PHA Certification of Compliance
Section 18 Demolition/Disposition

Acting on behalf of the Board of Commissioners of the _____ (PHA), as its Chairman, Executive Director, or other authorized PHA official, I approve the submission of this Inventory Removal Application (HUD-52860) dated _____ and known as DDA # _____, hereinafter referred to as the "Application", of which this document is a part, and make the following certifications, agreements with, and assurances to the Department of Housing and Urban Development (HUD) in connection with the submission of this Application and the implementation thereof:

1) All information contained in the Application (including all attachments and Addendums) is true and correct as of the date of this Application;
2) The proposed removal action does not violate any remedial civil rights orders or agreements, compliance agreements, final judgments, consent decrees, settlement agreements, or other court orders or agreements to which this PHA is a party;
3) The PHA certifies that it will carry out the proposed removal action in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990 and will affirmatively further fair housing in carrying out the proposed removal action;
4) If this proposed removal action involves a disposition and the PHA did not claim an exemption to the Offer of Sale requirement, this PHA sent all required initial written notifications (as described at 24 CFR 970.11) of the proposed sale of the Development to all Established Eligible Organization and the PHA certifies that either it did not receive a response from any notified organization within a 30-day time frame or each notified Established Eligible Organization waived its opportunity to purchase the Development or otherwise rejected the Offer of Sale. The PHA further certifies that it maintains documentation of all documents required by 24 CFR 970.11 on file at its primary business office;
5) If an appraisal was submitted at Section 5, the PHA verified that the appraiser was licensed/certified in the state in which the PHA property and received a certification from the appraiser that the appraisal was conducted using generally accepted appraisal methods and maintains this written documentation on file at its central office;
6) All dwelling units at the affected development are vacant and have been approved by HUD for demolition, OR, if any dwelling units at the affected development are occupied:
   - The PHA created a Relocation Plan in compliance with all applicable federal, state, and local laws (to the extent those requirements apply), including, without limitation, the Act, 24 CFR 970.21, and the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA) and its implementing regulations at 49 CFR Part 24, and maintains a written copy of the Relocation Plan on file at the central office;
   - The PHA will notify each family residing in a unit affected by this proposed removal action at least 90 days prior to the displacement date, except in cases of imminent threat to health and safety and such notice;
   - The PHA will provide for all actual and reasonable relocation expenses of each resident displaced by this proposed removal action, including residents requiring reasonable accommodation because of disabilities;
   - The PHA will offer any necessary counseling for residents displaced by this proposed removal action;
   - The PHA will not commence the demolition or complete the disposition of any occupied building until all residents residing in the units affect by this proposed removal action are actually relocated;
   - The PHA will provide each family affected by this proposed removal action with comparable housing that meets Housing Quality Standards (HQS) and that is located in an area that is generally not less desirable that the location of the displaced person's housing. This comparable housing may include: (a) actual relocation into the private rental market with Housing Choice Voucher assistance; (b) actual relocation into housing with project-based assistance; or (c) other PHA properties;
7) The PHA described the proposed removal action in its PHA Annual Plan and timetable under 24 CFR Part 903 (except in the case of small or high-performing PHAs eligible for streamlined annual plan treatment), and the description in the PHA Annual Plan is identical to the removal action proposed in this Application and otherwise complies with the Act;
8) The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or 24 CFR Part 50;
9) All attachments and supporting documentation referenced in the Application have been and will continue to be available at all times in the PHA's primary business office:
10) The PHA will comply with all reporting and recordkeeping requirements of HUD (including the requirements set forth at 24 CFR 970.35) and shall make all required reports to the applicable HUD Field Office. The PHA acknowledges that reporting

and recordkeeping requirements are ongoing and certifies that it will comply with all applicable reporting requirements after it receives any approvals to this action from the SAC;

11) The PHA certifies that the proposed removal action complies with all applicable Federal statutory and regulatory requirements;
12) The PHA will not take any action to commence the proposed removal action, including without limitation the expenditure of HUD funds, until it receives written approval of this proposed action from HUD.
13) The PHA certifies that the reason(s) for this proposed removal action is as described in Exhibit A, attached to and made a part of this Certification.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Signature	Date

EXHIBIT A: Reason for Removal

PHA Certification of Compliance
Section 18 Demolition/Disposition

The PHA Certifies that its reason for applying to demolish and/or dispose of the Development and/or PHA Property (or a part thereof) is as indicated below.
Check all applicable boxes.

Demolition:

The demolition of the Development (or portion of the Development) is in the best interest of the residents and this PHA because:

Must be Checked for Full or Partial Demolition

☐ **Obsolescence—24 CFR 970.15(a)(1)***:* The Development (or affected portion of the Development) is obsolete as to physical condition, location or other factors (as defined by 24 CFR 970.15), making it unsuitable for housing purposes and no reasonable program of modification or rehabilitation of the Development is cost-effective to return the Development (or portion of the Development proposed for demolition) to its useful life;

Attach a narrative or documentation (e.g. architect's report, feasibility study, etc.) to justify obsolescence and attach a completed Total Development Cost (TDC) Calculation" (HUD-52860-B and reference them as Section 18 Certification)

Must be Checked for Partial Demolition Only

☐ **Viability--24 CFR 970.15(a)(2) and 24 CFR 970.15(c):** the partial demolition will help to ensure the viability of the remaining portion of the Development by reducing the density of the Development to permit better access to emergency or rescue services, or by improving marketability of the Development by reducing the density of the Development to that of the neighborhood in which the Development is located or to other developments in the PHA's inventory;

Attach a narrative or documentation to justify how density reduction will result from the partial demolition and reference it as Section 18 Certification.

Disposition:

The retention of the Development (or a portion thereof) and/or the PHA property is not in the best interests of the residents or the PHA because:

☐ **Change in Neighborhood—24 CFR 970.17(a):** Conditions in the area surrounding the Development (density, or industrial or commercial development) adversely affect the health or safety of the residents or the feasible operation of the Development by the PHA;

☐ **Replacement Housing—24 CFR 970.17(b):** The disposition allows the acquisition, development, or rehabilitation of other properties or developments that will be more efficiently or effectively operated as low-income housing developments;

☐ **Other—24 CFR 970.17(c):** The PHA has otherwise determined that the disposition is appropriate for reasons that are consistent with its goals of the PHA and its PHA Plan and that are otherwise consistent with the Act;

☐ **Vacant Land and Non-dwelling Facilities (Excess)—24 CFR 970.17(d)(1)** The disposition of vacant land or non-dwelling structures exceed the needs of the Development (after Date of Full Availability--DOFA)

☐ **Vacant Land and Non-dwelling Facilities (Incidental)—24 CFR 970.17(d)(2)):** The disposition of vacant land or non-dwelling structures is incidental to, or does not interfere with, the continued operation of the remaining portion of the Development;

Attach a narrative or documentation to justify the PHA's specific reason for disposition checked above and reference it as Section 18 Certification.

Instructions for completing EXHIBIT A of the PHA Certification of Compliance
Section 18 Demolition/Disposition

Demolition: All applications for demolition (all or a portion of a development) must meet the obsolescence test. In addition, applications to demolish a portion of a development must also meet the Partial Demolition test. PHAs should attach a narrative and/or documentation to evidence that they have met the applicable tests.

Obsolescence: HUD will approve an application for demolition (full or partial) only if the PHA certifies that the Development (or portion of the Development) is "obsolescent" as defined by 24 CFR 970.15. HUD considers the following to be major problems indicative of obsolescence: (i) as to physical condition: structural deficiencies that cannot be corrected in a cost-effective manner (settlement of earth below the building caused by inadequate structural fills, faulty structural design, or settlement of floors), or other design or site problems (severe erosion or flooding); (ii) as to location: physical deterioration of the neighborhood; change from residential to industrial or commercial development; or environmental conditions as determined by HUD environmental review in accord with 24 CFR part 50, which jeopardize the suitability of the site or a portion of the site and its housing structures for residential use; or (iii) other factors that have seriously affected the marketability, usefulness, or management of the property. Note that the PHAs must justify obsolescence by not only certifying under this section (and including the required attachment), but also by completing and submitting the HUD-52860-B to prove to HUD that repair costs are prohibitive and rehabilitation is not reasonable.
Partial Demolition: In addition to meeting the obsolescence criteria above for the affected portion of the Development, the PHA must demonstrate that the partial demolition will help to ensure the viability of the remaining portion of the Development. A comparison to the neighborhood, or the rest of the PHA's housing stock could be one way of showing the Development is too dense.

Disposition: Select a justification for Disposition and then attach a narrative and/or documentation to evidence the justification.

Replacement Housing: A PHA should select the "Replacement Housing" reason for disposition only if it can provide evidence to HUD that the disposition will provide for more efficient or effective low-income replacement housing. For instance, this reason could be used if a PHA owns property that has highly appreciated in value and the PHA can show that by selling the property, it could develop or acquire twice the number of units for low-income residents at a location that is as good or better for residents than the original location. Also, if a PHA selects "Replacement Housing", pursuant to 24 CFR 970.19(f), the PHA must demonstrate to the satisfaction of HUD that the replacement units are being provided "in connection" with the disposition of property. This usually requires that the PHA receive Fair Market Value (FMV) for the disposition of the property and use all of net proceeds from that disposition to provide the replacement units, including relocation assistance to residents of occupied units that will be lost to the public housing inventory. The PHA may also use other sources of funding to provide for the replacement housing. The replacement housing does not need to be public housing units or under the ACC, but they must serve low-income families (those with incomes at 80% or less of Area Median Income (AMI)).

Other: A PHA may select the "Other" reason for disposition for any reason not specifically provided in 24 CFR 970.17 so long as it can provide evidence to HUD that the disposition is consistent with the goals of the PHA, the PHA Plan and Section 18 of the Act. A PHA should not submit an application for disposition under "Other" unless it has discussed the proposed disposition in its PHA Plan Some of the reasons for which a PHA may select "Other" include: (1) a PHA seeks to dispose of the property in order to use all available resources to redevelop a housing development (that serves low-income residents) on the property by leveraging tax credits, bonds, or grants (e.g. Mixed Finance); (2) the PHA can demonstrate the rents and subsidy do not cover the operating expenses at the development, or there is no longer a need for housing in the area (however, if the PHA wants to compare long-term operating costs to Tenant-Based Housing Choice assistance, it must apply under the Voluntary Conversion Rule found in 24 CFR 972); (3) the PHA has an HUD-approved Moving to Work (MTW) Homeownership Plan and the disposition is pursuant to that Plan; 4) a PHA seeks to dispose of a development that is obsolete as to physical condition, location or other factors (as defined by 24 CFR 970.15), making it unsuitable for housing purposes and no reasonable program of modification or rehabilitation of the Development is cost-effective to return the development (or portion of the development proposed for demolition) to its useful life. If a PHA is seeking the disposition due to the obsolescence of the development, it should attach the "Total Development Cost (TDC) Calculation" (HUD-52860-B) as part of its evidence to prove to HUD that repair costs are prohibitive and rehabilitation is not reasonable.