

Public Housing Repositioning: Wednesday Webinar Series

How to Prepare and Submit a SAC Application, 2-25-23

Antonella Salmeron: Good afternoon. Thank you for joining today's installment of the Wednesday Webinar Series. Today's topic is how to prepare and submit a SAC application.

My name is Antonella Salmeron, and I am one of your hosts for today, along with Jane Hornstein. Before I pass it over to Jane, I have a few housekeeping items.

Our speakers will share their knowledge with us for the first part of the presentation, and we will reserve the remainder in time for any questions that you might have. You may ask questions in two ways.

In the right-hand navigation panel, you will see a hand shaped icon. If you would like to verbally share your question, select the hand icon, and I will unmute you so you can ask your question aloud. Or if you would like to send us your question, feel free to type your question in the chat box in the lower right-hand navigation panel. I will read your question aloud in the order received. If we are unable to address all questions, we will send an email reply after the webinar.

All the webinar participants are muted upon entry. If you would like to notify our team of any technical difficulties, please send us a message in the chat box.

Today's webinar is being recorded and will be available on HUD Exchange shortly after following the webinar. Immediately following the webinar, you will receive an invitation to complete a survey on today's webinar, and we ask that you please complete this with any feedback that you might have for us.

With that, I'll pass it over to Jane.

Jane Hornstein: Thank you, Antonella. I appreciate it. And welcome, everyone. We do have a lot to cover today. There's a lot of information in this. So I want to stress the fact that, if you have questions, to please put them in the chat. We will probably try to get through as much of the material as we can before we take questions. So our preference would be for you to put your questions in the chat, and we will get there.

Then -- so, let me go ahead. I'm going to introduce our speakers today. Let me go to the next slide.

Antonella Salmeron: Jane, sorry. Yeah. Jane, sorry to interrupt you. Can you see that I changed the slide.

Jane Hornstein; No.

Antonella Salmeron: One second. What about now?

Jane Hornstein: No. It's still on the main one. You want me to take over the host role and do it? Are you okay?

Antonella Salmeron: Sure thing. Let's try that. One second.

Jane Hornstein: Oh, I don't have a key. So I can't do that.

Antonella Salmeron: Did you see it to change the slide?

Jane Hornstein: Huh-uh. It just said, enter host key, and I don't have a key.

Antonella Salmeron: Okay. I see a beep going on. I can hear a beep going on. I'm not sure what that is, but I see in the chat that people can see the presentation now. So can you --

Jane Hornstein: Okay. All right. Then we'll just --

Antonella Salmeron: Can you confirm you see them?

Jane Hornstein: I'm just seeing the first one -- oh, no. I can see it. Okay. Never mind. I can see it now.

Antonella Salmeron: Awesome. Okay. Take it away.

Jane Hornstein: So our -- yeah. Our presenters are myself, Arona Hamlin and Victoria Vann. Both of them are reviewers in the SAC. I know we have a lot of housing authorities on here, and many of you may have worked with Arona and Victoria in the past. But they really know -- they work with these applications on a daily basis. So they're pretty clear on what they're doing.

Again, this is one in a longer series of topics that we've been covering for the last few years. All of these have been posted up on the HUD Exchange. So if you want to go back and see old ones, you're welcome to do so. This one will go up. Give us a day or two to get it ready, but it'll be on the HUD Exchange in a few days as well.

So why are we here? We're hearing lots and lots of frustration from various field members and field offices, as well as public housing authorities on how do we get through this SAC application. It's a little bit confusing. So we're going to walk you through the submission process.

We're going to show screenshots of the IMS/PIC system that require -- and the required HUD forms to provide technical assistance. So anyway, we're hoping to ensure a smoother, complete, and efficient application submissions in the future.

Okay. SAC functions. As you -- as most of you know, the SAC's function is to review applications that come in for demolition, disposition, demolition and disposition, de minimis

demolition, eminent domain, home ownership, required and voluntary conversion, including the streamlined voluntary conversion, and retentions.

We review each application on a case-by-case basis. So we may come back to you once we have the application and ask questions, but our job is to make sure that it's complete in the end and can be approved.

So I'm going to turn it over to Arona at this point to start with the inventory removals and what they're governed by. Arona.

Arona Hamlin: Good afternoon. Thank you, Jane. Good afternoon, everyone. Inventory removals are governed under 24 CFR Part 970 and in conjunction with PIH Notice 2021-7.

All inventory removals must be submitted via the PIC inventory management system, PIH inventory information system IMS/PIC, as we know, as we usually call it, PIC. So going forward, we're just going to say PIC.

In addition to the electronic 52860 application, the house -- the PHA should submit certifications and narratives. In addition to that, the PHA must complete a HUD 52860 and a 52860-a and applicable addendums, along with supporting documents.

Jane Hornstein: You want to go to the next slide, please. Sorry.

Arona Hamlin: Next slide. I'm sorry. I can't. Next slide.

Jane Hornstein: Yes.

Arona Hamlin: Submitting an inventory removal application is very easy. However, it's a lot of steps. In today's webinar, I will walk us through step by step how to submit an approval.

Here we have the electronic -- you all can't see me, but on our far left we have the electronic 52860 application as we know it as the PIC. On the right is our 52860 and our 52860-a PDF form application. Again, all applications must be completed and submitted to SAC for review.

In processing an application, the first thing that a reviewer do is we look at the submission table. The submission table is very important. The submission table gives us a brief overview of what the housing authority is proposed.

But before I go into that, I want to thank the Joliet Housing Authority for allowing me, SAC, for using their application for this webinar training. So thank you again, Michael, for letting us use your application for review.

Now, the PIC submission table, again, gives us an overview. It tells me WWW, what, who, and where. So what we're looking at is who is submitting the application, which is the Joliet Housing Authority, what's the application number, which is the demolition disposition

application number, which is DDA0011981, what type of application are they submitting to PIC to -- I'm sorry -- to the SAC, and that's for disposition.

Then we're looking at the location, what development. They're proposing to remove 139 units, one building on 1.46 acres at the John Murphy Center, AMP number IL0240006. So looking at all that, that lets the reviewer know how the approval table -- I'm sorry -- the approval letter is going to say.

What it's going to say is that the Joliet Housing Authority submitted a disposition application for 139 units, one building on 1.46 acres of land for John Murphy Center on AMP number IL0240006. So with that being said, then the application is now under review.

The PIC application Section 1 is very, very important. It's important that, before the application is actually submitted to SAC, that all the information is up to date. As we see here -- again, you can't see me, but the status date, meaning the date that the housing authority created the application, was in May. However, when SAC actually received this application, it was in December.

So a lot of things could have changed since then. The executive director or the CEO may no longer be there, and the number may have changed. Definitely the email address is different. So it's very important that that particular information is updated. We would like to send the approval letter accordingly.

Next, for the primary contact person, the PLC. That is very, very important to reviewers because we would like to keep the line of communication open at all times. As we review, we're always calling to ask quick questions, ask for certain attachments or documentation.

We also ask that whoever the PLC is, that they're very familiar with the application. On occasions, I spoke with point of contact staff, and they simply said, well, I'm just the person that uploaded the application. I can't provide you with any information. And so, we ask that whoever the point of contact person is, again, they're very familiar with the application.

What we would like to do is keep the process moving, and if we cannot communicate with the housing authority, that will cause delays in receiving the approval letter. Next slide.

Section 2, long-term possible impact of proposed action. What we look at when an application is submitted to SAC is consistency. Here we see in Section 2 that the housing authority is proposing the removal of 139 units, which we see that that's consistent with the submission table.

Also, under Section 2, the housing authority's confirming that they understand that once the removal of the 139 units, that's going to reduce their subsidy, meaning that their subsidy is going to now be zero. That being said, we're going to put a pin in it because, in addition to SAC reviewing the application, we have internal HUD reviews as well.

So what we do is we look at the CFFP transaction list to see if the housing authority is on that list. If there's any open financial transactions, then we reach out to the capital funds department,

and then we let them know that the housing authority has submitted an application for the removal of X amount of units, and by reducing their subsidy, will that impact their obligation for a repayment of that transaction?

Now, we can get a response that they will either say no objections and then we can keep the process -- we can keep processing the application, or they may say they have objections. If that happens, then the clock stops. SAC stops processing the application.

And we will send a discontinue letter to the PHA stating that, at this particular time, SAC will stop processing, return the application to draft, and the reason why. And we will state that the CFFP Department have concerns and issues, and please address those issues.

Upon addressing those issues, you can then resubmit the application and please provide any communication letters that the department has provided for you to say you can now move forward with the submission of the application. In addition, CFFP will communicate with SAC saying that all the issues were satisfied. Next screen.

Section 3 is very important. Section 3 is the housing authority is confirming that the application has a board resolution, environmental review, and local government consultation.

Here we see where the board -- the housing authority submitted a board resolution. However, it does not have a board resolution number. That's important. We will not stop processing or submitting a discontinue letter because the application is showing that they have a board resolution. And when it was signed -- well, the date of it.

So once we actually go through the supporting documents and we see the board resolution, most likely we will see the board resolution number.

That being said, we will go to line 3, which is the environmental review. The housing authority must have conducted environmental review under 24 CFR 970.7(a)(15). At that point we will -- another HUD internal review is conducted. We will contact the local field office and ask that they concur that an environmental, whether it was under Part 50 or Part 50A, was conducted and they did approve it.

Under line 4, for we see, for the local government letter, each application or all applications must have a support letter from their local government. Now, it could be the mayor or, if the housing authority, such as this one, is under a jurisdiction of counties, then we require that we receive letters -- supporting letters from those particular counties as well.

Please make sure that the letters are signed and dated. Please make sure the supporting letters speaks to the actual removal. Sometimes we find that the applicant- -- the letters may say we support the demolition when it's in fact a disposition. So please make sure that the letters speak to the appropriate removal. Next slide.

Jane Hornstein: Just a real quick summary that so far the CFFP or Capital Fund Financing Program or environmental reviews can move an application back to a discontinuance. But otherwise, we just need to be in communication if there's a problem; is that right, Arona?

Arona Hamlin: Yes. Thank you, Jane.

Jane Hornstein: Yeah. Just to summarize that. Okay.

Arona Hamlin: Okay. Section 4 is the description of the property and distribution. Here we see that the application, as we recall from the submission table, is that -- is for one building, 139 units on the John Murphy Center. Here we see that the distribution of the units, this particular AMP has 179 units.

So with that being said, then this application is going to be for a partial removal because there will be units remaining from this particular application. So with that being said, then there's questions under line ten where it says, total acres. So if we're only removing a partial, meaning one building, then that cannot be the total acres within this particular development. So as the reviewer, then that's a question that we pose to the PHA. Next slide.

Next slide, Section 5. I do want to say that the order of the PIC application is the order of the written approval letter. So when you're submitting the application, keep in mind that the PIC application is sequential to what we ask and what's required in the PIC -- in the actual approval letter.

So now, we're in Section 5. Section 5 consists of three slides here because it is what I call the meat and potatoes of the actual application. So here line 1 is the proposed action of the buildings. Here we see to our right, it says, the proposed building, which is consistent because the submission table says one building. And then we also know that there will be remaining buildings at that development. Next slide.

We're still in Section 5 and page 3 of this slide. So here we're looking at the proposed action. There's no non-dwelling buildings or units will be included in this particular application. However, we see the number of units is 1.46, which we are still consistent with the submission table.

Line 4 is not applicable to the action. So we go to line five. Line 5 speaks to this -- is this a partial removal? And yes. It is. Now, one thing I like about the PIC application and the 52860 is that it always provide guidance. If you see under what's asked in line five, it also says, if it's partial, then please attach a copy of a map and reference it Section 5, line 1.

Line 6, it still speaks to partial removal of the development, and it asks for a narrative. That is very important, a narrative to tell us why you're not removing all of the buildings, all the units in that particular development, and just removing the one building with the 139 units. Very important.

If we do not receive a narrative, we cannot move forward because we can't make it up for you. Only you know why -- here again with the W's -- why you want to dispose of this property. Why and what condition is that structure in?

So then we go to line 7. Because this is a disposition, the housing authority is saying that they're going to dispose of that building at fair market value. And because they're saying they're going to dispose of it at fair market value, then an appraisal is required.

Now, let's put a pin in there, and then, Jane, you can speak to it as well. The appraisal must not be more than a year old. If we receive an application and the appraisal is dated, that's -- we can do one or two things. This is why I say line of communication is very important.

We can call the housing authority, let them know that the appraisal is dated and they may say, well, we'll get one out. We'll have one done in the next two weeks. That's fine because, if you recall, we -- our processing time is within 60 business days. We would like to make it sooner rather than later. So if a housing authority says, yes, we can get you an appraisal back in a week or two, then we will not submit or send you a discontinued letter.

So then we asking, what do you plan to do with those proceeds? Again, I like the applications, the PIC application and HUD 52860, because it always provide guidance. And it says, attach evidence verifying the value and provide an appraisal and to upload it in the PIC application and reference is Section 5, line 6.

Here, line -- step 9, it says, how do you plan to use -- I'm sorry. It's -- it says, who perform the appraisal? And then that's where you provide who conducted the appraisal for you and provide that document.

Now, if you recall, when we first looked at the application and I talked about when the application was created and when the application was submitted, the application was submitted in May of '22. SAC received the application in December of '22, which means January, because we just started processing it. Then the appraisal.

So if you create an application, please be mindful of time sensitive documents because you want to make sure that when you submit the application, the clock is not running out on your specific time sensitive documents. So I want to -- go ahead, Jane.

Jane Hornstein: I was just going to say, yeah. And just keep in mind that it typically takes about 60 days for the SAC to process these. So keep that in mind, too, as you're looking at your appraisals.

Arona Hamlin: Yes. And so, then, even though this application is for disposition, I just want to put a pin there and talk about demolition.

Under this section, if it's for demolition, the appraisal, those particular line items are not required, only if the application is for demolition and disposition because what you're saying is you're going to demolish those units, the building, what have you, and then you're going to

dispose of that land. So that being said, then, yes. You need to complete these lines as well in this section.

Line 11 asks, how do you propose to use the net proceeds? Here again, here is guidance. Attach a narrative providing details concerning the net proceeds, and reference it Section 5, line 11.

So here in 12, if it is disposition -- I'm sorry -- demolition, then it asks here to provide an estimated cost of the demolition. So here you will provide that and I can't see it on my screen but you will submit that information in the application as well. Next screen.

Jane Hornstein: Just -- yeah. Make sure you include your source of funds on the -- for the demolition.

Arona Hamlin: I think it's on the next screen.

Jane Hornstein: Oh, okay.

Arona Hamlin: Yeah. So yeah. It just cut off part of it. So here again, when we spoke to the demolition cause, it asks, where -- what funding source would the housing authority be using? We always ask, because we see this omitted many times when we receive it, is please tell us what fiscal year the funds will be coming from.

Line 13, very important, particularly 13(a), begin relocation of residents. It's very important that PHA gives residents a 90-day notice after receiving the approval letter. I know when you have consultation or they at the PHA you speak of it, but that is not giving -- that is the -- that is not the 90-day notice. It's only when you receive SAC approval, then you start -- provide a 90-day notice for residents. Next slide.

Section 6 is relocation. I'm not going to go in depth about it because Victoria is going to speak on that in depth. But here again, we just want to make sure that all the boxes are checked, all the T's are crossed, I's are dotted.

So here we're just making sure, again, it's consistent. Here we see, again, that the housing authority is proposing 139 units. Of the 139 units, 138 are occupied. And here is guidance. It says, attach a narrative explaining the circumstances of why the unit or units were vacant.

Here in B it says, of the 179 units in the development, 40 units will remain. See, of the 40 units that will remain, 40 of the units are occupied or were occupied at the date of this application. So again, we see the consistency.

Here we see under line 2 how many individuals will be affected by this action. The housing authority is saying, yes. It's 139 units. However, 148 individuals will be affected by this action. And Victoria will talk more in detail, but that is very important because that's when FHEO looks at and does a detailed -- extensive review of what's going to take place and how it's going to impact these -- the residents.

So again, we just looking at checking the box. Line 4, what other housing units will be provided for the possibly displaced residents? And the housing authority is checking the box. Which one? Under line 7, the cost of relocation, and they break it down in the table saying how much it will cost. I'm sorry. An estimated cost. And then they're letting us know under line 8 where the funds will be coming from. Next slide.

Section 7, resident consultation. Again, I will not be going in detail because Victoria will speak on that further. We're just looking here to make sure that the boxes were checked. It asks how -- describe how the residents of the developments were informed. And here, again, is guidance. Attached a narrative explaining. So please read -- be mindful of the guidance that the application gives you.

If you provide everything that the application is asking to -- that you submit in the application, this will help you get to an approval sooner rather than later.

So it asks, was there a resident council? Was it a resident council jurisdiction? Why? And was there an advisory board? And the PHA should check or provide the information that is applicable to this particular application. Next slide.

Offer to sale, Section 8. This is applicable if it's for disposition, and Victoria will go in detail with that as well. So we're just here to see that the circle, not the box, was checked accordingly. Next slide.

Section 9. Section 9 is certification of compliance, and is -- what it's saying is asking that the housing authority attach a certification of compliance saying that everything that they have submitted is actual, correct, and they also provided -- that you also provide applicable addendums as needed. Next slide.

So now, you've completed the application, but you're just not quite sure. So this is if everything in there is required and needed. So then this is your time to do some checks and balances.

So you will go up to the ribbon and go to your far right where it says, quality checklist. And as you see, it provides a list of each section that we just walked through, and then you can just click on it and see that you did complete all the boxes, all the fields, answered all the questions.

Now, sometimes some things may not -- such as that board resolution number and in asking the housing authority, they said that they just weren't able to put that information in there. For some reason, the PIC application wouldn't allow that access. So just, again, checks and balances. Put this in your toolbox. It's a handy tool to have.

Now, let's say you're submitting an application that consists of several developments. Then you will click on where it says development number. I know you can't see where I'm circling. Hopefully, Jane is circling it. And where it says John Murphy Center, then you can click on that dropdown tab, and it will open up all the development sites under this particular application. Next slide.

Jane Hornstein: Arona, [inaudible].

Arona Hamlin: Okay. You see it?

Jane Hornstein: I didn't. I'm going back. Let me --

Arona Hamlin: Okay. So where you see it says -- right above all these sections, there's list -- sections that's listed in the blue, can you see that?

Jane Hornstein: Yes.

Arona Hamlin: And you see John --

Jane Hornstein: Oh, yeah. Oh, here it is. Yes. Yeah. Right over here. I don't know if people can see my pointer, but yeah. It's right in the middle there, almost the center of the screen.

Arona Hamlin: Yeah. So then if -- again, if you have multiple sites under this one particular application and you want to do checks and balances, then you just -- excuse me -- then you just click on the dropdown and then you can peruse through each section. Very good tool. I use it all the time. So that is something that you just want to put in that tool box.

Jane Hornstein: Yeah. There it is. Okay.

Arona Hamlin: Okay. Thanks a lot.

Jane Hornstein: I think Antonella put it in. Yeah.

Arona Hamlin: Great. Thank you, Antonella.

Okay. So then here we are 52860 PDF form. It's -- you know that saying, they say is the same, but it's not? Okay. Well, it is the same but then there are some variations to it and I will point that out what they are.

Section 1, general information. It is the same as the PIC. However, when you look at line 8, it isn't because it adds, is the PHA operating under any remedial order, compliance agreement, final judgment, consent, decree, settlement agreement, or court order or agreement including but not limited to those related to fair housing?

So in this particular application, they're saying no. However, if you say yes, here we are with guidance. Okay. It says, if yes, attach a narrative description explaining how the proposed removal is consistent in such order, agreement, or other document. So that is something that is different.

Section 2, not applicable.

Section 3, the PHA plan. That is something that was not in the PIC application. So now, here again, internal review. Here the housing authority's saying, yes. This proposed activity was in our PHA plan. They give us the year, the approval date, which is great. However, we're going to really -- I shouldn't say it like that. We're going to contact the field office, the local field office, and ask that they concur that this was, in fact, in the PHA plan and yes. They approved it.

The board resolution, same as what's in the PIC. Here we still don't see the board resolution number. So we are keeping fingers crossed that when I go into the supporting document, that the board resolution number is there. Next slide.

Jane Hornstein: Also, just know that you really do need to do both the PIC application and the PDF form --

Arona Hamlin: Yes. Yes. We said that --

Jane Hornstein: -- since there are differences.

Arona Hamlin: We said that earlier that all information, even though you might have put it in the PIC application, we still need it in the 52860 PDF form as well.

So here again, we see the environmental review. Same as the PIC application. It asks that you attach the environmental review. And we thank you. However, we still send what we call a field office certification. And in that we're asking the local field office, was an environmental conducted and did they -- did their office approve it along with the PHA plan?

So that -- now, let's say we get response back from the field office and they say, yes. It was in the plan. However, the environmental was not. Then, unfortunately, we're going to send a discontinue letter.

Or let's say, yeah. The environmental was done. However, it did not speak to the actual removal type that they're requesting now. It spoke of demolition. It didn't speak of disposition. So then those are questions that we ask the housing authority, and then again, you may very well -- you will receive a discontinued letter until that is resolved.

So then Section 4 is the very same as in the PIC application. Next slide.

So under Section 4, something is slightly different from the PIC application. The 1 through 9 is the same. However -- no. I -- line 10, remember when I spoke to, well, it's a partial removal and what exactly is the total amount of acres? Here the housing authority provide that information here, which is great. Next slide.

Section 5. Even in the PIC application, we know -- when we looked at the submission table, we know that it's for disposition. Throughout the PIC application, it speaks to disposition. However, in the 52860 PDF form, it kind of gives us more types of removal. And here this is where you can put exactly what you're proposing. Is it demolition, disposition, demolition demolition? Is it

mixed finance modernization? Is it de minimis, voluntary conversion? It just gives us more of an overview of what the PHA is requesting.

Something else that's different than what's in the PIC is how the distribution of the units identify UFAS mobility units, UFAS sensory units. Very important because we're going to put a pin right there because here we are with another internal HUD review, which is from the CF -- FHEO -- excuse me -- FHEO.

Victoria will go more in detail about that as well, but it's important because FHEO is very concerned how the housing authority plan to provide for the families that are in these particular units. So that's very, very important that your plan is spot on. Next slide.

Relocation is the same as in the PIC application. The difference is line 7, and I'm going to let Jane speak to that.

Jane Hornstein: Okay. Just we want to make sure you all include a brief description -- oh, a brief explaining the TPV request. How many you're requesting. Is it -- and again, under this you need to say whether they're replacement TPVs, which means you do not plan to bring back any ACC units and these TPVs will be replacing the ACC units.

If you are bringing back ACC units, those are relocation TPVs. So you do need -- you need to tell us which one it's going to be.

And if there's no TPVs requested, which is typically when you're disposing of vacant land, if you do not have a voucher program, please contact your field office and they can hook you up with an agency that could potentially administer the vouchers for you. We really don't want to see the communities get hurt by losing valuable housing in their areas. So even if they have to use the vouchers, that's fine, but let's figure out how to do that. So okay.

Arona Hamlin: Thank you, Jane. Next slide.

Section 7 is the same as the PIC application. It speaks to the resident consultation. Here again, Victoria is going to speak more in detail on that. So we're just going to make sure that the boxes were checked and we can see that it is consistent with the actual PIC application as well. Next slide.

And Section 9 is the same. Here we need the -- either the executive director or the CEO's signature saying that everything that they provided in the PIC -- in the PDF form application is factual, actual, and this is their certification to speak to that. Also, the application provides specific addendums that you may need to include or upload and provide for the application. And it's 52860 A, B, C, D, E, F, G. Next slide.

Jane Hornstein: Okay. So just slow down one second. So far, we've just covered the basic applications. There are additional ones, which is what we're going to do now. Just making sure everybody is aware that you don't have to do all the additional ones.

So in other words, form A is for demolition. Form whatever is going to be something else. You just need to make sure that you know which ones are which and which applications go with which type of application you're applying for. And the form itself can be uploaded in the supporting document section. Okay. Arona, you want to take it from here?

Arona Hamlin: Yes. Okay. So 52860 A. Hmm. We get a lot of questions. Why do we need to complete this form, especially when you look at the first page and it says demolition?

Case in point, this particular application is for disposition. So the question is, why do I need to complete this? Well, you do because you checked the box, no. It is not for demolition, but you still continue to go through the document and see if -- and we're going to come back to this one. But let's go to the next page. Next slide.

The next slide. So Section 2 here says disposition. And yes. This application is for disposition, and we ask that the housing authority or the PHA check the box of the actual type of removal. If you notice, this was not in the PIC system. So this helps us to understand exactly the reason why the PHA wants to remove that one building with 39 units.

So again, as I mentioned earlier, the approval letter is in the order of the applications. When we write in the letter reason for justification, this is what we're writing the justification on. It's important -- here again, guidance. Maybe Jane can point to it right under it. It says, attach a narrative statement describing the justification for disposition along with other supporting documents in accordance with 24 CFR Part 970.

So what I'm going to implore is that, please, your justification, we really would like for it to be detailed. Please don't just cite, we're disposing of it in accordance with 24 CFR Part 970 and the notice. Please, we need to know what's going on with that building, that structure, and why it's important for HUD to provide -- to grant an approval letter for the disposition of that structure and those buildings.

Now, we get a justification, and it just not clearly making sense. I shouldn't use that word, but it's not given us a clear understanding. A reviewer may just contact, reach out -- that's why we need to line a communication -- and say, walk me through. I've done it several times. Many times. Show me a picture. Give me a visual. What's really going on with it?

Is it because -- case in point, this building is 80 years old. It was constructed in 1940. So we know that it is obsolete. So is it because the fire department can't go up in the elevator shaft because they can't repair it or expand it? Whatever the case is, whatever is not providing decent, safe, sanitary housing for the residents, then we need to know because that's what we're going to put in the letter.

Here again, same as the PIC application. Under line 2 is the method of disposition. It's the same. It's consistent. Here is -- and Jane can point to it -- right under it is giving guidance. Provide description ground lease terms. If the disposition proposed being negotiated, attach a certificate of good standing under applicable state law of the proposed acquiring entity or other evidence that the entity is recognized under the state.

So that is something that was -- that is different that was not a part of the PIC application.

Line 3 is the proposed acquiring entity, the PHA's instrumentality, as defined by 24 CFR 905.604(b)(3), and the housing authority is saying no. Commensurate benefit, it says here, if the method of disposition is at or below fair market, PHA must demonstrate commensurate public benefit. Jane, you want to talk more on that?

Jane Hornstein: Sure. Well, we did a whole webinar on what we think is commensurate public benefit. Keep in mind that, again, HUD money was used to purchase the land and build the buildings. We would like to see that their -- the housing is replaced as affordable housing. That would be our primary most [inaudible] public benefit. But we are open to other discussions.

So it could be -- there could be commercial things like social services for the residents but that -- so, we do want a full explanation, and we will look at that very carefully.

Arona Hamlin: Next slide. Thank you, Jane.

So here we are. Section 3 is the same as the PIC system. It -- under line 5, it speaks to just a little more nuance because the housing authority checked a few boxes and it says that they're going to realize or they're going to use their proceeds for Section 8 PPV units. That was not options in the PIC.

So here you see it talks of a loan for the development for public housing units, loans for PP- -- the development of PPV units, supportive services for residents, and so on. And so, that, too, helps us, meaning the reviewers, when we're writing the approval letter, that this is how the PHA plan to use their proceeds.

And here again, Jane can point to it, guidance. Attach a brief narrative, a budget, or other supporting documents describing the proposed use of proceeds. If loans is checked, include the loan term, interest rate, and the type, i.e. permanent, bridge, construction. Please always look at guidance. It's a fantastic tool to get you to an approval letter sooner rather than later.

Cathy: Arona, can I jump in real quick? Another great place to look for what supporting documentation to attach for proceeds is PIH Notice 2020-23. The reason that notice isn't referenced in the form is that this form was published prior to that notice. But that is also a really great place to look, if it's -- you're wondering how much narrative or supporting documentation to attach about your different uses of proceeds.

Arona Hamlin: Thank you, Cathy.

And as we look to the -- on our right, it speaks to offer to sale to residents, which is the same as in the PIC application. And here we're just going to make sure that all the boxes are checked because Victoria will go more in detail about that, what's required if it's disposition. Next slide.

And as always, there's certification. Again, the executive director, the CEO signs saying that they certify all the information provided in the PDF application is actual and factual.

Now, let's talk about the transaction table or the approval table, as we call it. This is optional, but if this is for commensurate benefit, we do ask that you complete this table and provide it as well in the SAC application submission.

However, we always -- we're also asking reviewers if you can complete the table for us because you know the transaction much better than we know it to be, even if it's a disposition. This helps us to move the process or the review further along.

That way we don't have to reach out and call and say, well, how many ACC units for sure, and does the numbers match up? And -- but you definitively know exactly the deal that you are proposing to do. So even though it's optional, we ask that you complete the table transaction or approval table as well and provide it in the application. Next slide.

So now, we've gone through the PIC application. We've gone through the 52860, the 52860-a. So now, is still under review. So we recall everything that the application said that they -- yes. They did. So we go and Jane can point to the circle, which is the supporting documents, and this will determine if you're going to receive a discontinue letter or not as well.

So as we recall, looking to our right, the housing authority provided a board resolution. The housing authority provided attachments, Part 58 certification that they met with the local government. As you can see, it's two because they in two jurisdictions, two counties. They provided the mayor letter, the DOT. They provide legal description, site map, the PNA rehab cost, the PNA TDC, and then you can see where I uploaded concurrence from the CFFP department. And then it goes on.

As you can see from looking at this particular screen is it appears that this page has provided all the supporting documents that was required and supporting documents that were needed.

That being said, until the reviewer actually view the document, it might be missing a signature. It might be missing the actual date. It might be missing the board resolution number. The appraisal may be dated. So even though we have all the supporting documents here, it would be a great thing before actually hitting the submit button is that you go through the documents as well.

Go through to make sure anything that's time sensitive, you correct it. You get a new appraisal or be mindful of the environmental, that it is within the five years, that you're -- whatever it is, that it is -- will prevent any delays because, as reviewers, we like to keep it moving. If everything is right, you can receive an approval letter well under the 60 business days. And that's our goal, and we want to help you achieve that goal as well. Next slide.

So I'm just going to talk briefly about a few things before I turn it over to Victoria.

Demolition. Demolition is based on 24 CFR 970.1 and the PHA's just certifying the application, the reason for disposition, and provide 5 -- and in the 52860-a. PHA must show that the necessary modifications and rehabilitation to the project is not cost effective.

That being said, HUD generally considers modifications not to be cost effective if the cost exceeds 62.5 percent of the TDC for elevator structures and 57.14 percent for other types of structures. PHA should not -- PHA should use the current TDC information associated.

PHAs must submit HUD 52860-b TDC and provide an estimate of itemized rehabilitation costs based upon the existing conditions of the units in a PNA format. So if Jane points to the top, at the top on your left that's the TDC table cost. And if you recall me rambling through this, it says, use the current TDC development cost.

That being said, keep in mind, again, the date that the housing authority created an application and the time that they submit it. Let's say it was created this year, but submit -- is going to be submitted a year later, a half a year later. The TDC, the total development costs could easily change, and that can make a difference in meeting the obsolescence test. So please keep that in mind.

And then of course, we need the 52860-b, which is the longer form to your right. And then directly under the TDC limits is an example of Excel format -- PNA Excel format.

Now, I want to say one thing about the PNA. The justification for demolition should mirror or speak to your PNA. So if you're saying that the building is obsolete because the windows are dated, it's not energy efficient, then it should be windows spelled out in the PNA.

If you're saying that the doors are very old and drafty and those need to be replaced for whatever reason, that should be in the PNA. If you're saying, again, it's dated. It's 80 years old. The elevator shaft is so dated, we can't get parts for it, that should be in the PNA. So whatever's in your PNA, because we're going to write it in the justification, everything needs to be consistent. Next slide, please.

De minimis demolition, 24 CFR 970.27. Here we say five, five, five. That's demolition of lesser of five units or 5 percent of the PHA's inventory or of a five-year period -- no more than a five-year period -- within a five-year period. HUD approvals is not required. HUD approvals is not required but submitted for recordkeeping and environmental review purposes.

There's no need to show obsolescence. So a HUD 52860-b is not required. However, supporting documents are. That means we still need evidence of local government consultation. We still need evidence of resident consultation. We still need the board resolution. The board must sign off on all proposed activities or removals to HUD.

An environmental review is also required. Do not submit an application, please -- we spoke of this before. Do not submit an application before an environmental review is complete. HUD will confirm the environmental review again with the local HUD field office. Next slide.

Jane Hornstein: I do want to stress that. You want to make sure that the environmental reviews are complete. There is a time clock, again, environmental reviews have to go out for public notice and have to -- and HUD has a chance to sign off on those. We are okay if you submit it after it goes out for public notice, and we know there's a time clock ticking. But we really do need you to make sure it's at least to that point. Our preference is, obviously, that it's complete. That'll make things move that much faster. Okay.

Arona Hamlin: Okay. Disposition. Thank you, Jane.

Disposition, 24 CFR 970.17. Dispositions at fair market value, less than fair market value HUD receives PHA certifications, narratives, along with other information available to or requested by HUD on a case-by-case basis. That means, yes. You certified. Yes. You provided the necessary HUD documents. But here again, when the reviewer, like myself, look at justification and it just - - we just need a little bit more, that's what we mean by case-by-case basis.

So that may very well happen. And again, I'm just going to say it again. Please have your line of communication available. Sending emails or great, but I like to speak with housing authorities personally. That's just me. I've always done it. I just feel that we need to hear a voice, not always just words on a paper or electronic email.

Disposition, physical obsolescence. We spoke of that earlier in the 52860-a. The property proposed for disposition is obsolete. PHA must submit, as we said before, 52860-b in addition to the TDC, provide an estimate of itemized rehabilitation costs based upon the existing condition of the unit in a PNA Excel format.

So it's similar to the demolition. However, you're still disposing of it. Please provide a detailed narrative, and again, it should speak to your PNA why you plan to dispose of it because that's what we're writing in the justification.

Excuse me. Disposition, non-dwelling. The PHA certifies by a narrative statement and supporting documentation that disposition of non-dwelling buildings are vacant land -- or vacant land meets the criteria of 24 CFR 970.17(d). Disposition of the property is incidental to or does not interfere with continued operations of the remaining portion of the project or development. Next slide.

From that, I will turn it over to Victoria. Thank you.

Jane Hornstein: Thank you, Arona.

Victoria Vann: Okay. Thanks, Arona. Good afternoon. I am Victoria Vann. I work alongside with Arona. And today I will be presenting a high level of requirements for the approval of demolition or disposition applications as it relates to the relocation of residents, resident participation in formal consultations, and the opportunity to purchase a public housing project.

Now, shameless or not so shameless disclosure. Any of the PHAs who I've worked with and who are in attendance will know that I am very much so a hands-on reviewer, and I am very much so resident focused. Why? Because it's mandatory that residents are included in the process.

Their buy in is taken into consideration. Their questions are answered. Their concerns are addressed, which is why board resolutions must be dated after resident consultation and local government consultation. That shows SAC that you all did the proper steps in proper order.

Here's the deal. SAC wants PHAs to be successful. We want you guys to win. We are here to champion you through the process because we understand that if a PHA is successful, that means that that results in a better lived experience for the residents. And for us, that's a win. So let's jump right into the resident consultation. Next slide.

According to 24 CFR 970.9, PHAs must consult with residents who will be affected by the proposed demolition or disposition action. The PHA must provide with its application evidence such as sign-in sheets, meeting minutes, and agenda to prove that the development of the application was in consultation with the residents who will be affected by the proposed action, including resident organizations for the development.

Resident consultations must take place, again, prior to board approval for demolition or disposition. The PHAA must also submit copies of any written comments submitted to the PHA and any evaluation that the PHA has made of the comments.

Okay. So [inaudible]. Again, PHAs must consult with residents. If residents decline to attend meetings, the PHA must follow up and meet with families individually. This is common among scattered sites properties. Next slide.

All right. Resident relocation. According to 24 CFR 970.21, PHAs must offer each family displaced by demolition or disposition comparable housing -- very important -- that meets housing quality standards, better known as HQS, and it is located in an area that is generally not less desirable than the location of the displaced persons.

Notifying each family residing in the development of the proposed demolition or disposition 90 days -- that 90 days is coming up again -- after HUD approval date, except in cases of an imminent threat to health and safety. And that's an exception, of course.

PHAs must also provide counseling and advisory services to families affected by disposition or demolition. PHAs must provide payment for the actual and reasonable relocation expenses for each resident to be displaced, including residents requiring reasonable accommodations because of disabilities.

Sources of funding for relocation costs related to demolition or dispositions may include, but not limited to, capital funds or other federal funds currently available for this purpose. Then this again. PHAs must provide residents who will be displaced by demolition or disposition 90-day notice after HUD approval.

We keep harping on that because it's very -- it's -- please, do not think -- and I want to be super clear. Do not think that it's okay to start the 90-day clock when you submit the application. That's not how this works. Wait until you are approved and you have the official approval from HUD. Then you start, at minimum, the 90 days.

Of course, we would like to see more time given, but the absolute minimum is 90 days after HUD approval. I know I'm driving that home, but it's very critical that you kind of engrave that into your brain when you're going through the process of submitting the application. Next slide.

Jane Hornstein: Just real quickly, the only exception to that is in cases of imminent health and safety risk. Okay. If the residents are at risk, you actually can do that. Okay. Go ahead.

Victoria Vann: Thank you. Appreciate it.

Offer of sale to resident organizations, disposition only. So let's talk about this. PHAs must, in appropriate circumstances as determined by the assistant secretary, provide resident entities the opportunity to purchase a project.

Okay. This is subject to certain exceptions. And so, I'm not going to go through all the exceptions, but I will refer you to 24 CFR 970.9(b)(3). Take a look at that.

When requesting consideration for exceptions, you also need to refer to 24 CFR 970.9(b)(1). That'll let you know exactly what you have in terms of exceptions, what you can request an exception for. And then 24 CFR 970.9(b)(4) states the process by which you -- to actually request for an exception.

If that's not the case and the resident entity has expressed interest in purchasing the property for the continued use of low income housing, the entity must make the request in writing to the PHA no later than 30 days after the resident entity has received notification from the PHA.

And so, here's what we don't want the PHAs to do. We don't want you to have a verbal conversation with us and say, hey, I'm verbally confirming that the resident organizations don't want to buy this property. So we're just going to move forward with it. That is unacceptable. That is not justified proof.

We don't want that, and if you submit it in the application, a one sentence that just simply says, we've consulted with the resident organization or entity and they don't want to move forward, that's not acceptable either. What we need is actual correspondence between the organization -- the resident organization and the PHA within that 30 days that shows that either the resident organization said, yes, we want to move forward with it, or no, we don't want to move forward and purchase the property. You just giving us a one-line sentence is not sufficient. It won't fly.

Jane, did you have anything else before I conclude?

Jane Hornstein: No. Every housing authority has a resident, at least one. So just check with them. Make sure you consult, and if we don't show evidence of that, we will come back to you

and try to get something. So if you hold a meeting, make sure you give us the notice. Make sure you give us the sign-in sheets. If there's notes from the meeting, whatever, that show it.

In terms of the offer of sale, you've got a written letter, show it to us. That should be part of the application.

Antonella Salmeron: Jane, I'm sorry to interrupt. Just letting you know that your voice does sound a little muffled. So if you could perhaps get closer to mic, that will help the rest of the presentation moving forward. Thank you.

Jane Hornstein: Thank you. Is this better? Sorry. Okay. All right. So that pretty much wraps us up, actually. Thank you.

So I wanted to -- so, here's resources that are available, if you've got more questions. These will be on the slides. And yes. We will be giving -- sending the slides out afterwards, and it will be posted on the HUD Exchange as well.

So we're open for questions. I don't know if --

Antonella Salmeron: Okay. I'm actually about to -- I'm about to share a file that I have created with all of the questions that we have compiled so far. I think that'll be easier than me reading them. So just give me one second.

Jane Hornstein: Okay. Thank you, Antonella. Appreciate it.

Antonella Salmeron: We have 22 questions. So we might not get to all of them.

Jane Hornstein: Okay. We'll try to go through as quickly as we can.

Antonella Salmeron: Yes. And now, I'm having an issue where WebEx is not allowing me to show my other file. So one sec. I'm going to copy them in the chat. Is that okay?

Jane Hornstein: Okay. Yeah. I just -- I will say that I know there were a lot of questions in the chat about whether or not you could submit a RAD application through this process.

This is for Section 18, 22, 32, de minimis applications, eminent domain, retention. It does not include RAD. All the RAD goes through the RAD resource desk, as do the RAD blends. If you're going to do a blend, the SAC will actually go in behind you and pull the documents out of the resource desk so you don't need to do two applications.

So I know there were several questions that involved how to do a RAD application, but that is separate. That goes to the RAD resource test.

Antonella Salmeron: And actually, I am -- right now, I am sharing a whiteboard. Jane, do you see the whiteboard on the screen?

Jane Hornstein: Oh, here it is. Yeah. I see it now. Yeah.

Antonella Salmeron: Yes? Do you see it now?

Jane Hornstein: I see it. I don't -- it's empty right now.

Antonella Salmeron: I see -- I'm sure in here it's like too the whiteboard section. I wonder if someone in the chat could perhaps share where -- if whether they see the whiteboard on screen or not.

Chanel says that she can see the whiteboard, but it's blank. Okay. And some others do see it.

So I'm just going to move forward with reading the questions to Jane.

Jane Hornstein: Sorry about that. Thanks.

Antonella Salmeron: What if -- yeah. "What if there are no building or units on the property and it's only land?"

Jane Hornstein: You still need to do a full disposition application. Obviously, it's a little simpler because you don't have the units. If you're having trouble, the land should be in PIC, and it would be in whatever AMP it's associated. We have had situations where it's not in PIC but needed to be added to PIC, and we ask you to put it into the closest AMP.

Antonella Salmeron: Okay.

Jane Hornstein: And then just you'd submit -- it would be acres only, and you would submit that application with all the supporting documentation and fill out the full form. But it would be a disposition only.

Antonella Salmeron: Second question says, "You mentioned that the person very familiar to the disposition application should be the primary contact in Section 1, but when I go to modify that section, it's a dropdown menu only with my PHA's executive director and boards of commissioners. How can I get that to put in my information?"

Jane Hornstein: So there's another section of PIC altogether, and I'm -- I have probably a different view than you all do, but there should be an area that you -- where you could put in the executive director's name and the board of commissioners name and their email addresses. You may want to just add in the development director or whoever that person is. Then that person will become -- will be part of that dropdown menu. That's how you would need to do that.

Antonella Salmeron: Okay. And, Jane, someone had requested that you repeat your last comment on CFFP. That's referring to Slide 13 and PIC application Section 4 on description of property and distribution.

Jane Hornstein: Right. CFFP stands for Capital Fund Financing Program. This is if you have never in any way ever taken a loan out against your future capital funds. If you still have that loan out, you're going to either have to pay it back or work with the capital fund folks to figure out a repayment plan. It doesn't include the units in the application. So we will get sign-off from the capital fund that you've arranged to not need these units in particular to repay that debt. So you need to check it.

There's also the Operating Fund Financing Program. So if you're using either one of those, we do need to check with -- back with the operating funds -- with the capital funds and the operating funds office to make sure that that debt is cleared off of these particular units. I hope that helps.

Antonella Salmeron: Great. I'm going to move on to the next section. Next question, "In Section 2 in the PIC system, the dropdown only goes to fiscal year 2018. Should we provide the data from 2018 or the current fiscal year?"

Jane Hornstein: If you could provide the current fiscal year and attach it to the supporting documents. So we -- the issue is that HUD is in the process of changing the system. And so, we haven't really had the contract support on PIC that we need, which is probably why that's older. So just update -- any updates beyond 2018 into supporting documents. That would be helpful.

Antonella Salmeron: Okay. And next question is, "I missed the opening of the presentation. Is this process, the SAC process, followed for any type of repositioning, RAD, Section 18, Section 22?"

Jane Hornstein: Okay. So as I mentioned earlier, this is not for RAD. RAD still goes under the RAD resource desk. RAD blends go under the resource desk, which is a different -- a whole different system than the IMS/PIC system. This is only for applications that need to go through IMS/PIC, which is Section 18, Section 22, Section 32, which is the conversions, eminent domain, retentions, de minimis, demolitions.

Antonella Salmeron: Okay. Before I move on to our next question, I just want to address, yes. These recordings of these WebEx training will be available on HUD Exchange. And we will also share the slides, and we will also share the list of questions and answers in a curated list so everyone has access to that. Great.

So the following question, Jane, is, "If we have three townhome communities and a few scattered sites but our only disposition, the scatter sites are considered partial removal?"

Jane Hornstein: Depends on how you have it in the AMP. If the AMP includes townhomes and scattered sites, if it's everything in that AMP, then it's a full AMP disposition. If it's just the scattered sites and there's other buildings in the AMP, then it would be considered partial. So depends -- the partial is are you using all the units in the AMP or only part of them?

Antonella Salmeron: Okay. Our next question is, "Is there a tool for us to submit a mock SAC application on the HUD site?"

Jane Hornstein: No. And we have -- there -- in the past, we've had expeditors in the field office that were trained to work with PHAs to help put the applications together. We've put that program on hold temporarily. We're working to try to get that back so that you would have people to work with. But if you call your field office, they may have people available that understand and can answer questions.

Antonella Salmeron: Great.

Jane Hornstein: I would still call.

Antonella Salmeron: Next question is, "Is appraisal needed if B or C are nominal value or line exchange?"

Jane Hornstein: If you're doing -- I'm assuming what they're -- being asked here is if you're not selling at full fair market value. You think there's a nominal. We can take -- if you're doing a below fair market value sale, let's say you're selling to a nonprofit that's affiliated with the housing authority, what we will accept a tax credit -- a tax assessor's value of the property.

But if you're going to sell it fair market value or if there's an exchange, we will want to see the appraisal.

Antonella Salmeron: Yeah. On that note, "Do you need an appraisal if you --" a follow up -- "if you plan to enter into a nominal ground lease for the purpose of affordable housing development?"

Jane Hornstein: We need something that shows the value of the land. If you're going to tell us that that ground lease is a fair market value ground lease, then yes. I need to see the appraisal. If it's a below fair market ground lease, then we can look at a tax credit -- a tax assessor's value.

Antonella Salmeron: Okay. Question number ten, "Do PHAs going through a streamlined RAD to close out their public housing program go through this process as well, or is it only for Section 18, 22, 32, SBC?"

You have said that's a different process.

Jane Hornstein: Yes. If it's going through a RAD, a streamline RAD, again, it goes on the RAD resource desk. You'll have to get a CHAP [ph] and then create the application on the RAD resource desk.

Antonella Salmeron: Okay. One of our participants was -- stated that they were confused by Section 5 where it states proposed action for non-residential inventory. "Does that mean that we don't fill the section out if the units are currently occupied?"

Jane Hornstein: Can you repeat that one more time?

Antonella Salmeron: Yes. In Section 5 of the application, it states proposed action for non-residential inventory. The participant wonders if that means that they don't have to fill out that section if their units are currently occupied.

Jane Hornstein: No. I still think you need to fill it out.

Antonella Salmeron: Okay.

Jane Hornstein: That depends on -- I know Kate and Arona or Victoria; is that correct? I think you still have to do it.

Arona Hamlin: Yes. I believe is asking if it's a non-dwelling, like a building. If that's not included in the application, then no. You don't need to complete that.

Jane Hornstein: But if it is included in the application, you should.

Arona Hamlin: Yes. If it's included. If your application is for dwelling buildings and non-dwelling, then yes. Identify that building.

Antonella Salmeron: Okay. Now, moving on to our next question, "Will AUGF suffice for the environmental review?"

Jane Hornstein: It's -- I think for -- so, I'm going to -- I think that's fine. All that -- all the AUG -- yeah. If it's the agreement to use grant funds. And basically, what that shows us is that HUD has signed off on that. Arona, do you usually look for more than that, or is that sufficient?

Arona Hamlin: I'm sorry. Can you repeat? What was the question?

Jane Hornstein: Yeah. On the environmental review, the agreement to use grant funds is the final sheet of it that basically says HUD approves it. So do you need that, or do you need more forms than that?

Arona Hamlin: Well, generally, when we receive the environmental, we look at it. However, we get more information from the field office because they are the ones approving it. So we just base you -- our approval on what the field office is saying in terms of it was done and who conducted it and if funds were released for that particular environmental. That's how the approval letter is written.

Antonella Salmeron: Just letting you know, there is a little bit of feedback, some -- maybe A current of air is going through. So we had a bit of a hard time hearing to that one. Could you say the last part again?

Arona Hamlin: So excuse me. In terms of the environmental, we do receive it from the housing authority, but we wait until we get concurrence from the field office because they in turn tell us exactly, meaning the departments, that the environmental was conducted, who conduct -- who performed the environmental, that they approved it. And so, what -- the question that's being

asked, we actually base the environmental on information that we receive from the field office. That's helpful.

Jane Hornstein: Okay. I mean, so you can send in the AUGF. That's fine.

Arona Hamlin: Uh-huh.

Jane Hornstein: Okay. Next question.

Antonella Salmeron: Sorry. I was muted. "Is a site neighborhood standards review required as part of the application if the plan is to rebuild on the site?"

Jane Hornstein: I'm sorry. One more time.

Antonella Salmeron: "Is a site neighborhood standards review required as part of the application if the plan is to rebuild on the site?"

Jane Hornstein: If you're building back public housing units, yes. They'll have to go through the 24 CFR 905 process. And therefore, part of that process will include a site neighborhood standards review.

If you're building back project-based voucher housing, not necessarily, unless you're going to use HOME or CDBG funding as part of that rebuild. From the SAC perspective, we do not require it.

Female: Right. So it doesn't have to be part of the SAC application, but it has to be submitted separately as part of the 905 development proposal to either the mixed finance office or the field office.

Antonella Salmeron: Okay. Moving on to our next question. "When does a certificate of good standing expire, meaning, how old can a certificate of good standing be before we should get an updated one?"

Jane Hornstein: That's a good question. I think it should be relatively recent. I mean, if it's 20 years old, I've got a problem. But if it's within the last year or two, I'm probably okay. I don't think it has to be within the last six months. I don't know if that answers the question.

Antonella Salmeron: I think it does, but we'll review the questions afterwards and elaborate, if needed, and we can share with the participants.

Jane Hornstein: Okay.

Antonella Salmeron: I'm going to move on to our next question. "What was the PIH number again that goes over to proceeds?"

Jane Hornstein: The proceeds. The proceeds notices, PIH Notice 2020-23.

Antonella Salmeron: 2020-23. Thank you.

Next question, "If you are unsure of the number of ACC units we are planning to replace, should we include our estimate?"

Jane Hornstein: So we're going to push you pretty hard to make sure that your plans are pretty significant. And we do know that a lot of PHAs will try to get SAC approval early so that they can use that -- so they can show that as site control when they do tax credit applications. But we're going to try to push you hard to see if we can get you nailed down.

We'd prefer that you really know what you're doing and not give us a number because -- that you just make up and then find out three years later it needs to be a completely different development. So we'd like to know that you've already put in financing applications, and you're really working on a plan. So we're going to try to push more towards that. We do understand that there's times when you just need something in advance of that.

Antonella Salmeron: Thank you. Next question. "What happens if the submit button has been hit and you realize that you have to update or change a document?"

Jane Hornstein: Oh, that the -- wait. So that the application has been submitted and something needs to change?

Antonella Salmeron: Yes.

Jane Hornstein: As soon as an application arrives at the SAC, either the executive director or -- usually the executive director will get a note from the SAC saying, Arona has been assigned or Victoria has been assigned. Whoever the reviewer is will be listed there. And what you'll -- and it's -- we ask that you give the reviewers a few days to at least get through the initial review of the application to generate their questions and see what they see and what's missing.

But if you know that you have to change a document, just call the reviewer and you can probably email it and they can upload it and make the change. And that's all part of the conversation.

Antonella Salmeron: Thank you. Our next question asks, "If selling to ourselves after creating an LLC, would we choose B for negotiated sale versus negotiated lease or another transfer?"

Jane Hornstein: It would be -- well, if you're going to sell it and not put it under a ground lease, yes. It's a negotiated sale to your nonprofit.

If you want to put it under a ground lease and then lease it to your -- the nonprofit you created, that would be a negotiated lease.

Antonella Salmeron: Great. Thank you. "Is disposition in scattered homes that are currently occupied and we expect no relocation fees, do we need to complete Section 6 of the application?"

Arona Hamlin: Section 6 is relocation.

Jane Hornstein: Relocation. Yeah. If there's nobody to relocate, then no. You don't need to do it. And is there something else, Arona, they need to fill out?

Arona Hamlin: Well, again, they need to explain why the units are vacant, how long they've been vacant, what was the plan in terms of relocating those residents at whatever given time, and then that will address Section 6.

Antonella Salmeron: Okay. "What is the exception for the 90-day notice regarding residents' relocation?"

Jane Hornstein: It's really only for health and safety reasons. If your building has caught fire and you need to get the residents out, get them out. Don't wait. If, in fact, the building was hit by a hurricane, same situation. It's got to be an act of God that puts them in peril. Otherwise, you've got to give them a 90-day notice.

Antonella Salmeron: Okay. We have some more questions regarding that. And just to assure everyone, we do have a list of 35. And right now, we're at 23. So we'll get to your question, if not right now, via email.

"Is the offer for residents to purchase the property still required if only a small portion is being disposed of and that small section will be sold to a local municipality?"

Jane Hornstein: Yes. You still need to talk to the residents. We've had very small -- we've had, like, we're going to sell 0.2 acres to the local municipality for a roadway. You still got to talk to the residents. And yes. We are going to look for that offer of sale. More times than not, they're going to want the roadway, but we just need the documents.

Female: Unless they -- there's a [inaudible] exception to the offer of sale. So an instance, if it's non-dwelling property, then you don't have to make an offer to sale because there's an exception.

Antonella Salmeron: Okay. "For Section 32, if we do not intend to displace any families because we're only selling to the resident who lives in a single family, if they are interested in purchasing, do we need to show proof of resident meetings?"

Jane Hornstein: Yes. You still got to talk to those residents. Those may be individual meetings, but you should still have an email that you sent to them to say, we're setting up the meeting at this time and what was discussed. So yes. Please document and send it in.

Antonella Salmeron: Okay. "Regarding the 90-day notice to residents, is the 90 days used to notify the residents, or do the residents have 90 days to move and relocate?"

Jane Hornstein: You can't -- the 90-day notice is -- you can't do anything. You can't force a resident to move prior to the 90-day notice. But you -- right. So you -- but, I mean --

Arona Hamlin: You can do voluntary transfers before the 90-day notice, but there can't be any mandatory involuntary relocation.

Jane Hornstein: Right. So for instance, if you're going to convert to a project-based voucher, convert all the units to project-based vouchers, what you can do in those situations, if the residents are willing, go ahead and sign the lease ahead of time. But it has to be voluntary on the resident's part. You can't force that until after the 90-day period.

Female: Right. And even after the 90-day period, there's another provision that says you can't complete the disposition and the demolition until all residents are actually relocated.

So for instance, if you give families a tenant-based voucher, the form of relocation assistance, and they're unable to find a place to use that tenant-based voucher because of the market and utilization, you either have to extend the timing on that voucher or offer that family another form of comparable housing.

You can't after 90 days just say, okay. Time's up. You're out of luck. So you do have to kind of make other efforts to ensure that family is actually relocated.

Antonella Salmeron: Okay. I'm going to move on to the next question, although I see that someone followed up on a previous one. So we're going to get to that in a second. But I would like to cover this one.

"How concrete do the plans for redevelopment need to be at the time of the application? We are planning to redevelop the property but don't have unit counts or types at this time."

Jane Hornstein: So there's a couple things you can do in a situation like that. If you are applying now to demolish the units and then redevelop them, you can go ahead and just do the demolition application now and come back when you know what your plans are for the disposition.

If you're planning to sell the units as is, we probably are going to want to know more about what your plans are and be a little more concrete. In the past, we have done situations where we've approved a disposition -- a demolition and then a disposition, and ten years later nothing's happened. We had a situation like that. The fire alarm went off, and now on record, HUD has said the building is bad. It needed to go. Ten years out and a resident got hurt. That's not okay.

We do expect you to act quickly once you've gotten the approval. So we do want your plans to be as concrete as possible.

Antonella Salmeron: Okay. "How do you go about separating vacant land from a site with existing PHA units on the site?"

Jane Hornstein: You would -- in those situations, you can go ahead and put in a disposition application for land only. What you will need is a survey or a good legal description that tells us exactly which land you're talking about. Preferably, we could see a map that will show us and show that it's not part of -- that the units are on a different part of the site. But we do that often.

Antonella Salmeron: Okay. Our next question is about CCA Section 2, question 1. "Can you please explain what performance funding subsidy is or PFS?"

Jane Hornstein: I'm going to let somebody else handle that. I'm not clear.

Arona Hamlin: Okay. I'm sorry. I think they're asking about performance funding subsidy. That's the subsidy that the PHA received per unit. So if the PHA is receiving \$2,351 per [inaudible] with -- and it's 139 units, then whatever the total is [inaudible] will then know that [inaudible] by decreasing those number of units [inaudible] zero subsidies [inaudible] after the approval.

Antonella Salmeron: Okay. Just one second. "Regarding with the expeditors on hold, does the 52860 form go directly into support and documents of PIC without first being sent to the field office?"

Jane Hornstein: At this point, yes. If you can find someone in the field office that will review them, that'll be great. But they're not doing the program where there's somebody who will do a quality check on them. So they can go straight into the application. But if there's someone in the field office who can do it, please have them look.

Antonella Salmeron: Great. And next question, "Is a tax assessor's valuation sufficient for a straight demolition application?"

Jane Hornstein: I'm sorry. A what? A tax?

Antonella Salmeron: Assessor's valuation.

Jane Hornstein: Oh, a tax assessor's valuation. For a straight demolition?

Antonella Salmeron: Uh-huh.

Jane Hornstein: So we don't need one. We don't need anything. We just need to know that the building itself is obsolete. We're going to look more at the PNA. We're less concerned about the value of the building at that point. So we need a good physical needs assessment that says this is what it would take to bring the building back to a reasonable standard.

Female: And just to further clarify, demolition only, the declaration of trust stays in place. A demolition only approval allows you to go in and demolish the structures, but it's all under public housing requirements, ACC, and DOT. There's no release of the DOT, and that land still is subject to public housing until you come back with another disposition application of the vacant land or otherwise rebuild on the site.

Antonella Salmeron: Okay. We do have about six more questions, six or seven more questions, and we only have one minute left from the time that we had allocated. I am happy to stay a

couple more minutes. Jane, would you like to continue, or would you like to get back to these questions via email?

Jane Hornstein: I think there's one question in particular that I can see, and that's this question regarding the 106 for the environmental review. She asks for public consultation or resident consultation, if grant engagement standards, such as meeting minutes, sign-in sheets, et cetera.

Those are all good. If you've got them, send them in. Those should be part of what you submit.

But I think the rest we're going to have to get back to everybody by -- via email at this point.

Antonella Salmeron: Okay. Sounds good.

Jane Hornstein: I'm sorry to do that.

Antonella Salmeron: Yeah. I would like to thank everyone for joining today and for being proactive in your questions. We will be sharing the webinar material soon, and we'll have the answers and the list of questions attached as well. Thank you and have a wonderful evening.

Jane Hornstein: Thanks, everybody. Thanks for joining.

Arona Hamlin: Thank you.

(END)