

Streamlined Annual PHA Plan (Small PHAs)	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires 03/31/2024
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, including changes to these policies, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-SM is to be completed annually by **Small PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, High Performer PHA, HCV-Only PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined and is not PHAS or SEMAP troubled.

A.	PHA Information.
A.1	PHA Name: <u>Mercedes Housing Authority</u> PHA Code: <u>TX029</u> PHA Type: <input checked="" type="checkbox"/> Small PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>10/2024</u> PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above) Number of Public Housing (PH) Units: <u>230</u> Number of Housing Choice Vouchers (HCVs): <u>424</u> Total Combined: <u>654</u> PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission

A.1	<p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p>The following are the specific locations where the public may obtain copies of the 2024 Annual PHA Plan:</p> <ul style="list-style-type: none"> ▪ Administrative Office – 306 West 5th Street, Mercedes, TX 78570 ▪ PHA Website: www.mercedes-ha.org <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <th rowspan="2" style="width: 20%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 20%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 30%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 15%;">PH</th> <th style="width: 15%;">HCV</th> </tr> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:											
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		PH	HCV																		
Lead PHA:																					
B.	<p>Plan Elements Submitted with 5-Year PHA Plans. Required elements for Small PHAs completing this document in years in which the 5-Year Plan is also due. This section does not need to be completed for years when a Small PHA is not submitting its 5-Year Plan. See Sub-Section below for required elements in all other years (Years 1-4).</p>																				
B.1	<p>Revision of Existing PHA Plan Elements. <i>NOT REQUIRED – ANNUAL PHA PLAN ONLY</i></p>																				
B.2	<p>New Activities. <i>NOT REQUIRED – ANNUAL PHA PLAN ONLY</i></p>																				
B.3	<p>Progress Report. <i>NOT REQUIRED – ANNUAL PHA PLAN ONLY</i></p>																				
B.4	<p>Capital Improvements. <i>NOT REQUIRED – ANNUAL PHA PLAN ONLY</i></p>																				
B.5	<p>Most Recent Fiscal Year Audit. <i>NOT REQUIRED – ANNUAL PHA PLAN ONLY</i></p>																				
	<p>Plan Elements Submitted All Other Years (Years 1-4). Required elements for all other fiscal years. This section does not need to be completed in years when a Small PHA is submitting its 5-Year PHA Plan.</p>																				

B.1 New Activities

(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

Y N

- ☐ ☒ Hope VI or Choice Neighborhoods.
- ☐ ☒ Mixed Finance Modernization or Development.
- ☒ ☐ Demolition and/or Disposition.
- ☒ ☐ Conversion of Public Housing to Tenant-Based Assistance.
- ☒ ☐ Conversion of Public Housing to Project-Based Assistance under RAD.
- ☐ ☒ Project Based Vouchers.
- ☐ ☒ Units with Approved Vacancies for Modernization.
- ☐ ☒ Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).

(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process.

Demolition and/or Disposition

The Mercedes Housing Authority is exploring the possibility of conducting a disposition application for any MHA development (site-wide).

Conversion of Public Housing to Tenant Based Assistance

The PHA is planning to convert Public Housing to Tenant Based Assistance.

Conversion of Public Housing to Project-Based Assistance under RAD

MHA is firmly committed to improving the quality of life for its residents and providing deeply affordable housing to extremely low to moderately low-income individuals and families. Through the Rental Assistance Demonstration (RAD) program, MHA will continue to own its properties and provide its residents with expanded choices and opportunities. MHA will also have the ability to evaluate and immediately address many needed capital improvements and provide additional amenities currently not offered in its public housing portfolio. MHA will continue to serve the same population, provide workforce development, health & wellness, and educational programs/assistance, as well as access new funding sources for property and amenity improvements. The RAD program offers MHA an opportunity to transition from its current public housing funding platform to a more stable, predictable and sustainable funding source. The same families who are eligible today for public housing will be eligible for the RAD program.

MHA is exploring the options available and will make the best decision for the MHA residents. Currently, MHA has 226 units of traditional public housing. For the past 10

B.1	<p>years, MHA has achieved a High Performer and Standard designation in the operations of our public housing program due to ongoing federal budget cuts and the implications of those cuts for public housing authorities across the country. The RAD program provides the authority to convert various housing programs to long-term project-based Section 8 rental assistance and serve as a tool in addressing the large capital needs of public housing by providing MHA with access to private sources of capital to repair and preserve its affordable housing assets. More specifically, this program may allow MHA the ability to address needed capital improvements and offer additional amenities, including safety improvements, air conditioning, electrical and plumbing system upgrades, interior and exterior renovations, site enhancements, and grounds and landscaping for greater accessibility for families, persons with disabilities and others with special needs.</p> <p>Proposed Acquisition of Family and/or Duplex Units</p> <p>To increase the demand for housing stock in the City of Mercedes of available 3-bedroom affordable housing units. The Mercedes Housing Authority is exploring options to acquire single family units or duplexes with or without rehabilitation.</p> <p>(c) If using Project-Based Vouchers, provide the projected number of project-based units, general locations, and describe how project-basing would be consistent with the PHA Plan. <i>N/A</i></p> <p>(d) The PHA must submit its Deconcentration Policy for Field Office Review. <i>(See attachment tx029b01)</i></p>
	<p>B.2 Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) in EPIC and the date that it was approved.</p> <p><i>See Capital Fund 5 Year Action Plan in EPIC approved by HUD on <u>05/09/2023</u></i></p>
C.	<p>Other Document or Certification Requirements for Annual Plan Submissions. Required in all submission years.</p>
C.1	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N <input type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations. <i>(See attachment tx029a01)</i></p>

C.2	Certification by State or Local Officials. <u>Form HUD 50077-SL</u> , <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i> , must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.3	Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan <u>Form 50077-SM</u> , <i>PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Regulations – Including PHA Plan Elements that Have Changed</i> , must be submitted by the PHA as an electronic attachment to the PHA Plan.
C.4	Challenged Elements. If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA’s response to the public. (a) Did the public challenge any elements of the Plan? <div style="display: flex; justify-content: space-around; width: 100px;"> <div>Y <input type="checkbox"/></div> <div>N <input checked="" type="checkbox"/></div> </div> If yes, include Challenged Elements. <u>N/A</u>
D	Affirmatively Furthering Fair Housing (AFFH).
D.1	Affirmatively Furthering Fair Housing (AFFH). Provide a statement of the PHA’s strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item. <u>N/A</u>

DATA COLLECTION TOOL FOR INFORMATION TO COMPLETE FORM HUD 50075-SM

Mercedes Housing Authority

The following information is needed to complete the form HUD-50075-SM Annual PHA Plan.

A. PHA Information

PHA Name: Mercedes Housing Authority

PHA Code: TX029

PHA Type: ☒ Small

PHA Plan for Fiscal Year Beginning: (MM/YYYY): 10/2024

PHA Inventory (based on ACC units at time of FY beginning above)

Number of Public Housing (PH) Units: 230

Number of Housing Choice Vouchers (HCVs): 424

Total Combined 654

PHA Plan Submission Type: ☒ Annual Submission
☐ Revised Annual Submission

The following are the specific locations where the public may obtain copies of the 2024 Annual Plan:

- Administrative Office – 306 West 5th Street, Mercedes, TX 78570
- PHA Website: www.mercedes-ha.org

☐ **PHA Consortia:** (Check box if submitting a joint Plan and complete table below.)

Participating PHAs	PHA Code	Program(s) Included in the Consortia	Programs Not in the Consortia	No. of Units in Each Program	
Lead HA:					

Have the following PHA Plan elements been revised by the PHA since its last PHA Plan submission?

- (a) ☒ **Statement of Housing Needs and Strategy for Addressing Housing Needs**
- ☒ **Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions**

- ☒ **Financial Resources**
- ☐ **Rent Determination**
- ☐ **Homeownership Programs**
- ☐ **Safety and Crime Prevention**
- ☐ **Pet Policy**
- ☐ **Substantial Deviation**
- ☐ **Significant Amendment /Modification**

B.1 Revision of Existing PHA Plan Elements.

Statement of Housing Needs and Strategy for Addressing Housing Needs

Statement of Housing Needs

With the increase in loss of jobs, mortgage foreclosures, and the plummeting financial situation being experienced, the families needing housing assistance has increased in the Mercedes Housing Authority jurisdiction. There is a shortage of affordable housing for all eligible populations that requires the Housing Authority to seek avenues to increase the number of available affordable housing when possible.

Housing Needs of Families in the Jurisdiction by Family Type							
Family Type	Overall	Afford- ability	Supply	Quality	Access- ibility	Size	Loca- tion
Income <= 30% of AMI	525	5	5	5	5	5	5
Income >30% but <=50% of AMI	100	5	5	5	5	5	5
Income >50% but <80% of AMI	60	5	5	5	5	5	5
Elderly	55	5	5	5	5	5	5
Families with Disabilities	50	5	5	5	5	5	5
Hispanic	600	5	5	5	5	5	5

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input type="checkbox"/>	Section 8 tenant-based assistance		
<input checked="" type="checkbox"/>	Public Housing		
<input type="checkbox"/>	Combined Section 8 and Public Housing		
<input type="checkbox"/>	Public Housing Site-Based or sub-jurisdictional waiting list (optional)		
If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	287		
Extremely low income <=30% AMI	165	57%	
Very low income (>30% but <=50% AMI)	72	25%	
Low income (>50% but <80% AMI)	50	17%	
Families with children	177	62%	
Elderly families	100	35%	
Families with Disabilities	10	3%	
White	17	6%	
Black/African American	0	0%	
American Indian/Alaska Native	0	0%	
Asian	0	0%	
Native Hawaiian/Other Pacific Islander	0	0%	
Hispanic	270	94%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	170	59%	
2 BR	61	21%	
3 BR	49	17%	
4 BR	7	3%	
5 BR	N/A	N/A	
5+ BR	N/A	N/A	
Is the waiting list closed (select one)? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			
If yes:			
How long has it been closed (# of months)? N/A			
Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input type="checkbox"/> Yes N/A			
Does the PHA permit specific categories of families onto the waiting list, even if generally closed?			
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Housing Needs of Families on the Waiting List			
Waiting list type: (select one)			
<input checked="" type="checkbox"/> Section 8 tenant-based assistance <input type="checkbox"/> Public Housing <input type="checkbox"/> Combined Section 8 and Public Housing <input type="checkbox"/> Public Housing Site-Based or sub-jurisdictional waiting list (optional) If used, identify which development/subjurisdiction:			
	# of families	% of total families	Annual Turnover
Waiting list total	258		52
Extremely low income <=30% AMI	248	96%	
Very low income (> 30% but <=50% AMI)	8	3%	
Low income (> 50% but <80% AMI)	2	1%	
Families with children	179	69%	
Elderly families	35	14%	
Families with Disabilities	44	17%	
White	2	1%	
Black/African American	4	2%	
American Indian/Alaska Native	0	0%	
Asian	0	0%	
Native Hawaiian/Other Pacific Islander	0	0%	
Hispanic	252	98%	
Characteristics by Bedroom Size (Public Housing Only)			
1BR	N/A	N/A	
2 BR	N/A	N/A	
3 BR	N/A	N/A	
4 BR	N/A	N/A	
5 BR	N/A	N/A	
5+ BR	N/A	N/A	
Is the waiting list closed (select one)? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes If yes: How long has it been closed (# of months)? Beginning March 13, 2024 Does the PHA expect to reopen the list in the PHA Plan year? <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes Does the PHA permit specific categories of families onto the waiting list, even if generally closed? <input checked="" type="checkbox"/> No <input type="checkbox"/> Yes			

Strategies for Addressing Housing Needs

Need: Shortage of affordable housing for all eligible populations

PHA shall maximize the number of affordable units available to the PHA within its current resources by:

- Employ effective maintenance and management policies to minimize the number of public housing units off-line
- Reduce turnover time for vacated public housing units
- Maintain or increase section 8 lease-up rates by establishing payment standards that will enable families to rent throughout the jurisdiction
- Maintain or increase section 8 lease-up rates by marketing the program to owners, particularly those outside of areas of minority and poverty concentration
- Maintain or increase section 8 lease-up by effectively screening Section 8 applicants to increase owner acceptance of the program
- Participate in the Consolidated Plan development process to ensure coordination with broader community strategies

PHA shall increase the number of affordable units available to the PHA within its current resources by:

- Apply for additional Section 8 units should they become available
- Leverage affordable housing resources in the community through the creation of mixed-finance housing
- Pursue housing resources other than public housing or Section 8 tenant-based assistance
- Apply for special-purpose vouchers targeted to the elderly, should they become available

Need: Specific Family Types: Families at or below 30% of median *N/A*

Need: Specific Family Types: Families at or below 50% of median *N/A*

Need: Specific Family Types: The Elderly *N/A*

Need: Specific Family Types: Families with Disabilities *N/A*

Need: Specific Family Types: Races or ethnicities with disproportionate housing needs *N/A*

Reason for Selecting Strategies:

- Funding constraints
- Staffing constraints
- Limited availability of sites for assisted housing
- Extent to which particular housing needs are met by other organizations in the community
- Evidence of housing needs as demonstrated in the Consolidated Plan and other information available to the PHA
- Influence of the housing market on PHA programs
- Community priorities regarding housing assistance
- Results of consultation with local or state government
- Results of consultation with residents and the Resident Advisory Board
- Results of consultation with advocacy groups

Deconcentration and Other Policies that Govern Eligibility, Selection and Admissions

Public Housing

(1) Eligibility

Equal Access

The term "family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- (2) A group of persons residing together and such group includes, but is not limited to:
 - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) The remaining member of a tenant family.

Disabled family means a family whose head (including co-head), spouse or sole member is a person with a disability.

Elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

Near elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62.

Sexual orientation means homosexuality, heterosexuality or bisexuality.

Gender identity means actual or perceived gender-related characteristics.

The Mercedes Housing Authority verifies eligibility for admission to public housing when families are #1 on the waiting list.

The PHA uses the following non-income screening factors to establish eligibility for admission to public housing:

- Criminal or Drug-related activity
- Rental history
- Housekeeping
- The PHA will attempt to ascertain whether domestic violence was a factor in the poor rental and tenancy history and exercise discretion in determining suitability for tenancy, taking into consideration the circumstances that may have contributed to the negative reporting.

The Housing Authority requests criminal records from the following enforcement agencies for screening purposes:

- Local law enforcement agencies
- State law enforcement agencies

(2) Selection and Assignment

Selection for admission to public housing shall be made from the PHA's current waiting list in accordance with date and time of application.

(3) Preferences

The PHA does not plan to exceed the federal targeting requirements by targeting more than 40% of all new admissions to public housing to families at or below 30% of the median area income.

It is the policy of the PHA that transfers will take precedence over new admissions in the following circumstances:

- Emergencies
- Medical justification
- Administrative reasons determined by the PHA
- Domestic violence

The PHA does not plan to employ any admission preferences for admission to public housing.

(4) Unit Assignment

Applicants are ordinarily given one (1) vacant unit choice before they are removed from the waiting list. This policy is consistent across all waiting list types.

(5) Maintaining Waiting List

The Mercedes Housing Authority maintains a community-wide waiting list. Interested persons may apply for admission to public housing at the main administrative office located at 306 West 5th Street, Mercedes, TX 78570 or at Queen City Retreat Office.

The Mercedes Housing Authority does not plan to operate any site-based waiting lists.

(6) Occupancy

Applicants and residents may use the following reference materials to obtain information about the rules of occupancy of public housing.

- PHA-resident lease
- The PHA's Admissions and Continued Occupancy Policy
- PHA's briefing seminars or written materials

Residents must notify the PHA of changes in family composition:

- At an annual reexamination and lease renewal
- At any time family composition changes
- At family request for revision

(7) Deconcentration and Income Mixing

The PHA has performed its annual deconcentration and income mixing analysis to determine if the PHA has any general occupancy public housing developments covered by the deconcentration rule. The analysis results follow:

The PHA does/does not have general occupancy public housing developments covered by the deconcentration rule.

The following/none of the covered developments have an average income that falls above or below the Established Income Range.

Deconcentration Policy for Covered Developments			
Development Name:	Number of Units	Explanation (if any) [see step 4 at §903.2(c)(1)(iv)]	Deconcentration policy (if no explanation) [see step 5 at §903.2(c)(1)(v)]
Queen City #3	31	<i>C. The Covered Development's or Development's size, location and/or configuration promote income deconcentration, such as scattered site or small developments</i>	
Queen City #5	80	<i>C. The Covered Development's or Development's size, location and/or configuration promote income deconcentration, such as scattered site or small developments</i>	
Taylor, SJ, BB	75	<i>C. The Covered Development's or Development's size, location and/or configuration promote income deconcentration, such as scattered site or small developments</i>	

<i>Crown Haven</i>	<i>4</i>	<i>C. The Covered Development's or Development's size, location and/or configuration promote income deconcentration, such as scattered site or small developments</i>	
<i>Linda Vista</i>	<i>40</i>	<i>C. The Covered Development's or Development's size, location and/or configuration promote income deconcentration, such as scattered site or small developments</i>	

Section 8

(1) Eligibility

Equal Access

The term "family" includes, but is not limited to the following, regardless of actual or perceived sexual orientation, gender identity, or marital status:

- (1) A single person, who may be an elderly person, displaced person, disabled person, near-elderly person or any other single person; or
- (2) A group of persons residing together and such group includes, but is not limited to:
 - (i) A family with or without children (a child who is temporarily away from the home because of placement in foster care is considered a member of the family);
 - (ii) An elderly family;
 - (iii) A near-elderly family;
 - (iv) A disabled family;
 - (v) A displaced family; and
 - (vi) The remaining member of a tenant family.

Disabled family means a family whose head (including co-head), spouse or sole member is a person with a disability.

Elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 62 years of age.

Near elderly family means a family whose head (including co-head), spouse or sole member is a person who is at least 50 years of age but below the age of 62; or two or more persons, who are at least 50 years of age but below the age of 62, living together; or one or more persons who are at least 50 years of age but below the age of 62.

Sexual orientation means homosexuality, heterosexuality or bisexuality.

Gender identity means actual or perceived gender-related characteristics.

The PHA conducts screening to the extent of:

- Criminal or Drug-related activity only to the extent required by law or regulation
- Domestic Violence – Attempt to ascertain whether domestic violence was a factor in the poor rental and tenancy history or criminal activity and exercise discretion in determining suitability for tenancy about the circumstances that may have contributed to the negative reporting.

The Housing Authority requests criminal records from the following enforcement agencies for screening purposes:

- Local law enforcement agencies
- State law enforcement agencies

The PHA shares the following information with prospective landlords:

- Criminal or drug-related activity
- Current or previous landlord name and address
- Resident name and mailing address (last known to PHA)

(2) Waiting List Organization

The Mercedes Housing Authority's waiting list for the Section 8 tenant-based assistance is not merged with any other program waiting list.

Interested persons may apply for admission to Section 8 tenant-based assistance at:

- HCV Office: 902 E. 5th Street, Mercedes, TX 78570

(3) Search Time

The PHA does give extensions on standard 60-day period to search for a unit under the following circumstances:

- Medical reasons
- Hardship cases

(4) Preferences

The PHA does not plan to exceed the federal targeting requirements by targeting more than 75% of all new admissions to the Section 8 Program to families at or below 30% of the median area income.

The PHA does not plan to employ any admission preferences for admission to Section 8 tenant-based assistance.

(5) Special Purpose Section 8 Assistance Programs

The policies governing eligibility, selection and admissions to any special-purpose Section 8 program administered by the PHA are contained in the following documents or other reference materials:

- The Section 8 Administrative Plan

The PHA announces the availability of any special-purpose Section 8 program to the public through:

- Newspaper Ads
- Posted in HA Office
- Posted in City Hall
- Posted in Municipal County

Financial Resources

Financial Resources: Planned Sources and Uses		
Sources	Planned \$	Planned Uses
1. Federal Grants (FY 2024 grants)		
a) Public Housing Operating Fund	907,069.00	
b) Public Housing Capital Fund	581,175.00	
c) HOPE VI Revitalization		
d) HOPE VI Demolition		
e) Annual Contributions for Section 8 Tenant-Based Assistance	1,980,000.00	
f) Resident Opportunity and Self-Sufficiency Grants		
g) Community Development Block Grant		
h) HOME		
Other Federal Grants (list below)		
2. Prior Year Federal Grants (unobligated funds only) (list below)		
3. Public Housing Dwelling Rental Income	690,000.00	Public housing operations
4. Other income (list below)		
Excess Electricity	20,000.00	Public housing operations
Late Charges	12,000.00	Public housing operations
Work Orders/Laundry Money	5,000.00	Public housing operations
5. Non-federal sources (list below)		
Total resources	\$4,195,244.00	

Rent Determination

Public Housing

(1) Income Based Rent Policies

a. Use of discretionary policies

The PHA will employ discretionary rent-setting policies for income-based rent in public housing.

b. Minimum Rent

The PHA's minimum rent is \$50.00.

The PHA has adopted the following discretionary minimum rent hardship exemption policies.

1. The minimum rent requirement may be waived due to certain financial hardships. The request for minimum rent hardship must be made in writing to the PHA prior to the rent becoming delinquent. The PHA will verify whether the hardship claimed is temporary or long term. Payment of the minimum is suspended immediately for ninety days when a hardship is requested on one of the following conditions:

- a. The family has lost eligibility or is awaiting an eligibility determination to receive federal, state or local assistance, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
- b. The family income has decreased due to changed circumstances such as loss of employment, separation, divorce, and abandonment;
- c. The family would be evicted as a result of imposing the minimum rent requirement;
- d. There has been a death in the family; or
- e. There are other hardship situations determined by the PHA on a case-by-case basis, i.e., alimony, child support, etc.

Financial hardship exemption only applies to payment of minimum rent - not to rent based on the statutory formula for determining the Total Tenant Payment (TTP) or Flat Rent in the public housing program.

2. If tenant initiates a request for a hardship exemption that the PHA determines is temporary in nature:
 - a. If the hardship is determined to be temporary, rent may be suspended, during the ninety (90) day period beginning on the day the request is made. At the end of the ninety (90) day period, the minimum rent is reinstated retroactively to the date of suspension.
 - b. In the case of a temporary hardship, the PHA will allow the family a maximum of six (6) months to make payment of any delinquent minimum rent payments accrued during the suspension period. However, the family must execute a Repayment Agreement.
 - c. The family may not be evicted for non-payment of rent during this ninety (90)-day period.
 - d. If the hardship is subsequently determined to be long-term, the PHA will retroactively exempt residents from the minimum rent requirement for the ninety (90)-day period.
3. If the circumstances supporting the request for a minimum rent hardship exemption are long term, tenant's rent will be based on the statutory income-based rent calculation formula during the minimum rent exemption period.
4. Hardship determinations are subject to the PHA's Informal Hearing Process and families are exempt from any escrow deposit that may be required under regulations governing the hearing process for other determinations.

c. Rents set at less than 30% of adjusted income

The PHA does not plan to charge rents at a fixed amount or percentage less than 30% of adjusted income.

d. Discretionary deductions and/or exclusion policies

The PHA plans to employ the following discretionary (optional) deductions and/or exclusions policies:

- For the earned income of a previously unemployed household member
- For household heads

e. Ceiling Rents

The PHA does not have ceiling rents.

f. Rent Re-determinations

Between annual income reexaminations, the tenant is required to report changes in income or family composition to the PHA such that the changes result in an adjustment to rent as follows:

- Any time the family experiences an income increase
- Within ten (10) days of such occurrence

g. Individual Savings accounts (ISAs)

The PHA does not plan to implement individual savings accounts for residents as an alternative to the required 12-month disallowance of earned income and phasing in of the rent increase in the next year.

(2) Flat Rents

The PHA used the following sources of information in setting the market-based flat rents to establish comparability.

- Guidelines found in the 2015 Appropriations Act in determining the Public Housing Flat Rent schedule. The PHA will establish a flat rent for each public housing unit that is no less than 80% of the applicable Fair Market Rent (FMR)

Section 8

(1) Payment Standards

The PHA's payment standard is:

- At or above 90% but below 100% of FMR

The PHA selected this standard because:

- FMRs are adequate to ensure success among assisted families in the PHA's segment of the FMR area
- Reflects market or submarket

The PHA monitors the payment standards for adequacy and changes when needed (due to FMR's in the area decreasing) and considers the following factors in its assessment of the adequacy:

- Rent burdens of assisted families

(2) Minimum Rent

The PHA's minimum rent is \$50.00.

The PHA has adopted the following discretionary minimum rent hardship exemption policies.

1. The minimum rent requirement may be waived under certain circumstances. Financial hardship status is to be granted immediately for ninety (90) days in the event of the following:
 - a. The family has lost eligibility or is awaiting an eligibility determination to receive federal, state or local assistance, including a family having a non-citizen household member lawfully admitted for permanent residence and who would be entitled to public benefits but for Title IV of the Personal Responsibility and Work Opportunity Act of 1996;
 - b. The family income has decreased due to changed circumstances such as separation, divorce, and abandonment;
 - c. One or more family members have lost employment;
 - d. The family would be evicted as a result of imposing the minimum rent requirement;
 - e. There has been a death in the family; or
 - f. There are other hardship situations determined by the PHA on a case-by-case basis, i.e., alimony, child support, etc.

Financial hardship exemption only applies to payment of minimum rent - not to rent based on the statutory formula for determining the Total Tenant Payment (TTP).

2. If tenant initiates a request for a hardship exemption that the PHA determines is temporary in nature:
 - a. If the hardship is determined to be temporary, minimum rent may be suspended; during the ninety (90) day period beginning on the day the request is made. At the end of the ninety (90) day period, the minimum rent is reinstated retroactively to the date of suspension

- and the HAP is again adjusted.
- b. In the case of a temporary hardship, the PHA will allow the family a maximum of six (6) months to make payment of any delinquent minimum rent payments accrued during the suspension period. However, the family must execute a Repayment Agreement.
 - c. If the hardship is subsequently determined to be long-term, the PHA will retroactively exempt residents from the minimum rent requirement for the ninety (90)-day period.
 - d. Note that the PHA can only suspend the minimum rent contribution. If the family is residing in a unit whose Gross Rent exceeds the Payment Standard, the family will be responsible for the excess rent.
3. Hardship determinations are subject to the PHA's Informal Hearing Process and families are exempt from any escrow deposit that may be required under regulations governing the hearing process for other determinations.

Homeownership Programs

Public Housing

The PHA does not administer any homeownership programs for public housing.

Section 8

The PHA does administer a homeownership program for Section 8.

Program Description:

The Mercedes Housing Authority Homeownership Program requires at least six months of being on the Housing Choice Voucher (HCV) Program and maintaining a steady flow of income that falls within the minimum requirements. The Mercedes Housing Authority will evaluate families that fall under this criterion and make recommendations to the Community Development Corporation of South Texas (CDC of South Texas). CDC of South Texas then provides credit counseling for the family and processes the required applications and documents needed. Once the CDC of South Texas completes their process and they too qualify the family, then the Mercedes Housing Authority is notified that the tenant qualified, and an inspection of the newly constructed home must be conducted and notifies the

Mercedes Housing Authority of the client's mortgage payment and the date that the client will be allowed to move in.

The PHA will limit the number of families participating in the Section 8 homeownership option to 25 or fewer participants.

The PHA has established eligibility criteria for participation in its Section 8 Homeownership Option program in addition to HUD criteria as follows:

- Families must be in HCVP for six (6) months

Safety and Crime Prevention

The PHA's plan for safety and crime preventions to ensure the safety of the public housing residents is addressed below.

A. Need for measures to ensure the safety of public housing residents:

1. Description of the need for measures to ensure the safety of public housing residents.
 - Observed lower-level crime, vandalism and/or graffiti
2. Information or data used by the PHA to determine the need for PHA actions to improve safety of residents:
 - Safety and security survey of residents
 - Police reports
3. Developments that are most affected:
 - Linda Vista
 - Taylor
 - Bluebonnet

B. Crime and Drug Prevention activities the PHA has undertaken or plans to undertake in the next PHA fiscal year.

1. List of crime prevention activities:
 - Mercedes Housing Authority will work closely with Mercedes Police Department to weed out families who are associated with crime

2. Developments that are most affected:

- Linda Vista
- Taylor
- Bluebonnet
- San Jacinto

C. Coordination between PHA and the police.

1. Description of the coordination between the PHA and the appropriate police precincts for carrying out crime prevention measures and activities:

- Police involvement in development, implementation, and/or ongoing evaluation of drug-elimination plan
- Police provide crime data to housing authority staff for analysis and action
- Police regularly testify in and otherwise support eviction cases
- Police regularly meet with the PHA management and residents
- Agreement between PHA and local law enforcement agency for provision of above-baseline law enforcement services

2. Developments that are most affected:

- Linda Vista
- Taylor
- Bluebonnet
- San Jacinto

Violence Against Women Act (VAWA)

(See attachment tx029c01)

Smoke Free Policy

(See attachment tx029d01)

Pet Policy

The Mercedes Housing Authority has implemented the Pet Ownership Policy. The pet policy rules shall apply to residents living in the units operated by the Mercedes Housing Authority. The rules do not apply to animals used by persons with disabilities.

The Mercedes Housing Authority allows common household pets as authorized by the policy, which means a domesticated animal, such as cats, dogs, fish, birds rodents (including rabbits and turtles), that are traditionally kept in the home for pleasure rather than for commercial purposes.

Residents need to register their pets with the Mercedes Housing Authority before it is brought onto the premises and will update their registration annually. The Pet fee for the Mercedes Housing Authority will be \$200.00 which is non-refundable.

The Resident will be required to sign a Pet Agreement and a Pet Policy Certification that includes a photo of the pet.

Substantial Deviation/Significant Amendment or Modification

Substantial Deviation

- Additions or deletions of Strategic Goals
- Any deviation that requires reviews and input by the Resident Advisory Board as well as approval by the Board of Commissioners.

Significant Amendment/Modification

- Any change to rent or admissions policies or organization of the waiting list;
- Additions of any non-emergency* work items over \$50,000 (items not included in the latest approved Capital Fund Annual Statement or 5-Year Action Plan) or change in use of replacement reserve funds (if applicable) under the Capital Fund Program; and
- Any change with regard to a proposed demolition, disposition, designation of housing, homeownership programs, Capital Fund Financing, development, mixed financing, RAD, or any other conversion activities.

An exception to this definition will be made for any of the above that are adopted to reflect changes in HUD regulatory requirements since such changes are not considered significant.

This criterion does not supersede the requirements of 2 CFR Part 200 (Administrative Requirements for Grants and Cooperative Agreements), as well as federal, state, or local regulations or statutes.

Any future issuance of HUD guidelines or additional regulations shall take precedence over the above criterion.

* Emergency – means physical work items of an emergency nature, posing an immediate threat to the health and safety of residents or staff, which must be completed within one year of capital grant funding. Management improvements are not eligible as emergency work.

The PHA must submit its Deconcentration Policy for Field Office Review. **(See attachment tx029b01)**

New Activities

Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?

- ☐ **Hope VI or Choice Neighborhoods**
- ☐ **Mixed Finance Modernization or Development**
- ☒ **Demolition and/or Disposition**
- ☒ **Conversion of Public Housing to Tenant Based Assistance**
- ☒ **Conversion of Public Housing to Project Based Assistance under RAD**
- ☐ **Project Based Vouchers**
- ☐ **Units with Approved Vacancies for Modernization**
- ☐ **Other Capital Grant Programs**

Hope VI or Choice Neighborhoods

The PHA has not received a HOPE VI revitalization grant.

The PHA does not plan to apply for a HOPE VI Revitalization grant in the Plan year.

Mixed Finance Modernization or Development

The PHA will not be engaging in any mixed-finance development activities for public housing in the Plan year.

The PHA will not be conducting any other public housing development or replacement activities not discussed in the Capital Fund Program Annual Statement.

Demolition and/or Disposition

The Mercedes Housing Authority is exploring the possibility of conducting a disposition application for any MHA development (site-wide).

Conversion of Public Housing to Tenant Based Assistance

The PHA is planning to convert Public Housing to Tenant Based Assistance.

Conversion of Public Housing to Project-Based Assistance under RAD

MHA is firmly committed to improving the quality of life for its residents and providing deeply affordable housing to extremely low to moderately low-income individuals and families. Through the Rental Assistance Demonstration (RAD) program, MHA will continue to own its properties and provide its residents with expanded choices and opportunities. MHA will also have the ability to evaluate and immediately address many needed capital improvements and provide additional amenities currently not offered in its public housing portfolio. MHA will continue to serve the same population, provide workforce development, health & wellness, and educational programs/assistance, as well as access new funding sources for property and amenity improvements. The RAD program offers MHA an opportunity to transition from its current public housing funding platform to a more stable, predictable and sustainable funding source. The same families who are eligible today for public housing will be eligible for the RAD program.

MHA is exploring the options available and will make the best decision for the MHA residents. Currently, MHA has 226 units of traditional public housing. For the past 10 years, MHA has achieved a High Performer and Standard designation in the operations of our public housing program due to ongoing federal budget cuts and the implications of those cuts for public housing authorities across the country. The RAD program provides the authority to convert various housing programs to long-term project-based Section 8 rental assistance and serve as a tool in addressing the large capital needs of public housing by providing MHA with access to private sources of capital to repair and preserve its affordable housing assets. More specifically, this program may allow MHA the ability to address needed capital improvements and offer additional amenities, including safety improvements, air conditioning, electrical and plumbing system upgrades, interior and exterior renovations, site enhancements, and grounds and landscaping for greater accessibility for families, persons with disabilities and others with special needs.

Project-based Vouchers

The PHA does plan to project-base tenant-based Section 8 vouchers in the current fiscal year in the Rental Assistance Demonstration Program (RAD).

Units with Approved Vacancies for Modernization

The Mercedes Housing Authority will submit units that have been damaged for approved modernization as needed; case by case basis.

Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants). **N/A**

Proposed Acquisition of Family and/or Duplex Units

To increase the demand for housing stock in the City of Mercedes of available 3-bedroom affordable housing units. The Mercedes Housing Authority is exploring options to acquire single family units or duplexes with or without rehabilitation.

Progress Report

Provide a description of the PHA's progress in meeting its Mission and Goals described in its most recent 5-Year PHA Plan.

Mission

The Housing Authority's mission is to serve the needs of low-income, very low-income and extremely low-income families in the PHA's jurisdiction and to (1) increase the availability of decent, safe and affordable housing in its communities; (2) ensure equal opportunity in housing; (3) promote self-sufficiency and asset development of families and individuals; and (4) improve community quality of life and economic viability. The Housing Authority exists to serve people in need. Service to the residents must always be our first and foremost priority. It is our goal to provide excellence in service by being committed to improving the housing conditions of the community. To accomplish this goal, we must constantly strive to expand and improve housing and related service through dedication, integrity, compassion and responsiveness to all the needs of those we serve.

Goals/Objectives

PHA GOAL #1: EXPAND THE SUPPLY OF ASSISTED HOUSING

The PHA established the following objectives to strive in meeting goal #1:

- Apply for additional rental vouchers – as needed when funding availability announced
- Reduce public housing vacancies

Progress Statement: *The Mercedes Housing Authority has held new landlord briefings to attract new landlords to our HCV Program. We are trying to encourage our Public Housing residents to apply for the HCV Program as well.*

PHA GOAL #2: IMPROVE THE QUALITY OF ASSISTED HOUSING

The PHA established the following objectives to strive in meeting goal #2:

- Improve public housing management
- Improve voucher management
- Increase customer satisfaction
- Concentrate on efforts to improve specific management functions
- Renovate or modernize public housing units

Progress Statement: *The Mercedes Housing Authority developments have been improved. Substantial rehabilitation has been completed at our developments. Painting of interior and exterior walls in units, new HVAC units and kitchen cabinets in all units, new metal roofing.*

PHA GOAL #3: INCREASE ASSISTED HOUSING CHOICES

The PHA established the following objectives to strive in meeting goal #3

- Provide voucher mobility counseling
- Conduct outreach efforts to potential voucher landlords

Progress Statement: *Mercedes Housing Authority placed an article in the newspaper inviting new landlords to inform them about the program along with placing information on our website. We have also invited them to HCV Program Landlord symposiums.*

PHA GOAL #4: PROVIDE AN IMPROVED LIVING ENVIRONMENT

The PHA established the following objectives to strive in meeting goal #4

- Implement measures to deconcentrate poverty by bringing higher income public housing households into lower income developments
- Designate developments or buildings for particular resident groups

Progress Statement: The Mercedes Housing Authority works closely with the Mercedes Police Department. MHA will continue to stay informed on the new innovations that may benefit the improvement of life and economic vitality.

PHA GOAL #5: PROMOTE SELF-SUFFICIENCY AND ASSET DEVELOPMENT OF ASSISTED HOUSEHOLDS

The PHA established the following objectives to strive in meeting goal #5

- Provide or attract supportive services to improve assistance recipients' employability

Progress Statement: The Mercedes Housing Authority will continue to make the items listed above on-going and will continue to make it possible for the residents to become self-efficient.

PHA GOAL #6: ENSURE EQUAL OPPORTUNITY AND AFFIRMATIVELY FURTHER FAIR HOUSING

The PHA established the following objectives to strive in meeting goal #6

- Undertake affirmative measures to ensure access to assisted housing regardless of race, color, religion, national origin, sex, familial status, and disability
- Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion, national origin, sex, familial status and disability
- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required

Progress Statement: The Mercedes Housing Authority is working with other PHA's and Hidalgo County and have resubmitted AFFH Plan.

Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).

- 1) Capital Improvements. Include a reference here to the most recent HUD approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD.

See Capital Fund 5 Year Action Plan in EPIC approved by HUD on 05/09/2023

Most Recent Fiscal Year Audit

- (a) Were there any findings in the most recent FY Audit?

Y N
☐ ☒

If, yes, please describe: ***N/A***

Resident Advisory Board (RAB) Comments

Did the RAB(s) provide comments to the PHA Plan?

Y N
☐ ☒

Please provide comments received and the PHA's response to each comment (***See attachment tx029a01***).

Certification by State or Local Officials – Form HUD 50077-SL

Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan, must be submitted by the PHA as an electronic attachment to the PHA Plan.

Civil Rights Certification/Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan

Form 50077-SM, PHA Certifications of Compliance with PHA Plan, Civil Rights, and Related Regulations – Including PHA Plan Elements that Have Changed, must be submitted by the PHA as an electronic attachment to the PHA Plan.

Challenged Elements - If any element of the PHA Plan is challenged, a PHA must include such information as an attachment with a description of any challenges to Plan elements, the source of the challenge, and the PHA's response to the public.

(a) Did the public challenge any elements of the Plan?

Y N
☐ ☒

If yes, include Challenged Elements. **N/A**

Affirmatively Furthering Fair Housing (AFFH).

Provide a statement of the PHA's strategies and actions to achieve fair housing goals outlined in an accepted Assessment of Fair Housing (AFH) consistent with 24 CFR § 5.154(d)(5). Use the chart provided below. (PHAs should add as many goals as necessary to overcome fair housing issues and contributing factors.) Until such time as the PHA is required to submit an AFH, the PHA is not obligated to complete this chart. The PHA will fulfill, nevertheless, the requirements at 24 CFR § 903.7(o) enacted prior to August 17, 2015. See Instructions for further detail on completing this item. **N/A**