

April 14, 2010

Secretary Shaun Donovan
United States Department of Housing and Urban Development
451 7th Street S.W.
Washington, DC 20410

Dear Secretary Donovan:

As participants in the Resident Engagement Initiative, we would like to thank you for the unprecedented opportunity to provide input to you and HUD's senior staff on the Administration's major new policy proposal, Transforming Rental Assistance (TRA). We look forward to today's historic meeting – the first ever, we believe—during which residents of public and assisted housing, as well as Housing Choice Voucher program participants meet with you and senior members of your team, Assistant Secretary Sandra Henriquez, Deputy Assistant Secretary Carol Galante, and Special Assistant to the Secretary Barbara Sard.

As you know, public housing and voucher residents have been engaged in this process for several months now. We have learned a great deal from webinars, HUD webcasts, and many conversations with each other. We have reviewed the salient features of each of our respective housing programs and have monitored and analyzed the development of the TRA proposal from its initial concept through the proposed budget language and HUD's March 31, 2010 TRA Discussion Draft.

While the Discussion Draft does provide some greater detail and answer some of our questions, it also raises additional questions, many of which we hope to have clarified today. Because we need more time and information to respond fully to the Discussion Draft, we are submitting our preliminary comments today grouped under three main issues of concern to residents:

- Resident Participation and Residents' Rights;
- Public Ownership and Permanent Affordability; and
- Residents' Choice: Making Mobility Work.

I. Resident Participation and Residents' Rights

A. Participation

- All residents want to be guaranteed robust participation rights, taken from the best features of each of the current programs. Resident participation rights should be codified in the TRA legislation.
- For example, public housing residents want TRA properties to retain existing tenant participation requirements, including adherence to 24 CFR 964 Subpart B, resident commissioners and resident involvement in the PHA Plan process.
- Public Housing residents, voucher participants and multifamily residents want resources to help them organize and participate in the development of PHA policies. As mentioned in the TRA proposal, the resources should be made available independent of the PHA or owner of the housing.
- All residents want an assured funding stream to support resident organizing and participation, as well as technical assistance resources to assist them in these endeavors. There is substantial concern amongst public housing residents about the elimination of the \$25/unit/year tenant funding proposed for TRA and its substitution for an ill-defined competitive process that may be unattainable for many resident organizations. How much money will be available for resident organizing? Will existing organizations receiving funding through the \$25/unit/year funding be grandfathered in? How will HUD engage and empower residents who live in jurisdictions that don't receive a competitive grant? If there is no ROSS funding available, how will resident organizations and the services they provide be supported?
- All residents and program participants want to retain the right to establish independent tenant organizations with rights guaranteed by 24 CFR 245. We acknowledge the provision of the TRA proposal which states that the right to organize shall be independent of the PHA or owner.
- All residents and program participants want to be guaranteed the right to have notice of and input into any major decision or plan affecting their housing or the program rules.
- HUD, with assistance from residents, should design a program that aims to develop better structures to create and sustain local tenant organizations.
- How will HUD's assurance that owners would be required to consult with residents "in advance and throughout the conversion process" be implemented? HUD should develop a clear process through which tenant organizations can have meaningful input into the development of a conversion contract between the PHA or owner and HUD. Residents' approval of conversion to TRA should be required and consultation with residents should continue throughout the term of the TRA funding. In addition, tenant organizations should be afforded independent technical assistance throughout the conversion process.
- HUD recognizes the importance of the PHA plan process and acknowledges that all residents of PHA owned property should be able to participate in the process. However, that process must be improved. For example, PHAs must encourage and support the participation of residents and resident organizations.

Communication between residents and thorough resident organizations regarding the PHA planning process should be supported. The names of RAB members should be public, and RAB members should be supported in their efforts to obtain information from other residents. PHAs should be required to explain in their PHA plan submissions the actions that they have taken to engage residents.

B. Residents' Rights

- HUD's commitment to targeting and affordability requirements for the lowest income families and to "Brooke" rents should be codified in the TRA legislation.
- Limiting evictions to "good cause" should be codified and evictions for drug-related or criminal activity by a member of the household should be permitted only if the resident knew or should have known of the activity. The "good cause" requirement should also be codified and applied to termination of a voucher.
- It is important that HUD has stated that it would propose "to guarantee informal hearing rights to applicants and residents of converted properties." But the elements of these informal hearing rights are admittedly not yet determined or not spelled out as evidenced by the question concerning the best practices that should be replicated in terms of hearing rights. Public housing residents believe the informal grievance hearing rights for TRA should be those that, at minimum, are equivalent to the procedure applicable to public housing under 24 CFR 966 part B. The procedure should include adequate written notice, which is sufficient so that the resident may prepare a defense, the right to review the PHA file and the evidence upon which the PHA is relying, the right to resolve the issue informally, the right to a formal hearing if the informal process does not resolve the issue, the right to be represented, a neutral hearing officer, a written decision based upon the facts presented at the hearing, and a right of appeal. Subject matter subject to grievances should include evictions, subsidy terminations, or any action or inaction that adversely affects the rights, duties, welfare, or status of a tenant or applicant.
- Residents should be protected from displacement as a result of conversion to TRA and should be guaranteed that they will not be subject to rescreening after conversion.
- All participants in the HUD housing programs for the lowest income residents should benefit from the employment opportunities that will be generated by the anticipated \$7.5 billion that will be generated in the first phase of TRA. The current program, Section 3 has not been enforced. PHAs and owners should be required to commit to providing employment and contracting opportunities to very-low income individuals as a condition of TRA. A specific number of jobs and a specific dollar amount of contract opportunities should be committed to very-low income program participants at the time that the conversion is granted and sanctions should be applied immediately if the objectives are not reported and met.

II. Public Ownership and Permanent Affordability

- HUD has stated that “public ownership will be retained” by PHAs that convert public housing units through TRA and that the new rental assistance contracts “*would not require* a change in ownership of the converted properties,” but has not stated unequivocally that a change in ownership would be *prohibited*. Residents are extremely concerned about the loss of any publicly-owned units and the potential concomitant loss of public accountability and stewardship.
- The proposal should be tightened to assure a longer period of affordability; an initial 20 year term is insufficient. Many state and local housing programs require a 55 year term. A longer term, with a potentially longer-term mortgage, would generate more funds for modernization and more stability of the housing stock. The use agreement should extend beyond the contract term. Private lenders should know that they are investing in permanently affordable housing. Owners should be required to extend the contract if such extension is offered by HUD.
- All possible protections should be in place to protect against the risk of foreclosure, remote as that risk might be considered. Mechanisms such as FHA insurance and ground lease arrangements that keep the land in public ownership should be explored and required unless other mechanisms with equivalent protections are substituted. HUD should explore receivership as a means of protecting properties at risk of default.
- HUD appears to support legislation that would provide that the rental assistance contract and use agreement survive foreclosure. In addition, tenant protections similar to the Protecting Tenants at Foreclosure Act, which require that a new owner take subject to the Section 8 contract should be supported to assure the continuation of tenancies post-foreclosure.
- TRA should not be used to reduce the number of affordable hard units in the housing market available to the PHA’s residents and applicants on the waiting list(s). There should be strict compliance with a one for one replacement of any units that might be demolished or otherwise lost during the conversion and rehabilitation process.
- PHAs and owners should not be permitted to convert to TRA without a firm commitment to comprehensively rehabilitate the development. A stated purpose of TRA is to address the substantial back log of capital needs for public housing. TRA must address that back log. The application to convert to TRA must be accompanied by a reasonable plan that will address the physical and financial needs of the development and extend its useful life.
- There should be an appropriation of vouchers to be used for households moving out of TRA assisted units.
- Unless or until there is a special appropriation, HUD should require PHAs to give priority on their voucher waiting lists for households in TRA developments who seek to utilize the mobility choice of the TRA program, up to 1/3 of their turnover vouchers. HUD should require competitive applicants for TRA to show that they have access to sufficient vouchers, through turnover or otherwise, to support the TRA program. In addition, HUD should require vacancies in TRA developments to be filled by referrals of applicants on the PHAs public housing and voucher

waiting lists – and not from site based waiting lists – to ensure that TRA does not result in a longer wait for households on the established waiting lists.

III. Residents' Choice: Making Mobility Work

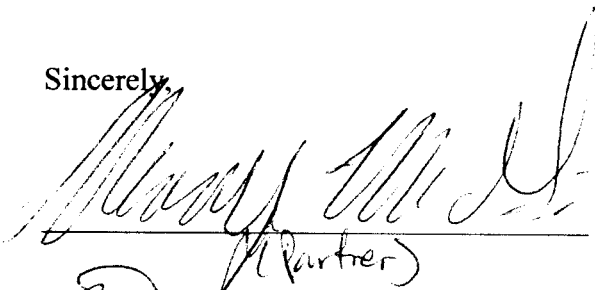
- While residents' choice is a laudable centerpiece of TRA, many questions about implementing this feature remain, and many improvements in the voucher program are necessary to make the promise of a voucher real.
- In many metropolitan areas there are serious structural barriers to housing choice in the voucher program, caused by the presence of multiple Section 8 voucher programs. Arcane portability, inspection and billing systems, compounded by PHA relationships with local landlords, continue to be a serious barrier to fair housing choice.
- PHAs should be required to recruit and assist landlords to participate in the program.
- Policies of non discrimination against voucher participants should be proposed and pursued both in general and specifically for all HUD and FHA insured multifamily properties.
- Voucher holders should be provided housing search assistance such as community tours, assisting families in selecting communities that meet their needs, transportation assistance to tour properties, credit counseling and tips for unit search, interview and application process, etc.
- Housing counseling should be available before and after a move to inform and support families moving from public housing into the private housing market, and to encourage moves to higher opportunity areas rather than "Section 8 submarkets."
- Payment standards should be high enough for voucher holders to find units affordable at 30% of income in a wide variety of neighborhoods, including high opportunity areas, gentrifying areas, etc.
- Funds should be provided for security and utility deposits and relocation costs.
- PHAs should provide sufficient time for housing search, particularly in tight markets or as a reasonable accommodation.
- Voucher discrimination should be investigated by HUD and national legislative remedies should be provided.
- PHAs should be required to inform voucher holders about portability and should be subject to uniform portability standards. As a threshold matter, HUD should require PHAs seeking to participate in TRA to show that they participate in regional consortiums administering vouchers, have an area of operation that includes multiple jurisdictions or can show that they have arrangements in place so that vouchers issued by the PHA are honored by participating landlords and PHAs in neighboring jurisdictions. At a minimum, HUD should give priority to applicants who can demonstrate that they have such arrangements in place to make the portability process "invisible" to voucher holders.

- HQS standards should be enforced without displacing the voucher holder. No voucher participant should lose a voucher because of the failure of the landlord to maintain the property.
- HUD should consider allowing an owner of a property with high percentage of voucher residents to convert to TRA.

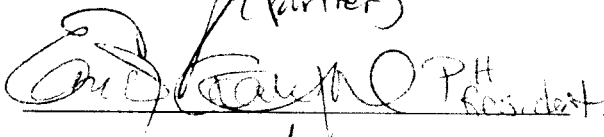
TRA raises a number of additional issues which the residents of public housing and voucher participants want to address. We look forward to providing you with additional information as the residents review the TRA proposal and as we listen and respond to the discussion that will take place today.

We certainly hope that these comments and our dialogue today will result in a final proposal reflective of residents' concerns, and we look forward to additional opportunities for input in the next few weeks and as the proposal is refined and legislation is developed. We are optimistic that the dialogues that commenced with your January 20th meeting with public housing residents and are continuing today will continue to lead to meaningful resident engagement throughout your term as Secretary and ultimately, to improved HUD policies for low income residents.

Sincerely,


(Partner)

Deborah Taylor, Tenant


PH Resident

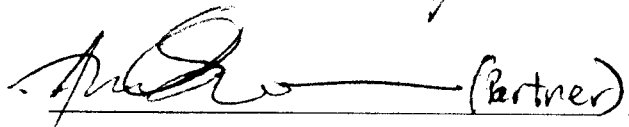
Yvonne Stratford

Rachel H. Partner

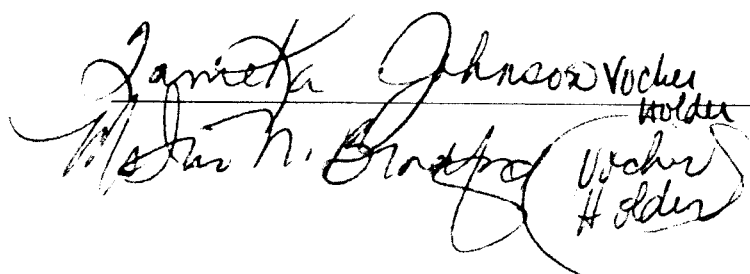
ABE Tenant

Cara Hayes

Cheryl Johnson Tenant.


(Partner)

Willie Mae Bennett-Tripp (Partner)

Jametta Johnson Voucher holder

(Voucher Holder)

Asia Corey, Resident ^{RAB}

Jerry Johnson Agnes Liversoe
Donna Ruen

Martha Weatherman

Joquelyn Marshall

Laura Lysse - Resident Partner

John Zuber

Aquarius Vann-Glasco

Alvin Stuard

Richard J Harrison

Hoover Shores, Bay + 1 more.

[Signature]

Delia Colman

Martha Benton

[Handwritten signature]

Laura Ramo

~~Paul J. Rouche~~ participant

Benita Legana

Rachel Hillman

Kendra Moore

Yvette Natan

Rhenaal Kenes
