Fairfax County Redevelopment and Housing Authority
Fiscal Year 2016 Moving to Work (MTW) Annual Plan Amendment
Rental Assistance Demonstration Significant Amendment

The Fairfax County Redevelopment and Housing Authority (FCRHA) is amending its Fiscal Year 2016 Moving to Work (MTW) Annual Plan to incorporate additional information as required by the U.S. Department of Housing and Urban Development (HUD) concerning the planned conversion of certain FCRHA public housing units to project-based assistance under the Rental Assistance Demonstration (RAD).

Background

In October 2013, the FCRHA Board of Commissioners authorized the submission of two sets of applications for subsidy conversion under the RAD program. The FCRHA's approval came after a series of public meetings were held with residents of the impacted public housing developments to inform the residents about the RAD and their rights under the proposed RAD conversion. The initial set of applications was for Phase I of the planned conversion and consisted of eleven applications for 209 scattered site units and four multi-family developments with a total with a total of 120 units. The second application was a "Portfolio Application" for the remaining public housing projects that totaled 731 units.

In Spring 2015, HUD approved the Phase I applications and issued a Commitment to Enter into a Housing Assistance Payments Contract (CHAP). After further evaluation, the FCRHA submitted a letter to HUD proposing to suspend the CHAPs for two multifamily projects in Phase I and to submit RAD applications for two other projects which are expected to require substantially less capital improvements. Those projects, subject to FCRHA approval, are The Atrium (VA 019013) and Audubon (VA 019001). Agency staff will request approval from the FCRHA Board at its meeting on October 29, 2015 to submit RAD applications for the replacement properties. Attachment 1 includes the current information for all units that are being proposed for conversion in Phase I, including the replacement units as described above. Accordingly, the FCRHA intends to proceed with RAD conversion under the guidelines of PIH Notice 2012-32, REV-2 and any other successor Notices issued by HUD.

One of the conditions of the CHAP is that the FCRHA must submit a Significant Amendment to its MTW Annual Plan that incorporates information on the FCRHA's conversion plans. The information included in this document provides the required information and serves as FCRHA's RAD Significant Amendment. FCRHA is providing a 30 day public comment period and will conduct a Public Hearing on December 10, 2015 to allow residents and the general public an opportunity to comment on the RAD Significant Amendment. Following this period, the FCRHA Board will conduct a vote on the RAD Significant Amendment at a meeting that is open to the public.

RAD Conversion Plan

Attachment 1 includes information on the 336 units that are proposed for conversion under Phase I, including:

Current Units:	Total number of units, bedroom size distribution and unit type.
Post Conversion Units:	If applicable, any changes proposed to the current number of units, the bedroom size distribution or the unit type.
Transfer of Assistance:	Whether FCRHA intends to transfer assistance to another development as part of the RAD conversion.
PBV or PBRA:	Whether FCRHA intends to convert the development to the Project Based Voucher (PBV) or the Project Based Rental Assistance (PBRA) program, along with information on resident rights, participation, waiting list and grievance procedures. A more detailed discussion of PBV and PBRA follows below.
Capital Fund Impact:	The current amount of Capital Fund dollars received prior to RAD conversion. Developments converted through RAD are not eligible for Public Housing Capital Funds. A more detailed discussion of the projected Capital Fund impact of RAD conversion follows below.
Transfer of Waiting List:	How waiting lists will be addressed as part of the conversion.

Conversion to Project Based Vouchers or Project Based Rental Assistance

Public Housing developments that are converted to project-based assistance will no longer be subject to HUD rules and regulations pertaining to the Public Housing program. Upon conversion to RAD, the former Public Housing units will be subject to the rules and regulations pertaining to either the Housing Choice Voucher PBV or PBRA programs, depending on which program option is selected by FCRHA. HUD has modified program rules and regulations for both PBV and PBRA to incorporate additional provisions that apply solely to units covered under RAD which provide important protections to public housing residents affected by a RAD conversion.

The FCRHA currently plans to convert the RAD units listed in Attachment 1 to the PBV program. As part of the conversion, the FCRHA will adopt all required RAD PBV rules per the guidelines of PIH Notice 2012-32, REV 2 and will modify its existing HCV Administrative Plan to incorporate these requirements.

Attachment 2 provides information on the PBV program related to: resident screening and right to return; phasing in of rent increases if applicable; eligibility for Family Self-Sufficiency program services; resident participation rights; lease renewal and termination provisions; grievance processes; and establishment of a waiting list.

Capital Fund Budget

Conversion of existing Public Housing developments under RAD will enable the FCRHA to leverage existing funds to secure additional private and other funding. This new funding will be used to undertake long-deferred capital improvements.

The FCRHA currently receives HUD Capital Funds on an annual basis. Upon conversion to RAD, the FCRHA will no longer receive a Capital Fund allocation for units that have been converted and the annual Capital Fund will be decreased.

The estimated reduction in PHA Capital Funds on an annual basis is $488,673, assuming that all public housing units that have been issued a CHAP are converted under RAD. Over a five year period, the estimated Capital Fund reduction is $2,443,365. As RAD conversions are completed, the FCRHA will modify its existing capital plans to reflect the reduction in funding and change in work scope.

Site and Neighborhoods Certification

The FCRHA certifies that the sites listed in Attachment 1 comply with the site selection requirements set forth at 24 CFR § 983.57, and will comply with the requirements of the Fair Housing Act, Title VI of the Civil Rights Act of 1964 including implementing regulations at 24 CFR § 1.4(b)(3), Section 504 of the Rehabilitation Act of 1973, including implementing regulations at 24 CFR § 8.4(b)(5), and the Americans with Disabilities Act.

Compliance

HUD has certified that the FCRHA has fulfilled the requirements of a Voluntary Compliance Agreement that was in place and that the FCRHA is in full compliance with the VCA. The HUD certificate was dated June 4, 2014 and is on file at the FCRHA's offices.

Moving to Work

The FCRHA may utilize MTW fungibility and programmatic flexibility to support the RAD conversion subject to the FCRHA board and HUD approvals. The FCRHA will continue to maintain service levels for the remaining portfolio of public housing units by utilizing available funding from the Public Housing Operating Fund, Capital Fund, and Tenant Rental Income, and any funds made available through MTW flexibilities.

Substantial Deviation Definition

As part of the RAD conversion, the FCRHA will change its definition of "Substantial Deviation" that would normally require a significant amendment. On approval of the amendment by HUD, a Significant Amendment to the MTW Plan will <u>not</u> be required for the following RAD-specific actions, provided that changes to the RAD plans are authorized by the FCRHA board in the normal course of business:

- The decision to convert to either PBV assistance or PBRA assistance;
- Changes to the Capital Fund Budget produced as a result of each approved RAD conversion;
- Changes to the construction and rehabilitation plan for each approved conversion; and
- Changes to the financing structure for each approved RAD conversion

Attachment 1
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All units will be converting to Project Based Voucher Assistance

Multi-Family Developments

Development Name/PIC ID #	0 BR	1 BR	2 BR	3 BR	**Total**
Atrium/VA019013		25	12		**37**
Audubon/VA019001	32	14			**46**

Scattered-site units

Property Affiliation/ PIC ID #	0 BR	1 BR	2 BR	3 BR	**Total**
Barkley Square/VA019056b				3	**3**
Belleview/VA019036		10	26	4	**40**
Briarcliff II/VA019031			4	16	**20**
Colchester/VA019039a				8	**8**
Greenwood II/VA019056a				4	**4**
Heritage Woods South/VA019028			11	2	**13**
Heritage Woods I/VA019026			13	6	**19**
Heritage Woods North/VA019039b				12	**12**
Newington Station/VA019004			10	26	**36**
Shadowood/VA019011				16	**16**
Sheffield Village/VA019029			1	7	**8**
Springfield Green/VA01939b				5	**5**
The Park/VA019006			12	12	**24**
Villages at Falls Church/VA019025a		7	29		**36**
Water's Edge/VA019052				9	**9**
Totals	**32**	**56**	**118**	**130**	**336**

Pre-Conversion Total Units	336
Post-Conversion Total Units	336
Transfer of Assistance	No
Capital Fund Grant	$488,673
Transfer of Waiting List	Current area-based waiting lists will be incorporated into project specific PBV waiting lists

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The following applicable provisions affecting residents' rights and participation, waiting list and grievance procedures are taken directly from the HUD RAD final implementation guidelines found in PIH Notice 2012-32 (HA), REV-2.

PBV Resident Rights and Participation

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

2. **Right to Return.** Any resident that may need to temporarily be relocated to facilitate rehabilitation or construction has a right to return to an assisted unit at the Covered Project once rehabilitation or construction is completed. Permanent involuntary displacement of residents may not occur as a result of a project's conversion of assistance, including, but not limited to, as a result in the change in bedroom distribution, a de minimis reduction of units, the reconfiguration of efficiency apartments, or the repurposing of dwelling units in order to facilitate social service delivery. Where the transfer of assistance to a new site is warranted and approved, residents of the Covered Project will have the right to reside in an assisted unit at the new site once rehabilitation or construction is complete.

3. **Renewal of Lease.** Project Owners are required to renew all leases upon lease expiration, unless cause exists. MTW agencies may not alter this requirement.

4. **Phase-in of tenant Rent Increases.** The FCRHA does not anticipate an increase to tenants' monthly rent purely as a result of conversion. In the unexpected event that a tenant's monthly rent does increase more than the greater of 10 percent or $25.00 purely as a result of conversion, the rent increase will be phased in over 3 or 5 years in accordance with the guidance in Section 1.6.C.4 of PIH Notice 2012-32 (HA), REV 2.

5. **Family Self-Sufficiency (FSS).** Public Housing (PH) residents that are current FSS participants will continue to be eligible for FSS once their housing is converted under RAD, and Public Housing Authorities will be allowed to use any remaining PH FSS funds to serve those FSS participants who live in units converted by RAD. Other provisions related to FSS will be applied in accordance with Section 1.6.C.7 of PIH Notice 2012-32 (HA), REV 2.

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

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

   1. Termination Notification. HUD is incorporating additional termination notification requirements for public housing projects that convert assistance under RAD. In addition to the regulations at 24 CFR § 983.257 related to Project Owner termination of tenancy and eviction, the termination procedure for RAD conversions to PBV will require that PHAs provide adequate written notice of termination of the lease which shall not be less than:

   a. A reasonable period of time, but not to exceed 30 days:
      i. If the health and safety of other tenants, PHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
      ii. In the event of any drug-related or violent criminal activity or any felony conviction
   b. 14 days in the case of nonpayment of rent; and
   c. 30 days in any other case, except that if a State or local law provides for a shorter period of time, such shorter period shall apply.

   2. Grievance Process. Pursuant to requirements in the RAD statute, HUD is establishing additional procedural rights. For issues related to tenancy and termination of assistance, PBV program rules require the Project Owner to provide an opportunity for an informal hearing, as outlined in 24 CFR § 982.555. RAD will specify alternative requirements for 24 CFR § 982.555(b) in part, which outlines when informal hearings are not required, to require that:

   a. An opportunity for an informal hearing must be given to residents for any dispute that a resident may have with respect to a Project Owner action in accordance with the individual's lease that adversely affect the resident's rights, obligations, welfare, or status.
   b. There is no right for an informal hearing for class grievances or to disputes between residents not involving the Project Owner or contract administrator.
   c. The Project Owner gives residents notice of their ability to request an informal hearing as outlined in 24 CFR § 982.555(c)(1) for informal hearings that will address circumstances that fall outside the scope of 24 CFR § 982.555(a)(1)(i)-(vi).
   d. The Project Owner provides opportunity for an informal hearing before an eviction.

8. **When Total Tenant Payment Exceeds Gross Rent.** In the event a tenant's Total Tenant Payment exceeds the gross rent for the unit, FCRHA will implement guidance outlined in section 1.6.C.10 of PIH Notice 2012-32 (HA), REV 2.

9. **Under-Occupied Unit.** If a family is an under-occupied unit at time of conversion, the family may remain in this unit until an appropriate sized unit becomes available in the Covered Project. When an appropriate sized unit becomes available in the Covered Project, the family living in the under-occupied unit must move to the appropriate-sized unit within a reasonable period of time, as determined by FCRHA. In order to allow the

family to remain in the under-occupied unit until an appropriate sized unit becomes available in the Covered Project, 24 CFR § 983.259 is waived. MTW agencies may not modify this requirement.

10. **Establishment of Waiting List.** The FCRHA currently utilizes an area-based waiting list for Public Housing and a site based waiting list for PBV that is in accordance with 24 CFR § 983.251. Upon conversion, all applicants on the area-based waiting list that includes the Covered Project will be placed on the site-based waiting list for that property. All other applicants will be informed on how to apply for the site-based waiting list for the Covered Property.

11. **Choice Mobility.** If, as a result of participation in RAD, most or all of the FCRHA's turnover vouchers are used to assist RAD PBV families who wish to exercise mobility, the FCRHA will implement the alternative mobility policy established by HUD. The alternative mobility policy provides that an eligible voucher agency would not be required to provide more than three-quarters of its turnover vouchers in any single year to the residents of Covered Projects. If the voucher inventory cap is implemented, the FCRHA will create and maintain a waiting list in the order in which requests from the eligible households were received. This alternative mobility policy will be included in the FCRHA Administrative Plan.