PUBLIC HOUSING UPDATE
DISPOSITIONS, PBV, LIFE POST-RAD

American Bar Association
Forum on Affordable Housing and Community Development Law
Annual Meeting
May 2019
Overview of HUD Repositioning Goals

- HUD PIH Letters (November 2018 & March 2019)
- 2010 HUD public housing capital needs $26 billion
- Public Housing capital needs are growing at $3.5 billion per year
- PIH Goal to reposition 105,000 public housing units by September 30, 2019
- Flexibility and locally focused strategies
- Re-envisioning long standing strategies
Repositioning Guidance and Methods

• Rental Assistance Demonstration (RAD)
• Streamlined Voluntary Conversion
  • Voluntary Conversion to Tenant Protection Vouchers
  • 2 CFR 972.200 and PIH 2019-05
• Mandatory Conversion
  • Required Conversion to Tenant Protection Vouchers
  • 2 CFR 972.100 and PIH 2019-10
• Section 18 Disposition/Demolition
  • Disposition and/or Demolition of public housing property
  • 2 CFR 970 and PIH 2018-04
• Part 200 Retention
  • Retention of public housing property outside of public housing program
  • 2 CFR 200.311 and PIH 2016-20
Streamlined Voluntary Conversions

- **Purpose**: allow small PHAs (250 public housing units or less) to convert remaining units to Tenant Protection Vouchers
- **Threshold Requirements**:
  - PHA has less than 250 PH units and intends to close out program
  - Conversion is not more expensive than operating public housing
  - Benefits residents, PHA and the community,
  - No adverse effect on the availability of affordable housing
- **Future Use**: Retention, Disposition, Demolition, Continued Operation
- **Process/Application**: submitted through PIC to SAC
  - Waiver of conversion assessment for small PHAs
  - Submit Voluntary Conversion Plan to HUD
- **Section 8 Vouchers**: eligible and may be project-based on-site
  - Tenants must voluntarily consent to project basing vouchers
  - Tenants are subject to HCV screening
Mandatory Conversion

• **Purpose**: required conversion to Tenant Protection Vouchers for distressed public housing developments of 250 units or more

• **Threshold Requirements**:
  • 250 units or more on contiguous sites with vacancy above 12% for the past 3 years
  • PHA cannot assure long term viability
  • Cost of public housing operation and modernization exceeds cost of providing Tenant Protection Vouchers

• **Future Use**: Retention, Disposition, Demolition, Continued Operation

• **Process/Application**: submitted through PIC to SAC
  • PHA performs annual review of public housing inventory
  • HUD Field Office may make a determination that conversion is required
  • Submit Conversion Plan to HUD

• **Section 8 Vouchers**: eligible for Tenant Protection Vouchers
  • Vouchers cannot be project-based on site
  • Tenants may remain in units with vouchers
Section 18 Disposition/Demolition

- **Purpose**: demolish or dispose of public housing property (dwelling units and non-dwelling property)

- **Disposition – Threshold Requirements**:
  - Surrounding Area
  - Improved Efficiency/Effectiveness by off-site development
  - Best Interest and Consistency

- **Demolition – Threshold Requirements**:
  - Obsolescence
  - De Minimis

- **Process/Application**: submitted through PIC to SAC
  - RAD blending – submitted through with RAD Financing Plan

- **Section 8 Vouchers**: eligible for Tenant Protection Vouchers
  - SAC determines maximum number of TPVs, but does not issue TPVs
  - Generally TPVs awarded based on units occupied at time of SAC approval
  - TPVs for 25% of occupied units for Improved Efficiency dispositions
Part 200 Retention

• **Purpose:** “disposition instructions” for the retention of public housing real property outside of the public housing program

• **Threshold Requirements:**
  • Public housing property that is no longer or never was used for public housing dwelling purposes
  • Pro-rata compensation of HUD based on investment of HUD funds in acquisition, improvement and modernization of the property
  • Exception to Compensation Requirement: affordable housing OR property will primarily serve or support low income families

• **Process/Application:** submitted through PIC to SAC
  • Compensation exception generally requires a recorded restrictive covenant—30 years
  • HUD will consider lesser restriction periods
Cross Cutting Requirements

• PHA Plan
• Environmental Review
• Resident Consultation
• Local Government Review
• PHA Board Resolution
• Existing Financial Transactions
• Civil Rights Review
• Reporting Requirements
• Federal Labor Standards
• Relocation
• Fast Certifications and HUD Enforcement
• Disclosure of Remedial Orders and Compliance Agreements