

U.S. Department of Housing and Urban Development

Public and Indian Housing

Special Attention of:

Notice PIH 2000-27 (HA)

Public Housing Office Directors;
Program Center Coordinators; Public Housing
Agencies

Issued: July 28, 2000

Expires: September 30, 2000

Cross References:

Subject: Submission and Processing of Public Housing Agency (PHA) Applications in Fiscal Year (FY) 2000 for Housing Choice (Section 8) Vouchers for Relocation or Replacement Housing Related to Demolition or Disposition (Including HOPE VI), and Plans for Removal (Mandatory Conversion) of Public Housing Units Under Section 33 of the U.S. Housing Act of 1937, As Amended.

1. **Purpose.** The purpose of this Notice is to advise PHAs of the availability of approximately \$ 37.8 million in one-year budget authority that will fund approximately 5,700 housing choice vouchers to assist PHAs with relocation or replacement housing needs resulting from the demolition, disposition or mandatory conversion of public housing units. In addition, this Notice advises PHAs and HUD's local Field Offices of the procedures for submitting a request for housing choice vouchers and the processing requirements.

The term local HUD Field Office will be used throughout this Notice to mean the local HUD Field Office Hub or local HUD Field Office Program Center.

2. **Categories of Eligibility.** PHAs that qualify under either of the two categories listed below are eligible to submit an application for housing choice voucher funding for relocation or replacement units:
 - a. The PHA has a HUD-approved application for demolition or disposition; a HUD-approved HOPE VI Revitalization Plan (with demolition plan approved after October 21, 1998); or a HUD-approved plan for removal (mandatory conversion) of public housing units under Section 33 of the U.S. Housing Act of 1937, as amended.

b. The PHA has reported to HUD's Special Applications Center (SAC) on form HUD-52860, Demolition/Disposition Application, that it is demolishing the lesser of 5 units or 5 percent of the units in its inventory during a five year period, where the vacant space will be used for meeting the service needs of public housing residents, or the units to be demolished are beyond repair. (An application requesting HUD's approval of demolition in such instance is not required, based upon provisions in Section 531 of the Quality Housing and Work Responsibility Act (Public Housing Reform Act) of 1998 (PL 105-276) effective as of the date of the publication of the Public Housing Reform Act of 1998; Initial Guidance; Notice in the Federal Register on February 18, 1999.)

If the PHA has already been fully funded for relocation or replacement housing units under the housing choice voucher or certificate program, public housing development, vacancy consolidation, condemnation proceeds, replacement insurance, Major Reconstruction of Obsolete Projects (MROP), HOPE VI, Comprehensive Improvement Assistance Program (CIAP), Comprehensive Grant Program (CGP), or the Replacement Housing Factor at the development, it will not be eligible for housing choice voucher funding for relocation or replacement housing. For example, if a PHA received housing choice voucher or certificate funding for relocation of a public housing resident living in a public housing unit to be demolished, the PHA is not eligible to receive replacement funding for the same unit under the housing choice voucher program. Similarly, if a PHA received public housing development funds to replace a demolished public housing unit, the PHA is not eligible to receive Section 8 relocation or replacement funding for the same unit under the housing choice voucher program.

3. **PHA Submission of Application for Relocation or Replacement Vouchers.** A PHA interested in requesting funding for housing choice vouchers for relocation or replacement of units under categories 2.a or b above during FY 2000, must submit the following information to the Director, Office of Public Housing or Program Center Coordinator, as appropriate, in the local HUD Field Office:

- a. A cover letter stating the number of housing choice vouchers being requested, the number of units (by bedroom distribution) being demolished or disposed of in the public housing development for which housing choice vouchers are being requested, the name and project number of the public housing development, the funding category; i.e., relocation or replacement, and a copy of the HUD letter advising the PHA of the approval of the demolition or disposition application, HOPE VI revitalization plan (with demolition plan approved after October 21, 1998), or plan for the removal (mandatory conversion) of distressed public housing units under Section 33 of the U.S. Housing Act of 1937, as amended. (A copy of the HUD approval letter is not applicable in the case of a demolition covered under paragraph 2.b above, but the PHA must provide a copy of the form HUD-52860 and a dated copy of the transmittal letter to the SAC.)

b. Form HUD-52515, Funding Application.

c. The number of housing choice vouchers needed for relocation and replacement purposes and those for replacement only. The PHA submission must identify the number of vouchers to be issued on a calendar year schedule and provide a separate reservation worksheet for each calendar year funding increment. HUD will establish separate annual contributions contract (ACC) terms for each funding increment. Housing choice vouchers that are not used on schedule will be reflected in the PHA's utilization rate and may be subject to recapture by HUD.

Applications for relocation or replacement funding will be processed by the local HUD Field Offices on a rolling basis. The deadline for the receipt of applications is **August 18, 2000, 3:00 p.m. local HUD Field Office time.** Applications received after the deadline will be processed by the local HUD Field Office and Headquarters will be advised of the information in paragraphs 6.a and b below for approvable applications. However, the funding of approvable applications received after the deadline will be contingent upon the availability of funding in FY 2001.

4. **Field Office Review of Applications and Notification of PHA of Deficiencies.** The review of a PHA's application must be completed, and the PHA notified in writing of any deficiencies (information either missing or requiring correction), immediately following the date of receipt of the PHA's application. The PHA must promptly submit the missing or corrected information to the local HUD Field Office following receipt of that office's notification letter. Information received by the local HUD Field Office after **August 31, 2000, 3 p.m. local HUD Field Office time,** will result in the application not being considered for funding in FY 2000, but will be processed and considered for any relocation or replacement funding which may be available in FY 2001. Consequently, it is advisable that PHAs submit their applications sufficiently in advance of the application deadline of **August 18, 2000, 3 p.m. local HUD Field Office time,** to allow adequate time for the local HUD Field Office's review of applications, issuance of any notification letter that may be necessary, and for the PHA to provide any missing or corrected information by not later than **August 31, 2000, 3 p.m. local HUD Field Office time.**

The local HUD Field Office will contact and consult the appropriate Troubled Agency Recovery Center regarding any relocation or replacement housing application from a Troubled PHA. This shall be done in order to more fully determine the accuracy and appropriateness of such an application, and whether it should be recommended to Headquarters for approval for funding.

5. **Notification of Unacceptable Applications.** The local HUD Field Office must immediately notify any PHA that submitted an application that the local HUD Field Office

determined is unacceptable for processing. The local HUD Field Office's rejection letter to the PHA must state the basis for the decision.

6. **Notification of Approvable Applications.** The local HUD Field Office shall advise the Section 8 Finance Division in Headquarters by electronic mail of approvable applications for funding in FY 2000, by not later than **September 8, 2000**. The electronic notification should be sent to Eileen T. Davis, with a copy to Deborah Hernandez. (Information transmitted on approvable applications after that date will be considered for funding in FY 2001.) The following information must be provided on each approvable application:

a. All of the information in paragraph 3.a and c above.

b. A copy of the form HUD-52515. The form may be faxed (202-401-3726), or submitted by express mail.

c. A separate, completed fund reservation worksheet for each development for each category; i.e., relocation or replacement (use the New Increment Funding Worksheet revised February 7, 2000). The funding of vouchers under this Notice will take into consideration the larger unit sizes normally involved in cases of demolition, disposition or mandatory conversion versus the actual annual per unit cost methodology utilized under HUD's FY 2000 notices of funding availability for vouchers which reduces the average cost per unit due to the inclusion of smaller unit sizes. Instructions will be issued by electronic mail to the local HUD Field Offices shortly following the issuance of this Notice concerning the completion of the fund reservation worksheet.

d. A clear indication as to whether the approvable application was received by the application deadline of **August 18, 2000, 3:00 p.m. local HUD Field Office time**, or is an approvable application received after the deadline and is being recommended for funding in FY 2001 contingent upon the future availability of relocation and replacement funding for this purpose.

The Section 8 Finance Division shall notify the Section 8 Financial Management Center of approvable applications and the fund assignments by not later than **September 15, 2000**.

7. **Funding of Applications.** Headquarters will fund all applications from PHAs that are recommended for funding by the local HUD Field Offices on a first-come, first-served basis as the information in paragraph 6 is received from local HUD Field Offices on an ongoing basis. Headquarters' Section 8 Finance Division will notify the Financial Management Center of applications being funded. The Financial Management Center will reserve the funds and notify the local HUD Field Offices of approved applications.

