



**PETRA:
RESIDENT CONVERSATION WITH HUD STAFF**

September 2, 2010



**9.1.10 DRAFT LETTER FROM RESIDENTS:
LONG TERM AFFORDABILITY**

Residents' Concern:
PETRA inadequately protects long term affordability of public housing that will be converted.

Residents' Recommendation:
Use agreement should be at least 99 years, or in perpetuity.



**9.1.10 DRAFT LETTER FROM RESIDENTS:
LONG TERM AFFORDABILITY (CONT'D)**

Residents' Concern:
Proposed rental assistance contracts are flawed: Multifamily project owners do not have obligation to accept contract renewals; HUD is not required to offer to renew the contract; and HUD is able to modify terms of use agreement.

Residents' Recommendation:

- Obligation to accept a contract extension should extend to all owners of PETRA units;
- HUD must be compelled to extend a rental assistance contract;
- HUD should not be able to modify terms of use agreement or contract if modification would harm current residents or applicants.

 **9.1.10 DRAFT LETTER FROM RESIDENTS:
OBLIGATION TO REHABILITATE UNITS**

Residents' Concern:
Rehabilitation is not a required condition to convert.

Residents' Recommendation:
Rehabilitation or a plan to meet the identified physical needs of the property must be required to be eligible for a PETRA conversion.

 **9.1.10 DRAFT LETTER FROM RESIDENTS
PUBLIC OWNERSHIP**

Residents' Concern:
Residents are extremely concerned about the loss of any publicly-owned units and the potential concomitant loss of public accountability and stewardship.

Residents' Recommendation:
Ownership of land and buildings must be maintained in perpetuity by a public agency, mission-driven nonprofit or resident controlled housing entity.
PETRA should:

- Bar private equity investors
- Bar PHA officials from ownership roles.

 **9.1.10 DRAFT LETTER FROM RESIDENTS
COST EFFECTIVE ALTERNATIVES**

Residents' Concern:
Residents are not convinced that private loans and/or equity capital is the best or even only way to fund the backlog of public housing capital needs.

Residents' Recommendation:
HUD should:

- Evaluate and report on the use of \$4 billion in ARRA funding towards meeting capital needs.
- Complete an updated capital needs assessment to identify the current cost of revitalizing the public housing stock.
- Conduct assessment of financing capital needs from annual appropriations.
- Evaluate long term costs of market based vs. budget based rental models.
- Consider using public agency bond financing to meet capital needs.
- Mount priority effort to request increased capital funding shortfall.



**9.1.10 DRAFT LETTER FROM RESIDENTS
MORTGAGING OF PUBLIC HOUSING**

Residents' Concern:

- Mortgage loans risk foreclosure of public housing, with the potential to transfer property from public to private ownership.
- Use agreements are not a protection against foreclosure.
- FHA insurance is not a guarantee against foreclosure.
- Foreclosure would remove gov't oversight from public housing.
- Historically, public properties have not been funded through mortgage loans from private banks.
- PETRA doesn't prevent a PHA from seeking a loan on one property to finance improvements on another, and doesn't cap loan interest rates.

Residents' Recommendation:

- Public housing must remain publicly owned.



**9.1.10 DRAFT LETTER FROM RESIDENTS
RESIDENT PARTICIPATION**

Residents' Concern:

Residents must be guaranteed robust participation rights, taken from the best features of the current public housing and project-based assistance programs.

Residents' Recommendation:

Residents agree with current resident participation provisions around right to organize and recognizing legitimate tenant organizations.

- Should be strengthened with an effective enforcement mechanism.
- Regional offices should be charged with enforcement, and residents should have right to enforce.



**9.1.10 DRAFT LETTER FROM RESIDENTS
INVOLVEMENT IN PHA POLICY AND ON PHA BOARDS**

Residents' Recommendation:

- Requirement for one resident to sit on PHA board should be increased to two residents.
- Provisions on PHA plan process must be revised to clearly state that any converted unit that was previously public housing continue to be subject to the PHA plan process and RAB input for the useful life of the property.

 **9.1.10 DRAFT LETTER FROM RESIDENTS:
ACCESS TO INFORMATION**

Residents' Concern:
Essential to ongoing meaningful resident participation is the right to obtain information.

Residents' Recommendation:
PETRA should be revised to ensure that residents have access to information regarding project budgets, capital needs assessments, reserve funds, ownership and management contract information.

 **9.1.10 DRAFT LETTER FROM RESIDENTS
FUNDING RESIDENT ORGANIZATIONS**

Residents' Recommendation:

- Funds for resident organizing should be distributed independently of PHAs and owners.
- Funds should be available to promote organizing rights.
- Funds available should be at least equal to \$25/unit/year.
- Legitimate tenant organizations should receive funding noncompetitively.
- Legitimate tenant organizations should also qualify for competitive funds.
- Any remaining funds (from \$25/unit/year) should be offered competitively. Priority for funds should be given for organizing of unorganized residents.

 **9.1.10 DRAFT LETTER FROM RESIDENTS
HEARING RIGHTS**

Residents' Recommendation:
Residents support PETRA procedures, but want to see further strengthened by including:

- Adequate notice of reasons for action
- 15 days to respond before adverse action
- Ability to grieve agency inaction as well as agency action
- Opportunity for informal resolution prior to hearing
- Impartial hearing officer
- Right to confront and cross examine witnesses
- Written, binding, decision based on evidence presented
- Funding to pay for residents to be represented.



9.1.10 DRAFT LETTER FROM RESIDENTS
RESCREENING

Residents' Concern:
 Conversion should not trigger rescreening.

Residents' Recommendation:

- Residents should have a right to return except in limited circumstances.
- Residents who take a voucher must not be rescreened.



9.1.10 DRAFT LETTER FROM RESIDENTS
MOBILITY

Residents' Concern:
 Residents support choice, but have questions regarding implementation. Cannot support provision unless there are additional incremental vouchers provided.

Residents' Recommendation:

- Additional vouchers needed
- Administrative changes needed to ensure resident success w/vouchers.
- Applicants should be able to apply in one place for all units in a jurisdiction.



9.1.10 DRAFT LETTER FROM RESIDENTS
ONE-FOR-ONE REPLACEMENT

Residents' Concern:
 PETRA should not result in loss of any hard units. There must be one-for-one replacement of any PETRA units lost to demo/dispo.

Residents' Recommendation:

- One for one, with no exception
- If units are demolished or sold, 1/3 of units must be replaced on site or in neighborhood. If more tenants want to return, then more units must be replaced
- Those units not replaced on site must be replaced w/i 25 mile radius of original site.



**9.1.10 DRAFT LETTER FROM RESIDENTS
ENFORCEMENT**

Residents' Concern:

- Lack of enforcement of current HUD rules.
- Residents should be able to enforce rights set forth in PETRA.

Residents' Recommendation:

- PETRA should ensure that residents have right to enforce rights set forth in PETRA.
- Residents must have a 'private right of action' and/or third party beneficiary status in contracts
- Right to escrow rents.



**9.1.10 DRAFT LETTER FROM RESIDENTS
LIMITED ENGLISH PROFICIENCY**

Residents' Recommendation:

PETRA units must be subject to fair housing obligations related to LEP. Basic documents should be available in appropriate languages, and interpreters provided.



**9.1.10 DRAFT LETTER FROM RESIDENTS
SECTION 3**

Residents' Concern:

Section 3 is not an effective program in many places because of lack of training and lack of access to apprenticeship programs.

Residents' Recommendation:

- Enforcement of Section 3 must be improved.
- Residents generally support Section 3 improvements in PETRA.
