

This checklist summarizes the application requirements for the demolition and/or disposition of public housing in accordance with Section 18 of the 1937 Act, 24 CFR part 970, and PIH Notice 2018-04. Except when based on statutory or regulatory authority or law, this checklist does not have the force and effect of law and is not meant to bind the public in any way. This checklist is intended to provide clarity to the public regarding existing requirements.

Submission Requirements (HUD-52860 and HUD-52860-A)

General Information

1. Date of application
2. PHA name & code
3. PHA contact
4. Local HUD Field Office (FO) of Public Housing and Expeditor

Remedial Order

1. Is there a remedial order, compliance order, final judgment, consent decree, settlement agreement or other court order or agreement that your PHA is operating under currently?
2. If yes, include narrative description explaining how removal is consistent with the remedial order.

PHA Plan (SAC confirms through FO Cert)

1. Is the demo/dispo included in a HUD-approved Annual Plan or Significant Amendment¹?
2. For Qualified PHAs², was the demo/dispo discussed at an annual public hearing?

Environmental Review (ER). Is ER completed³ under part 50 or 58 that identifies the demo/dispo and any known future use? SAC confirms ER requirements with FO. PHA may include HUD-7015.16 to verify completion.

Local Government Consultation

1. Name local jurisdiction(s)
2. Mayor's (or highest elected official) letter supporting the demo/dispo
3. Narrative description of consultation with dates, meetings, issues raised and PHA responses. If no response by government, description of attempts at government consultation.

Property Description

1. Units/buildings (PIC numbers)
2. Acreage (Disposition only)
3. Site map or subdivision if disposition is for a portion of property (Contiguous sites only) (partial DOT release)
4. Description of land (e.g. survey, copy of the legal description) (Disposition only)
5. Recorded DOT/DORC (Disposition only)
6. Description of UFAS-accessible units distribution (at development and proposed for removal under S18)
NOTE: PHAs report UFAS-accessible units for their entire Public Housing Portfolios in MicroStrategy. PHAs must ensure this information is current and complete. Incomplete UFAS-accessible data may delay FHEO review.
7. Personal Property (e.g., equipment, supplies, furniture and vehicles) that exclusively or primarily supports the project/real property the PHA is disposing (NOTE: there is no specific question on the HUD-52860 about personal property, but PHAs must include a description of any personal property that they want to include in the Disposition).

Estimated Value of Property (Disposition Only)

1. If Disposition is at fair market value (FMV), provide a summary, name of appraiser, and date within past year.
2. If Disposition is below FMV (based on commensurate public benefit), provide alternative form of valuation (i.e. tax assessor opinion)

Board Resolution. Signed and dated after resident and local government consultation

¹ FO approval of the Plan can be pending, but PHA must have submitted the Plan to the FO.

² See https://www.hud.gov/program_offices/public_indian_housing/pha/lists

³ Check with SAC for exceptions, i.e. SAC may allow PHA to submit the application if the part 58 is in public comment period

Timetable

1. Begin and end relocations
2. Execute contract (demo or sales)
3. Remove property

Relocation

1. Occupied Units (automatically populated in PIC) (no data entry required)
2. Number of individual residents displaced (from public housing lease, even if no physical displacement)⁴
3. Name of agency providing relocation counseling services to residents (if different from PHA)
4. Description of relocation counseling and advisory services
5. Estimated cost and anticipated funding source for resident moves (actual and reasonable) and other relocation expenses (including counseling)
6. If PHA does NOT administer an HCV Program, name of Section 8 HCV Administrating Agency (who agrees in writing) and approval from local HUD Office of Public Housing FO
7. Number of TPVs requested, narrative supporting TPV request and proposed use for relocation (describe family relocation preferences and how TPVs are offered (i.e. tenant-based mobility, project-based voucher—existing or after an AHAP development period)
8. Comparable housing offered to displaced residents (check box on 52860). PHAs may offer more than one form of comparable housing. Consider family relocation preferences, households where a family member has a disability, and families not eligible for Section 8 HCV assistance (i.e. because over-income)
9. **PHAs may, but are not required to, submit a comprehensive written Relocation Plan. The Uniform Relocation Act (URA) does not apply. See 24 CFR 970.21**

Resident and Resident Group Consultation

1. Resident. PHA develops demo/dispo application in consultation with residents to be displaced or otherwise affected (note N/A for vacant land or non-dwelling). Provide date(s) and narrative of consultation process. Attach supporting documents (e.g., agenda, meeting notices; sign-in sheets; minutes, print-out of written or email consultation)
2. Resident Council. If there is a Resident Council, provide name of council and date and narrative of consultation.
3. Resident Advisory Board (RAB). Provide date and narrative of consultation.
4. Attach copies of all written comments from residents or resident groups/organizations during the consultation.

Demolition Justification and Description

1. Property Identification (portion, non-dwelling)
2. Cost of Demolition
3. Source of Funds
4. Justification (Physical condition, location, other factors) (*see Appendix A*)
5. Supporting documentation for demo (rehab estimate and 52860-B)
6. If only a portion of property is demolished, narrative statement on viability of remaining property
7. Future use of property after demolition (if known) (i.e. disposition, redevelopment as public housing)

Disposition Justification and Description

1. Justification (check box on 52860-A; attach description and supporting documentation) (*see Appendix A*)
2. Disposition details—method of disposition (sale or ground lease); FMV or below FMV; name of acquiring entity (if known); proposed future use of property (if known). (*OPTIONAL: complete Transaction Table on Appendix B*)
3. Certificate of good standing (if negotiated disposition)
4. Narrative of commensurate public benefit if below FMV

Proceeds (Disposition Only)

1. Estimated amount of gross and net proceeds
2. Use of gross proceeds for relocation costs and/or reasonable costs of disposition. Attach a brief narrative/budget

⁴ Form HUD-52860 requires PHAs to provide a summary of resident displacement by race/national origin and disability. HUD will review the data in the 50058 to confirm this information. Please ensure 50058 data is current.

3. Use of net proceeds (if known) (check box on 52860-A). Attach brief narrative, budget, or other supporting documentation). If loan is checked, include term, interest rate, and type of loan. If unknown, indicate. Once known, SAC requires the PHA to request a use of proceeds.

Resident Offer of Sale or Request for Exception (Disposition Only)

1. Is PHA exercising an exception (check box on 52860-A)?
2. If not exercising an exception, name all established eligible organizations. Provide the notifications to organizations and date sent. Summarize responses. Indicate if a proposal was received and if the PHA accepted it.

HUD-52860, HUD-52860-A, and HUD-52860-B (if justification is physical obsolescence)

Forms should be submitted as PDFs (including signed certifications)

HUD-5837 (required only if demo/dispo will remove all remaining units from the PHA's ACC inventory/PIC count)

Forms should be submitted as PDFs (including signed certifications)

Other PHA Considerations (but no submissions required)

1. **Energy Performance Contract (EPC), Capital Fund Financing Program (CFFP), Repayment Agreement.** If any obligation impacts the units, resolution is required before SAC approval.
2. **Public Housing Only PHA.** If the applicant is a Public Housing Only Agency (no HCV program) or otherwise proposes to have another HCV Agency administer TPVs, the FO must approve the HCV Administrating Agency (jurisdiction and agency capacity) and there must be a written agreement between the two PHAs before SAC approval.
3. **Community Supportive Services (CSS) Program.** If a CSS grant program exists (i.e. ROSS, FSS, Jobs Plus, EDSC), review the demo/dispo impact on the grant/families. For FSS or ROSS, contact FO with questions. For JP, contact your Grant Manager with questions.

APPENDIX A
Justification Options for Demolition

PIH Notice 2018-04

NOTE: Demolition Applications (including Demolition and Disposition Applications) are submitted when a PHA plans to demolish property while it is under a HUD Declaration of Trust (DOT). The PHA demolition must comply with Section 3, Davis-Bacon and other public housing requirements (and PHA may use Capital Funds). If the PHA plans to transfer obsolete property so that a LIHTC entity or other third-party can complete the demolition (with outside funds), it submits a Disposition only Application.

Justification	Submission Requirements and Supporting Documentation
Obsolete: Physical Condition	<p>Evidence substantial physical issues of the buildings/units (i.e., critical structural issues, deficiencies in major systems, deterioration due to prolonged deferred maintenance) .</p> <p>Required: HUD-52860-B (TDC analysis), Excel document of list of specific and detailed work-items that require rehabilitation or repair within next 3 years, preferably prepared by an outside engineer or architect that includes SCOPE OF WORK and COST-ESTIMATES. See PIH Notice 2018-04.</p> <p>Optional: Physical Needs Assessment (PNA), government inspections (including condemnation orders), and/or independent architect or engineer’s reports (reports are required to support structural defects, and asbestos and lead remediation) .</p>
Obsolete: Location	<p>Evidence the location causes obsolescence (i.e. environmental or proximity to highway/factory make property no longer suited for residential use)</p> <p>Required: Narrative and third-party documentation; cost-test (PHA’s cost to cure/mitigate)</p>
Obsolete: Other Factors	<p>Evidence conditions impacting the marketability, usefulness, or management of the units that seriously impede operations for residential use supported by third party documentation.</p>
De Minimis	<p>In any 5-year period, a PHA may demolish the lesser of 5 dwelling units or 5 percent of the total public housing dwelling units.</p> <p>CERTIFY the resulting space is used to meet the service or other needs of the residents or the PHA determines the unit(s) are beyond repair.</p> <p>SAC approval not required but prior to demolition, the PHA must submit a PIC application and wait for SAC to acknowledge the action (and ensure environmental compliance) .</p>

APPENDIX B

Justification Options for Dispositions

PIH Notice 2018-04

Justification	Submission Requirements and Supporting Documentation
Surrounding Area-Health and Safety 970.17(a)	<ol style="list-style-type: none"> Evidence conditions in the area that present serious obstacles to maintaining units as healthy/safe housing (ideally from third party; may include part 58 ER determination). Narrative of why conditions cannot be cured or mitigated in a cost-effective manner.
Surrounding Area-Infeasible Operation 970.17(a)	Evidence the lack of demand for the units (i.e. long-term vacancy issues, notwithstanding due diligence in marketing, census tract data on declining populations; isolated area with limited access to transportation and infrastructure; high turnover rates).
Improved Efficiency/Effectiveness Off-Site Development 970.17(b)	<ol style="list-style-type: none"> Evidence of firm plans to replace with PH or PBV <u>Public housing units</u>. Submit development proposal to HUD under 24 CFR part 905 <u>PBV</u> with “intent to project-base” notification to HUD No minimum number, but evidence replacement units are preferred.
Improved Efficiency/Effectiveness On-Site Development 24 CFR 970.17(c)	See above. If same units are proposed (i.e., change from PH to PBV) then the plan must include modernization/rehabilitation of the units .
Unit obsolescence (PHYSICAL only) (cannot be used for LOCATION or OTHER FACTORS)	Evidence units are obsolete as to physical condition in accordance with applicable demolition criteria (i.e. rehab cost-estimate and HUD-52860). See above.
Very Small PHAs	Evidence operation of 50 or fewer public housing units and commitment to closeout under PIH Notice 2016-23. Generally, a narrative (story) of how PHA proposes disposition and closeout (i.e., in connection with method of disposition, need for TPVs and partnering with voucher agency, use of proceeds, consolidation vs. closeout).
Blend with Rental Assistance Demonstration (RAD) <ul style="list-style-type: none"> 75/25 Closeout 	PHA REQUESTS THE SECTION 18 BY SUBMITTING A RAD APPLICATION ONLY. PHA SHOULD BE ADVISED TO SUBMIT A RAD APPICATION THAT REQUESTS THE BLEND
Scattered Site Units	<ol style="list-style-type: none"> Evidence units are unsustainable to operate and/or maintain as public housing (narrative, operating budgets, distance between units, description of different systems-HVAC). Evidence units are in non-contiguous buildings Evidence buildings have four or fewer total units NOTE: Any building configuration is acceptable provided 4 or fewer units on a block (i.e. 4 single-family homes next door to one another)
Non-dwelling 24 CFR 970.17(d)	Narrative statement and supporting documentation that non-dwelling buildings or vacant land exceeds the needs of the project after the date of full availability (DOFA); or the disposition of the property is incidental to, or does not interfere with, continued operation of the remaining portion of the project.

APPENDIX C Transaction Chart

(For Negotiated Dispositions when property will be used as affordable housing)

1. This chart is OPTIONAL and is being provided to assist PHAs in describing/summarizing the future use of a property in their SAC applications.
2. PHAs may change this chart to meet their particular disposition/transaction and delete lines that do not apply.
3. If a PHA is disposing of property to more than one entity, for different purposes, complete separate charts.
4. This chart may be used when the affordable housing units will be new construction, rehab of existing public housing units, or subsidy-change only of existing public housing units.

Development Name, Development Number			
Approved for Disposition: Building/s: xx, Units: xx, Acres: xx			
Total Units	Reserved for families 80% of Area Median Income		
	ACC (Mixed Finance)	Non-ACC (describe, e.g. PBV, LIHTC)	Other (describe, e.g. Market rate, Workforce)
Rental	Xx	Xx	Xx
For Sale	Xx	Xx	Xx
Total Non-Dwelling Structures	e.g. community building		
Acquiring Entity (if known)	e.g. ABC Development, LP		
Role of PHA in future use	e.g. PHA's non-profit is General Partner in LP		
Method of Disposition	e.g. Negotiated Sale at less than FMV, Ground Lease for XX Years. Seller (PHA) financing Public Bid, Auction,		
Disposition Amount (if known)	e.g. \$1/ sale; \$1/year ground lease \$1.2 M (FMV)		
Sale Price	e.g. \$250,000, Donation, Nominal, etc.		
Commensurate Public Benefit Summary (if below FMV)	e.g. new construction of LIHTC units, rehab and PBV of existing units		