

Appendix 5: Conversion (Reconfiguration) of Units

There are currently no regulations requiring HUD approval for a PHA's voluntary conversion involving the reconfiguration or merger of existing public housing units (i.e. reconfiguring two studio apartments to a 2 bedroom unit). The expired Handbook; #7486.1 "The Public Housing Demolition, Disposition and Conversion Handbook" did require HUD Approval for the reconfiguration of units, but this requirement has been eliminated. PHAs, however, are encouraged to consult this Handbook as a guide.

Changes in the number of units and unit reconfigurations are a matter of local PHA discretion based on the community's housing needs. Such changes, however, are required to be reflected in the agency's PHA Plan (or MTW Plan) and in the PHA's reports to HUD that are impacted by these changes. In addition, PHAs must update PIC to reflect any reconfiguration of units. PHAs should be aware that unit changes might impact on the Operating Subsidy level it receives from HUD.

If the PHA is participating in a Moving to Work (MTW) demonstration, it must include in its next Annual MTW Plan an affirmative statement acknowledging that the reconfiguration of units is consistent with the MTW program requirement that the PHA must serve substantially the same number of households it would have served had the PHA not been involved in the MTW agreement. The reconfiguration of units would need to be consistent with the MTW agreement with HUD and the Annual MTW Plan and MTW Report must reflect the unit changes, and the PHA's funding levels must be adjusted accordingly.