

such decision, with all names and identifying references deleted, shall also be maintained on file by the PHA and made available for inspection by a prospective complainant, his representative, or the hearing panel or hearing officer.

(b) The decision of the hearing officer or hearing panel shall be binding on the PHA which shall take all actions, or refrain from any actions, necessary to carry out the decision unless the PHA Board of Commissioners determines within a reasonable time, and promptly notifies the complainant of its determination, that

(1) The grievance does not concern PHA action or failure to act in accordance with or involving the complainant's lease on PHA regulations, which adversely affect the complainant's rights, duties, welfare or status;

(2) The decision of the hearing officer or hearing panel is contrary to applicable Federal, State or local law, HUD regulations or requirements of the annual contributions contract between HUD and the PHA.

(c) A decision by the hearing officer, hearing panel, or Board of Commissioners in favor of the PHA or which denies the relief requested by the complainant in whole or in part shall not constitute a waiver of, nor affect in any manner whatever, any rights the complainant may have to a trial *de novo* or judicial review in any judicial proceedings, which may thereafter be brought in the matter.

PART 968—PUBLIC HOUSING MODERNIZATION

Subpart A—General

Sec.

- 968.101 Purpose and applicability.
- 968.102 Special requirements for Turnkey III developments.
- 968.103 Allocation of funds under section 14.
- 968.104 Reserve for emergencies and disasters.
- 968.105 Definitions.
- 968.108 Displacement, relocation, and real property acquisition.
- 968.110 Other program requirements.
- 968.112 Eligible costs.
- 968.115 Modernization and energy conservation standards.
- 968.120 Force account.

- 968.125 Initiation of modernization activities.
- 968.130 Fund requisitions.
- 968.135 Contracting requirements.
- 968.140 On-site inspections.
- 968.145 Fiscal closeout.

Subpart B—Comprehensive Improvement Assistance Program (For PHAs That Own or Operate Fewer Than 250 Units)

- 968.205 Definitions.
- 968.210 Procedures for obtaining approval of a modernization program.
- 968.215 Resident and homebuyer participation.
- 968.225 Budget revisions.
- 968.230 Progress reports.
- 968.235 Time extensions.
- 968.240 HUD review of PHA performance.

Subpart C—Comprehensive Grant Program (for PHAs That Own or Operate 250 or More Public Housing Units)

- 968.305 Definitions.
- 968.310 Determination of formula amount.
- 968.315 Comprehensive Plan (including five-year action plan).
- 968.320 HUD review and approval of comprehensive plan (including five-year action plan).
- 968.325 Annual submission of activities and expenditures.
- 968.330 PHA performance and evaluation report.
- 968.335 HUD review of PHA performance.

Subpart D—Vacancy Reduction Program

- 968.416 Fund requisitions.
- 968.419 Grantee's oversight responsibilities.
- 968.422 Progress reports and completion schedule.
- 968.425 HUD review of grantee performance.
- 968.428 Program closeout.
- 968.435 Other program requirements.

AUTHORITY: 42 U.S.C. 1437d, 1437l, and 3535(d).

SOURCE: 54 FR 52689, Dec. 21, 1989, unless otherwise noted.

Subpart A—General

§ 968.101 Purpose and applicability.

(a) *Purpose.* The purpose of this part is to set forth the policies and procedures for the Modernization program authorizing HUD to provide financial assistance to Public Housing Agencies (PHAs).

(b) *Applicability.* (1) Subpart A of this part applies to all modernization under this part. Subpart B of this part sets

forth the requirements and procedures for the Comprehensive Improvement Assistance Program (CIAP) for PHAs that own or operate fewer than 250 public housing units. Subpart C of this part sets forth the requirements and procedures for the Comprehensive Grant Program (CGP) for PHAs that own or operate 250 or more units. A PHA that qualifies for participation in the CGP is not eligible to participate in the CIAP. A PHA that has already qualified to participate in the CGP may elect to continue to participate in the CGP so long as it owns or operates at least 200 units.

(2) This part applies to PHA-owned low-income public housing developments (including developments managed by a resident management corporation pursuant to a contract with the PHA); conveyed Lanham Act and Public Works Administration (PWA) developments; and to Section 23 Leased Housing Bond-Financed developments. Rental developments which are planned for conversion to homeownership under sections 5(h), 21, or 301 of the Act, but which have not yet been sold by a PHA, continue to qualify for assistance under this part. This part does not apply to developments under the Section 23 Leased Housing Non-Bond Financed program, the Section 10(c) Leased program, or the Section 23 or Section 8 Housing Assistance Payments programs.

(3) A section 23 Leased Housing Bond-Financed development is eligible for modernization only if HUD determines that the development has met the following conditions:

- (i) The development was financed by the issuance of bonds;
- (ii) Clear title to the development will be conveyed to or vested in the PHA at the end of the section 23 lease term;
- (iii) There are no legal obstacles affecting the PHA's use of the property as public housing during the 20-year period of the modernization;
- (iv) After completion of the modernization, the development will have a remaining useful life of at least 20 years and it is in the financial interest of the Federal Government to improve the development; and

(v) The development is covered by a cooperation agreement between the PHA and local governing body during the 20-year period of the modernization.

(4) A section 23 Leased Housing Bond-Financed development which has been conveyed to the PHA after the bonds have been retired is similarly eligible for modernization if the conditions specified under paragraph (b)(3) of this section have been satisfied.

(5) A development/building/unit which is assisted under section 5(j)(2) of the Act (Major Reconstruction of Obsolete Projects) (MROP) is eligible for section 14 funding (CIAP or CGP) where it received MROP funding after FFY 1988 and has reached Date of Full Availability (DOFA) or where it received MROP funding during FFYs 1986-1988 and all MROP funds have been expended.

(c) *Transition.* Any amount that HUD has approved for a PHA must be used for the purposes for which the funding was provided, or:

(1) For a CGP PHA, for purposes consistent with an approved Annual Statement or Five-Year Action Plan submitted by the PHA, as the PHA determines to be appropriate; or

(2) For a CIAP PHA, in accordance with a revised CIAP budget.

(d) *Approved information collections.* The following sections of this subpart have been approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act of 1995 and assigned OMB approval number 2577-0044: §§ 968.135, 968.145, 968.210, 968.215, 968.225, and 968.230. The following sections of this subpart have been similarly approved and assigned approval number 2577.0157: §§ 968.310, 968.315, 968.325, and 968.330.

[57 FR 5570, Feb. 14, 1992, as amended at 58 FR 13930, Mar. 15, 1993; 61 FR 8737, Mar. 5, 1996]

§ 968.102 Special requirements for Turnkey III developments.

(a) *Modernization Costs.* Modernization work on a Turnkey III unit shall not increase the purchase price or amortization period of the home.

(b) *Eligibility of paid-off and conveyed units for assistance.*—(1) *Paid-off units.* A Turnkey III unit that is paid off but