

Appendix 3: Required Conversion Process Overview

The following table provides a summary of the steps to be followed to identify candidates for a required conversion, to confirm that a PHA development, group of developments or a portion of a development qualifies for a required conversion, to develop a required conversion plan and to receive HUD approval of that plan. The purpose of each step is also briefly indicated. This table is intended to provide an overview of the process. The specific requirements for completing a required conversion are detailed in the Conversion Guide.

Step	Purpose
SAC identifies potential (250 unit) clusters	To assist in finalizing cluster list
PHAs confirm list is accurate	To ensure list is accurate
SAC identifies which clusters fail vacancy test	To spot candidates for required conversion
PHA can request a re-review of vacancy data	To remove clusters that have excused vacancies
SAC refreshes list monthly.	To notify PHAs that they have a "failed" property
If cluster remains on list:	
PHA must do cost analysis using Excel spreadsheet	To confirm less expensive to convert to vouchers
PHA must describe in next PHA Plan	To inform PHA stakeholders and HUD of status
Explain why property does not qualify for conversion	Because vacancies are justified
Or, demonstrate it is less expensive not to convert	Because spreadsheet indicates site is viable
Or, submit a required conversion plan	Because property fails viability test
If property is less expensive to not convert:	
HUD authorizes the revitalization of the public housing	To reestablish long-term property viability
If a conversion plan is required:	
1) PHA must develop a conversion plan (5-year max.)	To document the PHA's plan for conversion
Develop conversion plan document that includes:	To get public feedback by revealing:
Identify units to be converted	Which units are involved

Identify status of public housing funds	The financial impacts of the conversion
Certification that local officials were consulted	That local government is aware of the plan
Certification that residents were consulted	That residents were involved
Describe future use of development	If demo/dispo/or other uses will be pursued
Relocation plan	That existing residents will be protected
Describe conversion plan in next PHA Plan	To inform HUD Field Office and public that the PHA plans to convert the site
Provide required conversion plan certifications	To confirm local official's review
Retain conversion plan document at the PHA	For a further HUD or HUD contractor review
HUD Field Office receives PHA Plan	
Field Office reviews PHA Plan and verify conversion plan description	To ensure information is accurate and complete
Field Office may approve PHA Plan, not conversion plan	To authorize non-conversion parts of PHA Plan
PHA submits HUD-52860 & Addendum D to SAC	To receive OPHI approval of conversion plan
SAC receives IRA and Addendum D:	
SAC reviews HUD-52860 & HUD-52860-D submissions	To ensure they are complete and in compliance
SAC receives Field Office certification that conversion was described in PHA Plan	To ensure PHA Plan compliance
SAC may do site visit or request additional information	To verify/clarify conversion plan information
SAC will respond to application within 90 days	To inform PHA of application status
OPHI approves or disapproves conversion plan	To authorize PHA to proceed with conversion
Once the conversion plan is approved by OPHI (through the SAC)	
PHA may request tenant protection public housing relocation vouchers from its HUD Field Office	To serve the existing residents with tenant-based assistance vouchers
PHA can only utilize PIH handbook notices or other HUD instructions	To request tenant protection public housing relocation vouchers

PHA can only receive vouchers one year at a time	To broaden distribution of voucher allocations
PHA may use existing PHA funding to start conversion	To begin resident relocation & to prevent delays
If additional vouchers are required for relocation:	To ensure existing residents are protected
Conversion cannot start until vouchers are provided	To ensure residents are relocated appropriately
Conversion must start once vouchers are provided	So conversion can be completed on schedule
After approval, vacant/vacated units are deprogrammed	To start subsidy phase-down, if PHA is entitled
PHA may request an asset-repositioning fee from HUD	To address extra expenses, if PHA is entitled

Appendix 4: Voluntary Conversion Process Overview

The following table provides a summary of the steps to be followed to receive HUD approval of a PHA's request to remove public housing units from its inventory and to receive tenant-based or project-based assistance for the residents of the units being deprogrammed. The purpose of each step is also briefly indicated. This table is intended to provide an overview of the process. The specific requirements for completing a voluntary conversion are detailed in the Conversion Guide.

Step	Purpose
In 2001, PHAs were to assess units for conversion	To ensure PHAs consider the conversion option
Assess all general occupancy developments	To exclude senior/disabled/etc. developments
Do a Required Initial Assessment (RIA) for each	To spot candidates for voluntary conversion
Include each RIA in PHA Plan	To put HUD, residents & local officials on notice
RIAs are non-binding and can be updated	To enable a PHA to refine its evaluations
RIA documentation kept on file at PHA	To enable a review of assessment assumptions
If PHA Wishes to Pursue Voluntary Conversion:	
1) PHA must ensure an RIA has been done	To ensure HUD and stakeholders were on notice
2) PHA must do a conversion assessment	To ensure conversion plan is justified & realistic
Develop conversion assessment that:	To provide residents with info on the plan
Includes a cost analysis	To ensure conversion is cost effective
Using Excel spreadsheet	To confirm less expensive to convert to vouchers
Analyzes the market value of the property	To ensure PHA plan is realistic
Requires an independent market study	To ensure the study is objective and professional
Must follow HUD Notice requirements	To ensure market study addresses all issues
Must complete Market Value Matrix	To determine market value
Must use to complete Excel spreadsheet	To reflect highest and best use value of property