



U.S. Department of Housing and Urban Development

Public and Indian Housing

Special Attention of:

Notice PIH 99-26 (HA)

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

Issued: July 1, 1999

Expires: December 31, 1999

Cross References:

Subject: Submission and Processing of Public Housing Agency (PHA) Applications in Fiscal Year (FY) 1999 for Section 8 Rental 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 \$80 million in one-year budget authority that will fund approximately 14,000 Section 8 rental 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 rental 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 Section 8 rental 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 (QHWRA) of 1998 (PL 105-276) effective as of the date of the publication of the QHWRA 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 through Section 8, 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 Section 8 rental voucher funding for relocation or replacement housing. For example, if a PHA received Section 8 funding for relocation of a public housing resident living in a public housing unit to be demolished, the PHA is not eligible to receive Section 8 replacement funding for the same unit. 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.

3. **PHA Submission of Application for Relocation or Replacement Vouchers.** A PHA interested in requesting funding for Section 8 rental vouchers for relocation or replacement of units under categories 2.a or b above during FY 1999, 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 rental vouchers being requested, the number of units (by bedroom distribution) being demolished or disposed of in the public housing development for which Section 8 rental 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.

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 13, 1999, 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 2000.

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, 1999, 3 p.m. local HUD Field Office time**, will result in the application not being considered for funding in FY 1999, but will be processed and considered for any relocation or replacement funding which may be available in FY 2000. Consequently, it is advisable that PHAs submit their applications sufficiently in advance of the application deadline of **August 13, 1999, 3 p.m. local HUD Field Office time**, so as 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, 1999, 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 Eileen T. Davis in Headquarters' Office of Funding and Financial Management, by electronic mail of approvable applications for funding in FY 1999, by not later than **September 7, 1999**. (Information transmitted on approvable applications after that date will be considered for funding in FY 2000.) The following information must be provided to Ms. Davis on each approvable application:
 - a. All of the information in paragraph 3.a above.
 - b. A separate, completed fund reservation worksheet for each development for each category; i.e., relocation or replacement. (A Microsoft Excel file created for this purpose and instructions on preparing the fund reservation worksheet will be transmitted to each local HUD Field Office shortly after the issuance of this Notice.)

c. A clear indication as to whether the approvable application was received by the application deadline of **August 13, 1999, 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 2000 contingent upon the future availability of relocation and replacement funding for this purpose.

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' Office of Funding and Financial Management 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.
8. **Notification of Office of Congressional and Intergovernmental Relations and PHA.** Following the notification of funding by the Financial Management Center, the local HUD Field Office shall promptly prepare and transmit the HUD Notification memorandum to the Assistant Secretary of the Office of Congressional and Intergovernmental Relations for purposes of obtaining a Congressional release date. Following the receipt of a release date, the local HUD Field Office shall promptly notify the PHA by letter of its approved application.
9. **Unfunded Approvable Applications.** Approvable applications which are received by the application deadline for FY 1999 funding, but are not funded due to lack of sufficient funds in FY 1999, or the PHA submitted corrected or missing application information after August 31, 1999, 3 p.m. local HUD Field Office time, will be funded in FY 2000 to the extent appropriations are available from Congress for this purpose in FY 2000. Approvable applications received after the application deadline will likewise be funded in FY 2000 to the extent appropriations are available from Congress for this purpose in FY 2000.

/s/

Harold Lucas, Assistant Secretary
for Public and Indian Housing