

**Significant Amendment to CMHA's FYs 2016 and 2017 Capital Statements**

**Rental Assistance Demonstration**

The Cincinnati Metropolitan Housing Authority (CMHA) is amending its Annual and 5 Year Action Plan because it was a successful applicant in the Rental Assistance Demonstration (RAD). On January 2, 2018, the United States Department of Housing and Urban Development issued to CMHA a Commitment to Enter into a Housing Assistance Payment Contract (CHAP) for the units listed below. The award was issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011 and the Consolidated and Further Continuing Appropriations Act of 2015 (P.L. 113-235) approved December 6, 2014; Section 8 of the United States Housing Act, 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq.

As a result, CMHA will be converting a number of its Asset Management units to Project Based Rental Assistance (PBRAs) under the guidelines of PIH Notice 2012-32, REV-1 and any successor PIH Notices, rules and regulations. Upon conversion, CMHA will adopt resident rights, participation, waiting list and grievance procedures listed in Section 1.7.B & 1.7.C of PIH Notices 2012-32, REV-1. These resident rights, participation, waiting lists and grievance procedures are appended to this Attachment. Additionally, CMHA is currently compliant with all fair housing, and civil rights requirements.

RAD was designed by HUD to assist in addressing the capital needs of public housing by providing housing authorities with access to private sources of capital to repair and preserve its affordable housing assets. Please be aware, that upon conversion, CMHA's Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted as part of Demonstration, and that CMHA may also borrow funds to address their capital needs. CMHA may also decide to contribute Operating Reserves available at the time of conversion and Capital Funds in the amount of \$10,500,000 towards the conversion. CMHA currently has debt under the Capital Fund Financing Program and will be working with its lender to address outstanding debt issues, which may result in additional reductions of capital funds.

Below find information about specific developments CMHA selected for RAD:

Dev.	PIC ID	Conv Type	Trans. Assist.	0 Bed	1 bed	2 Bed	3 Bed	4 Bed	5 Bed	6 Bed	Total
Marrianna Ter	OH004-000204	PBRA-Family	No	0	14	27	27	4	4	0	76
Scattered Sites	OH004-000205	PBRA-Family	No	0	4	12	8	0	0	0	24
Findlater Gardens Phase 1	OH004-000210	PBRA-Family	No	0	9	44	45	10	0	0	108
Findlater Gardens Phase 2	OH004-000210	PBRA-Family	No	0	25	24	22	35	2	2	110

Evanston	OH004-000211	PBRA-Family	No	0	100	0	0	0	0	0	100
Park Eden	OH004-000213	PBRA-Family	No	6	169	1	0	0	0	0	176
Liberty St Apt	OH004-000214	PBRA-Family	No	0	22	62	35	9	2	0	130
Pinecrest	OH004-000216	PBRA-Family	No	0	178	12	0	0	0	0	190
Suterview Phase I	OH004-000218	PBRA-Family	No	0	9	21	19	9	0	0	58

**Resident Rights, Participation, Waiting List and Grievance Procedures Under RAD (attachment to Significant Amendment)**

1. **No Re-screening of Tenants upon conversion.** Pursuant to the RAD statute, at conversion, current households are not subject to rescreening, income eligibility, or income targeting provisions. Consequently, current households will be grandfathered for conditions that occurred prior to conversion but will be subject to any ongoing eligibility requirements for actions that occur after conversion. For example, a unit with a household that was over-income at time of conversion would continue to be treated as an assisted unit. Thus, 24 CFR § 982.201, concerning eligibility and targeting, will not apply for current households. Once that remaining household moves out, the unit must be leased to an eligible family.
2. **Right to Return.** Any residents that may need to be temporarily relocated to facilitate rehabilitation or construction will have a right to return to the development once rehabilitation or construction is completed.
3. **Phase-in of Tenant Rent Increases.** If a tenant’s monthly rent increases by more than the greater of 10 percent or \$25 purely as a result of conversion, the rent increase will be phased in over 3 years. . To implement this provision, HUD is waiving section 24 CFR 880.201 to the limited extend necessary to allow for the phase-in of tenant rent increases.
4. **Resident Participating and Funding.** Residents of covered projects converting assistance to PBRA’s will have the right to establish and operate a resident organization in accordance with 24 CFR Part 245 (Tenant Participation in Multifamily Housing). In addition, CMHA will continue to provide \$25 per occupied unit annually for resident participation.
5. **Resident Procedural Rights.**
  - **Termination Notification.** HUD is incorporating additional termination notification requirements to comply with section 6 of the Act for public housing projects that convert assistance under RAD. In addition to the regulations at 24

CFR §880.607, related to owner termination of tenancy and eviction the termination procedure for RAD conversion to PBRA will require that CMHA provide adequate written notice of termination of the lease which shall not be less than:

- **A reasonable period of time, but not to exceed 3 days:**
  - If the health or safety of other tenants, CMHA employees, or persons residing in the immediate vicinity of the premises is threatened; or
  - In the event of any drug-related or violent criminal activity or any felony conviction;
  - 14 days in the case of nonpayment of rent; and
  - 30 days in any other case, except that if a State of local law provides for a shorter period of time, such shorter period shall apply.

**6. Grievance Process.** In addition to program rules that require that tenants are given notice of covered actions under 24 CFR Part 245 (including increases in rent, conversions of a project from project-paid utilities to tenant-paid utilities, or a reduction in tenant paid utility allowances), HUD is incorporating resident procedural rights to comply with the requirements of section 6 of the Act. RAD will require that:

1. Residents be provided with notice of the specific grounds of the proposed owner adverse action, as well as their right to an informal hearing with CMHA (as owner);
2. Residents will have an opportunity for an informal hearing with an impartial member of CMHA's staff (as owner) within 90 days of the request for an informal hearing;
3. Residents will have the opportunity to be represented by another person of their choice, to ask questions of witnesses, have others make statements at the hearing, and to examine any regulations and any evidence relied upon by the owner as the basis for the adverse action. With reasonable notice at least 48 hours prior to the hearing that resident may request that CMHA (as owner), prior to hearing and at the residents' own cost, resident may copy any documents or records related to the proposed adverse action; and
4. CMHA (as owner) provides the resident with a written decision within 30 days of the hearing stating the grounds for the adverse action, and the evidence CMHA (as owner) relied on as the basis for the adverse action.
5. CMHA (as owner) will be bound by decisions from these hearings, except if the:
  - Hearing concerns a matter that exceeds the authority of the impartial party. Decision is contrary to HUD regulations or requirements, or otherwise contrary to federal, State, or local law.

- If CMHA (as owner) determines that it is not bound by a hearing decision, CMHA must notify the resident within 45 days of this determination, and of the reasons for the determination.

**7. Earned Income Disregard (EID).** Tenants who are employed and are currently receiving the EID exclusion at the time of conversion will continue to receive the EID exclusion after conversion, in accordance with regulations at 24 CFR § 960.255. After conversion, no other tenants will be eligible to receive the EID. If a tenant receiving the EID exclusion undergoes a break in employment, ceases to use the EID exclusion, or the EID exclusion expires in accordance with 24 CFR §960.255, the tenant will no longer receive the EID exclusion and the Owner will no longer be subject to the provisions of 24 CFR §960.255. Furthermore, tenants whose EID ceases or expires after conversion shall not be subject to the rent phase-in provision. Instead, the rent will automatically be adjusted to the appropriate rent level based upon tenant income at that time.

**8. Capital Fund Education and Training Community Facilities (CFCF) Program.** CFCF provides capital funding to PHAs for the construction, rehabilitation, or purchase of facilities to provide early childhood education, adult education, and job training programs for public housing residents based on an identified need. Where a community facility has been developed under CFCF in connection to or serving the residents of an existing public housing project converting its assistance under RAD, residents will continue to qualify as “PHA residents” for the purposes of CFCF program compliance. To the greatest extent possible the community facility should continue to be available to public housing residents.

**9. Relocation Plan.** CMHA anticipates a need for relocation for Sutterview Phase I AMP 218. At this time CMHA does anticipate the need for relocation at the following developments; Marrianna Ter AMP 204, Scattered Sites AMP 205 24 units, Findlater Gardens Phase 1 and Phase II AMP 211, Evanston AMP 211, Liberty St Apt AMP 214, and Pinecrest AMP 216. CMHA has developed a master relocation plan that will be used to develop a site specific relocation plan. CMHA will follow both the URA and RAD relocation requirements. The displacement of our residents will be minimized to the greatest extent feasible based upon our construction schedule.

## **10. Definition of Substantial Deviation/Modification**

The definition of Substantial Deviation/Modification of CMHA’s Plan is amended to exclude the following items:

### **“Significant Amendment” is defined as follows:**

A significant amendment or modification to the annual plan is a change in the major strategies to address Housing Needs or changes in Admissions & Occupancy. For the purpose of the CFP, a

proposed demolition, disposition, homeownership, Capital Fund financing, development, or mixed finance proposal are considered significant amendments to the CFP 5-Year Action Plan

The following are not considered significant amendments:

1. Changes in Public Housing Admissions & Occupancy Policies or the Section 8 Administrative Plan that are not inconsistent with the Annual Plan.
2. Changes in Public Housing Admissions & Occupancy Policies or the Section 8 Administrative Plan that are required by federal, state, or local authorities, including laws and regulations.
3. A minor change in the planned uses of financial resources (e.g., small shifts within or between different funding categories).
4. Changes in the plan resulting from consultation with Consolidated Plan authorities including the City of Cincinnati and Hamilton County, Ohio.
5. Changes that are the result of the loss of anticipated funding to support a specific proposed activity or program.
6. Changes that are due to factors outside of CMHA's control such as natural or man-made disasters that require the redirection of resources to address emerging issues.
7. Technical amendments to correct grammar and spelling mistakes; to adjust the language in the plan document to match the intended board policy as documented by board resolutions and minutes that inadvertently omitted or misstated in the existing plan document; or to update the plan to provide more accurate information that does not impact policies such as corrections to reports on past activities and statistics on housing and population characteristics.
8. Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether the conversion will include use of additional Capital Funds;
9. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
10. Changes to the financing structure for each approved RAD conversion.
11. Additions of non-emergency work items (items not included in the Annual statement or 5-year Action plan) or change in use of replacement reserve funds under Capital Fund.

**“Substantial Deviation” is defined as follows:**

1. Any change with regard to demolition or disposition, designation, homeowner programs or conversion activities.
2. Fundamental alteration of the goals, mission or objectives of CMHA.