§ 401.450 Owner evaluation of physical condition.

(a) Initial evaluation. The owner must evaluate the physical condition of the project and provide the following information to the PAE in a form acceptable to the PAE:

(1) All work items required to bring the project to the standard in § 401.452, including any work items needed to ensure compliance with applicable requirements of part 8 of this title concerning accessibility to persons with disabilities;

(2) The capital repair or replacement items that will be necessary to maintain the long-term physical integrity of the property;

(3) A plan for funding the rehabilitation work included in paragraph (a)(1) of this section, which work must be completed in a timely manner after closing the restructuring transaction, that identifies the source of the required owner contribution of non-project funds; and

(4) An estimate of the initial deposit, if any, and the estimated monthly deposit to the reserve for replacement account for the next 20 years.

(b) Use of CNA. An owner may comply with paragraph (a) of this section by submitting a comprehensive needs assessment in accordance with title IV of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–1a note) if the CNA:

(1) Was completed or updated within 1 year; and

(2) Contains all of the matters required by paragraph (a) of this section.

(c) Reconsideration and modification of evaluation. If the PAE, after its independent review under § 401.451, determines that the owner’s evaluation either fails to address specific necessary work items or fails to propose a cost-effective approach to rehabilitation, the owner may modify its evaluation to satisfy the concerns of the PAE.

[65 FR 15485, Mar. 22, 2000, as amended at 65 FR 53900, Sept. 6, 2000]

§ 401.452 Property standards for rehabilitation.

The restructuring plan must provide for the level of rehabilitation needed to