

Annual PHA Plan <i>(Standard PHAs and Troubled PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families.

Applicability. Form HUD-50075-ST is to be completed annually by **STANDARD PHAs or TROUBLED PHAs**. PHAs that meet the definition of a High Performer PHA, Small PHA, HCV-Only PHA or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments if administering both programs, or PHAS if only administering public housing.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																																
A.1	<p> PHA Name: <u>Housing Authority of Bexar County</u> PHA Code: <u>TX452</u> PHA Type: <input checked="" type="checkbox"/> Standard PHA <input type="checkbox"/> Troubled PHA PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>07/2018</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units <u>30</u> Number of Housing Choice Vouchers (HCVs) <u>1707</u> Total Combined Units/Vouchers <u>1737</u> PHA Plan Submission Type: <input type="checkbox"/> Annual Submission <input checked="" type="checkbox"/> Revised Annual Submission </p> <p> Availability of Information. PHAs must have the elements listed below in sections B and C readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans. </p> <p> <input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below) </p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																							
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		PH	HCV																														
Lead PHA:																																	

B. Annual Plan Elements						
B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Financial Resources.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Rent Determination.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Operation and Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Grievance Procedures.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Community Service and Self-Sufficiency Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Asset Management.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Substantial Deviation.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Significant Amendment/Modification</p> <p>(b) If the PHA answered yes for any element, describe the revisions for each revised element(s):</p> <p>OPERATION AND MANAGEMENT</p> <ol style="list-style-type: none"> Changes to HABC Housing Choice Voucher Administrative Plan Ownership/Management Certification documentation Chapter 11, Section J. HABC will now require the following documentation for all owners; additionally all payments will be made by direct deposit. <ol style="list-style-type: none"> Owner Certification form (provided) Proof of Legal Ownership: Recorded Deed or Settlement Statement with signatures of Byer, Seller & Title Co. W-9 Form for Owner (provided); W-9 Form for Payee (if payee will be someone other than Owner) Complete Listing of all properties affected by this change. Verification of Tax ID: Social Security Number (copy of SS card), Employer Identification Number (confirmation letter from the IRS) Direct Deposit Form (provide: A voided check, no deposit slips will be accepted) Management Agreement (if applicable): The Owner must provide a copy of the most current TAR/TREC management agreement form or a notarized statement specifying the designee(s) and signed by Owner. Change to HABC Housing Choice Voucher Administrative Plan , HAP Payment to Owner, Chapter 12, Section B: Payments are Direct Deposited by HABC's Finance Department to the owner. Change to HABC, HCV Administrative Plan, Payment Standards, Chapter 12, Section D. Everywhere that the phrase "fair market rents" and "FMR" appears, will now say "small area fair market rents" and "SAFMR." Change to HABC HCV Administrative Plan, Initial HQS Inspection, Chapter 13, Section B. The following phrase will be added to the end of Section B: "The maximum number of failed inspections is 2. However, the owner has the ability to request a reasonable number of re-inspections at a cost of \$75.00 per re-inspection. <p>SIGNIFICANT CHANGE – AMENDMENT TO PLAN</p> <ol style="list-style-type: none"> HABC will apply to HUD's Special Application Center for disposition of the 30 scattered site Public Housing Units. (SEE ATTACHED FORM 52860-A, APPLICATION FOR DEMOLITION/DISPOSITION) <ol style="list-style-type: none"> HUD published a notice on 3/22/18 that allowed for the disposition of public housing units when (1) the Public Housing Authority is considered Very Small with less than 50 units. The same HUD notice also allowed for disposition when all the public housing units are listed as "scattered sites" units. HABC reserves the right to further submit an application for the Rental Assistance Demonstration (RAD) program upon approval of disposition for the same 30 scattered site units. <p>(c) The PHA must submit its Deconcentration Policy for Field Office review.</p>					
B.2	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Designated Housing for Elderly and/or Disabled Families.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant-Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p>					

	<input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Over-Income Families. <input type="checkbox"/> <input checked="" type="checkbox"/> Occupancy by Police Officers. <input type="checkbox"/> <input checked="" type="checkbox"/> Non-Smoking Policies. <input type="checkbox"/> <input checked="" type="checkbox"/> Project-Based Vouchers. <input type="checkbox"/> <input checked="" type="checkbox"/> Units with Approved Vacancies for Modernization. <input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan.</p>
B.3	<p>Civil Rights Certification.</p> <p>Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
B.4	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
B.5	<p>Progress Report.</p> <p>Provide a description of the PHA’s progress in meeting its Mission and Goals described in the PHA 5-Year and Annual Plan.</p> <p>HABC’s progress in meeting the mission and goals described in the 2015-2019 Five-Year Plan includes our commitment of extending services and affordable units by increasing the following:</p> <ul style="list-style-type: none"> • Veterans Affairs Supportive Housing (VASH) vouchers; • New Low Income Housing Tax Credit Partnership to build 348-unit <p>In the HCV program, with the mandated move to Small Area Fair Market Rents, the implementation costs are expected to exceed current utilization costs and hinder our goal attainment.</p>
B.6	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(c) If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations.</p>
B.7	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>

<p>B.8</p>	<p>Troubled PHA. (a) Does the PHA have any current Memorandum of Agreement, Performance Improvement Plan, or Recovery Plan in place? Y N N/A <input type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
<p>C.</p>	<p>Statement of Capital Improvements. Required for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP). N/A</p>
<p>C.1</p>	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD. See 5-year plan Form 50075.2 attached.</p>

The information collection requirements contained in this document have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) and assigned OMB control number 2577-0075. There is no personal information contained in this application. Information on activities and expenditures of grant funds is public information and is generally available for disclosure. Recipients are responsible for ensuring confidentiality when disclosure is not required. In accordance with the Paperwork Reduction Act, HUD may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Section 1. Demolition	
1. Does the removal action include the demolition of all or a portion of a development (AMP) or other public housing property?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes: <input type="checkbox"/> All units at a development site <input type="checkbox"/> A portion of units at a development site <input type="checkbox"/> Non-dwelling property at a development site <input type="checkbox"/> Non-dwelling property not at a development site (e.g. central PHA administrative building)
<i>If yes, complete questions 2-6 of this section. If no, move on to section 2.</i>	
2. What is the estimated demolition cost?	\$ N/A
3. What is the anticipated source of funds for the demolition cost? N/A	<input type="checkbox"/> Capital Funds <input type="checkbox"/> CDBG <input type="checkbox"/> Operating Funds <input type="checkbox"/> Fiscal Year: _____ <input type="checkbox"/> Non-Public Housing Funds (describe:)
4. What is the justification for the demolition? N/A	<input type="checkbox"/> Obsolete - Physical Condition <input type="checkbox"/> Obsolete - Location <input type="checkbox"/> Obsolete - Other Factors <input type="checkbox"/> De Minimis Demolition (the lesser of 5 units or 5 percent of the total public housing units in any 5-year period)
<i>Attach a narrative statement describing the justification for demolition, along with other supporting documentation, in accordance with 24 CFR part 970 and PIH Notice 2018-04 (or any successor notice). If the demolition is for a portion of a development, the narrative statement must specifically address how the demolition will help to ensure the viability of the remaining portion of the development.</i>	
5. Cost-test: N/A	The PHA must certify and present supporting evidence that no reasonable program of modifications is cost-effective to return the public housing development (or portion thereof) to useful life.
<i>Attach a completed HUD-52860-B, narrative statement, and other supporting documentation as described in the instructions</i>	

Section 2. Disposition	
1. What is the justification for the disposition?	<input type="checkbox"/> Conditions in Surrounding Area: 24 CFR 970.17(a) <input type="checkbox"/> Health and/or Safety <input type="checkbox"/> Infeasible Operation <input type="checkbox"/> More Efficient/Effective Low-Income Housing: 24 CFR 970.17(b) <input checked="" type="checkbox"/> Best Interests of PHA and Residents & Consistent with PHA Plan & 1937 Act: 970.17(c) <input type="checkbox"/> The Non-Dwelling Structure or Land Exceeds the Needs of the Development (after Date of Full Availability "DOFA") <input type="checkbox"/> The Disposition of the Non-Dwelling Property is Incidental to, or does not Interfere with, the Continued Operation of the Remainder of the Development
<i>Attach a narrative statement describing the justification for disposition, along with other supporting documentation, in accordance with 24 CFR part 970 and PIH Notice 2018-04(or any successor notice).</i> <i>If disposition is based on physical obsolescence under the demolition criteria, complete Section 1 (Demolition) of this form.</i>	
2. Method of Disposition	a. <input checked="" type="checkbox"/> Public Bid FMV Sale b. <input type="checkbox"/> Negotiated Sale at FMV c. <input type="checkbox"/> Negotiated Lease or other Transfer at FMV d. <input type="checkbox"/> Negotiated Sale or other Transfer at FMV e. <input type="checkbox"/> Negotiated Sale at below FMV f. <input type="checkbox"/> Negotiated Lease or other Transfer at below FMV g. <input type="checkbox"/> Land-Swap
<i>Attach a description of the method of disposition (e.g. sale or ground lease terms; below FMV disposition).</i> <i>If the disposition is proposed via negotiation, attach a Certificate of Good Standing (under applicable State law) of the proposed acquiring entity, or other evidence that the entity is recognized under State law.</i>	
3. Is the proposed acquiring entity the PHA's instrumentality as defined by 24 CFR 905.604(b)(3)?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
4. Commensurate Public Benefit: If the method of disposition is at or below FMV, the PHA must demonstrate a commensurate public benefit	
<i>Attach a narrative description of commensurate public benefit in accordance with 24 CFR 970.19 and PIH Notice 2018-04 (or any successor notice).</i>	

Section 3. Proceeds	
1. Will the PHA realize proceeds from this disposition?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
2. If PHA answered yes to question #1, indicate the estimated amount of gross and net proceeds	Gross \$ 3,000,000.00 Net \$ 2,700,00.00
3. Is the PHA requesting to use gross proceeds for relocation costs?	<input checked="" type="checkbox"/> Yes \$ 150,000.00 (estimated amount) <input type="checkbox"/> No
4. Is the PHA requesting to use gross proceeds for reasonable costs of disposition?	<input checked="" type="checkbox"/> Yes \$ 150,000.00 (estimated amount) <input type="checkbox"/> No
<i>If yes, attach a brief narrative, budget, or other supporting documentation describing the reasonable costs</i>	
5. If the PHA will realize net proceeds from this disposition, how does the PHA propose to use the proceeds?	<input type="checkbox"/> Public Housing Capital Fund (CFP) Uses <input type="checkbox"/> Loan for development of Public Housing Units <input type="checkbox"/> Section 8 PBV Unit Development <input type="checkbox"/> Loan for development of PBV units <input checked="" type="checkbox"/> Supportive Services for Residents <input type="checkbox"/> Costs of Converting Public Housing Units to Project-Based Section 8 under the Rental Assistance Demonstration (RAD) Program <input type="checkbox"/> Section 8 HCV Shortfalls <input type="checkbox"/> Operation of Section 8 program <input type="checkbox"/> Operation of Public Housing program <input type="checkbox"/> Modernization of Section 8 Units <input type="checkbox"/> Loan for modernization of PBV Units <input checked="" type="checkbox"/> Other Statutorily Eligible Uses: (describe) Possible Homeownership Program <input type="checkbox"/> To Be Determined (TBD) (PHA must request approval from HUD when it determines a proposed use)
<i>Attach a brief narrative, budget, or other supporting documentation describing the proposed use of proceeds.</i> <i>If loan is checked, include the loan term, interest rate, and type (i.e. permanent, bridge, construction).</i>	

Section 4. Offer of Sale to Resident Organization (Disposition Only)

1. If this action is for a disposition, is the PHA exercising any of the exceptions to the offer of sale requirements?

- Yes No
 970.9(b)(3)(i): local government requests to acquire vacant land less than 2 acres in order to build or expand public services
 970.9(b)(3)(ii): PHA seeks disposition to develop a facility to benefit low-income families
 970.9(b)(3)(iii): the units have been legally vacated (HOPE VI, 24 CFR part 971 or 972)
 970.9(b)(3)(iv): the units are distressed units subject to Section 33 required conversion
 970.9(b)(3)(v): property proposed for disposition is non-dwelling
 Other: PHA requests that HUD consider another exception to 970.9(b)(1)

If exercising an exception, attach a narrative statement or documentation supporting the exception in accordance with 970.9(b)(4). If not exercising an exception, complete questions #2-6 of this Section 4.

2. Name(s) of all established eligible organizations as defined by 24 CFR 970.11 (e.g. resident organizations, eligible resident management corporations as defined in 24 CFR part 964, and nonprofit organization acting on behalf of residents at a development.

TBD

Attach a narrative explanation of how the PHA determined the entities identified

3. Date(s) the PHA sent an initial written notification to each established eligible organization in accordance with 24 CFR 970.11

TBD: 06/14/2018

Attach a copy of the initial written notification to each established eligible organization

4. Did the PHA receive a written expression of interest in accordance with 24 CFR 970.11 by an established eligible organization?

Yes No Pending

If yes, attach a copy of the expression of interest by any eligible established organization

5. Did the PHA receive a proposal to purchase from an established eligible organization within 60-days of receiving the established eligible organization's expression of interest?

Yes No Pending

If yes, attach a copy of the proposal to purchase from an established eligible organization

6. Did the PHA accept the proposal to purchase?

Yes No
 N/A (PHA did not receive a proposal to purchase) Pending

Attach a narrative explanation of why the PHA accepted or rejected the proposal to purchase

Section 5. PHA Certification

For SAC applications submitted under 24 CFR part 970:

- 1) If this SAC application includes a demolition action, I certify that the proposed development (units or other property) meets the obsolescence criteria of 24 CFR 970.15 as specifically described in this SAC application. I further certify that such obsolescence makes any units proposed for demolition unsuitable for housing purposes and that no reasonable program of modification is cost-effective to return the development to its useful life;
- 2) If this SAC application includes a demolition for only a portion of the buildings/units at a development on a contiguous site, the PHA certifies that the partial demolition will help to ensure the viability of the remaining portion of the development;
- 3) If this SAC application includes a disposition action for public housing units, the PHA is justified in disposing of the development or other public housing property in accordance with the specific criteria of 24 CFR 970.17, as specifically described in this SAC application;
- 4) The PHA will comply with all applicable relocation requirements of 24 CFR 970.21; and
- 5) The PHA will use gross and net proceeds it receives from the disposition in accordance with the requirements of 24 CFR 970.19 and the HUD approval.

For De Minimis Demolitions:

- 1) The units proposed for demolition meet the criteria of Section 18 because they are beyond repair or the space occupied by the units will be used for meeting the service or other needs of public housing residents; and
- 2) The units proposed for demolition do not exceed the statutory maximums of five percent of my PHA's total housing stock, or five dwelling units, whichever is less, in any 5-year period.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Kirk W. Francis
Title	Chairman of the Board
Signature	
Date	July 31, 2018

Form HUD-52860-A Instructions

This form is required when a PHA proposes a demolition or disposition under 24 CFR part 970 and when a PHA proposes a de minimis demolition under Section 18 of the 1937 Act. This information is required as a supplement to the HUD-52860 form. PHAs must complete this form and upload it as an attachment to the IMS/PIC SAC application. Also, PHAs must upload the supporting documentation requested by this form as part of the IMS/PIC SAC application. PHAs must label that supporting documentation by section number of this form and/or by name (e.g. use of proceeds). PHAs refer to 24 CFR part 970 and all applicable PIH Notices in completing this form, including PIH Notice 2018-04 (or any successor notice). PHAs must label All defined terms not defined in this form have the meaning in those regulations and notices.

Section 1: Demolition

Justification (Question 4). In completing their narrative statements describing the justification for demolition, PHAs should refer to the guidance at 24 CFR part 970 and PIH Notice 2012-7 (or any successor notice). In the case of a SAC application for demolition of portion of a development (e.g. SAC application is for less than all units on a contiguous site) the PHA's narrative must describe how the demolition will help to ensure the viability of the remaining portion of the development. This requirement shall not apply for demolitions of units on scattered non-contiguous sites.

Obsolete-Physical Condition: 24 CFR 970.15(b)(1)(i). A PHA must demonstrate serious and substantial physical deterioration of the buildings/units at the development. HUD strongly encourages PHAs to submit a physical needs assessment (PNA), government inspection, or independent architect or engineer's report as supporting documentation.

Obsolete-Location: 24 CFR 970.15(b)(1)(ii). A PHA must demonstrate that the location of the units causes obsolescence. HUD may consider the physical deterioration of the neighborhood; change in neighborhood from residential to industrial or commercial development; or environmental conditions which jeopardize the suitability of the site or a portion of the site and its housing structures for residential use.

Obsolete-Other Factors: 24 CFR 970.15(b)(1)(iii). A PHA must generally demonstrate that factors at the development have impacted the marketability, usefulness, or management of the units so seriously that, notwithstanding due diligence and its best efforts in marketing and leasing the units, the PHA is unable to operate the development for residential purposes for an extended period of time (generally more than 5 years). HUD may consider factors such as turnover rate, historic vacancy rate, access to transportation, crime rates, site plan and density issues, neighborhood infrastructure, and unit size. HUD strongly encourages PHAs to submit third party documentation.

De Minimis Demolition: 24 CFR 970.27. In any 5-year period, a PHA may demolish not more than the lesser of 5 dwelling units or 5 percent of the total public housing dwelling units owned by the PHA without the need to obtain HUD approval under 24 CFR part 970 provided the PHA can meet one of the following criteria: (a) The PHA will use the space occupied by the unit(s) for meeting the service or other needs of the residents (e.g. laundry facility; community center; child care center); or (b) the PHA has determined the unit(s) are beyond repair.

Cost-Test (Question 5). HUD generally shall not consider a program of modifications to be cost-effective if the costs of such program exceed 62.5 percent of total development cost (TDC) for elevator structures and 57.14 percent of TDC for all other types of structures in effect at the time the SAC application is submitted to HUD.

Obsolete-Physical Condition: 24 CFR 970.15(b)(1)(i). PHAs must complete and submit the HUD-52860-B form.

Obsolete-Location: 24 CFR 970.15(b)(1)(ii). HUD will consider the PHA's cost of curing the cause of the obsolescence (e.g. nearby industrial or commercial development, environmental conditions).

Obsolete-Other Factors: 24 CFR 970.15(b)(1)(iii). HUD will consider the PHA's cost of curing the cause of the obsolescence (e.g. site plan, crime, turnover).

De Minimis Demolition. Cost-test requirements are not applicable.

Section 2: Disposition

Justification (Question 1). In completing their narrative statements describing the justification for disposition, PHAs should refer to the guidance at 24 CFR part 970 and PIH Notice 2018-04 (or any successor notice).

Conditions in Surrounding Area: 24 CFR 970.17(a). A PHA must demonstrate the location of the units (e.g. industrial or commercial development) jeopardizes the health and/or safety of the residents and/or the feasible operation of the units by the PHA based on external conditions outside the control of the PHA; and the condition is beyond the scope of the PHA to mitigate or cure in a cost-effective manner. To support a SAC application based on health and/or safety, PHAs must generally provide relevant third-party documentation that evidences the external conditions that present serious obstacles to the PHA maintaining the units as healthy and/or safe housing.

More Efficient/Effective Low-Income Housing: 24 CFR 970.17(b). A PHA must demonstrate the retention of the units is not in the best interests of the residents or the PHA because the disposition allows the acquisition, development, or rehabilitation of units that will be more efficiently or effectively operated as other low-income housing units. PHAs must generally demonstrate why other low-income units are preferable (e.g., more energy efficient, better unit configuration, better location for resident in terms of transportation, jobs, schools or racial or economic concentration). See PIH Notice 2012-7 (or any successor notice).

Best Interests of PHA and Residents & Consistent with PHA Plan & 1937 Act: 970.17(c). See PIH Notice 2018-04 (or any successor notice).

Third-Party Agreement. Certain third-party agreements may require HUD review and approval under 24 CFR part 970. In this case, the PHA must submit a SAC disposition application under this form to obtain HUD approval for the third-party agreement (including completing and attaching justification narrative of the agreement under 970.17(c) or other applicable section of 24 CFR 970). In the SAC application, the PHA must clearly indicate it is requesting HUD approval of a third-party agreement and attach the draft form of third-party agreement to the application. If the PHA is not requesting that HUD release the ACC or Declaration of Trust (DOT) or DORC from the property, it should put "0" in all fields for units, buildings and acreage. See PIH Notice 2018-04 (or any successor notice).

Non-Dwelling Property: 970.17(d). A PHA must demonstrate that the non-dwelling structure or land exceeds the needs of the development (after DOFA); or the disposition is incidental to, or does not interfere with, the continued operation of the remainder of the development.

Method of Disposition (Question 2). In completing this section, PHAs should refer to the guidance at 24 CFR part 970 and PIH Notice 2018-04 (or any successor notice). PHAs may propose different methods of disposition in their SAC applications, including:

- (a) Public Bid Fair Market Value (FMV) Sale (Cash). The PHA lists the public housing property on the open and competitive market and solicits bids. Actual FMV may be more or less than the appraised value, depending on the market and may reflect negotiations during the due diligence period.
- (b) Negotiated Sale at FMV (Cash). The PHA negotiates a sale with an identified buyer based on the appraised value of the public housing property. The PHA receives cash for the sale.
- (c) Negotiated Lease or other Transfer at FMV (Cash). The PHA negotiates a lease (e.g. ground lease, capital lease) with an identified entity based on the appraised value (leasehold and/or fee value) of the public housing property. The PHA receives cash for the lease payments.
- (d) Negotiated Sale or other Transfer at FMV (Seller-Financing). The PHA negotiates a sale with an identified buyer but instead of receiving cash proceeds, the PHA receives a promissory note and/or mortgage or deed of trust. Payments are generally made from deferred loan payments.
- (e) Negotiated Sale at below FMV. The PHA negotiates a sale with an identified buyer for below FMV (often nominal value).
- (f) Negotiated Lease or other Transfer at below FMV. The PHA negotiates a lease with an identified entity for below FMV (often nominal value).
- (g) Land-Swaps. The PHA negotiates a "land swap". In addition to meeting the requirements for a Negotiated Sale at FMV in B above, the PHA must generally evidence that HUD has approved the acquisition of the property to be acquired in the "land-swap" under 24 CFR part 905. If the property that PHA is proposing to acquire is valued less than public housing property proposed for disposition, the PHA receives cash proceeds to make up the difference.

If the disposition is proposed via negotiation, the PHA must evidence the entity is a valid entity under State law and is in good standing.

Commensurate Public Benefit (Question 3). In completing this section, PHAs should refer to the guidance at 24 CFR 970.19 and PIH Notice 2018-04 (or any successor notice). HUD determines commensurate public benefit on a case-by-case basis. However, generally the public housing property must be developed for affordable housing purposes serving low-income families (incomes at or below 80% of area median). HUD does not consider general public benefits (e.g., schools, libraries, fire stations, police stations and bridges) to be approvable non-dwelling uses that primarily serve low-income families. A PHA may propose a preferred form of use restriction (e.g., LIHTC extended use agreement, HOME agreement, reversion clause in transfer documents, provision in ground lease, separate use agreement).

If applicable, PHAs may, but are not required, to complete the following table and submit with their SAC applications in order to evidence the proposed commensurate public benefit, purpose and other disposition details:

<i>Development Name</i>		<i>Development Number</i>		
Proposed for Disposition: Building/s: _____, Units: _____, Acres: _____				
Total number of units to be developed (or preserved) on property:	Less than 80% of Area Median Income			
Total number of non-dwelling buildings to be developed (or preserved) on property:	ACC	Non-ACC	PBV	Market Rate
Rental				
For Sale				
Name of Acquiring Entity (Rental Units)				
Name of Acquiring Entity (initial developer) (For Sale Units)				
Method of Disposition	(e.g. 99-year ground lease; fee simple sale; Fair Market Value)			
Lease Price	\$ _____ per year			
Sale Price	\$ _____			
Purpose and or summary of Commensurate Public Benefit (short description of units and non-dwelling property to be developed/preserved)				

Section 3: Proceeds

In completing this section, PHAs should refer to the guidance at 24 CFR part 970, PIH Notice 2018-04 (or any successor notice) and any other HUD guidance on proceeds. In accordance with 24 CFR 970.19, PHAs describe their proposed use of estimated proceeds (gross and net) in the SAC application.

Relocation Costs (Question 3). Pursuant to 24 CFR 970.21(e)(2), PHAs must pay for the actual and reasonable relocation expenses for all residents who will be displaced from their public housing units as a result of a demolition and/or disposition action. HUD considers the following to be eligible costs of relocation that can be deducted from gross proceeds: counseling and advisory services to residents (including mobility counseling), moving expenses (including housing search costs), payment of a security and/or utility deposits at a comparable housing, and costs of providing any necessary reasonable accommodations to residents in accordance with Section 504 of the Rehabilitation Act of 1973 and other HUD guidance.

Reasonable Costs of Disposition (Question 4). Reasonable costs of disposition may include the following (although HUD may disapprove any costs it deems unreasonable): (i) costs that PHAs incur in preparing the SAC application (e.g. environmental studies, engineering costs of rehab estimates under 24 CFR 970.15, appraisal fees); and (ii) transactional (seller) closing costs (e.g., local customary split of any brokerage fees, appraisal fees, survey costs, tax certificates fees, fees for recording the DOT/DORC release, notary fees, title insurance fees, title company document preparation and closing fees, mailing and wire transfer fees, and reasonable attorney fees), provided such costs are listed on the HUD-1 or other applicable settlement statement document.

Net Proceeds (Question 5). Net proceeds means proceeds realized after deducting relocation and disposition costs.

Section 4: Offer of Sale to Resident Organizations

In completing this section, PHAs should refer to the guidance at 24 CFR part 970 and PIH Notice 2018-04 (or any successor notice). PHAs are eligible to exercise the exception from the offer of sale described at 970.9(b)(3)(ii) only in cases where the PHA has firm plans to replace substantially all of the units proposed for disposition with the housing units for low-income families (even if those housing units are not low-income housing units as defined by Section 3 of the 1937 Act). Note that a PHA cannot forgo giving applicable resident entities an offer of sale based on speculation or general plans to build a facility to benefit low-income families.

Section 5: Certification

The Executive Director, Board Chairperson, or other authorized agent of the PHA, should sign and date this Certification.