

Conversion Plan

- (a) The Housing Authority of Washington County will continue to operate the 80 units of low-rent public housing, consisting of 24 three and four-bedroom single family dwellings scattered over 23 distinct physical locations in Washington County, and the 28 one-bedroom units at Blue Mountain Estates in Smithsburg, MD, and the 28 one-bedroom units at Parkview Knoll in Williamsport, MD, as affordable rental units.
- (b) Impact analysis .
 - (1) Availability of affordable housing - Since the Authority is continuing the existing use after conversion, the proposed action will not decrease the availability of affordable housing in its neighborhoods.
 - (2) Impact on the concentration of poverty in the neighborhood - Since the Authority is continuing the existing use after conversion, the proposed action will not affect the concentration poverty in their neighborhood.
 - (3) Other neighborhood impacts - none.
- (c) Consistency with the Conversion Assessment - No changes have been made in this Conversion Plan since the completion of the original Conversion Assessment.
- (d) Resident comments on the Conversion Assessment favored the proposed conversion, as summarized below. No significant issues were raised by commenters.
 - (1) Residents at Blue Mountain Estates were pleased to learn that there would be no further REAC inspections if the conversion is approved by HUD.
 - (2) They were pleased to learn that the Authority could designate their communities for “seniors only” whereas the present HUD approval mechanism proved too cumbersome for HAWC to follow.
 - (3) They suggested that households should be eligible that contained at least one person age 62 or older and no family members under the age of 55.
 - (4) They were pleased to learn that the Authority contemplated no change in the maintenance procedures and no changes in the lease requirements.
 - (5) Comments of residents at Parkview Knoll related exclusively to various maintenance questions and clarifications.
 - (6) Residents at both BME and PVK appreciated the increased flexibility a housing choice voucher would give them if they needed to move.
- (e) This Conversion Plan does not involve demolition or disposition of the housing units in this low-rent public housing development. However, as

required by regulation, the Housing Authority of Washington County hereby confirms that any proceeds received from the conversion are subject to the limitations under section 18(a)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437p(a)(5)) applicable to proceeds resulting from demolition or disposition.

- (f) The Conversion Assessment fully supports the three conditions necessary for conversion described in 24 CFR 972.224
 - (1) Tenant-based rental assistance will cost the federal government less over a 20-year period, than the cost to operate the development as low-rent public housing. This conclusion is born out by the conversion model prepared by the Department of Housing and Urban Development.
 - (2) The conversion will benefit residents, the community and the Housing Authority. As noted in the Conversion Assessment, tenant-based assistance will give the residents more flexibility to move with assistance. In addition, the Section 8 program will use generic utility allowances rather than the unit specific engineer-developed allowances used in the low-rent public housing program, resulting in a reduction in the monthly rent amount each tenant family will pay to the Authority under the tenant-based Housing Choice Voucher program. By removing the HUD Declaration of Trust that is associated with low-rent public housing projects, the Authority will be able to prudently leverage additional housing resources to serve the need for affordable rental housing in the Washington County community. This will benefit lower income families and will create an economic stimulus that will benefit the entire community. The Authority will benefit by being able to use internal savings to create reserves for modernization as well as by un-complicating the process of borrowing against future income streams to meet current capital needs. The Authority's "cost-to-manage" for the whole agency will also decrease with the elimination of the regulatory burden of public housing operation.
 - (3) Finally, the conversion will not adversely affect the availability of affordable housing in the community. It is anticipated that the increased flexibility noted in item (2) above will result in the Authority's being able to increase the supply of affordable housing.

- (g) The Authority's relocation plan is to continue renting the former public housing units to the current residents
 - (1) 80 households will be affected by the proposed conversion: 56 one-bedroom units, 21 three-bedroom units and 3 four-bedroom units. Six of the one-bedroom units are fully handicapped accessible.
 - (2) No relocation resources will be necessary.
 - (3) Because all tenants will be allowed to utilize their tenant-based assistance to remain in place, no relocation schedule is needed.

- (4) Appropriate tenant notifications will be provided as follows:
- (i) Because the conversion is voluntary, tenants will be notified when the Conversion Plan is submitted to HUD (with the submission of the Five-Year Plan for FFY2010-2014.
 - (ii) The notice shall include the following items required by regulation:
 - (A) The development will no longer be used as public housing, and if the Authority had not decided to continue the present use of the units, families might have been displaced as a result of the conversion;
 - (B) If the family should chose to move, they will be issued comparable assistance in the form of a Housing Choice Voucher;
 - (C) Any counseling the tenant family might require should they decide to use the proffered tenant-based assistance to move, will be provided by staff in the Section 8 division;
 - (D) If the family should chose to move, to the maximum extent feasible, they will be assisted in finding decent, safe, sanitary and affordable replacement housing of their choice;
 - (E) Each resident may choose to remain in their current housing, using the tenant-based Section 8 rental assistance toward the rent.
 - 1) Because the formulas for calculating the tenant contribution to housing costs are identical between the low-rent public housing program and the tenant-based Housing Choice Voucher program, when the Authority adjusts the rent on the unit, it will not affect the contribution toward housing costs (rent plus utilities) due from the tenant.
 - 2) The Authority plans to increase the contract rent on the unit in order to build up reserves to cover future repair needs, but the change in contract rent will not affect the tenant contribution.
 - 3) The Authority has examined the utility allowances on all 80 units proposed for this conversion, and has found that use of the higher Section 8 utility allowances in the calculation of the tenant portion, will result in a net decrease in the rent due from each of the current residents.
 - (F) When a resident has chosen to use their tenant-based Section 8 rental assistance to move to another unit, the family's voucher will be issued for an initial 90-day period, which can be extended for an additional 30 days. Families that desire to move will not be given a deadline for moving, however they will be required to give the Authority a 30-day advance written notice of a move, in accordance with their

lease.

(5) Notices

- (i) Families will be notified when HUD approves this Conversion Plan, and provided with the Authority's time line for
 - (A) Issuance of Housing Choice Vouchers (HCV),
 - (B) Briefing families on the HCV program,
 - (C) Completion and signing of forms, and
 - (D) Implementation of new rent payment amounts.
- (ii) Families will be able to exercise their right to informal and formal hearings as provided in their lease, if there is disagreement on the way the Authority handles the Conversion Plan.
- (iii) Families that move into the development after submission of the Conversion Plan to HUD will receive a copy of the Conversion Plan before being asked to sign a lease, but will not be given the option to move in the first year of their use of tenant-based assistance using the portability provisions of the Section 8 program.