

## Significant Amendment to HACP's FY2020 Annual Plan

The Housing Authority of the City of Pueblo (HACP) is amending its Annual Plan to allow for implementation of the following U.S. Department of Housing and Urban Development (HUD) programs:

1. Section 18 disposition or RAD conversion of HACP's scattered site units.
2. RAD conversion of Sangre de Cristo and HACP's other public housing developments.

### Rental Assistance Demonstration Program and Section 18 Blending Section 18 Demolition/Disposition

Over the next several years, HACP is considering the possible conversion of its public housing units through the Rental Assistance Demonstration (RAD)/Section 18 Blend and Section 18 Demolition and/or Disposition. As encouraged by HUD, HACP is conducting an asset repositioning analysis to ensure the agency is best serving the residents and the community. HACP will be coordinating and obtaining the input of various stakeholders throughout the asset repositioning analysis, this process is expected to take 12 to 18 months. As an outcome of this analysis, HACP will develop an implementation strategy that best optimizes the use of HUD's repositioning tools. In addition, this asset repositioning analysis is examining public and private partnerships that will preserve and stabilize affordable housing in Pueblo over the long term.

On October 22, 2013, HACP had submitted a RAD Application for all 211 public housing apartments at the Sangre de Cristo site which is part of AMP 100. The purpose of the award is to begin the process of effectuating the conversion of public housing to a form of project-based assistance under the Section 8 of the Public Housing Act of 1937.

Development	HUD issued CHAP	Conversion Type	Number of units converted/ Planned for Conversion	Status
Sangre de Cristo Phase I	03/19/15	RAD PBRA	72	Apartments complete
Sangre de Cristo Phase II	05/21/18	RAD PBV	47 (4 de minimis)	Construction underway
Sangre de Cristo Phase III	04/17/18	RAD PBRA	49	Due diligence and financial structuring underway/financing applications to be submitted in 2021
Sangre de Cristo Phase IV	TBD		40	Due diligence planned to begin in 2022

RAD is authorized by the Consolidated and Further Continuing Appropriations Act of 2012 (Pub. L. No. 112-55, approved November 18, 2011), as amended by the Consolidated Appropriations Act, 2014 (Pub. L. No. 113-76, approved January 17, 2014), the Consolidated and Further Continuing Appropriations Act, 2015 (Pub. L. No. 113-235, approved December 16, 2014), the Consolidated Appropriations Act, 2016 (Pub. L. No. 114-113, approved December 18,

2015), the Consolidated Appropriations Act, 2017 (Pub. L. No 115-31, approved May 5, 2017), and section 237 of Title II, Division L, Transportation, Housing and Urban Development, and Related Agencies, of the Consolidated Appropriations Act, 2018 (Pub. L. 115-141, approved March 23, 2018) collectively, the “RAD Statute.”

HACP is currently analyzing financial repositioning options for these properties. As a result, HACP will be converting a number of its Asset Management units to either Project Based Vouchers or Project Based Rental Assistance (PBRAs) under the guidelines of H-2019-09 PIH 2019-23, Notice PIH 2018-04 and any successor PIH Notices, rules and regulations. Upon conversion, HACP will adopt resident rights, participating, waiting list and grievance procedures as required by HUD. HACP will comply with all fair housing and civil rights requirements. The RAD and Section 18 Blending programs were designed by HUD to assist in addressing the capital needs of public housing by providing housing authorities with access to private sources of capital to repair and preserve its affordable housing assets. Upon conversion, HACP’s Capital Fund Budget will be reduced by the pro rata share of Public Housing Developments converted under RAD. HACP will access private funding sources and borrow funds, in accordance with industry standard underwriting criteria to address the capital needs of affordable housing apartments. HACP may also decide to contribute Operation Reserves available at the time of conversion and Capital Funds towards the conversion and will annually, and periodically submit these financial reports to HUD requesting access to these funds.

Please find below the specific developments for which HACP is assessing the RAD program.

<b>Development</b>	<b>PIC ID</b>	<b>Conversion Type</b>	<b>Transfer of Assistance</b>	<b>0 BR</b>	<b>1 BR</b>	<b>2 BR</b>	<b>3 BR</b>	<b>4 BR</b>	<b>5 BR</b>	<b>TOTAL</b>
Sangre de Cristo Apartments	CO002-01	RAD		0	25	112	53	22	0	<b>212</b>
Scattered Sites	CO002-02	Section 18		0	28	0	22	4	1	<b>55</b>
Mesa Tower Apartments	CO002-03	RAD		0	102	0	1	0	0	<b>103</b>
Greenwood Apartments	CO002-04	RAD		6	4	0	0	0	0	<b>10</b>
Ogden Apartments	CO002-04	RAD		16	9	0	0	0	0	<b>25</b>
Scattered Sites	CO002-04	Section 18		0	4	8	14	12	5	<b>43</b>
Eastwood Heights	CO002-05	Section 18		0	0	10	15	13	6	<b>44</b>
Amarillo Apartments	CO002-05	RAD		10	11	0	0	0	0	<b>21</b>
West 16th Complex	CO002-06	RAD		10	5	0	0	0	0	<b>15</b>
West 12th Complex	CO002-06	RAD		0	6	0	0	0	0	<b>6</b>
Scattered Sites	CO002-06	Section 18		0	0	11	14	5	6	<b>36</b>
Morris Duplexes	CO002-08	RAD		0	0	6	0	0	0	<b>6</b>
Scattered Sites	CO002-08	Section 18		0	2	25	14	1	0	<b>42</b>
Scattered Sites	CO002-09	Section 18		0	10	7	3	0	0	<b>20</b>
Anita Complex	CO002-10	RAD		0	0	6	2	0	0	<b>8</b>

Elmhurst Complex	CO002-10	RAD		0	0	6	4	0	0	<b>10</b>
West Street Complex	CO002-10	RAD		0	0	4	1	0	0	<b>5</b>
Scattered Sites	CO002-10	Section 18		0	2	10	5	0	0	<b>17</b>
Vail Hotel Apartments	CO002-11	RAD		1	54	1	6	0	0	<b>62</b>
Minnequa Park Apartments	CO002-14	RAD		0	40	0	0	0	0	<b>40</b>
Scattered Sites	CO002-15	Section 18		0	0	0	12	0	0	<b>12</b>
Montezuma Complex	CO002-17	RAD		0	0	0	20	0	0	<b>20</b>
Scattered Sites	CO002-18	Section 18		0	0	0	20	0	0	<b>20</b>
Scattered Sites	CO002-20	Section 18		0	0	0	38	0	0	<b>38</b>
Scattered Sites	CO002-22	Section 18		0	0	0	6	0	0	<b>6</b>
Scattered Sites	CO002-23	Section 18		0	0	0	3	0	0	<b>3</b>
Scattered Sites	CO002-25	Section 18		0	0	0	11	0	0	<b>11</b>
Scattered Sites	CO002-27	Section 18		0	0	0	10	0	0	<b>10</b>

### **Section 18 Demolition/Disposition**

The following table is a planning tool that HACP uses to inform HUD and other stakeholders of potential considerations for future demolition/disposition activities and replacement of properties in the portfolio. Based on the comprehensive assessment recommendations and findings, HACP will submit Section 18 applications to HUD for the demolition or disposition of units in the agency’s public housing portfolio. As any planned demolition or disposition is undertaken, HACP will seek to replace the units in the same communities as long as the neighborhood is below city/county average poverty rates, are potentially in an area of opportunity, and/or the long term residents of the units are satisfied connected with the neighborhood, or developments that are part of a larger neighborhood revitalization plan. The objective is to provide quality and safe housing that operates efficiently and effectively for our residents. Multiple approaches are being evaluated to continue to deliver quality sustainable housing units and to pursue the perseverance of sustainable affordable housing units that provide choice and opportunity for our residents. To accomplish this objective and after due diligence, concepts such as acquisition/rehabilitation, new construction for replacement units as well as conversion of rental single-family homes to homeownership and review of other funding programs are being considered and implemented. Some of these options are discussed throughout this annual plan. The following table is utilized to reflect Demolition/Disposition activities.

In the fourth quarter of 2020, HACP plans to submit a Section 18 disposition application or multiple Section 18 disposition applications to the HUD Special Application Center (SAC) for the disposition of approximately 362 scattered site units located in AMPs 300 and 400, under the guidelines of PIH Notice 2018-04 (HA) and any other applicable PIH Notices, rules and regulations. Due to distance between units and lack of uniformity of systems (e.g. HVAC, utilities) HACP is demonstrating an unsustainability to operate and/or maintain the units as public housing.

Scattered site units are defined by HUD as units in non-contiguous buildings with four or fewer total units.

After obtaining HUD SAC approval to dispose of the scattered sites, HACP will apply to HUD for the same number of tenant protection vouchers, this subsidy will then be project-based for each unit and all tenants that are lease compliant will remain in the units. The conversion is a change in HUD subsidy in order to preserve the long-term affordability of the units, but this conversion is expected to have minimal impact on the existing public housing residents residing in these units.

As required by HUD, HACP plans to transfer the ownership of the units to an HACP related entity. PBV units require a Housing Assistance Payment (HAP) contract that will be administered by HACP with oversight from HUD. This conversion ensures efficiency in operations and thus creating a more stable funding source for these units. It is anticipated that approximately 10 of these units may need to be demolished. A 30-year use agreement will be tied to each unit restricting use of these properties to affordable housing. At some point in the future, HACP may determine a certain number of the units are not sustainable over the long term and the agency may request HUD permission to sell the units at fair market value, after going through a HUD process that includes resident notifications/meetings. HACP is evaluating whether any of the units are physical deteriorated to a point that will preclude their preservation as affordable housing or are so remotely located making management and maintenance of these units financially infeasible.

HACP expects to phase in this conversion of subsidy from public housing to project based vouchers over a period of approximately 6-9 months and will refine the timelines stated below.

Columns included in table below:

1. Identifies the HUD project number associated with the development.
2. Indicates the number of units.
3. The type of action proposed, whether HACP is pursuing demolition or disposition.
4. reflects the status of application each year, such as if it is an application HACP intends to submit (Planned application), or if the application has been submitted and we are either waiting approval (Submitted, pending approval) or it has been approved.
5. Provides an estimated start and end date of when the activity of demolition/disposition may begin after HACP has received HUD approval.
6. Provides a brief description of the steps HACP intends to take as part of the action and the preservation of affordable units.

**362 non-contiguous (1-4 unit) scattered sites Section 18 activities planned**

<b>1 AMP</b>	<b>2 Number of Units</b>	<b>3 Type of Action</b>	<b>4 Status</b>	<b>5 Timeline (anticipated disposition)</b>	<b>6 Narrative</b>
300	158	Disposition	Planned	Fourth Quarter 2020- First Quarter 2021	HACP plans to transfer the units to El Centro Pueblo Development Corporation (a single purpose-related entity), apply to HUD for tenant

					protection vouchers and then project-base the vouchers through a Housing Assistance Payment contract.
400	204	Disposition	Planned	First Quarter 2021-Second Quarter 2021	HACP plans to transfer the units to El Centro Pueblo Development Corporation (a single purpose-related entity), apply to HUD for tenant protection vouchers and then project-base the vouchers through a Housing Assistance Payment contract.

The following tables are utilized to reflect additional Demolition/Disposition activities under consideration as part of HACP’s asset repositioning analysis.

**Development #1**

Name of Public Housing Development: Amarillo Apartments	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units: 21	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development: \$48,564.37 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:	11	11	
One Bedroom:	10	10	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #2**

Name of Public Housing Development: Morris Duplexes	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  6	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$13,875.53 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:			
Two Bedroom:	6	6	
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #3**

Name of Public Housing Development: Anita Complex	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  8	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$18,500.71 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:			
Two Bedroom:	6	6	
Three Bedroom:	2	2	
Four Bedroom:			

Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #4**

Name of Public Housing Development: Elmhurst Complex	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  10	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$23,125.89 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:			
Two Bedroom:	6	6	
Three Bedroom:	4	4	
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #5**

Name of Public Housing Development: West Street Complex	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  5	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$11,562.95 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:			
Two Bedroom:	4	4	
Three Bedroom:	1	1	

Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #6**

Name of Public Housing Development: Greenwood Apartments	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units: 10	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development: \$23,125.89 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:	6	6	
One Bedroom:	4	4	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from existing PBV waiting list.	

**Development #7**

Name of Public Housing Development: Ogden Apartments	PIC Development ID: CO00200300	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units: 25	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development: \$57,814.73 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:	16	16	
One Bedroom:	9	9	
Two Bedroom:			

Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)	Explain how transferring waiting list: Will begin housing from existing PBV waiting list.		

**Development #8**

Name of Public Housing Development: 16th Street Complex	PIC Development ID: CO00200400	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  15	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$34,688.84 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:	10	10	
One Bedroom:	5	5	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)	Explain how transferring waiting list: Will begin housing from existing PBV waiting list.		

**Development #9**

Name of Public Housing Development: 12th Street Complex	PIC Development ID: CO00200400	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  6	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$13,875.53 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			

One Bedroom:	6	6	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)	Explain how transferring waiting list: Will begin housing from existing PBV waiting list.		

**Development #10**

Name of Public Housing Development: Montezuma Apartments	PIC Development ID: CO00200400	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  20	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$46,251.78 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:			
Two Bedroom:	20	20	
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)	Explain how transferring waiting list: Will begin housing from existing PBV waiting list.		

**Development #11**

Name of Public Housing Development: Mesa Tower	PIC Development ID: CO00200200	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  103	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$238,196.67 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)

Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:	102	102	
Two Bedroom:			
Three Bedroom:	1	1	
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from site-based waiting list	

### **Development #12**

Name of Public Housing Development: Vail Hotel	PIC Development ID: CO00200200	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
Total Units:  56	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development:  \$129,504.99 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:	56	56	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from site-based waiting list	

### **Development #13**

Name of Public Housing Development: Minnequa Park Apartments	PIC Development ID: CO00200200	Conversion Type: PBV/PBRA	Transfer of Assistance: N/A
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Total Units: 40	Pre-RAD Unit Type:	Post-RAD Unit Type, if different:	Capital Fund Allocation of Development: \$92,503.56 (Annual Capital Fund Grant, divided by total number of public housing units in PHA, multiplied by total number of units in project)
Bedroom Type:	Number of Units, pre-conversion:	Number of Units, post-conversion:	Change in number of units per bedroom type and why:
Efficiency:			
One Bedroom:	40	40	
Two Bedroom:			
Three Bedroom:			
Four Bedroom:			
Five Bedroom:			
(If performing a transfer of assistance)		Explain how transferring waiting list: Will begin housing from site-based waiting list	