



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

January 13, 2020

Ms. Susan Rollins
Executive Director
Housing Authority of St. Louis County
8865 Natural Bridge Road
Saint Louis, MO 63121-3933

Dear Ms. Rollins:

On December 6, 2019, the U.S. Department of Housing and Urban Development's (HUD) Special Applications Center (SAC) received from the Housing Authority of St. Louis County (HASLC) an application for Voluntary Conversion of housing assistance from Section 9 (public housing) to Section 8 (tenant voucher-based assistance) and a Voluntary Conversion Plan (Plan), via the Information Management System/Public and Indian Housing Information Center (IMS/PIC), application DDA0010432. On December 9, 2019, HASLC requested assistance in correcting the number of units to be included in the application. The SAC made the requested changes in the system. Pursuant to Section 22 of the U.S. Housing Act of 1937 (1937 Act) and 24 CFR 972, HASLC's Plan proposes to remove 201 dwelling units in 80 dwelling buildings, as well as two non-dwelling buildings, identified as Wellston HA, MO004000006, from its public housing inventory and to transition all current residents of those units to tenant-based assistance.

Background

Wellston Housing Authority (WHA) administered a public housing program comprising, as of FY 2019, 201 public housing dwelling units in 80 buildings. WHA was placed into HUD receivership in June of 1996 and remained under HUD oversight until March 1, 2019. Throughout those years, due to the high costs associated with addressing the properties' management and maintenance needs, WHA struggled to maintain its properties in safe, sanitary, and decent condition for its residents. Significant contributors to the high cost of managing and maintaining the properties were: added costs of security needed in and around the properties; extraordinary maintenance costs and associated insurance premium increases due to persistent and rampant vandalism; and significant management deficiencies. WHA was not able to operate in a financially sound manner, and these increased costs proved to be beyond WHA's financial ability.

On November 28, 2018, the City of Wellston and the Housing Authority of St. Louis County executed an Interagency Agreement acknowledging that it was in the best interests of the residents of WHA and the City of Wellston for the public housing program of WHA to be transferred to HASLC and for HASLC to: (1) seek HUD approval for the issuance of Housing

Choice Vouchers (HCVs) to all WHA residents living in any of the 201 units; and to (2) attempt to dispose of the structures to a third party for revitalization or demolition as appropriate.

The parties acknowledged that HASLC has a strong Housing Choice Voucher program and that, with the assistance of the County, HASLC would be able to find appropriate uses for the WHA real estate. The parties agreed that, after the units were removed from HASLC's public housing program, HASLC would initiate actions to: (1) determine which properties were viable and could be preserved as long-term affordable rental housing and which properties were beyond viability and should be demolished; and (2) work with development partners to secure financing and resources to rehabilitate and financially stabilize the properties that would be preserved, and demolish properties not appropriate to be rehabilitated.

On December 20, 2018, HUD approved the transfer of WHA's public housing program (including all 201 of its public housing units) to HASLC. HUD's approval letter indicated the transfer would be effective January 1, 2019. However, due to unforeseen circumstances, the effective date of the transfer was delayed to March 1, 2019. Upon transfer of the public housing program, HUD terminated its Annual Contributions Contract (ACC) with WHA.

HUD's concern about deteriorating conditions at the properties comprising the 201 public housing units, and the detrimental effect of those deteriorating conditions on residents, increased during the course of Calendar Year 2019. A HUD engineer inspected 76 units in family and senior residential buildings in June 2019 and identified several structural issues with the properties.

On July 15, 2019, Secretary Carson, Assistant Secretary Hunter Kurtz, and other HUD staff met with Wellston stakeholders about the deteriorating living conditions at the properties. Secretary Carson indicated to the Mayor of Wellston that HUD required a plan for improving the living conditions for the residents of the former WHA properties within 120 days, by November 12, 2019.

On August 14, 2019, several HUD and HASLC staff toured the former WHA sites and were met by several residents, imploring HUD to assist them in moving from their public housing units. Assistant Secretary Kurtz toured the sites on August 21 and witnessed the deteriorating physical conditions at the properties, and he also heard first-hand the requests of residents for alternative, improved housing conditions.

On November 12, 2019, HUD received correspondence from the Mayor of Wellston indicating the desire of local officials to convert housing assistance for the 201 former WHA units from public housing to tenant-based voucher assistance, in accordance with Section 22 of the 1937 Act. In order to remove the subject 201 dwelling units from the public housing program, HASLC is seeking HUD approval for inventory removal through the submission of a Voluntary Conversion Plan.

Environmental Review and Fair Housing and Equal Opportunity (FHEO) Review

The County of St. Louis, MO, as responsible entity, is in the process of completing the Environmental Review (ER) assessment in accordance with 24 CFR part 58. As of this writing,

the ER has not been completed. Pursuant to 24 CFR 972.212(b), HASLC “may not demolish or dispose of units or property until completion of the required environmental review under part 58 of this title...”

This restriction does not impede the expedient relocation of existing residents from the subject properties, as 24 CFR 972.212(b) also indicates that “before completion of the environmental review, HUD may approve the targeted units for deprogramming and may authorize the PHA to undertake other activities proposed in the conversion plan that do not require environmental review (such as certain activities related to the relocation of residents), as long as the buildings in question are adequately secured and maintained.” See “Waiver Approval” and “Remaining Conditions” sections of this correspondence below for further guidance.

HUD’s Kansas City Fair Housing and Equal Opportunity (FHEO) Office, Program and Compliance Branch, reviewed the Plan and application and provided a memorandum to the SAC dated December 19, 2019 that recommended that PIH approve the application.

Voluntary Conversion Plan and Annual Plan

HASLC’s Plan for Voluntary Conversion of the subject properties includes the following components: (1) a description of the future use of the real property comprising the 201 units; (2) an analysis of the impact of the conversion on the affected community; (3) evidence that the Plan was developed with significant participation from residents; and (4) a certification from HASLC that it has developed a relocation plan that addresses the needs of existing residents.

HASLC submitted a June 6, 2019 Significant Amendment to its PHA Plan that identified as a new activity the demolition and disposition of the 201 former WHA dwelling units. Since the effective result of that activity—which anticipated the provision of TPVs for existing residents—has not changed, PIH staff have determined that the Voluntary Conversion Plan is consistent with and part of HASLC’s PHA plan as required by section 22(d)(2) and 24 CFR 972.233.

Description of Conversion and Proposed Development Effort

HASLC proposes the conversion of 201 public housing dwelling units to tenant-based assistance. Details of the development and proposed conversion are as follows:

MO004000006						
DOFA: July 9, 1973						
Bedroom Size	0-BR	1-BR	2-BR	3-BR	4-4+ BR	Total
Existing Units	20	40	32	49	60	201
Units Proposed for Conversion	20	40	32	49	60	201
Existing Land						16.13 Acres
Proposed Land for Disposition						16.13 Acres
Number of Dwelling Buildings Existing						80
Number of Dwelling Buildings Proposed for Conversion						80
Number of Non-Dwelling Buildings Existing						2
Number of Non-Dwelling Buildings Proposed for Conversion						2

Number of (Dwelling and Non-Dwelling) ACC Units in PHA's Total Housing Inventory for All Developments	510
Building or Unit Number Per PIC:	
001, 002, 003,004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039, 040, 041, 042, 043, 044, 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, 069, 070, 071, 072, 073, 074, 075, 076, 077, 078, 079, 080, 081, 082	

HUD has not previously approved any inventory removals at the development known as MO004000006.

Proposed Future Use of Property

After converting the assistance at the 201 residential units to tenant-based assistance, the Plan indicates that HASLC intends to initially convey the real properties comprising the total 201 units and non-dwelling structures at less than fair market value (FMV) to Paradigm Properties 15, Inc. ("Paradigm"), an entity wholly controlled by HASLC, that will own and manage the properties during an interim period ("Interim Period"). During the Interim Period, Paradigm will secure all units and buildings that are vacant or become vacant. HASLC and Paradigm are working with the Port Authority of St. Louis County to secure \$400,000 in re-investment funds to fund any board-up and maintenance costs during the Interim Period.

HASLC, in conjunction with a working committee, intends to issue a Request for Proposals (RFP) for one or more developers who will secure financing through 4% Low Income Housing Tax Credits (LIHTCs) to redevelop the properties in two phases: Phase I will constitute the rehabilitation of the 186 units comprising the new housing development, and Phase II will constitute the demolition of 15 scattered site units in buildings 002, 012, 029, and 035. Once the developer(s) are selected and financing secured, Paradigm will transfer the real properties to one or more owner entities created by the developer at less than FMV.

The Plan calls for the 186 units comprising the new housing development to be covered by a Section 8 Project-Based Voucher (PBV) Housing Assistance Payments (HAP) Contract and for those units to be PBV-assisted for not less than 20 years.

Impact Analysis

The impact analysis submitted with the Conversion Plan discusses the impact on the residents choosing to relocate to the private market in the area surrounding the properties using tenant-based assistance. The plan demonstrates that there is a large supply of other affordable rental units; specifically, the surrounding census tracts contain more than 2,600 available affordable rental units, sufficient to allow all residents who choose to move using Housing Choice Voucher (HCV) assistance to rent in private market units. HASLC has a successful and quick placement rate using HCV assistance, having relocated more than 700 families in five other redevelopment initiatives using HCV with a 100% placement rate (nearly all of those placements occurring within 90 days).

Assuming that HASLC is able to proceed with the proposed redevelopment of the subject public housing properties, the impact of that effort on the neighborhood is expected to be positive, as the redevelopment would retain the availability of affordable housing in the neighborhood, with nearly the same number of affordable units, but with significantly improved living conditions. The impact analysis suggests that the redevelopment effort would elevate the standard of living for future residents while ensuring that current residents have the opportunity to access decent, safe, and sanitary housing. The impact analysis notes that, without a major intervention, including change in ownership, these properties would further deteriorate and have a negative impact on the immediate area and would ultimately be lost as affordable housing.

The proposed financing of the redevelopment effort under the LIHTC program maintains the availability of affordable housing in the community without further increasing poverty concentration in the neighborhood. Once the redevelopment effort is completed, it is expected to stabilize property values in the area; and it is the intention of the County and City of Wellston that this project will serve as a catalyst to other investments in the community.

Evidence of Resident Consultation

As required by Section 22(d)(1) of the 1937 Act, HASLC has demonstrated that the proposed conversion plan was developed with significant participation by the residents of the 201 dwelling units to be converted. HASLC staff conducted several community meetings with residents and other stakeholders culminating in the April 30, 2019 public hearing. As part of the application for Voluntary Conversion, HASLC included a brief summary from the questions posed at the meetings. HASLC attached the flyers advertising the meeting(s), agendas from the meetings, sign-in sheets, and questions/answers.

However, at the time of the resident consultations, HASLC had not yet established that it was pursuing a Section 22 voluntary conversion instead of a Section 18 demolition and/or disposition application. Thus, as discussed more thoroughly below, HASLC requests a waiver of 24 CFR 972.227(c)(1)(i) that would have required HASLC to explain the specific requirements of Section 22 of the 1937 Act and its regulations at 24 CFR part 972, subpart B, as part of its resident consultation.

Relocation

At submission of Voluntary Conversion Application DDA0010432 and Plan to HUD in December 2019, 131 of the 201 dwelling units proposed for conversion were occupied. Excepting one unit that had been used for non-dwelling purposes for an extended period of time, none of the remaining 69 vacant units had been vacant for more than 24 months. To assist with relocation, HASLC intends to apply for 200 Tenant Protection Vouchers (TPVs) which will be made available to all existing resident families eligible to participate in HUD's Section 8 Housing Choice Voucher (HCV) program¹ and also representing units in the subject properties that were occupied within the past 24 months. The issuance of a voucher to each existing resident family will provide the option to relocate to new private sector housing or to remain in the subject property in a housing unit that meets the initial Housing Quality Standard (HQS)

¹ The HASLC does not anticipate displacement due to income disqualification.

inspection requirements of the HCV program. HASLC has certified to HUD that it will comply with all applicable relocation provisions of 24 CFR 972.230(g).

According to HASLC's relocation plan, residents will be offered comparable housing and relocation assistance as follows:

1. Section 8 tenant-based assistance (mobility). Upon receipt of TPVs, all families eligible to participate in the HCV program may move off-site with tenant-based assistance. All utility reconnection fees and other reasonable out-of-pocket expenses, including moving costs, will be paid for by HASLC in connection with the permanent moves.
2. Section 8 tenant-based assistance (existing units). Upon receipt of TPVs, all families eligible to participate in the HCV program will be offered the ability to remain in their current units (if those units fully comply with all HCV tenant-based requirements) or in another vacant or soon-to-be vacated unit within the 201-unit inventory proposed for conversion that fully complies with all HCV tenant-based requirements. HASLC will work with the family to ensure that the unit meets the family's needs.
3. Property redevelopment and Section 8 project-based voucher (PBV) assistance (existing redeveloped units). Because the Plan includes a proposal for long-term revitalization of the site, expected to include substantial renovation of 186 of the 201 units as PBV units, residents who wish to continue living at the Wellston site may need to be temporarily relocated to another housing unit in order for HASLC to undertake the renovation. These residents will be fully protected during a period of temporary relocation under provisions of the Uniform Relocation Act and the Relocation Plan submitted by HASLC. Following the redevelopment, in addition to being offered the ability to remain in their current units (or in other units owned and/or managed by HASLC) using tenant-based assistance, eligible families will also be offered the opportunity to be assisted under a PBV lease once the redeveloped units are placed in service and under a HAP contract.

HASLC will provide necessary counseling to all residents, including information to assist them in their decision to remain in residence at the subject properties or to relocate to alternate housing with voucher-based assistance. As noted above, in the event that residents are temporarily moved as a result of the conversion, appropriate assistance protocols will be followed, including applicable written notices and referrals to at least three decent, safe, and sanitary replacement housing units. Residents will be assisted in accessing appropriate financial and supportive service benefits, including receiving referrals for social services, as needed. The HASLC Voluntary Conversion Plan estimates the relocation cost to be \$543,000, which includes moving expenses (\$299,000) and counseling/advisory services (\$244,000). The HASLC Plan indicates that HASLC plans to use FY 2019 Capital Funds to cover relocation costs.

Section 22 of the 1937 Act requires that residents be provided a minimum 90-day notice that the assistance in their unit will be converted to tenant-based assistance and that, as a result, they will be displaced from the public housing program. Residents may choose to move prior to the expiration of the 90-day notice period. Displacement occurs whenever a PHA changes a family's public housing lease to another lease (and funding source) such as tenant or project-

based assistance, even if the family is not physically moved and will remain in the same physical housing unit.

Section 22 of the 1937 Act also stipulates that residents exercising their mobility option are not considered “relocated” with tenant-based assistance until they are actually moved and under a lease at an off-site unit.

Board Resolution

HASLC has certified that, on May 23, 2019, via Resolution Number 1341, its Board of Commissioners approved the proposal for submission to HUD of an application and plan for disposition and demolition of the subject properties. The Board resolution has been included in the application materials submitted to HUD in December 2019.

Mayor/Local Government Consultation

HASLC has certified to HUD that the Plan was developed in consultation with appropriate public officials as required by 24 CFR 972.227. As part of its application and Voluntary Conversion Plan, the HASLC included a letter of support dated December 18, 2019, from the Honorable Sam Page, St. Louis County Executive.

Capital Fund Financing Program

As of December 12, 2019, the HASLC did not have a Capital Fund Financing Program.

Request to Waive Specific Requirements under Section 22

In conjunction with its Application and Plan for Voluntary Conversion, HASLC has requested that HUD invoke its waiver authority under 24 CFR 5.110 and under Section 22(b)(3) of the 1937 Act to waive three requirements of HUD’s Voluntary Conversion program:

Conversion Assessment:

HASLC has requested that HUD invoke the specific waiver authority under Section 22(b)(3) to waive the requirement under Section 22(b)(1) for the housing authority to submit a Conversion Assessment (specifically, the “cost test” element of the Assessment). The request to waive the Assessment is based on the unusual circumstances leading to this Voluntary Conversion Application and Plan. WHA had been under HUD receivership for more than 20 years, leading ultimately to the transfer of the properties to HASLC’s control. HUD and HASLC agree that there is need for all parties to move expeditiously in providing alternative housing options for residents in the subject public housing properties. HASLC has limitations on staff and funding resources to conduct a full Conversion Assessment at this juncture; and all parties agree that the submission of such would not affect an approval decision relative to offering alternatives for improved housing conditions to the residents of the former WHA properties.

Approval of Application and Conversion Plan prior to Environmental Review pursuant to Future Use:

24 CFR 972.212(b) indicates that, when a Conversion Plan under a Voluntary Conversion application includes a future use for the property, “HUD will not approve [the] conversion plan

until completion of the required environmental review” on the property. The provision further states that the units may be “deprogrammed” prior to the completion of an environmental review.

As a result of the need to secure the properties with other than HUD funding, and for expediency in offering existing tenants of the subject properties the opportunity for self-determination in housing, including housing opportunities outside the properties through TPVs, HASLC has requested HUD’s waiver of the provision of 24 CFR 972 regarding approval of the Conversion Plan at this time. Please note that HUD is not waiving the requirement of HASLC to submit and have fully approved the required environmental review prior to any demolition or disposition action relative to the subject properties.

Resident Consultation Requirements:

As noted above, at the time of its resident consultation, HASLC had not yet established that it would be pursuing a Section 22 voluntary conversion instead of a Section 18 demolition or disposition. HASLC developed the proposed conversion plan with significant participation by the residents of the 201 dwelling units to be converted, but it did not have the ability to specifically “[e]xplain the requirements of section 22 of the United States Housing Act of 1937 and these regulations, especially as they apply to residents of affected developments...” as required by 24 CFR 972.227(c)(1)(i). However, the Relocation Plan submitted by HASLC has the same elements as would have been the case under a Section 18 application, including the provision of tenant-based vouchers to facilitate housing choice and funding for resident relocation costs.

HASLC has requested a waiver of 24 CFR 972.227(c)(1)(i), in light of the fact that residents have been consulted on multiple occasions and given the fact that the effect on residents of the proposed demolition, disposition, and relocation activities is essentially the same under Section 18 and Section 22. HUD’s waiver of the specific requirement under 24 CFR 972.227(c)(1)(i) is needed for expeditious approval of the Conversion Plan precedent to HUD’s ability to provide Tenant Protection Vouchers for existing residents.

Waiver Approval

Pursuant to an approval memorandum dated January 13, 2020 by R. Hunter Kurtz, Assistant Secretary for Public and Indian Housing (Waiver Memo), HUD has waived:

- The requirement for the housing authority to submit a Conversion Assessment/“cost test” under Section 22(b)(1)(A)-(E) and 24 CFR 972.218 (a)-(e).
- The requirement under 24 CFR 972.212(b) for approval of the Conversion Plan to be preceded by completion and submission of an environmental review of the subject properties pursuant to their future use. However, HUD is not waiving the requirement under 24 CFR 972.212(b) that HASLC “...may not demolish or dispose of units or property until completion of the required environmental review under part 58...” See “Remaining Conditions” section of this correspondence below for further guidance.
- The requirement under 24 CFR 972.227 for resident consultation specifically to include an explanation of the requirements of Section 22 of the 1927 Act as they apply to residents of the properties subject to Voluntary Conversion.

Approval Status

Because of the documented need to offer current residents in the former WHA public housing properties the opportunity to significantly improve their quality of life through alternative living conditions, HUD has approved HASLC’s application and Plan for Voluntary Conversion of the housing assistance at those properties from public housing to tenant-based assistance through Housing Choice Vouchers. In particular, under the authority of Section 22 of the 1937 Act, 24 CFR 972.212(b), and the Waiver Memo, HUD is approving 201 units for deprogramming and authorizing HASLC to secure TPVs and proceed with relocation of the current residents, subject to the vacant buildings being adequately secured and maintained, as follows:

MO004000006						
DOFA: July 9, 1973						
Bedroom Size	0-BR	1-BR	2-BR	3-BR	4+BR	Total
Units Approved for Conversion	20	40	32	49	60	201
Proposed Land for Disposition						16.13 Acres
Number of Dwelling Buildings Approved for Conversion						80
Number of Non-Dwelling Buildings Approved for Conversion						2
Number of (Dwelling and Non-Dwelling) ACC Units in PHA’s Total Housing Inventory for All Developments						510
Building or Unit Number Per PIC:						
001, 002, 003,004, 005, 006, 007, 008, 009, 010, 011, 012, 013, 014, 015, 016, 017, 018, 019, 020, 021, 022, 023, 024, 025, 026, 027, 028, 029, 030, 031, 032, 033, 034, 035, 036, 037, 038, 039, 040, 041, 042, 043, 044, 045, 046, 047, 048, 049, 050, 051, 052, 053, 054, 055, 056, 057, 058, 059, 060, 061, 062, 063, 064, 065, 066, 067, 068, 069, 070, 071, 072, 073, 074, 075, 076, 077, 078, 079, 080, 081, 082						

This approval allows the HASLC to apply for and receive TPVs from HUD and to begin implementing its relocation plan, as indicated in its Plan.

Tenant Protection Vouchers (TPVs)

Upon HASLC’s request, HUD will provide, dependent only on the availability of funds, Tenant Protection Vouchers (TPVs) to affect the conversion of assistance from the subject public housing dwelling units to tenant-based assistance. HUD’s provision of the TPVs presumes that the public housing units will not be replaced with public housing. These replacement TPVs will become part of HASLC’s permanent HCV program and must be used first to offer alternative housing to existing public housing residents at the subject properties. Any remaining replacement TPVs can then be issued to families on HASLC’s voucher waiting list and/or project-based in accordance with all applicable Section 8 rules. The total housing assistance that HASLC is eligible to receive in the form of replacement TPVs is based on the number of the former WHA public housing units that are currently occupied or were occupied within the previous 24 months of HUD’s approval of the Conversion Plan.

As of the date of HASLC’s application for Voluntary Conversion, HUD was informed that 131 units were occupied, and 69 of the remaining 70 units were occupied as dwelling units

within the previous 24 months. Therefore, HASLC is eligible to request and receive a maximum of 200 replacement TPVs.

Type of TPVs	Relocation TPVs	Replacement TPVs
Maximum TPV Award	0	200

HUD will not automatically allocate TPVs to HASLC as part of this approval. Instead, HASLC must submit a request for TPVs to HUD's St. Louis Office of Public Housing (OPH) in accordance with PIH Notice 2019-08 (or any successor notice). HASLC should submit the TPV request as soon as possible. The timing of the HASLC's TPV application submission and the start of relocation noted in this approval should be consistent. For its TPV request, HASLC must submit the following:

- A cover letter stating the name and IMS/PIC application number of the affected public housing project and number of replacement TPVs requested (this number must be equal or less than the maximum number of TPVs indicated above in this Conversion approval letter);
- Form HUD-52515 (7/2019), Voucher Funding Application (complete Fields A, B, and C only; in Field C, the number of TPVs requested must not exceed the maximum number of TPVs noted in this approval letter). If lease-up is anticipated to cover more than one calendar year, HASLC must submit a separate Form HUD-52515 for each calendar year;
- A leasing schedule that identifies the number of TPVs that will be leased on a month-to-month basis. If lease-up is anticipated to cover more than one calendar year, HASLC must submit separate leasing schedules for each calendar year;
- A copy of this written approval of the SAC application (PDF version, showing signature and date).

HUD's St. Louis OPH will conduct a threshold review of the TPV request prior to sending the request to HUD's Financial Management Center (FMC) for a final determination and processing. HUD's FMC will notify the HASLC in writing of its final TPV award.

Section 22(d)(4)(C) of the 1937 Act requires that, when a property will remain as rental housing following conversion from public housing assistance, each resident household must be provided the option to remain in its current housing unit using tenant-based HCV assistance. Should HASLC choose ultimately to provide project-based assistance in the subject properties, and desire to convert tenant-based assistance originally provided to a resident household as a TPV to project-based assistance, the family must voluntarily consent in writing to the PBV assistance. Tenant consent means that the resident family must be fully informed of its options and voluntarily consent in writing to convert its tenant-based voucher assistance to project-based assistance. If a family fails to consent to the PBV assistance and chooses to remain in the subject property using tenant-based HCV assistance, that family's unit must be excluded from the PBV Housing Assistance Payment (HAP) contract until the family moves out or consents in writing to convert to PBV assistance.

As your efforts toward conversion of public housing assistance to voucher-based assistance evolve, please contact the HUD St. Louis OPH or your HUD Regional Relocation Specialist for additional guidance, if applicable.

Remaining Conditions

HASLC shall not take any action to dispose of or demolish the real estate that comprise the 201 dwelling units in 80 dwelling buildings, 2 non-dwelling buildings and 16.13 acres of land until the following condition is satisfied:

- The Environmental Review (ER) has been completed under 24 CFR 58, and HUD's St. Louis Office of Public Housing (OPH) has accepted the Release of Funds/Environmental Certification (RROF/C) (form HUD-7015.15) and has approved an Authority to Use Grant Funds (form HUD-7015.16).

HUD is not approving any specific disposition or demolition action at this time; any disposition or demolition actions in connection with the Voluntary Conversion shall be dictated by the outcome of the Environmental Review (ER). Please send a written notice to the SAC, confirming your understanding of this requirement; in addition, you must request and secure a letter from the SAC acknowledging compliance with the above condition before HASLC can carry out the transfer of the properties in accordance with this approval. HUD will not release the Declarations of Trusts (DOTs) on these properties unless and until the above conditions are satisfied.

While there are no proceeds contemplated from the sale of the properties as outlined in the application, should any proceeds result from any sale, those proceeds may only be expended on authorized uses under Section 18 of the 1937 Act. Note that the disposition proceeds, until expended for an approved use, must be deposited into an account subject to a HUD-51999 (General Depository Agreement). Prior to obligation and/or use of disposition proceeds (gross or net), HASLC must comply with applicable Departmental guidance (e.g., PIH Notices) and may not expend them until it secures separate written approval from the SAC to expend the proceeds for an authorized use under Section 18 of the 1937 Act.

PIC and Monitoring – Responsibilities of the PHA

HASLC's application and Conversion Plan provided the following general timetable, based on the number of days that major actions will occur following approval of the application:

	Milestone	Number of Days after Approval
A	Begin relocation of residents	90*
B	Complete relocation of residents	270
C	Execution of contract for removal (e.g. sales contract or demolition contract)	360
D	Actual Removal Action (e.g. demolition or sale closing)	360

Note: HASLC must offer residents a 90-day notice. Residents have the right to voluntarily leave prior to the end of the 90-day period, if they choose, but cannot be compelled to vacate earlier.

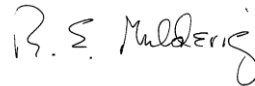
Any modifications to or deviations for any reason from the general timetable must be reported in writing to the HUD's St. Louis OPH within five (5) business days and accompanied by an updated timetable.

Within seven (7) days of converting the last existing resident's housing assistance to HCV tenant-based assistance, the HASLC must send an email to the SAC at SACTA@hud.gov indicating that assistance for all residents has been converted to tenant-based assistance. This will allow the SAC to complete its final review of the conversion and to change the status of the units to "Removed from Inventory (RMI)" in IMS/PIC.

HUD's St. Louis OPH has been informed of this approval. Its staff is available to provide any technical assistance necessary for HASLC to implement its Plan in accordance with this approval.

As HASLC starts the process of implementation, I urge you to continue to maintain an open dialogue with your residents and local officials. If you modify your plans, please contact the SAC at SACTA@hud.gov. As always, my staff and I are available to assist you in any way possible.

Sincerely,



Robert E. Mulderig
Deputy Assistant Secretary for
Public Housing Investments