

## **SUBSTANTIAL DEVIATION**

A substantial deviation includes, but is not limited to:

1. A change or changes to the 5-year goals or objectives that are substantial but do not rise to the level of a “significant amendment” (such as the modification or elimination of a specific objective or minor program while retaining the overall strategic goal and accomplishing it through other objectives).
2. Additions of a Capital Fund project or non-emergency work items that are not included in the current Annual Statement or 5-year Action Plan in an amount less than \$1,000,000; or
3. changes in the use of replacement reserve funds under the Capital Fund program in an amount less than \$1,000,000;
4. As part of the Rental Assistance Demonstration (RAD), the Housing Authority of the City of Milwaukee is redefining the definition of a substantial deviation from the PHA Plan to exclude the following RAD-specific items:
  - a. The decision to convert to either Project Based Rental Assistance or Project Based Voucher Assistance;
  - b. Changes to the Capital Fund Budget produced as a result of each approved RAD Conversion, regardless of whether the proposed conversion will include use of additional Capital Funds;
  - c. Changes to the construction and rehabilitation plan for each approved RAD conversion; and
  - d. Changes to the financing structure for each approved RAD conversion.

## **SIGNIFICANT AMENDMENT**

A “significant amendment or modification” to HACM’s 5-Year plan and/or Annual Plan is a change in policy that significantly and materially alters HACM’s stated mission, goals, objectives and activities as stated in the Plan unless they are adopted to reflect changes in HUD regulations or requirements. If a change is considered a significant amendment to the 5-Year Plan or to the Annual Plan, it must undergo a public process that includes consultation with the Resident Advisory Board; public notice and public comment period; a public hearing, and approval by HACM’s Board of Commissioners; and submission to and approval by HUD.

Significant amendments are defined as including the following:

1. A change that materially revises the agency’s mission, goals, or objectives;
2. Material changes to rent or admissions policies or organization of the waiting list;
3. Additions of a Capital Fund project or non-emergency work items that are not in the current Annual Statement or 5-year Action Plan in an amount equal to or greater than \$1,000,000, excluding projects arising out of federally-declared major disasters; acts of God beyond the control of the Authority, such as earthquakes, fires, and storm damage; civil unrest; or other unforeseen significant event;
4. Changes in the use of replacement reserve funds under the Capital Fund program in an amount equal to or greater than \$1,000,000;
5. Material changes in regard to demolition, disposition, designation, or conversion activities;
6. Any other event or activity that the Authority’s Board of Commissioners determines to be a significant amendment to the approved 5-Year Plan or Annual Plan.