Streamlined Voluntary Conversion

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Streamlined Voluntary Conversion

- Provides small PHAs with the ability to convert their remaining public housing inventory to vouchers AND end their public housing Annual Contributions Contract (ACC)
  - Small PHA defined as having 250 public housing units or less under ACC in PIC
  - PHA must confirm its intent to close-out its public housing program (voluntary transfer, consolidation, or ACC termination)
  - Residents receive Tenant Protection Vouchers (TPVs)

- Cost test waived
- Applications must demonstrate:
  - PHA Plan inclusion, future use, resident involvement, Board approval, local government review, environmental clearance, impact analysis, and compliance with relocation requirements

Threshold Requirements

• Conversion principally benefits residents, the PHA and the community
• Conversion has no adverse impact on affordable housing in the community

PHA demonstrates these in its Conversion Plan through:
• Proposed Future Use of property
• Location of property and mobility options to families
• Availability of housing in the community for Housing Choice Voucher (HCV) tenant-based assistance (including success and utilization rate)
• Family access to schools, jobs, and transportation
Resident Protections

• Conversion Plan developed with “significant participation” by residents
• Civil Rights Review
  – All Conversion Plans will undergo a civil rights review by HUD’s Office of Fair Housing and Equal Opportunity (FHEO)
• Resident Mobility
  – Residents must be able to use tenant-based HCV assistance to rent a unit in the private market, should they so choose
  – PHA is obligated to pay reasonable relocation costs and provide counseling for families that decide to leave
• Right to Remain
  – If a property will be used as housing after conversion, residents cannot be displaced
Future Use of Property

• Local Discretion
• Retain or Dispose
• Method of Disposition
  – Fair Market Value or below?
• Attaching Project-Based Voucher (PBV) assistance
  – Permissible but separate process
  – All applicable PBV requirements apply
  – See PIH Notice 2017-21 (and successor guidance)
  – Families must provide written consent to PBV assistance for their units
• **PIH Information Center (PIC)**
  – PHAs submit a Conversion Plan in the PIC Inventory Removals Submodule under “Streamlined VC”
  – PHAs upload completed Forms HUD-52860 and HUD-52860-E (question 2 only)

• **Sufficiency of Conversion Plan**
  – PHA Plan: Include conversion in PHA Annual or Moving To Work (MTW) Plan
  – Resident Involvement: Significant participation
  – Local Government Review
  – Future Use Description: Include any planned disposition or other transfer and whether property will be used as affordable housing after conversion
  – Environmental Review Requirements
  – Impact Analysis: Describe likely impact of the conversion, including the impact on the availability of affordable housing and the concentration of poverty
  – Relocation Activities: Summary of relocation plan
  – Close-Out Information: Include Form HUD-5837
  – HCV Administrator Agency: Must obtain Field Office approval if different from Applicant PHA
  – Board Approval (must be dated last in application)
• Special Applications Center (SAC)
  – Staff process conversion plans and applications, with assistance from FHEO (fair housing & civil rights review) and the Field Office (environmental review & PHA Plan)

• Timing
  – HUD will provide a preliminary response within 90 days of submission
  – Longer process may be required where further discussion with the PHA is necessary (See 24 CFR 972.236)

• HUD Approval Required
  – PHAs may not proceed with implementing a conversion plan, and HUD will not provide TPVs to the PHA, until HUD issues a written approval
Tenant Protection Vouchers

• Eligibility
  – HUD will provide Replacement TPVs for all public housing units approved for conversion that were occupied within the previous 24 months (subject to change)

• Timing
  – PHA may apply for TPVs after SAC approves the conversion plan (in writing) and the PHA is ready to provide residents with tenant-based assistance

• HUD Approval Required
Special Considerations

• Family Briefing Requirement
  – PHA must brief the family on their rights
  – HUD Field Office must participate in the briefing, could be via phone or online
    ▪ PHA must contact the local Field Office when establishing a briefing schedule

• Public Housing Fund Restrictions
  – Once a unit converts, PHA may not use public housing funds (i.e., Capital or Operating Funds) to support the unit

• Only PHAs with less than 250 units are eligible
  – HUD will not accept applications for any PHA with more than 250 units in PIC


• Inventory Removals Application: HUD-52860

• Special Applications Center: www.hud.gov/sac

• Local HUD Public Housing Field Office: Staff can provide technical assistance on Streamlined Voluntary Conversion, the application, and other repositioning options