

(c) *Documentation.* The plan must be clear and complete enough to serve as a working document for implementation, as well as a basis for HUD review.

§ 906.5 Resident consultation and involvement.

(a) *Resident input.* In developing a proposed homeownership plan, and in carrying out the plan after HUD approval, the PHA shall consult with residents of the development involved, and with any resident organization that represents them, as necessary and appropriate to provide them with information and a reasonable opportunity to make their views and recommendations known to the PHA. If the plan contemplates sale of units in an entirely vacant development, the PHA shall consult with the PHA-wide resident organization, if any. While the Act gives the PHA sole legal authority for final decisions, as to whether or not to submit a proposed homeownership plan and the content of such a proposal, the PHA shall give residents and their resident organizations full opportunity for input in the homeownership planning process, and full consideration of their concerns and opinions.

(b) *Resident initiatives.* Where individual residents, a Resident Management Corporation (RMC), or another form of resident organization may wish to initiate discussion of a possible homeownership plan, the PHA shall negotiate with them in good faith. Joint development and submission of the plan by the PHA and RMC, or other resident organization, is encouraged. In addition, participation of an RMC or other resident organization in the implementation of the plan is encouraged.

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§ 906.6 Property that may be sold.

(a) *Types of property.* Subject to the workability criterion of § 906.4(a) (including, for example, consideration of common elements and other characteristics of the property), a homeownership plan may provide for sale of one or more dwellings, along with interests in any common elements, comprising all or a portion of one or more public housing developments. A plan may provide for conversion of existing public

housing to homeownership or for homeownership sale of newly-developed public housing. (However, for public housing units developed as replacement housing for units demolished or disposed of pursuant to 24 CFR part 970, that part requires that the initial occupants be selected solely on the basis of the requirements governing rental occupancy, without reference to any additional homeownership eligibility or selection requirements under this part.) Turnkey III homeownership units may be converted to Section 5(h) homeownership, upon voluntary termination by any existing Turnkey III homebuyers of their contractual rights and amendment of the ACC, in a form prescribed by HUD.

(b) *Physical condition of property.* The property must meet local code requirements (or, if no local code exists, the housing quality standards established by HUD for the Section 8 Housing Assistance Payments Program for Existing Housing, under 24 CFR part 882) and the requirements for elimination of lead-based paint hazards in HUD-associated housing, under subpart C of 24 CFR part 35. When a prospective purchaser with disabilities requests accessible features, the features must be added in accordance with 24 CFR parts 8 and 9. Further, the property must be in good repair, with the major components having a remaining useful life that is sufficient to justify a reasonable expectation that homeownership will be affordable by the purchasers. These standards must be met as a condition for conveyance of a dwelling to an individual purchaser, unless the terms of sale include measures to assure that the work will be completed within a reasonable time after conveyance, not to exceed two years (e.g., as a part of a mortgage financing package that provides the purchaser with a home improvement loan or pursuant to a sound sweat equity arrangement).

§ 906.7 Methods of sale and ownership.

(a) *Permissible methods.* Any appropriate method of sale and ownership may be used, such as fee-simple conveyance of single-family dwellings or conversion of multifamily buildings to resident-owned cooperatives or condominiums.