

(2) The plan must identify specifically the benefits to the community and to the HA that will result from the presence of Officers in each affected development.

(3) The plan must describe the existing physical and social conditions in and around each affected development, providing specific evidence of criminal activity (such as, frequency of telephone calls to local police, number of arrests and types of offenses involved, and data on drug abuse in the community) in order to permit the Department to make an informed assessment of the level of need for increased security.

(4) The plan must afford the Department a reasonable basis, which necessarily includes the certifications required under §960.507(b) of this part, for determining that the use by Officers of the identified dwelling units will:

- (i) Increase security for other public housing residents;
- (ii) Result in a limited loss of income to the HA; and
- (iii) Not result in a significant reduction of units available for residence by Eligible Families.

(b) *Certifications by HA.* Only upon making the determination described in §960.507(a)(4) of this part will the Department approve a plan. Further, the Department will not make such a determination unless the plan contains a written statement, signed by an authorized officer or other agent of the HA, certifying that:

- (1) The dwelling units proposed to be allocated to Officers are situated so as to place the Officers in close physical proximity to other residents;
- (2) No resident families will have to be transferred to other dwelling units in order to make available the units proposed to be allocated to Officers;
- (3) The dwelling units proposed to be allocated to Officers will be rented under a lease that contains the terms described in §960.509 of this part; and
- (4) The number of dwelling units proposed to be allocated to Officers under the plan does not exceed the limits set forth in §960.507(c) of this part or, in the alternative, any units so allocated in excess of the applicable maximum number are vacant units for which there are no Eligible Families. This

certification on the part of the HA satisfies the requirements of §§960.507(a)(4)(ii) and (iii) of this part.

(c) *Unit allocation table.* For purposes of the certification required by §960.507(b)(4) of this part, the following table sets forth the maximum number of units to be allocated to Officers as a function of the total number of units under management by the HA:

Total units under management	Units to be allocated
500-999	5
1000-4999	10
5000-9999	15
10,000+	20

The maximum number of units to be allocated by HAs with less than 500 units under management will be determined by the Field Office on a case by case basis.

(Approved by the Office of Management and Budget under OMB control number 2577-0185)

§960.509 Special rent requirements and other terms and conditions.

The HA shall lease units to Officers under a lease agreement that is consistent with the requirements of this section and 24 CFR part 966. The requirements of this section shall take precedence if there is any inconsistency between them and 24 CFR part 966.

(a) *Reasonable rent.* The lease shall provide for a reasonable rent, which may be a flat amount not related to the Officer's income. The HA should attempt to establish a rent that will provide an incentive to Officers to reside in the units but that is also consistent with the limited loss of income requirement of §960.507(a)(4)(ii) of this part. As required in §960.507(a)(1) of this part, the plan must state facts and circumstances (such as, the rent that would ordinarily be charged for the unit, the HA's annual maintenance cost for the unit, the degree of difficulty in attracting Officers to reside in the unit, the extent of the crime problem in the development, and the anticipated benefits of the Officer's presence) that demonstrate the reasonableness of the rent amount.

(b) *Continued employment.* The lease shall provide that the Officer's right of occupancy is dependent on the continuation of the employment that qualified the Officer for residency in the development under the plan. The lease also shall provide that the Officer will move out of the leased unit within a reasonably prompt time, to be established by the lease, after termination of employment.

§ 960.511 Applicability of the annual contributions contract; effect on the Performance Funding System.

(a) *Annual contributions contract.* Except to the extent that eligibility requirements are exempted under § 960.505 of this part, public housing units occupied by Officers in accordance with a plan submitted and approved under this subpart will be subject to the terms and conditions of the annual contributions contract (ACC) between the HA and the United States of America. This subpart does not override any of the terms and conditions of the ACC except insofar as they are inconsistent with the provisions of this subpart.

(b) *Performance funding system.* For purposes of the operating subsidy under the Performance Funding System (PFS) described in part 990, subpart A of this chapter, dwelling units allocated to Officers in accordance with this subpart are excluded from the total unit months available, as defined in § 990.102 of this chapter. Also for purposes of the operating subsidy under the PFS, the full amount of any rent paid by Officers in accordance with this subpart is included in other income, as defined in § 990.102 of this chapter. HAS may receive operating subsidy for one unit per housing development to promote economic self-sufficiency services or anti-drug programs, including housing police officers and security personnel. An HA may request consideration of such units in its calculation of operating subsidy eligibility through the appropriate local HUD Office.

**PART 963—PUBLIC HOUSING—
CONTRACTING WITH RESIDENT-
OWNED BUSINESSES**

Subpart A—General

- Sec.
- 963.1 Purpose.
- 963.3 Applicability.
- 963.5 Definitions.

Subpart B—Contracting with Resident-Owned Businesses

- 963.10 Eligible resident-owned businesses.
- 963.12 Alternative procurement process.

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

SOURCE: 57 FR 20189, May 11, 1992, unless otherwise noted.

Subpart A—General

§ 963.1 Purpose.

The purpose of this part is to enhance the economic opportunities of public housing residents by providing public housing agencies with a method of soliciting and contracting with eligible and qualified resident-owned businesses (as defined in this part) for public housing services, supplies, or construction. The contract award method provided by this part is based on the established procurement procedures set forth in 24 CFR 85.36, with solicitation as provided by these procedures limited to resident-owned businesses. The contract award method provided by this part is not a requirement. It is an alternative procurement method available to public housing agencies, subject to the conditions set forth in this part, and subject to permissibility under State and local laws.

§ 963.3 Applicability.

The policies and procedures contained in this part apply to public housing developments that are owned by public housing agencies (PHAs) and that are covered by Annual Contributions Contracts (ACC) with the Department. Public housing contracts eligible to be awarded under the alternative procurement process provided by this