviations from the 5-year plan	Required **only** if not previously included in a PHA Plan.
List of Supporting Documents to the PHA Plan	All required supporting documents, as provided in the current PHA Plan template, must be made available by the PHA. PHAs should provide a completed table provided in the current template as an attachment to the PHA Plan.
Required Attachment-Resident Membership on the PHA Governing Board	The PHA provide the name, method of selection and term of appointment for the Resident Member of the PHA Governing Board. If the PHA does not have a resident serving on its Board, it must provide a statement including the reason why the resident member has not been appointed to the Board (including its exemption category), the date of the next term expiration that would provide an opportunity to appoint a resident to the board, and the name and title of the appointing official for the Governing Board.
Required Attachment-Membership of the Resident Advisory Board(s)	The PHA must provide a list of the members of its Resident Advisory Board(s). If the number of participants is too long to reasonably list, then the document should include a list of the organizations represented on the RAB or other description sufficient to identify how members were chosen.
Required Attachment- Results of Voluntary Conversion Required Initial Assessments	The PHA must provide responses to a set of questions on Voluntary Conversion Required Initial Assessments published in Notice PIH 2001-26.

See Notice PIH 2000-43 , III.B.8., 24 CFR 903.19 and 24 CFR 903.6

3.25 Five-Year Plan

3.25.1 Overview of Required Information

The Five-Year Plan is a required part of the PHA Plan. Submitted every five years, the Five-Year Plan was first required in FY 2000. The Five-Year Plan is the PHA's opportunity to discuss and present the agency's mission and long-range goals and objectives for achieving its mission over the subsequent five years.

3.25.2 Completing the Five-Year Plan

In Subcomponent A of the Five-Year Plan, the PHA identifies the agency's mission by either acknowledging that the PHA has the same mission as the Department of Housing and Urban Development, or by identifying its own mission.

The PHA is also required to describe its goals. The PHA may select any of the goals and objectives as provided in the template under Subcomponent B, or may identify other goals and/or objectives. PHAs are strongly encouraged to identify quantifiable measures of success in reaching their objectives over the course of five years. A measurable objective can be more readily identified as having been completed. Quantifiable measures might include, for example, targets such as improved PHAS scores achieved or number of families served.

Under Section C, the PHA is required to describe its strategy for the upcoming year for addressing the housing needs of families in the jurisdiction and those on the waiting list. The PHA is also required to describe its reasons for choosing the indicated strategy.

3.25.3 Updating the Five-Year Plan

The PHA may choose to update the Five-Year Plan annually as a good management practice. However, the PHA is required to update the Five-Year Plan to reflect any new requirements as implemented by HUD.

The PHA is required annually to provide a brief Statement of Progress in meeting its mission and goals as described in its Five-Year Plan. The PHA may opt to simply provide update statements within the Five-Year Plan section of the Template, or to provide a narrative attachment to the PHA Plan submission. This requirement is discussed in more detail in Section 3.22.1. When updating the Five-Year Plan, the time period does not change. For example, the first Five-Year Plan covered the period FY 2000-2004. Any update to this Five-Year Plan will simply revise the progress and activities within that time period.

Section Four

The Resident Advisory Board

The Resident Advisory Board (RAB) provides the PHA and the residents with a forum for sharing information about the Agency's Annual Plan. The following section provides information on forming the RAB, encouraging participation, the role of the RAB, and the public notice and comment period.

4.1 Forming the Resident Advisory Board

See 24 CFR 903.13, 24 CFR 903.17; Notice PIH 2000-36; Notice PIH 2001-4 and Notice PIH 2001-26.

What is required? Section 511 of the United States Housing Act and the regulations in 24 CFR part 903 require that PHAs establish one or more Resident Advisory Board(s) (RAB) as part of the PHA Plan process. RAB membership is comprised of individuals who reflect and represent the residents assisted by the PHA. The role of the RAB is to assist the PHA in developing the PHA Plan and in making any significant amendment or modification to the Plan.

What is the role of the RAB? The main role of the RAB is to make recommendations in the development of the PHA Plan. In order to facilitate collaboration, PHAs should encourage the RAB's participation from the inception of the planning process. PHAs are also required to request input from the RAB for any significant amendment or modification to the PHA Plan.

When should the RAB be appointed? The RAB should be appointed well in advance of the date that the PHA Plan is due to HUD to ensure effective resident participation in the development of the plan.

Who can participate on the RAB? If a jurisdiction-wide resident council is in place that complies with tenant participation regulations at 24 CFR Part

964, the PHA must appoint this group or its representatives as the Resident Advisory Board. If the PHA does not have a jurisdiction-wide resident council, then it should appoint resident councils or their representatives to serve as one or more of the RABs. A PHA may require that the resident councils choose a limited number of representatives to serve as RAB members.

Where there are no resident councils that comply with the tenant participation regulations, then the PHA must appoint one or more RABs or board members as needed to adequately reflect and represent the residents assisted by the PHA. The PHA should give adequate notice of its intentions to the residents and encourage the residents to form resident councils that comply with the tenant participation regulations. PHAs have discretion in determining the method of appointment of RABs, as long as a PHA ensures that its RAB or RABs reflect and represent all the residents assisted by the PHA.

What about Section 8 recipients? Because Section 8 residents do not have resident councils, PHAs with a significant sized tenant based assistance program must ensure that Section 8 residents are adequately represented or that reasonable efforts are made to secure their participation in the RAB. A significant sized tenant based assistance program is one where at least 20 percent of the total PHA's households receive tenant-based assistance.

Section 8-only PHAs are not exempt from the RAB requirement and must also appoint one or more RABs that adequately represent the population served. Given that there are no resident councils that comply with the tenant-participation regulations under the tenant-based assistance program, Section 8-only PHAs have discretion in the RAB appointment process. Participation in a RAB is limited to residents that are assisted under federally assisted public housing and the Section 8 tenant-based program.

How many RABs are required? PHAs that do not have a jurisdiction-wide RC have discretion to determine the number of RABs that they may appoint. PHAs are required to institute at least one RAB; the number of RABs beyond that number will depend on the size and the complexity of the PHA or its developments. In deciding the number of RABs to be established, a PHA

should consider how adequate representation of its entire resident population can be provided.

How does the PHA fix the term of service? There is no fixed term for membership on a RAB. A PHA has discretion to establish its own policy regarding the duration of the appointments. In determining the tenure to be adopted, PHAs may consider the number of RABs and the number of residents who volunteered to serve. Greater RAB participation may be realized by rotating residents' tenure.

What if the PHA cannot establish a RAB? If, after making all possible endeavors, a PHA is not successful in establishing a RAB, it may appoint all of the agency's assisted residents as members of the RAB. The PHA must notify all of its members that they have been appointed as members and inform them of their role and responsibilities regarding the development of the PHA Plan. The PHA must also provide residents with notification of meetings (at least 48 hours in advance) and provide copies of any materials for review.

4.2 Encouraging Participation in the RAB

Residents who volunteer to be part of the RAB can be excellent partners to the PHA during the development of the PHA Plan. Although PHAs are expected to make a significant effort to ensure adequate resident representation in the Resident Advisory Boards, securing participation by residents during the planning process may pose a challenge for some PHAs.

How can a PHA encourage residents to take advantage of the RAB opportunity? Personal appeals are one strategy. Executive Directors may be more likely to get commitments from residents if they personally request their participation. Residents might also be hesitant to volunteer to work with a Resident Advisory Board if they do not really understand their role as a member of the RAB. The PHA provide adequate information to all residents regarding the RAB. The PHA should inform residents of the purpose and role of the RAB, as well as practical

information such as the time commitment required. The PHA should make clear to residents and Section 8 participants that the partnership between the residents and the PHA is of benefit to both parties. The residents are provided with an opportunity to voice their concerns so that their needs are addressed and they can become involved in the planning process. The PHA also gains essential information from the residents about the improvements that need to be made at the agency's developments and residents' self-sufficiency needs. This information helps the PHA to set priorities for capital improvements and advises resident services programming.

Outreach Strategies for RAB Participation

To encourage residents to participate in the RAB, a PHA may consider the following suggestions:

- Describe the role of a member of a RAB and the impact that their representation has for their community;
- Make a personal request;
- Publicize the names of RAB members. This is a **required attachment** to the PHA Plan and it allows the RAB members to be contacted;
- Provide child care to allow parents to attend meetings;
- Provide refreshments at meetings. If the meetings are held in the evening, consider providing dinner;
- Provide a stipend to members of the RAB. They may receive a stipend for their participation that will not be considered as income (funds available under Capital Funds Management Expense or Operating Budget); and
- Explain that serving on the RAB is an eligible activity to meet the Community Service requirement.

4.3 PHA's Responsibility to the Resident Advisory Board

What are the PHAs' Responsibilities? PHAs have the responsibility to ensure that the RAB can adequately serve its function including:

- PHAs must give the RABs sufficient time to review and make recommendations on the Plan. RABs will be able to contribute best if they are provided with adequate information regarding the PHA's programs and the policies included in the Five-Year and Annual PHA Plan.
- The PHAs should give RABs advance notice of meetings scheduled to discuss areas of the Plan (generally, at least 48 hours, or more depending on the meeting agenda).
- RABs should also be provided with any existing documents that would assist them to make productive recommendations during the working meetings.
- PHAs should provide the RABs with reasonable means to carry out their functions such as making available a meeting place for discussing programs with the residents. RABs should also have access to any other communication tools such as a telephone, writing material, or computers that may facilitate their contacts with other resident households or to obtain further information on the programs.

At what stage in the planning process must PHAs involve the RABs? The role of the RABs is to assist and make recommendations regarding the development of the PHA Plan and any significant amendments or modifications to it. RABs should be involved in the planning process as soon as it is feasible and must be given sufficient time to fully participate in the process so that they can carry out their proper role and provide representation that is meaningful and relevant to the development of the Plan. The PHA and the RAB should develop a reasonable timetable to promote participation, including adequate notice of meetings. To facilitate productive meetings, PHAs may do preliminary work prior to involving the RABs, such as gathering and compiling data and materials to help residents participate in the

process, including some initial recommendations. A PHA must consider the recommendations of the RABs and make revisions to drafts or to the Plan which it deems appropriate.

4.4 Public Notice and Comment Period Requirements

The PHA governing body is required to convene a public hearing to discuss their Five-Year and/or Annual Plan and to prompt comments from the public regarding their proposed activities. PHAs must consider, in consultation with the RABs, all the comments received at the public hearing.

PHAs are required to carry out the following steps at least forty-five (45) days prior to the scheduled public hearing:

- Publish a notice indicating that a public hearing to present the Plan and further public comments will be held including time, date and location. The notice should also indicate where the Plan and pertaining documents will be available for their review. The documents should be maintained at an accessible place such as the PHA's central office.
- Conduct outreach activities to promote comprehensive participation in the public hearing.

Any significant amendment or modification to the plan is subject to the public hearing and RABs' assessment requirements.

4.5 Incorporating Comments into the Plan

PHAs are required to consider the RAB's recommendations to the Plan but are not required to agree with them. The recommendations received must be submitted by the PHAs as a **required attachment** to the Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations. It is

prudent for PHAs to acknowledge those recommendations that conform to the programs and the mission of the PHA. If the RABs do not provide recommendations to the Plan, the PHA must document that in the attached narrative.

4.6 Announcement of Membership of the Resident Advisory Board (RAB)

PHAs must provide an attachment to the PHA Plan listing the members of its Resident Advisory Board(s). If the number of participants is too large to reasonably list, then the attachment should include a list of the organizations represented on the RAB or other description sufficient to identify how members were chosen.

4.7 Resident Advisory Board (RAB) Notification of Plan Process

To ensure that the RAB is fully engaged in the full plan process, PHAs are required to promptly provide a copy of the HUD award letter (identifying formula share allocations for Capital Fund and Drug Elimination Programs), plan approval letter and at least one copy of the approved plan to each RAB.

Section Five
Submitting the PHA Plan

5.1 Checklist for Completion

How do you know if your plan is complete? Use the following checklist to ensure that the PHA Plan is complete and ready for submission: (See also the description of the PHA Plan development process and timeline in Section 2.)

- ☐ Template filled out completely
- ☐ Attachments properly identified/named and listed in Table of Contents
- ☐ Table of Contents completed, with page numbers added
- ☐ Public Notice published regarding the review period and public meeting
- ☐ Plan, attachments and supporting documents made available for review by the public for a 45-day period
- ☐ Public meeting conducted by the Board/governing body of the PHA
- ☐ RAB comments received and addressed
- ☐ Required Certifications signed
- ☐ Instructions on how to submit the template electronically obtained from the PHA Plans web site and reviewed

Once these steps have been completed by the PHA, the plan should be ready for electronic submission to HUD.

5.2 Supporting Documents

As is described in Section 3.23 of this Guide, the supporting documents to the Plan are an essential part of the PHA Plan. The supporting documents to the PHA Plan comprise the PHA's comprehensive library of information about operations, policies and procedures of the PHA. In addition, these documents provide context to the information summarized within the PHA Plan.

Although all required supporting documents are subject to normal HUD review and audit, PHAs are **not required** to submit supporting documents to HUD as part of the PHA Plan, and they are not part of the Plan itself.

However, all supporting documents (along with the PHA Plan and attachments) must be available for inspection and review by the public at the principal office of the PHA during normal business hours, both during the 45-day public review period prior to the board hearing and submission to HUD **and after** HUD approval of the PHA Plan.

See Notice PIH 99-51 (Attachment B) and Notice PIH 2000-43 (IV.E.)

5.3 Submission Instructions

PHAs must submit the completed template (form HUD 50075) and **required attachments** electronically through the Internet to HUD using the directions provided by HUD. PHAs can find these step-by-step directions on the PHA Plans web site at http://www.hud.gov/pih/pha/plans/phaps-submit.html.

How do you name the electronic file for submission? It is important for PHAs to name their submitted Plans and attachments correctly in order to ensure that the file is successfully transmitted to the local HUD field office. Always use lowercase letters when naming your plan. Note that Plans should be named using this **same** naming convention **each year** the plan is submitted to HUD.

The PHA Plan file should be saved as: your PHA code, the letter 'v' and the version number.

Note:
More detailed directions on submission can be found on the PHA Plans web site.

Naming the PHA Plan File

If your PHA code is NY001 and this is your first version, then your PHA Plan file should be saved as "ny001v01". This is the name of your PHA Plan file. Note: the second version of this plan would be saved as "ny001v02". (A second or subsequent version of your PHA Plan would be submitted if your plan is not approved by HUD and you are required to submit a revised version of your plan to HUD.)

How do you name the attachment files? Attachment files should be named as: your PHA code, the letter 'a' for Attachment A, 'b' for attachment B, etc., and the version number of the PHA Plan that you would like to attach the file.

Naming the PHA Plan Attachments

For example, if your PHA code is NY001, and you would like to attach two files to the second version of the PHA Plan (ny001v02), then the attachment files should be saved as "ny001a02" and "ny001b02".

5.4 Troubleshooting Problems and Frequently Asked Questions on Electronic Submission

See also the "How to Submit" section of the PHA Plans web page at: http://www.hud.gov/pih/pha/plans/phaps-submit.html.

- Print out the technical directions available through the PHA Plans web site and read through them before you attempt to submit your plan electronically.
- Be sure you are following the technical directions appropriate for the internet browser on your computer. Note that there are two sets of instructions: one for Microsoft Internet Explorer users, and one for Netscape Communicator users.

- If after attempting to transmit your file, you are still unsuccessful, send an email explaining the problem to PIH_PHA_PLANS@hud.gov for assistance.

Frequently Asked Questions on Electronic Submission:

The following are examples of frequently asked questions (FAQ) of a technical nature found on the PHA Plans web site at: http://www.hud.gov/pih/pha/plans/phaps-tech-faq.html.

What does it mean to download a PHA Plans file?
Downloading information is the process of copying a file, or files, from a main source location to another location. During the process of downloading the PHA Plans template file, the file is copied from the PHA Plans web site and saved to your personal computer.

What does it mean to upload or submit a PHA Plans file?
Uploading information is the method of transferring a file, or files, from one computer to another location (e.g. a network or mainframe). During the process of uploading your completed PHA Plans file(s), the PHA Plans file is transmitted from your personal computer to the HUD network.

How do I submit a PHA Plans file if my current browser version doesn't support File Upload?
You will need to upgrade to a browser that supports File Upload. To upgrade to an appropriate version of Netscape Navigator or Microsoft Internet Explorer, go to the PHA Plans web site at http://www.hud.gov/pih/pha/plans/phaps-browser.html

Do I have to purchase an older version of MS Word / WordPerfect to use the provided PHA Plan Template on the PHA Plan web page?
No. If you already own the latest versions of MS Word and/or WordPerfect, there is no need to purchase an older version (i.e. Word 6.0 or WordPerfect 5.x for Windows). Generally, later versions of these software applications are "backward compatible," meaning that you will be able to open, edit and save the PHA Plans template files using newer versions of the software.

Section Six
HUD Review of the PHA Plan

6.1 Overview of the HUD Review Process

Section 511 of the Quality Housing and Work Responsibility Act of 1998 (Public Housing Reform Act) establishes HUD's responsibility for reviewing and approving or disapproving each PHA Plan as well as any significant amendments or modifications to a Plan. This responsibility has been entrusted to HUD's Field Office Public Housing (PH) Directors or HUD Directors, as well as the Troubled Agency Recovery Centers (TARC), in the case of troubled PHAs. It is the responsibility of the Public Housing Director or designee to ensure that the review process is properly followed and completed within the required 75-day period as established by law.

See 24 CFR 903.23

The PHA Plan review and approval process relies heavily upon use of the Internet. HUD has established two web sites for the PHA Plan:

- the external PHA Plans web site (http://www.hud.gov/pih/pha/plans/phaps-home.html) which provides PHAs and the public with information about the plan such as new requirements, templates and certifications; and

- the internal web site at http://hudweb.hud.gov/po/p/pha/plans/index.htm serves as HUD staff's central administration point for the PHA Plans and also provides information and resources for conducting reviews of the plans. The primary tool for reviewing PHA Plans submission are the PHA Plan Review Checklists and Guidance, provided at the internal HUD web site.

The internal PHA Plan HUD web site is designed to provide each Field Office with a site where they can see a list of their respective PHAs. From

this site, local offices have links to plan files in PDF format. Field Office staff have been directed to check for submittal of PHA Plans from their respective PHAs on a daily basis.

The Public Housing Director may include other offices such as Community Planning and Development and Fair Housing and Equal Opportunity (among others) to review the PHA Plans within each of these offices' area of responsibility.

6.2 Review Process and Timeline

Once the PHA electronically submits the PHA Plan to HUD, the Field Office will access the HUD PHA Plans web site to retrieve and review the Plans submitted by PHAs within their jurisdiction. The PHA Plans are posted on the HUD web site shortly after submission in a readable PDF document, and are listed by the corresponding Field Office and by Fiscal Year Start. PHAs are encouraged to inform the HUD Field Office by electronic mail of the successful transmittal of the Plan.

The official *Date of Submission* of a PHA Plan is the date when HUD receives the PHA Plan Template (form HUD 50075), the original signed PHA Certification of Compliance with the PHA Plans and the original signed Certification of Consistency with the Consolidated Plan. (Note that PHAs submitting a Small PHA Plan Update are not required to submit the Certification of Consistency with the Consolidated Plan.) The Field Office or TARC will establish the 75-day review period for a Plan upon receipt of these three documents.

The Field Office is responsible for reviewing the PHA Plan based on the following three statutory standards:

1. ***Completeness: Does the PHA Plan contain all the information that is required?*** A primary area of review is to ensure that the PHA Plan is complete. If a deficiency is found during the review period, public housing field office staff must promptly inform the PHA of the

deficiency and the corrective action required. The Field Office Staff and the PHA must determine if the correction can be completed within the 75-day review period. An "incomplete" Plan would include, for example, a Plan that does not contain the Capital Fund Annual Statement or the PHDEP Template if the PHA is applying for either of these funds.

2. ***Consistency: Is the information provided as part of the PHA Plan consistent with the data on record at HUD?*** This review includes a check for consistency with the applicable Consolidated Plan for the PHA's jurisdiction. The Field Office staff and the PHA must determine if the correction can be completed within the 75-day HUD review period.

3. ***Compliance: Is the information provided as part of the PHA Plan prohibited or inconsistent with QHWRA, the U.S. Housing Act of 1937 or any other applicable Federal law?*** The Field Office Staff and the PHA must determine if the correction can be completed within the 75-day review period.

Field or HUD offices will develop a review protocol to determine which offices or staff, in addition to the Office of Public Housing, will be involved in reviewing the PHA Plan. For example, the review may include input by Community Planning and Development (CPD), Fair Housing and Equal Opportunity (FHEO), or any other HUD office to ensure consistency and completeness in these areas of responsibility. The internal review of the Plans must be completed within the 75-day review period.

The Field Office (or TARC) is also responsible for reviewing the Capital Fund Program Annual Statement and the Drug Elimination Program Plan during the 75-day review period.

Significant amendments or modifications to the plan undergo the same review and approval process as the Annual PHA Plan and are subject to the 75-day review period.

6.3 PHA Plan Compliance Review Checklists – A Field Office Tool

Field Offices utilize the PHA Plan Compliance Review Checklist as the official review record for each PHA Plan. If a small PHA submitted the Small PHA Plan Update template, reviewers will use the Small PHA Plan Update Compliance Review Checklist. Field Offices are responsible for reviewing the contents of the PHA Plan and determining its compliance based on the three statutory standards: Completeness, Consistency and Compliance.

If the reviewer determines that any section of the plan is not in compliance with the three standards, he or she must identify and explain which of the three criteria for disapproval apply in the spaces provided in the checklist.

Reviewers must sign, date and indicate their recommendation for approval or disapproval at the end of the checklists. If deficiencies are noted by the reviewer, those deficiencies should immediately be brought to the attention of the PHA to allow for the additional information to be provided and reviewed by HUD within the 75-day review period.

In addition to the Compliance Review Checklist, Field Offices must perform a Civil Rights Front-End Review of the PHA submitting the PHA Plan to identify any civil rights issues. This review includes a check to see whether the PHA has been found to be a party to any litigation settlements, consent decrees, voluntary consent agreements, or court orders identified by the Office of General Counsel.

The *PHA Plan Compliance Review Checklist* used by the Field Offices takes account of:

- ✓ PHA Name
- ✓ PHA Number
- ✓ Official Date of Submission
- ✓ Date of end of 75 days review period
- ✓ PHA FYB Date
- ✓ PHA Plan Type (Standard, High Performer, Small PHA, Section 8 Only, Troubled)
- ✓ PHA Certifications of Compliance
- ✓ Certification of PHA Plans Consistency with the Consolidated Plan
- ✓ Agency Identification Page
- ✓ Five-Year Plan
- ✓ Annual PHA Plan (Plan Type, Executive Summary, Table of Contents)
- ✓ Statement of Housing Needs
- ✓ Statement of Financial Resources
- ✓ PHA Policies Governing Eligibility, Selection and Admissions
- ✓ PHA Rent Determination Policies
- ✓ Operations and Management
- ✓ PHA Grievance Procedures
- ✓ Capital Improvement Needs (Capital Fund Annual Statement and 5 year Action Plan)
- ✓ HOPE VI and Public Housing Development and Replacement Activities
- ✓ Demolition and Disposition
- ✓ Designation of Public Housing for Occupancy by Elderly Families or families with Disabilities or Elderly Families with Disabilities
- ✓ Conversion of Public Housing to tenant-based assistance
- ✓ Homeownership Programs
- ✓ PHA Community Service and Self-Sufficiency Programs
- ✓ PHA Safety and Crime Prevention Measures
- ✓ Pet Policy
- ✓ Civil Rights Certifications
- ✓ Fiscal Audit
- ✓ PHA Asset Management
- ✓ Other Information
- ✓ Required Attachments

The *Small PHA Plan Update Compliance Review Checklist* used by the Field Offices takes account of:

- ✓ PHA Name
- ✓ PHA Number
- ✓ Official Date of Submission
- ✓ Date of end of 75 days review period
- ✓ PHA FYB Date
- ✓ Annual Plan Type
- ✓ PHA Certifications of Compliance
- ✓ Certification of PHA Plans Consistency with the Consolidated Plan *(Optional)*
- ✓ Agency Identification Page
- ✓ Annual PHA Plan (Plan Type, Executive Summary)
- ✓ Summary of Policy or Program Changes for the Upcoming Year
- ✓ Capital Improvement Needs (Capital Fund Annual Statement and 5-year Action Plan)
- ✓ Demolition and Disposition
- ✓ Voucher Homeownership Program
- ✓ Safety and Crime Prevention: PHDEP Plan
- ✓ Other Information
- ✓ Required Attachments

6.4 Approval or Disapproval of Plans

6.4.1 Approval

If the reviewer determines that the PHA Plan conforms to the three statutory standards of completeness, consistency and compliance, the Public Housing (PH) Director, HUD Director, or TARC will approve the Plan. A Plan will be *automatically* approved if HUD does not disapprove it within the 75-day time frame. Troubled PHAs are exempt from the 75-day automatic approval provision. The plan of a troubled PHA must be approved or disapproved in writing.

1. If the PHA Plan does not include a Capital Fund or PHDEP grant program, the PH Director will send the PHA a letter approving the Plan. The PH Director will also notify the HUD web manager of the determination and the approved plan will then be posted in the HUD web site area called "Approved Plans."

2. If the PHA Plan includes grant programs such as the PHDEP and Capital Fund and the PHA has received their formula calculation, the PH Director will inform the Grant Management Center (GMC) of the PHA Plan approvals. The GMC will provide the Congressional and Intergovernmental Relations (CIR) Office with the CFP and PHDEP formula grants amounts. These notifications will be posted on the CIR web site at http://www.hud.gov/cir/Grants2001.html. At the time the Congressional Notifications are posted on the web, the PH Director will notify the PHA of the Plan's approval and that the grant funds have been awarded. The PH Director will also ensure the execution of any required grant obligation document. The PHA Plan will then be posted as approved on HUD's web site.

3. If the PHA Plan includes grant programs such as PHDEP and Capital Fund and the PHA has not received a formula calculation, the PH Director will send a letter approving the PHA Plan and informing the PHA that they will receive further information regarding the formula grant programs.

After approval of the PHA Plan by HUD, the PHA must make its approved Plan and the required attachments and supporting documents related to the Plan available for review and inspection at the principal office of the PHA during normal business hours. PHAs are also required to promptly provide a copy of the HUD award letter (identifying formula share allocations for Capital Fund and Drug Elimination Programs), plan approval letter and at least one copy of the approved plan to each Resident Advisory Board (RAB).

6.4.2 Disapproval

If after reviewing a PHA Plan, the PH Director determines that the Plan does not comply with any of the three statutory standards, the Director will disapprove the Plan.

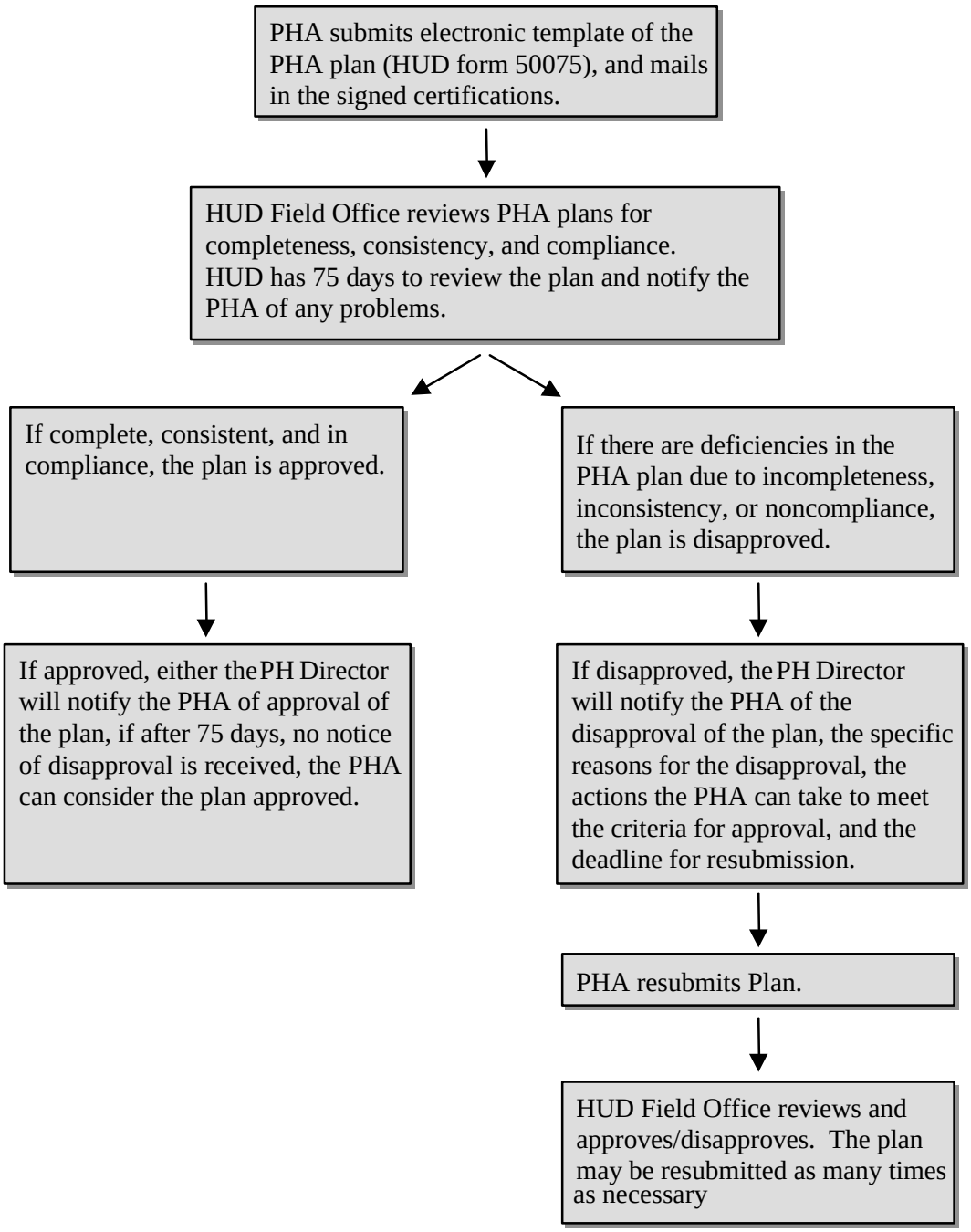
1. The PH Director may disapprove a Plan for technical or substantive deficiencies. Technical deficiencies are those that do not have an effect on the information that was presented to the RAB or the public. Technical deficiencies might include, for example mathematical errors or addition of activities in the Capital Fund Plan that were already included in the PHA's Five-Year Plan.

   In the case of technical deficiencies, the PH Director will disapprove the plan and specify a date for the re-submission of the plan with the required corrections. Typically, the turn-around time for approval of a corrected plan is approximately three weeks and should fall within the 75-day review period. A PHA with a Plan deemed technically deficient is not required to consult with the Resident Advisory Board (RAB) or the public after correcting the deficiency, and the PHA may re-submit the Plan without the RAB's assessment or a public comment/review period.

2. PHA Plans that are disapproved for substantive deficiencies require consultation with the RAB and are subject to a comment period and a public hearing. The PH Director will specify a reasonable time for re-submission of the plans to allow for correction of deficiencies and the consultation process within the 75-day review period. Substantive deficiencies are those that have an effect on the information that was presented to the RAB or to the public. Omitting a Capital Fund Plan is an example of a "substantive deficiency."

   HUD will not release funding under the Capital Fund Program and the Public Housing Drug Elimination program until the PHA Plan is approved.

Exhibit 10
PHA Plan Review Process



6.5 Troubled PHAs

The Troubled Agency Recovery Center (TARC) will conduct the review of PHA Plans of housing authorities designated as "troubled." The TARCs will issue a written approval or disapproval letter for these PHA Plans. PHA Plans for Troubled PHAs will not be automatically approved if HUD does not release a document by the end of the 75-day review period.

The TARC may request additional documentation from the PHA, such as Recovery Plans, to aid in making determinations during review of a PHA Plan from a "troubled" PHA.

The TARC and the Public Housing Director will determine which office will conduct the review for those PHAs in transition from or to a "troubled" category.

6.6 Moving To Work (MTW) Demonstration

PHAs under the Moving to Work Demonstration (MTW) Program may have distinct requirements in lieu of the PHA Plan, determined by their Moving To Work Demonstration Agreement. PHAs operating block grants are exempt from the requirement to submit a PHA Plan and are directed to submit an Annual MTW Plan and an Annual MTW Report. The Annual MTW Plan is a comprehensive framework for the PHA's activities, including funding allocations. The Annual MTW Plan must be submitted to HUD with a board resolution approving the plan and certifying that a public hearing was held regarding the plan. The Annual MTW Report includes a Consolidated Financial Report describing the sources and uses of funds and will compare the PHA's performance with its Annual MTW Plan. HUD's Office of Policy, Program and Legislative Initiatives (OPPLI) has the lead responsibility for the review and approval of MTW Annual Plans. Field Offices have an advisory role in the review of these plans.

MTW PHAs that do not operate block grants are not exempt from the requirement to submit a PHA Plan and must include a separate section describing the activities and uses of funding the PHA is undertaking under the MTW Program. These descriptions will be reviewed by the Field Office following the PHA Plan review process.

6.7 Contacting Local Offices

It is recommended that a PHA contact the Field Office through electronic mail to advise of its submission of the PHA Plan. Field Offices should also be advised when the PHA sends the required certifications or any other supporting document requested by the Field Office for the review of the Plan. A complete list of Public and Indian Housing Field Offices is available on the HUD PIH web site at:
http://www.hud.gov/offices/pih/about/field_office.cfm

Section Seven
Amendments/Modifications to the Plan

7.1 How the PHA Defines Significant Amendments and Substantial Deviations/ Modifications to the Plan

As is described in 24 CFR 903.21, the PHA may amend or modify its Annual or Five-Year Plan after submitting the plan to HUD. The PHA may modify, amend or change any policy, rule, regulation or other aspect of its plan. If the modification or change is considered a "significant amendment" or "substantial deviation/modification" as defined by the PHA, then the PHA must comply with a number of requirements similar to those required at initial development and submission of the PHA Plan.

See Notice PIH 99-31; Notice PIH 99-51 (Attachment B, Section 4, 19); Notice PIH 2000-43 (IV.B.) 24 CFR 903.21, and 24 CFR 903.7(r)

HUD has afforded PHAs local discretion in defining the terms "significant amendment" and "substantial deviation." In the *Final Rule* for the PHA Plan, HUD indicated that these terms should be defined at the local level as part of the public participation in the PHA Plan process. The PHA must state the basic criteria for the definitions in its annual plan, and must provide its definition of significant amendment and substantial deviation/modification in Section 18D of the PHA Plan template or as an attachment to the PHA Plan.

Notice PIH 99-51 provided a working definition for those PHAs that had not yet submitted Year 1 Plans that defined these terms. The definition was as follows:

- Changes to rent or admissions policies or organization of the waiting list;

- Additions of non-emergency work items (items not included in the current Annual Statement or Five-Year Action Plan) or change in the use of replacement reserve funds under the Capital Fund;
- Additions of new activities not included in the current PHDEP Plan; and
- Any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

7.2 Requirements for Significant Amendments to the PHA Plan

Any significant amendment or substantial deviation/modification to a PHA Plan is subject to the same requirements as the original PHA Plan (including time frames). Following are the requirements:

- The PHA must consult with the Resident Advisory Board (RAB) (as defined in 24 CFR 903.13);
- The PHA must ensure consistency with the Consolidated Plan of the jurisdiction(s) (as defined in 24 CFR 903.15); and
- The PHA must provide for a review of the amendments/modifications by the public during a 45-day public review period (as defined in 24 CFR 903.17).
- The PHA may not adopt the amendment or modification until the PHA has duly called a meeting of its Board of Directors (or similar governing body). This meeting, at which the amendment or modification is adopted, must be open to the public.
- The PHA may not implement the amendment or modification until notification of the amendment or modification is provided to HUD and approved by HUD in accordance with HUD's plan review procedures (as defined at 24 CFR 903.23).

7.3 Submission to HUD

Timing: A PHA may submit a significant amendment or substantial deviation/modification to HUD up until the last day prior to the date when the next year's PHA Plan is due. For example, if a PHA's next year plan is due on April 17, then the PHA may submit a significant amendment to the current plan to HUD until April 16.

Format: The PHA may submit its significant amendment or substantial deviation/modification in the same way the original PHA Plan is submitted to HUD. The PHA submits its Plan, with the changed portion included, as a new version. This plan is submitted electronically to HUD following the procedure as described in Section 5 of this Guide and on the PHA Plans web site.

Appendix A
Resources for PHA Plan Development and Submission

1. PHA Plans web site: http://www.hud.gov/pih/pha/plans/phaps-home.html

The PHA Plans web site is an invaluable resource for PHA Plan development. The site contains:

- New information
- Template
- Guidance
- Notices
- Frequently Asked Questions
- Technical Submission guidance

2. Federal Regulations Related to the PHA Plan: http://www.hudclips.org

- *Final Rule (24 CFR Part 903, published in the Federal Register 10/21/99)*
- *FR 08/14/2000 amending 24 CFR Part 903.11*
- *FR 12/22/2000 amending 24 CFR Part 903 to incorporate deconcentration requirement*
- *FR 2/5/2001 amending 12/22/2000 Deconcentration Rule*

3. PIH Notices and Guidance

- Instructions: Amended Attachment B to Notice PIH 99-33. This document presents the entire text of the Instructions in "Attachment B," as amended by 99-51
- Notice PIH 99-51(which amended Notice PIH 99-33)
- Notice PIH 2000-12
- Notice PIH 2000-22
- Notice PIH 2000-43
- Notice PIH 2001-4
- Notice PIH 2001-4a revised
- Notice PIH 2001-26

4. PHA Plan Template

- The Plan template was issued July, 1999 (with exceptions noted in Notice PIH 99-51 and Notice PIH 2000-43)
- PHDEP Plan template issued July, 1999
- Small PHA Plan Update: see instructions in Notice PIH 2000-43
- All templates are available on the PHA Plans web site.

5. PHA Plan Related Certifications

- PHA Certifications of Compliance: December, 1999
- Certification of PHA Plans Consistency with the Consolidated Plan: July, 1999
- All required Certification Forms are available on the PHA Plans web site

6. Contacts and Help Numbers

PHA Plan Resource Desk (Policy Office)
Phone: (866) 359-3608
Fax: (301) 652-3635
E-mail: PHAPlan_Help@abtassoc.com

PHA Plans Team (Technical questions)
E-mail: PIH_PHA_PLANS@hud.gov

Appendix B
Glossary of Terms

CFP: Capital Fund Program, a grant program that replaced the Comprehensive Grant Program (CGP) and the Comprehensive Improvement Assistance Program (CIAP) in the QHWRA. It is distributed by formula.

Consolidated Plan: A Five-Year and Annual Plan on housing and community development needs and activities that is developed by cities, counties, and States that receive Community Development Block Grants (CDBG), HOME, and/or homeless grants from HUD. See regulations at 24 CFR Part 91.

Discretionary policies: Those instances in which HUD regulations do not specify the policies or activities a PHA must adopt, leaving the PHA the freedom to make its own choices.

FSS: Family Self-Sufficiency program, a self-sufficiency program run by PHAs, in collaboration with local community resources, for its public housing and Section 8 residents.

High performer: A performance designation awarded by HUD to a housing authority.

Jurisdiction: The geographic area(s) served by a PHA or Consolidated Plan agency, such as cities, counties, or States.

MTCS: Multifamily Tenant Characteristics Systems, a database for Section 8 and public housing tenant information collected from PHAs nationwide.

PHA: Public housing agency.

PHAS: Public Housing Assessment System, the method by which HUD evaluates a PHA's physical housing stock, financial and management

operations, and resident satisfaction. [Note: for the latest guidance on PHAS and performance designation, please see HUD's Real Estate Assessment Center web site at: http://www.hud.gov/offices/reac/index.cfm.]

PHDEP: Public Housing Drug Elimination Program, which provides funding to improve the safety of public housing.

QHWRA: Quality Housing and Work Responsibility Act of 1998, the legislation that instituted many changes in the operation and programs in public housing, including the creation of PHA Plans.

RAB: Resident Advisory Board, a board whose membership consists of individuals that reflect and represent the residents assisted by a PHA.

RC: Resident Council, a nonprofit organization or association consisting of residents of public and assisted housing that meets the HUD requirements for official recognition by HUD and the PHA.

Section 8 tenant-based assistance: Section 8 vouchers, are rental assistance subsidies used by low-income families to find housing in the private market.

Small PHA: A PHA with fewer than 250 public housing units. A PHA of this size that is not designated as troubled is eligible to submit a streamlined PHA Plan. A PHA that has 250 or fewer units of public housing and 250 and fewer Section 8 vouchers can submit the "Small PHA Plan Update" in years 2 through 5 of the five-year planning cycle.

Standard performer: A performance designation awarded by HUD to a housing authority.

Supporting documents: Documents and exhibits, applicable to a PHA's policies, programs, and operations, that are made available with the PHA Plan for public inspection, but are not submitted to HUD for review.

TANF: Temporary Assistance for Needy Families, the public assistance program created by the welfare reform legislation of 1996.

TARC: Troubled Agency Recovery Center, HUD's organization to assist PHAs designated troubled by HUD to improve their management capacity.

Troubled PHA: A performance designation awarded by HUD to a housing authority.