



# **SIGNIFICANT AMENDMENT**

## **PHA PLAN**

**2013**

# PHA 5-Year and Annual Plan

U.S. Department of Housing and Urban Development  
Office of Public and Indian Housing

OMB No. 2577-0226  
Expires 4/30/2011

1.0	<b>PHA Information</b> PHA Name: <u>Broward County Housing Authority</u> PHA Code: <u>FL079</u> PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performing <input type="checkbox"/> Standard <input type="checkbox"/> HCV (Section 8) PHA Fiscal Year Beginning: (MM/YYYY): <u>10/01/2013</u>					
2.0	<b>Inventory</b> (based on ACC units at time of FY beginning in 1.0 above) Number of PH units: <u>173</u> Number of HCV units: <u>5337</u>					
3.0	<b>Submission Type</b> <input type="checkbox"/> 5-Year and Annual Plan <input checked="" type="checkbox"/> Annual Plan Only <input type="checkbox"/> 5-Year Plan Only					
4.0	<b>PHA Consortia</b> <input type="checkbox"/> PHA Consortia: (Check box if submitting a joint Plan and complete table below.)					
	Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program	
					PH	HCV
	PHA 1:					
	PHA 2:					
	PHA 3:					
5.0	5-Year Plan. Complete items 5.1 and 5.2 only at 5-Year Plan update.					
5.1	<b>Mission.</b> State the PHA's Mission for serving the needs of low-income, very low-income, and extremely low income families in the PHA's jurisdiction for the next five years: <b>Broward County Housing Authority is dedicated to creating, providing, and increasing high quality housing opportunities to Broward County residents through effective and responsive management and responsible stewardship of public and private funds.</b>					
5.2	<b>Goals and Objectives.</b> Identify the PHA's quantifiable goals and objectives that will enable the PHA to serve the needs of low-income and very low-income, and extremely low-income families for the next five years. Include a report on the progress the PHA has made in meeting the goals and objectives described in the previous 5-Year Plan.  <b>BCCHA is a High Performer and not required to submit.</b>					
6.0	<b>PHA Plan Update</b> (a) Identify all PHA Plan elements that have been revised by the PHA since its last Annual Plan submission:  <b>There are no significant changes to policy documents since the last submission.</b>  (b) Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan. For a complete list of PHA Plan elements, see Section 6.0 of the instructions.  <b>The PHA Plan may be obtained by the public at the following locations:</b> <ul style="list-style-type: none"> <li>• BCCHA Administrative Office – 4780 North State Road 7, Lauderdale Lakes, FL 33319</li> <li>• Everglades Heights – 2400 NW 22<sup>nd</sup> Street, Fort Lauderdale, FL 33311</li> <li>• Griffin Gardens Apartments – 4881 Griffin Road, Davie, FL 33314</li> <li>• Highland Gardens Apartments – 331 NE 48<sup>th</sup> Street, Deerfield Beach, FL 33064</li> <li>• Meyers Estates – 2411 NW 7<sup>th</sup> Street, Fort Lauderdale, FL 33311</li> <li>• Park Ridge Court – 5200 NE 5<sup>th</sup> Terrace, Deerfield Beach, FL 33064</li> <li>• BCCHA Web Site: <a href="http://www.bhcafl.org">www.bhcafl.org</a></li> </ul>					

7.0	<p><b>Hope VI, Mixed Finance Modernization or Development, Demolition and/or Disposition, Conversion of Public Housing, Homeownership Programs, and Project-based Vouchers.</b> <i>Include statements related to these programs as applicable.</i></p> <p>Project Based Vouchers – BCHA will continue to explore and undertake a process to project base up to 1,000 Housing Choice Vouchers. The location of the project based assistance will be consistent with the goals of deconcentrating poverty and expanding housing and economic opportunities in accordance with HUD regulations and guidance. A number of census tracts will be targeted to increase the dedicated supply of quality affordable housing in the private market.</p> <p>BCHA will include properties owned by its related affiliates and instrumentalities. Such properties include but are not limited to Highland Gardens and Tallman Pines Apartments (census tract 107.02), East Village (census tract 705.02) and Progresso Point (census tract 408.02). Project-basing is consistent with the Authority’s agency plan, its stated goals to increase the availability of decent, safe and affordable housing, and to increase housing choices. It is also consistent with the Authority’s strategies for addressing housing needs throughout Broward County.</p> <p><i>BCHA has received commitment to begin the Rental Assistance Demonstration (RAD) conversion process for the remaining BCHA portfolio. If successful, the 87 units at Meyers/Park Ridge and 86 units at Scattered Sites (Everglades, Auburn, Roosevelt) will be converted from public housing to Project Based Rental Assistance. The time line to complete the process is approximately 12 months and then 12-18 months to complete any necessary physical improvements.</i></p> <p><i>BCHA has replacement housing factor (RHF) funds resulting from demolition of public housing units at Crystal Lake, Schooler Humphries, and Ehlinger Apartments. HUD is allowing BCHA to utilize these funds to provide funding for these RAD transactions. We do not anticipate adding public housing units to our current inventory and when these transactions are closed BCHA will no longer have the public housing program.</i></p>
8.0	<p><b>Capital Improvements.</b> Please complete Parts 8.1 through 8.3, as applicable.</p>
8.1	<p><b>Capital Fund Program Annual Statement/Performance and Evaluation Report.</b> As part of the PHA 5-Year and Annual Plan, annually complete and submit the <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i>, form HUD-50075.1, for each current and open CFP grant and CFFP financing.</p> <p>CFP 2013 Annual Statement - attachment f079b01  CFP 2013 P &amp; E Reports – attachment f079c01  RHF 2013 Annual Statement – attachment f079e01  RHF 2013 P &amp; E Reports – attachment f079f01</p>
8.2	<p><b>Capital Fund Program Five-Year Action Plan.</b> As part of the submission of the Annual Plan, PHAs must complete and submit the <i>Capital Fund Program Five-Year Action Plan</i>, form HUD-50075.2, and subsequent annual updates (on a rolling basis, e.g., drop current year, and add latest year for a five year period). Large capital items must be included in the Five-Year Action Plan.</p> <p><b>Attachment f079d01</b></p>
8.3	<p><b>Capital Fund Financing Program (CFFP).</b>  <input type="checkbox"/> Check if the PHA proposes to use any portion of its Capital Fund Program (CFP)/Replacement Housing Factor (RHF) to repay debt incurred to finance capital improvements.  NA</p>
9.0	<p><b>Housing Needs.</b> Based on information provided by the applicable Consolidated Plan, information provided by HUD, and other generally available data, make a reasonable effort to identify the housing needs of the low-income, very low-income, and extremely low-income families who reside in the jurisdiction served by the PHA, including elderly families, families with disabilities, and households of various races and ethnic groups, and other families who are on the public housing and Section 8 tenant-based assistance waiting lists. The identification of housing needs must address issues of affordability, supply, quality, accessibility, size of units, and location.</p> <p><b>BCHA is a High Performer and not required to submit.</b></p>

9.1	<p><b>Strategy for Addressing Housing Needs.</b> Provide a brief description of the PHA's strategy for addressing the housing needs of families in the jurisdiction and on the waiting list in the upcoming year. <b>Note: Small, Section 8 only, and High Performing PHAs complete only for Annual Plan submission with the 5-Year Plan.</b></p> <p><b>BCHA is a High Performer and not required to submit.</b></p>
10.0	<p><b>Additional Information.</b> Describe the following, as well as any additional information HUD has requested.</p> <p>(a) <b>Progress in Meeting Mission and Goals.</b> Provide a brief statement of the PHA's progress in meeting the mission and goals described in the 5-Year Plan.</p> <p><b>BCHA is a High Performer and not required to submit.</b></p> <p>(b) <b>Significant Amendment and Substantial Deviation/Modification.</b> Provide the PHA's definition of "significant amendment" and "substantial deviation/modification".</p> <p><b>BCHA approved definition of "significant amendment" is attached.</b></p>
11.0	<p><b>Required Submission for HUD Field Office Review.</b> In addition to the PHA Plan template (HUD-50075), PHAs must submit the following documents. Items (a) through (g) may be submitted with signature by mail or electronically with scanned signatures, but electronic submission is encouraged. Items (h) through (i) must be attached electronically with the PHA Plan. <b>Note: Faxed copies of these documents will not be accepted by the Field Office.</b></p> <p>(a) Form HUD-50077, <i>PHA Certifications of Compliance with the PHA Plans and Related Regulations</i> (which includes all certifications relating to Civil Rights)</p> <p>(b) Form HUD-50070, <i>Certification for a Drug-Free Workplace</i> (PHAs receiving CFP grants only)fl079</p> <p>(c) Form HUD-50071, <i>Certification of Payments to Influence Federal Transactions</i> (PHAs receiving CFP grants only)</p> <p>(d) Form SF-LLL, <i>Disclosure of Lobbying Activities</i> (PHAs receiving CFP grants only)</p> <p>(e) Form SF-LLL-A, <i>Disclosure of Lobbying Activities Continuation Sheet</i> (PHAs receiving CFP grants only)</p> <p>(f) Resident Advisory Board (RAB) comments. Comments received from the RAB must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the recommendations and the decisions made on these recommendations.</p> <p>(g) Challenged Elements - <u>NA</u></p> <p>(h) Form HUD-50075.1, <i>Capital Fund Program Annual Statement/Performance and Evaluation Report</i> (PHAs receiving CFP grants only)</p> <p>(i) Form HUD-50075.2, <i>Capital Fund Program Five-Year Action Plan</i> (PHAs receiving CFP grants only)</p>

This information collection is authorized by Section 511 of the Quality Housing and Work Responsibility Act, which added a new section 5A to the U.S. Housing Act of 1937, as amended, which introduced 5-Year and Annual PHA Plans. 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 and strategies for serving the needs of low-income and very low-income families. This form is to be used by all PHA types for submission of the 5-Year and Annual Plans to HUD. Public reporting burden for this information collection is estimated to average 12.68 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. HUD may not collect this information, and respondents are not required to complete this form, unless it displays a currently valid OMB Control Number.

**Privacy Act Notice.** The United States Department of Housing and Urban Development is authorized to solicit the information requested in this form by virtue of Title 12, U.S. Code, Section 1701 et seq., and regulations promulgated thereunder at Title 12, Code of Federal Regulations. Responses to the collection of information are required to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410

May 9, 2014

Ann Deibert  
Executive Director  
Broward County Housing Authority  
4780 N Sate Road 7  
Lauderdale Lakes, FL 33319

Dear Ms. Deibert:

Thank you for your application under the Rental Assistance Demonstration (RAD) for the conversion of assistance of 87 units at the following PIC Development FL079000019, MEYERS ESTATES.

We are pleased to approve your request for conversion as described in the application, subject to the conditions below.

This award letter serves as the Department's Commitment to Enter into a Housing Assistance Payments (CHAP) for the above-referenced project, provided the Owner meets all the requirements contained in PIH Notice 2012-32, Revision 1 ("Notice"), including all "CHAP Milestones" identified in section 1.12 of the Notice as applicable, and attached herein.

This award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Act. This award cannot be transferred without the prior written consent of HUD.

In order to convert your project, the PHA must fulfill the CHAP milestones and deadlines identified in section 1.12 of the Notice, which are reproduced in Exhibit B of this award. HUD will rely solely on documents and certifications the PHA submits through the RAD Resource Desk to monitor compliance with CHAP milestones. If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements, the CHAP will be revoked, unless the PHA submits and HUD approves a request for a deadline extension. Any extension request must include both a justification and an explanation of why failure to meet the milestone will not jeopardize the PHA's ability to complete the RAD conversion. Approval of any request for an

extension is at HUD's sole discretion. In addition, please submit an application for inventory removal in the Public Housing Information Center (PIC) as soon as possible. See the instructions at <http://portal.hud.gov/hudportal/HUD?src=/RAD/application-materials>.

As the award is a conditional commitment by HUD, HUD reserves the right to revoke or amend its commitment at any time prior to closing if HUD, in its sole judgment, determines that any of the following conditions is present:

- A. any of the contract units were not eligible for selection;
- B. the proposed conversion is not or will not be financially feasible;
- C. the Owner fails to meet any applicable deadline;
- D. the Owner fails to cooperate;
- E. there is any violation of program rules, including fraud; or
- F. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

This award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

Please note that, upon conversion, the Housing Assistance Payments Contract (Contract) shall be funded from the effective date of the Contract through the remainder of the calendar year from public housing amounts obligated prior to the effective date of the Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriations, for the remainder of the calendar year in which the Contract becomes effective. In the latter case, to the extent sufficient appropriations become available, HUD will obligate such funding and provide the Owner written notification of (i) the amount of such funding, and (ii) the approximate amount of time within the remainder of the calendar year in which the Contract becomes effective to which it will be applied.

For the remainder of the initial Contract term after conversion, HUD will obligate additional funding, in full or in part, for the first annual increment following the calendar year in which the Contract becomes effective, including any remaining increment or increments of such first annual increment following the calendar year in which the Contract becomes effective, and for subsequent annual increments, including any remaining increment or increments of such subsequent annual increments, subject to the availability of sufficient appropriations. To the extent sufficient appropriations become available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate amount of time within the Contract term to which it will be applied.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding the conversion process or fulfilling the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,



Sandra B. Henriquez  
Assistant Secretary  
Office of Public and Indian Housing



Carol Galante  
Assistant Secretary for Housing—  
Federal Housing Commissioner

Enclosure

**EXHIBIT A**

**IDENTIFICATION OF UNITS (“CONTRACT UNITS”)  
BY SIZE AND APPLICABLE CONTRACT RENTS**

The Contract Rents below for the subject project were determined in accordance with PIH Notice 2012-32, REV-1 based on Fiscal Year 2012 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on Fiscal Year 2012 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change.

**Existing PIC Development Number: FL079000019**

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
7	2	\$508	\$78	\$586
80	3	\$703	\$90	\$793

Please note that this rent schedule includes the 2014 OCAF adjustment that the PHA is eligible for, and will be confirmed during the Financing Plan review.



## EXHIBIT B

The following schedule of CHAP Milestones part of an information collection. The information collection requirements contained in this award letter have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C 3520). 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. The OMB control number for the CHAP Milestones is #2577-0278.

### CHAP MILESTONES WITH ACTUAL DEADLINES

The CHAP requires each PHA to meet contractual milestones. Milestones generally apply to all RAD transactions; however, some milestones apply only to transactions that include debt and/or equity financing. In these cases, the PHA is responsible for ensuring the timelines are met by their lenders and/or investors. Your RAD application relies on an allocation of tax credits. As a result, for the purposes of CHAP Milestones, the "CHAP issuance" date is the later of May 9, 2014 or 10 days after you have received notification of the tax credit award. HUD will establish and memorialize the applicable date on the RAD Resource Desk following an initial telephone conference with the PHA. Milestones include the following (expressed in calendar days):

1. Within **30 days** following CHAP issuance the PHA must submit to HUD, **Deadline: June 8, 2014:**
  - a) **Accepted Lender Engagement or Commitment Letter** (if applicable), which must include language, specified by HUD, that the lender is aware of all relevant RAD policies including RAD Use Agreement provisions and ongoing requirements in the case of foreclosure or bankruptcy. The letter must include the proposed loan amount, proposed key business terms of the loan, pro forma sources and uses, and pro forma stabilized cash flow. The letter may be conditioned upon the lender's due diligence and underwriting determinations, and the lender's approval processes. If the PHA has paid a cash fee associated with this Engagement Letter, the amount of that fee must be reasonable and customary at this point in a loan transaction; and a
  - b) **Statement of development team capacity**, which must identify its proposed development team members, with evidence demonstrating, as applicable, the team's recent successful experience financing, developing, rehabilitating, constructing, owning, and operating similar properties. The statement must describe teaming partner relationships, including resumes. If multiple sources of financing have been identified for the project, the development team must have experience with at least three transactions with mixed or multiple sources of financing. If, in HUD's determination, the applicant does not demonstrate it has sufficient relevant experience, HUD may require an applicant to bolster its development team as a condition of final approval of a RAD conversion application.
2. Within **60 days** following CHAP issuance, the PHA must submit to HUD, **Deadline: July 8, 2014:**

- a) **The significant amendment to its Annual/Five Year Plan.** See section 1.5E of the Notice.
  - b) **The PHA's decision whether the project will convert its assistance to PBV or to PBRA.** For conversions to PBV, where the PHA does not administer a Housing Choice Voucher program, the PHA must submit a signed letter from a voucher agency evidencing their willingness to administer the PBVs.
3. Within **90 days** following CHAP issuance, the PHA must submit to HUD a **certification from the PHA that all industry-standard due diligence has been performed for and received by the Lender and/or other financing source, Deadline: August 7, 2014.** Due diligence must, in all cases, include a Physical Conditions Assessment (PCA) as described in section 1.4A of the Notice and appropriate environmental reports (with the exception of Phase II or other reports required by extraordinary circumstances).<sup>1</sup> Other due diligence required of financing sources, which may include an appraisal, a current survey report, and a pro forma title insurance policy, must also be received within this timeframe. All conversions, with or without financing, must submit a copy of the completed PCA to HUD by this milestone.
4. Within **150 days** following CHAP issuance, the PHA must submit to HUD certification that it has **applied for firm commitments of all financing, Deadline: October 6, 2014.** For FHA-insured financing this must be in the form of the Firm Commitment Application to FHA.
5. Within **180 days** following CHAP issuance, the PHA must submit to HUD a **Financing Plan, Deadline: November 5, 2014.** (See Attachment 1A.1 of the Notice for Financing Plan Requirements.) FHA has released separate guidance detailing what elements of the Financing Plan may be waived for projects using FHA insurance.<sup>2</sup> HUD will have 60 calendar days from the date of submission of the Financing Plan to approve, reject, or request additional information. HUD's decisions regarding the acceptance of the Financing Plan will be made in HUD's sole discretion. If HUD determines that a Financing Plan is not feasible, the PHA may make corrections that satisfactorily address HUD's concerns, or may appeal that decision to HUD within 30 days of notification. If a Financing Plan is disapproved, HUD's letter of disapproval will discuss changes that would result in an acceptable Financing Plan.

A PHA will be notified of HUD's acceptance of the Financing Plan via issuance of a RAD Conversion Commitment (RCC), conditioned upon firm commitment of financing from the lender on substantially the same terms as those presented with the Financing Plan.<sup>3</sup> (See Attachment 1A.2 of the Notice for the contents of the RCC Letter.) The RCC will outline the key components of the planned RAD conversion and will discuss the conditions that need to

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<sup>1</sup> A PCA will be required on any units except those replaced with new construction.

<sup>2</sup> See Housing Notice 12-20. <http://portal.hud.gov/huddoc/12-20hsgn.pdf>

<sup>3</sup> Loan proceeds and other financing sources remain sufficient to cover immediate capital needs and, in comparison to the terms put forth in the original application, the debt service coverage ratio does not decrease by more than 0.05%, the amortization and term (maturity) of financing remain the same, and the interest rates are competitive with the market.

be satisfied in order to close the conversion. The RCC will be a template document not subject to negotiation by the PHA or by the lender.

The PHA will have 30 calendar days from the date of issuance of the RCC to execute the RCC and return it to HUD. If the RCC is not returned in this time period, the PHA will forfeit its award.

Once the RCC is executed, HUD expects that the RAD conversion will close in a timely manner. The RCC will allow 90 calendar days (from the date the RCC is issued to the PHA) in which to close the RAD conversion transaction. The PHA and lender will need to work diligently to achieve closing within the timeframe required under the Notice in order to avoid rescission of the RCC.

The RCC will be an attachment to the recorded RAD Use Agreement. Therefore, the terms of the RCC will survive the closing.

6. Within **320 days** following issuance of the CHAP (and no later than 40 days prior to closing), the PHA must submit evidence of **firm commitment for financing** or equivalent milestone in securing all sources of financing required to close the transaction, **Deadline: March 25, 2015**.
7. Within **360 days** following CHAP issuance **the PHA must reach closing**, upon which the RAD conversion is completed, **Deadline: May 4, 2015**. See Section 1.13.
8. The Financing Plan and RCC must include a reasonable timeline for **completion of all rehabilitation items** acceptable to HUD, generally 12 to 18 months from the date of closing the conversion and any financing, depending on the scope of rehabilitation funded.

In addition to the milestones described above, any CHAP awarded to applicants proposing to use 9% LIHTCs or tax-exempt bonds and 4% LIHTCs, where a reservation has not been secured at the point of RAD Application, will include additional milestones, including, but not limited to:

- A date by which the RAD applicant must have submitted an application for LIHTC or bond authority, based on the deadlines for required application and related materials (e.g., inducement resolution for tax-exempt bonds) described in the applicable QAP, **Deadline: N/A**.
- A date by which the RAD applicant must notify HUD of the decision of the credit issuing authority, 10 days after the Notification of award described in the applicable QAP **Deadline: N/A**.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, DC 20410

May 9, 2014

Ann Deibert  
Executive Director  
Broward County Housing Authority  
4780 N Sate Road 7  
Lauderdale Lakes, FL 33319

Dear Ms. Deibert:

Thank you for your application under the Rental Assistance Demonstration (RAD) for the conversion of assistance of 87 units at the following PIC Development FL079000077, SCATTERED SITES.

We are pleased to approve your request for conversion as described in the application, subject to the conditions below.

This award letter serves as the Department's Commitment to Enter into a Housing Assistance Payments (CHAP) for the above-referenced project, provided the Owner meets all the requirements contained in PIH Notice 2012-32, Revision 1 ("Notice"), including all "CHAP Milestones" identified in section 1.12 of the Notice as applicable, and attached herein.

This award is issued pursuant to the Consolidated and Further Continuing Appropriations Act, 2012, Pub. L. No. 112-55, approved November 18, 2011; section 8 of the United States Housing Act of 1937 (Act), 42 U.S.C. 1437 et seq.; and the Department of Housing and Urban Development Act, 42 U.S.C. 3531 et seq. The purpose of this award is to begin the process of effectuating the conversion of Public Housing to a form of project-based assistance under section 8 of the Act. This award cannot be transferred without the prior written consent of HUD.

In order to convert your project, the PHA must fulfill the CHAP milestones and deadlines identified in section 1.12 of the Notice, which are reproduced in Exhibit B of this award. HUD will rely solely on documents and certifications the PHA submits through the RAD Resource Desk to monitor compliance with CHAP milestones. If HUD, in its sole judgment, determines that the PHA fails to meet any of the requirements, the CHAP will be revoked, unless the PHA submits and HUD approves a request for a deadline extension. Any extension request must include both a justification and an explanation of why failure to meet the milestone will not jeopardize the PHA's ability to complete the RAD conversion. Approval of any request for an

extension is at HUD's sole discretion. In addition, please submit an application for inventory removal in the Public Housing Information Center (PIC) as soon as possible. See the instructions at <http://portal.hud.gov/hudportal/HUD?src=/RAD/application-materials>.

As the award is a conditional commitment by HUD, HUD reserves the right to revoke or amend its commitment at any time prior to closing if HUD, in its sole judgment, determines that any of the following conditions is present:

- A. any of the contract units were not eligible for selection;
- B. the proposed conversion is not or will not be financially feasible;
- C. the Owner fails to meet any applicable deadline;
- D. the Owner fails to cooperate;
- E. there is any violation of program rules, including fraud; or
- F. the terms of the conversion would be inconsistent with fair housing and civil rights laws or a fair housing or civil rights court order, settlement agreement, or voluntary compliance agreement.

This award shall be interpreted and implemented in accordance with all statutory requirements, and with all HUD requirements, including amendments or changes in HUD requirements, the Notice, and all other applicable RAD guidance.

Please note that, upon conversion, the Housing Assistance Payments Contract (Contract) shall be funded from the effective date of the Contract through the remainder of the calendar year from public housing amounts obligated prior to the effective date of the Contract, and from any additional public housing amounts that HUD obligates in full or in part, subject to the availability of sufficient appropriations, for the remainder of the calendar year in which the Contract becomes effective. In the latter case, to the extent sufficient appropriations become available, HUD will obligate such funding and provide the Owner written notification of (i) the amount of such funding, and (ii) the approximate amount of time within the remainder of the calendar year in which the Contract becomes effective to which it will be applied.

For the remainder of the initial Contract term after conversion, HUD will obligate additional funding, in full or in part, for the first annual increment following the calendar year in which the Contract becomes effective, including any remaining increment or increments of such first annual increment following the calendar year in which the Contract becomes effective, and for subsequent annual increments, including any remaining increment or increments of such subsequent annual increments, subject to the availability of sufficient appropriations. To the extent sufficient appropriations become available, HUD will obligate additional funding and provide the Owner written notification of (i) the amount of such additional funding, and (ii) the approximate amount of time within the Contract term to which it will be applied.

As you start the process of conversion, we urge you to continue to maintain an open dialogue with your residents and local officials. If you have any questions or concerns regarding the conversion process or fulfilling the CHAP Milestones, please contact your RAD Transaction Manager.

Sincerely,



Sandra B. Henriquez  
Assistant Secretary  
Office of Public and Indian Housing



Carol Galante  
Assistant Secretary for Housing—  
Federal Housing Commissioner

Enclosure

**EXHIBIT A**

**IDENTIFICATION OF UNITS (“CONTRACT UNITS”)  
BY SIZE AND APPLICABLE CONTRACT RENTS**

The Contract Rents below for the subject project were determined in accordance with PIH Notice 2012-32, REV-1 based on Fiscal Year 2012 Federal Appropriations and assumptions regarding applicable rent caps. The final RAD contracts rents, which will be reflected in the RAD HAP contract, will be based on Fiscal Year 2012 Federal Appropriations, as well as applicable program rent caps and Operating Cost Adjustment Factors (OCAFs), and, as such, may change.

**Existing PIC Development Number: FL079000077**

Number of Contract Units	Number of Bedrooms	Contract Rent	Utility Allowance	Gross Rent
57	2	\$549	\$78	\$627
29	3	\$759	\$90	\$849

Please note that this rent schedule includes the 2014 OCAF adjustment that the PHA is eligible for, and will be confirmed during the Financing Plan review.

## EXHIBIT B

The following schedule of CHAP Milestones part of an information collection. The information collection requirements contained in this award letter have been approved by the Office of Management and Budget (OMB) under the Paperwork Reduction Act of 1995 (44 U.S.C 3520). 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. The OMB control number for the CHAP Milestones is #2577-0278.

### CHAP MILESTONES WITH ACTUAL DEADLINES

The CHAP requires each PHA to meet contractual milestones. Milestones generally apply to all RAD transactions; however, some milestones apply only to transactions that include debt and/or equity financing. In these cases, the PHA is responsible for ensuring the timelines are met by their lenders and/or investors. Your RAD application relies on an allocation of tax credits. As a result, for the purposes of CHAP Milestones, the "CHAP issuance" date is the later of May 9, 2014 or 10 days after you have received notification of the tax credit award. HUD will establish and memorialize the applicable date on the RAD Resource Desk following an initial telephone conference with the PHA. Milestones include the following (expressed in calendar days):

1. Within **30 days** following CHAP issuance the PHA must submit to HUD, **Deadline: June 8, 2014:**
  - a) **Accepted Lender Engagement or Commitment Letter** (if applicable), which must include language, specified by HUD, that the lender is aware of all relevant RAD policies including RAD Use Agreement provisions and ongoing requirements in the case of foreclosure or bankruptcy. The letter must include the proposed loan amount, proposed key business terms of the loan, pro forma sources and uses, and pro forma stabilized cash flow. The letter may be conditioned upon the lender's due diligence and underwriting determinations, and the lender's approval processes. If the PHA has paid a cash fee associated with this Engagement Letter, the amount of that fee must be reasonable and customary at this point in a loan transaction; and a
  - b) **Statement of development team capacity**, which must identify its proposed development team members, with evidence demonstrating, as applicable, the team's recent successful experience financing, developing, rehabilitating, constructing, owning, and operating similar properties. The statement must describe teaming partner relationships, including resumes. If multiple sources of financing have been identified for the project, the development team must have experience with at least three transactions with mixed or multiple sources of financing. If, in HUD's determination, the applicant does not demonstrate it has sufficient relevant experience, HUD may require an applicant to bolster its development team as a condition of final approval of a RAD conversion application.
2. Within **60 days** following CHAP issuance, the PHA must submit to HUD, **Deadline: July 8, 2014:**



- a) **The significant amendment to its Annual/Five Year Plan.** See section 1.5E of the Notice.
  - b) **The PHA's decision whether the project will convert its assistance to PBV or to PBRA.** For conversions to PBV, where the PHA does not administer a Housing Choice Voucher program, the PHA must submit a signed letter from a voucher agency evidencing their willingness to administer the PBVs.
3. Within **90 days** following CHAP issuance, the PHA must submit to HUD a **certification from the PHA that all industry-standard due diligence has been performed for and received by the Lender and/or other financing source, Deadline: August 7, 2014.** Due diligence must, in all cases, include a Physical Conditions Assessment (PCA) as described in section 1.4A of the Notice and appropriate environmental reports (with the exception of Phase II or other reports required by extraordinary circumstances).<sup>1</sup> Other due diligence required of financing sources, which may include an appraisal, a current survey report, and a pro forma title insurance policy, must also be received within this timeframe. All conversions, with or without financing, must submit a copy of the completed PCA to HUD by this milestone.
  4. Within **150 days** following CHAP issuance, the PHA must submit to HUD certification that it has **applied for firm commitments of all financing, Deadline: October 6, 2014.** For FHA-insured financing this must be in the form of the Firm Commitment Application to FHA.
  5. Within **180 days** following CHAP issuance, the PHA must submit to HUD a **Financing Plan, Deadline: November 5, 2014.** (See Attachment 1A.1 of the Notice for Financing Plan Requirements.) FHA has released separate guidance detailing what elements of the Financing Plan may be waived for projects using FHA insurance.<sup>2</sup> HUD will have 60 calendar days from the date of submission of the Financing Plan to approve, reject, or request additional information. HUD's decisions regarding the acceptance of the Financing Plan will be made in HUD's sole discretion. If HUD determines that a Financing Plan is not feasible, the PHA may make corrections that satisfactorily address HUD's concerns, or may appeal that decision to HUD within 30 days of notification. If a Financing Plan is disapproved, HUD's letter of disapproval will discuss changes that would result in an acceptable Financing Plan.

A PHA will be notified of HUD's acceptance of the Financing Plan via issuance of a RAD Conversion Commitment (RCC), conditioned upon firm commitment of financing from the lender on substantially the same terms as those presented with the Financing Plan.<sup>3</sup> (See Attachment 1A.2 of the Notice for the contents of the RCC Letter.) The RCC will outline the key components of the planned RAD conversion and will discuss the conditions that need to

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<sup>1</sup> A PCA will be required on any units except those replaced with new construction.

<sup>2</sup> See Housing Notice 12-20. <http://portal.hud.gov/huddoc/12-20hsgn.pdf>

<sup>3</sup> Loan proceeds and other financing sources remain sufficient to cover immediate capital needs and, in comparison to the terms put forth in the original application, the debt service coverage ratio does not decrease by more than 0.05%, the amortization and term (maturity) of financing remain the same, and the interest rates are competitive with the market.

be satisfied in order to close the conversion. The RCC will be a template document not subject to negotiation by the PHA or by the lender.

The PHA will have 30 calendar days from the date of issuance of the RCC to execute the RCC and return it to HUD. If the RCC is not returned in this time period, the PHA will forfeit its award.

Once the RCC is executed, HUD expects that the RAD conversion will close in a timely manner. The RCC will allow 90 calendar days (from the date the RCC is issued to the PHA) in which to close the RAD conversion transaction. The PHA and lender will need to work diligently to achieve closing within the timeframe required under the Notice in order to avoid rescission of the RCC.

The RCC will be an attachment to the recorded RAD Use Agreement. Therefore, the terms of the RCC will survive the closing.

6. Within **320 days** following issuance of the CHAP (and no later than 40 days prior to closing), the PHA must submit evidence of **firm commitment for financing** or equivalent milestone in securing all sources of financing required to close the transaction, **Deadline: March 25, 2015.**
7. Within **360 days** following CHAP issuance **the PHA must reach closing**, upon which the RAD conversion is completed, **Deadline: May 4, 2015.** See Section 1.13.
8. The Financing Plan and RCC must include a reasonable timeline for **completion of all rehabilitation items** acceptable to HUD, generally 12 to 18 months from the date of closing the conversion and any financing, depending on the scope of rehabilitation funded.

In addition to the milestones described above, any CHAP awarded to applicants proposing to use 9% LIHTCs or tax-exempt bonds and 4% LIHTCs, where a reservation has not been secured at the point of RAD Application, will include additional milestones, including, but not limited to:

- A date by which the RAD applicant must have submitted an application for LIHTC or bond authority, based on the deadlines for required application and related materials (e.g., inducement resolution for tax-exempt bonds) described in the applicable QAP, **Deadline: N/A.**
- A date by which the RAD applicant must notify HUD of the decision of the credit issuing authority, 10 days after the Notification of award described in the applicable QAP **Deadline: N/A.**

**Table 1: List of RAD Program Elements Affecting Resident Rights and Participation, Waiting List and Grievance Procedures for PBRA**

Project Based Voucher Requirements (Section 1.6.C of PIH Notice 2012-32)	Project Based Rental Assistance Requirements (Section 1.7.D of PIH Notice 2012-32)
1. No re-screening of tenants upon conversion;	1. No re-screening of tenants upon conversion;
2. Resident right to return if relocated as a result of conversion;	2. Resident right to return if relocated as a result of conversion;
3. Phase-in of tenant rent increase:  If the rent increase is the greater of 10% or \$25, the increase will be phased in over 3 years or up to five years, as determined by the PHA;	3. Phase-in of tenant rent increase:  If the rent increase is the greater of 10% or \$25, the increase will be phased in over 3 years or up to five years, as determined by the PHA;
4. Continued eligibility for PH-FSS and ROSS-SC programs;	4. Continued eligibility for PH-FSS and ROSS-SC programs;
5. Resident Participation and Funding.  Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding. See Attachment 1B of PIH Notice 2012-032.	5. Resident Participation and Funding.  Residents will have the right to establish and operate a resident organization and be eligible for resident participation funding. See Attachment 1B of PIH Notice 2012-032.
6. Termination notification:  PHA must provide written notification of termination of lease within a reasonable time: <ul style="list-style-type: none"> <li>i. not to exceed 30 days if health or safety of other tenants, PHA employees or persons residing in the vicinity are threatened or in the event of drug-related or violent criminal activity or any felony conviction;</li> <li>ii. 14 days for non-payment of rent;</li> <li>iii. 30 days in any other case unless State or local law provide for a shorter time period.</li> </ul>	6. Termination notification:  PHA must provide written notification of termination of lease within a reasonable time: <ul style="list-style-type: none"> <li>i. not to exceed 30 days if health or safety of other tenants, PHA employees or persons residing in the vicinity are threatened or in the event of drug-related or violent criminal activity or any felony conviction;</li> <li>ii. 14 days for non-payment of rent;</li> <li>iii. in all other cases, the requirements at 24 CFR §880.603, as revised for RAD in PIH Notice 2012-32, the Multifamily HUD Model Lease and any other HUD multifamily administrative guidance shall apply;</li> </ul>
7. Grievance process  See PIH Notice 2012-32 Section 1.6.C.7	7. Grievance process  See PIH Notice 2012-32 Section 1.7.B.6

8. Establishment of Waiting List See PIH Notice 2012-32 Section 1.6D	8. Establishment of Waiting List See PIH Notice 2012-32 Section 1.7.C
9. Resident Participation and Funding See PIH Notice 2012-32 Attachment 1B.2	N/A
10. Renewal of Lease PHA's are required to renew the lease at expiration unless good cause exists for non-renewal.	N/A

## SIGNIFICANT AMENDMENT TO THE 2013 PHA PLAN

The U. S. Department of Housing and Urban Development (HUD) mandates that BCHA must define substantial changes to the Agency Plan. A proposed change to the Agency Plan that qualifies as a substantial change must undergo a public process that includes: consultation with the Resident Advisory Board, a public comment period, public notification of where and how the proposed changed can be reviewed, and approval by the BCHA Board of Commissioners.

BCHA has defined the following actions to be significant changes:

- Changes to tenant admissions policies;
- Changes to the Housing Choice Voucher and Public Housing termination policy;
- Changes to the organization of the waiting list(s);
- Changes to tenant screening policy;
- Additions of non-emergency work items (items not included in the current CFP Annual Statement or 5-Year Action Plan) or change in use of replacement housing funds under the Capital Fund; and
- Any change with regard to demolition or disposition, designation, homeownership programs or conversion activities.

An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements. HUD will not consider such changes as significant amendments.

Recently, the (HUD) notified BCHA that the remaining public housing portfolio (Meyers, Park Ridge, Everglades, Auburn, and Roosevelt) have been approved to begin the conversion process to the Rental Assistance Demonstration (RAD) Program. RAD will convert public housing units to project based rental assistance. This constitutes a “significant amendment” to our 2013 Annual Plan. We anticipate closing these properties in September 2014.

At this time, no other items in the original 2013 plan submitted and approved by HUD have been changed.

## Significant Amendment Elements

In accordance with PIH Notice 2012-32, the following items are covered in the Significant Amendment request:

1. A description of the units to be converted, including the number of units, the bedroom distribution of units, and the type of units (e.g., family, elderly/disabled, or elderly-only);

***BCHA RAD conversion includes :***

***Family Scattered Sites (Everglades, Auburn, Roosevelt) totaling 86 two and three bedroom units on three separate sites in Ft. Lauderdale, Florida.***

***Meyers/Park Ridge totaling 87 two and three bedroom units on two sites; one in unincorporated Broward County and one in Deerfield Beach, Florida.***

2. Any change in the number of units that is proposed as part of the conversion, including de minimis unit reductions and unit reductions that are exempt from the de minimis cap;

***There is a de minimis unit reduction at the Scattered sites. Current unit count is 87 and that will be changed to 86. No other change is anticipated as a part of the conversion.***

3. Any change in the bedroom distribution of units that is proposed as part of the conversion;

***There is no change in bedroom distribution.***

4. Any changes in the policies that govern eligibility, admission, selection, and occupancy of units at the project after it has been converted. This includes any waiting list preferences that will be adopted for the converted project as well as the Resident Rights and Participation, Waiting List and Grievance Procedures for residents stated in 1.6, 1.7 and Attachment 1B of PIH Notice 2012-032 (see Table 1 below for more specific guidance).

***There will be changes in the lease upon conversion and that information will be provided to all residents in a timely manner. We do not anticipate any changes in policies governing eligibility, admission, selection, and occupancy of units at this time as we anticipate the waiting list will be "grandfathered".***

5. If there will be a transfer of assistance at the time of conversion, the significant amendment must include the location (including census tract) of any converted units that will be transferred off-site, as well as the information described above for the units that will be transferred. In addition, if some, but not all of the assisted units will be transferred to another site at the time of the conversion, the significant amendment must also include a description of how the waiting list will be transferred and how households will be selected for the transfer (please see Table 2 below for more specific guidance).

***There will be no transfer of assistance.***

Additionally, in accordance with 24 CFR Part 903, a PHA must perform the following actions in regards to their Capital Fund Plan:

6. During the significant amendment stage, a PHA shall notify the public that the current and future Capital Fund Budget grants will be reduced as a result of any projects converting to RAD, requiring revised Annual and Five-Year Plans.
  - a. The PHA should provide an estimate of the amount of the current Capital Fund grant that is associated with the proposed project(s) and the impact on the PHA's current Five-Year PHA Plan and Five-Year Capital Fund Action Plan. ***- We have advised during the RAB meeting and to the public that, upon conversion of these units, BCHA will no longer have a "Public Housing Program" and therefore will not receive a capital fund grant. We are, at this time completing the 2013 CFP program and will fully obligate the 2014 CFP grant prior to conversion.***
  - b. If the RAD conversion will impact an existing CFFP or utilize RHF funds to facilitate conversion, the PHA should also indicate the estimate impact of those activities. ***BCHA does not participate in CFFP. BCHA will utilize RHF funds to facilitate the conversion and the RAB and the public has been advised that rather than construct/or acquire PH units, those funds will be used to facilitate the conversion of Scattered Sites, and Meyers/Park Ridge.***

HUD recommends that, to avoid the need for a possible subsequent significant amendment, you examine your definition of "Substantial Deviation". You may want to redefine your definition of Substantial Deviation in Section 10 of the PHA Plan to exclude the following items:

- a. Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether your proposed conversion will include use of additional Capital Funds;
- b. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
- c. Changes to the financing structure for each approved RAD conversion.

***BCHA made this change to our definition of significant amendment in its amendment to the 2012 PHA Plan when we were approved to convert Highland and Griffin Apartments. We do not anticipate the need for financing for these transactions.***

## **Scattered Sites**

This property exemplifies the mission of BCHA to provide high quality housing opportunities to Broward County residents. In our quest to achieve this goal, we have integrated green technology and energy saving strategies not only in future rehab but in the ongoing and past projects at this property. The “scattered sites” include three locations as follows:

**Everglades Heights** is 53 two and three bedroom walk up apartment complex situated on 4 1/2 acres in the redeveloping Royal Palm neighborhood of Fort Lauderdale. Everglades Heights is located close to schools, major roadways and shopping. This family oriented development is a great place to raise kids. The community room includes a computer learning center and access to resources for residents. All units include central heat and air, ceiling fans, energy efficient appliances; and washer/dryer connections. This site also includes fully accessible units for the mobility impaired.

**Auburn Gardens** consists of 24 townhomes located in Melrose Park at Kentucky Avenue and Auburn Boulevard. Auburn Gardens offers small community living within a short distance to downtown Fort Lauderdale, shopping, and schools. Included on this site are fully accessible units for the mobility impaired. All units include central heat and air, ceiling fans, energy efficient appliances; and washer/dryer connections in a separate utility room.

**Roosevelt Glen** is composed of 9 three bedroom 2 bath, single family homes located at NW 12th Court and 28th Avenue in Fort Lauderdale. The community is built on a cul-de-sac limiting traffic and providing individual driveways and attractively landscaped yards. Homes feature interior and exterior utility rooms and private patios. Floor plans offer split bedrooms and a master with bath. All kitchens contain energy efficient appliances, high quality kitchen cabinets with a countertop isle for informal dining.

These properties have been completely retrofitted with water saving devices; kitchen and bathroom faucets which are low-flow; low flow shower heads and dual flush toilets. These innovations allowed our water consumption to be cut by approximately 35% (based on actual consumption in 2009 compared to 2012).

These properties, through the use of 2009 stimulus funds, have new impact windows and doors. Also in keeping with our “green” efforts, we have replaced all the carpet and approximately 50% (100% at Roosevelt Glen) of residential units’ flooring with ceramic tile utilizing funds from the ARRA (Stimulus Funds) and BCHA Capital Fund grants.

Please visit our web site at [www.bchafl.org](http://www.bchafl.org) and click on “BCHA Portfolio” to view interior and exterior images of these sites.



## **Meyers/Park Ridge**

Meyers Estates (50 units) and Park Ridge Court (37 Units) are currently considered as one "AMP" by BCHA. These properties are approximately 16 miles apart; however, we have managed these communities with one budget for several years. We plan to continue to manage these sites as one, if possible. These properties provide high quality housing opportunities to Broward County residents. In our quest to achieve this goal, we have integrated green technology and energy saving strategies not only in future rehab but in the ongoing and past projects.

## **Meyers Estates**

This family friendly development of 50 two and three bedroom apartment homes is located minutes from downtown Fort Lauderdale, major roadways, schools, and shopping. In addition to the on-site management office, BCHA's Resident Relations Offices are located at Meyers Estates and staff is available to provide assistance and resources to residents. There is also a playground at this location. All units include central heat and air, ceiling fans, energy efficient appliances; and washer/dryer connections. Included on this site are fully accessible units for the mobility impaired. The community room at this location includes a computer learning center for adults.

## **Park Ridge Court**

Park Ridge Court is a small family friendly community of 37 duplex apartment homes located in Deerfield Beach within close proximity to I-95, schools and shopping. The community is a short distance drive from Palm Beach County and the beaches. The 3-bedroom/1 1/2-bath floor plans include kitchens with pass-thru design to the dining room, a utility room with washer/dryer hook-up; central heat and air, ceiling fans, energy efficient appliances; and washer/dryer connections. Included on this site are fully accessible units for the mobility impaired. This community is scheduled for new roofs this summer with funding via a Broward County grant.

Both properties have been completely retrofitted with water saving devices; kitchen and bathroom faucets which are low-flow; low flow shower heads and dual flush toilets. These innovations allowed our water consumption to be cut by approximately 35% (based on actual consumption in 2009 compared to 2012).

These properties, through the use of 2009 stimulus funds, have new impact windows and doors. Also in keeping with our "green" efforts, we have replaced all the carpet and approximately 50% of residential units' flooring with ceramic tile utilizing funds from the ARRA (Stimulus Funds) and BCHA Capital Fund grants. Please visit our web site at [www.bchafll.org](http://www.bchafll.org) and click on "BCHA Portfolio" to view interior and exterior images of these sites.

## **Significant Amendment**

### **PHA Plan 2013**

#### **Flat Rent Policy**

The Broward County Housing Authority hereby amends its flat rent policies to comply with the statutory changes contained with, Public Law 113-76, the Fiscal Year 2014 Appropriation Act.

The Broward County Housing Authority will set the flat rental amount for each public housing unit that complies with the requirement that all flat rents be set at no less than 80 percent of the applicable Fair Market Rent (FMR) adjusted, if necessary, to account for reasonable utilities costs. The new flat rental amount will apply to all new program admissions effective Broward County Housing Authority. For current program participants that pay the flat rental amount, the new flat rental amount will offered, as well as the income-based rental amount, at the next annual rental option.

The Broward County Housing Authority will place a cap on any increase in a family's rental payment that exceeds 35 percent, and is a result of changes to the flat rental amount as follows:

- Multiply the existing flat rental payment by 1.35 and compare that to the updated flat rental amount;
- The PHA will present two rent options to the family as follows:
  - the lower of the product of the calculation and the updated flat rental amount; and
  - the income-based rent.

## Procedures for Implementation of the New Flat Rent Provision

The following are procedures for the implementation of the new Flat Rent Provision in accordance with HUD's new rules for flat rents for public housing residents.

To comply with the new rules, flat rent amounts must be raised to no less than 80% of FMR with the implementation due date of 10/31/2014. Table 1 shows the new flat rent amounts/schedule at 80% of FMR by unit size. Please note the flat rent amounts will now be based on bedroom size and will not vary by site as in the past.

In an effort not to cause a financial burden on current families paying flat rents, the rent increase will take place as follows:

- Flat rent amount paid will be raised by 35% per year effective at the family's annual flat rent review date until the family's flat rent amount reaches the 80% FMR amount. Table 2 shows the 1<sup>st</sup> year flat rent amounts increased by 35% from prior year amounts.
- The new rule further mandates that for current flat renters who now chose income based rent the rent amount will also increase by a maximum of 35% from what they are currently paying. Therefore, residents who chose income based rent will pay at maximum the amount shown in Table 1 even if the rent calculation shows their income based rent to be higher than the amount in Table 1.

**Table 1**

Flat Rent Schedule @ 80% FMR	
2 BR	\$1008
3 BR	\$1438

**Table 2**

New Flat Rent Schedule for year 1 of the Phased In Increase	
Auburn Gardens	
2 BR	\$945
3 BR	\$1013
Everglades Heights	
2 BR	\$837
3 BR	\$1026
Meyers Estates	
2 BR	\$911
3 BR	\$979
Park Ridge Court	
3 BR	\$999
Roosevelt Glen	
3 BR	\$1127

Procedures at re-exam:

- New Flat Rent Provisions as outlined above will be explained to each family
- Families will have a choice between flat rent and income based rent
- Families will be provided with the flat and income based rent amount based on the re-exam income calculation
- If a family chooses flat rent, the new flat rent amount will reflect a 35% increase from the currently paid flat rent amount
- A family's flat rent amount will increase by 35% from the amount paid annually effective at each anniversary date until the flat rent amount matches or exceeds the FMR amount listed in Table 1
- If a family chooses income based rent, the new rent amount will reflect a 35% increase from the currently paid rent amount
- A family's income based rent amount will increase by 35% from the amount paid annually effective at each anniversary date until the rent amount matches or exceeds the FMR amount listed in Table 1

- If a family chooses income based rent in year 2 of the 3 year flat rent annual update period, then the 2<sup>nd</sup> year rent is based on the 1<sup>st</sup> year rent calculation
- Table 1, Table 2, and Table 3 will be revised as needed to reflect most current FMR, flat rent schedule amounts, and most recent Rent Reasonableness Study amounts respectively.

The new Flat Rent Provisions requires PHA's to calculate flat rents using a rent reasonableness methodology for determining flat rent based on the market rent comparable units in the private, unassisted rental market. The rent reasonableness study amounts are then compared to the FMR's as follows:

- If the flat rent, as determined by the rent reasonableness study, is less than 80% of the FMR, PHA's must set flat rents at no less than 80% of the FMR, or;
- If the flat rent, as determined by the rent reasonableness study, is at least 80% of the FMR, PHA's must set flat rents at the amount determined by the rent reasonableness study.

Table 3 shows the 2014 Rent Reasonableness Study amounts. These amount are below 80% of FMR's; therefore, 2014 BCHA flat rent amounts will be set at 80% of FMR as shown in Table 1.

**Table 3**

<b>2014 Rent Reasonableness Study</b>	
Auburn	
2 BR	\$824
3 BR	\$986
Everglades	
2 BR	\$797
3 BR	\$1059
Meyers	
2 BR	\$856
3 BR	\$990
Park Ridge	
3 BR	\$992
Roosevelt	
3 BR	\$1347