

Public Housing Fact Sheet #17:

Selling Public Housing: What Can Residents Do?

questions answered in this fact sheet:

- When can a housing authority sell a public housing project?
- What happens to residents and what are their rights?

important terms:

- **disposition:** the process of selling a public housing development to another owner. Once sold, the housing will no longer be a public housing development.
- **HUD:** The U.S. Department of Housing & Urban Development, the agency that oversees all housing authorities. It also gives housing authorities permission to sell off public housing.
- **PHA Plan:** The annual Plan, written by your housing authority, that talks about what will happen in the coming year. If the housing authority wants to sell a public housing development, it has to put it into the Plan.

1. WHEN CAN A HOUSING AUTHORITY SELL PUBLIC HOUSING?

A housing authority is allowed to sell a public housing development. It can sell part of the development or the whole development. It can do this when:

- the neighborhood is harmful to residents or makes it hard to manage the development
- selling the development will allow the housing authority to buy, build, or renovate other affordable housing
- there is another good reason

Before selling, the housing authority has to get permission from HUD. It has to fill out an application and send it into HUD. HUD then reviews the application and says yes or no. The application is called a “disposition application”.

Also, the housing authority has to follow certain rules along the way.

2. DOES A HOUSING AUTHORITY HAVE TO TELL RESIDENTS ABOUT PLANS TO SELL PUBLIC HOUSING?

Yes. Residents have the right to “consult” with the housing authority before the housing authority can request permission from HUD to sell the units. Before a housing authority can sell a development, it has to “consult” with the residents, Resident Advisory Board (RAB), and resident council. It also has to “consult” with local government officials. The housing authority has to do this when it is preparing its application for permission to sell the public housing (disposition application). In this case, “consulting” means telling people what it plans to do and listening to what people have to say about it.

The housing authority also has to put the information about the possible sale into its annual PHA Plan. Each year, residents and the RAB should be involved in the PHA Plan process. This way, residents should find out early if the housing authority wants to sell the development. For more about the PHA plan process, see Fact Sheet # 1.

3. WHAT HAPPENS TO THE PEOPLE WHO LIVE THERE? WHAT ARE THEIR RIGHTS?

If the building is sold, the residents who live there will have to find a new place to live. By law, the housing authority has to give them **90 days' notice** before they have to move. The law also gives them:

- The right to “comparable housing”—that’s housing that is the *same* or *better* than where they live now
- The right to receive relocation assistance

The Right to Comparable Housing

The housing authority has to make sure that the residents will move to a home that is the *same* or *better* than where they live now. Also, the housing authority has to make sure that the new neighborhood will be the *same* or *better* than the neighborhood they live in now.

The housing authority must offer residents at least one of three choices:

- A Section 8 voucher (Residents then take the voucher and go find an apartment on their own. If they don’t succeed in finding an apartment, then the housing authority has to offer the resident another choice or assist the resident to find a unit where the voucher may be used. Giving the resident a voucher is not good enough if the resident can’t use it.)
- Another apartment owned by the housing authority
- A subsidized unit

The Right to Receive Relocation Assistance

Relocation benefits include:

- **Counseling.** Housing authorities are supposed to give residents counseling if they need help finding a new place to live.
- **Compensation for Moving Expenses.** It costs money to move. The housing authority is supposed to pay for your moving costs, as long as they are reasonable. Costs include things like renting a moving van, and transfer fees from the phone company and utility company.

4. CAN RESIDENTS BUY THE DEVELOPMENT FROM THE HOUSING AUTHORITY?

In certain situations, a housing authority has to offer the development to the residents first. But the government does not give residents help or money to buy the building. If residents don’t have money ready to make the purchase, then trying to buy the development won’t work.

5. WHAT CAN RESIDENTS DO TO STOP A HOUSING AUTHORITY FROM SELLING PUBLIC HOUSING?

Here are some guidelines if you find out that your housing authority wants to tear down or sell your development:

1. **Get involved.** The most important thing to do is get involved early. Each year, residents have the opportunity to participate in their housing authority's annual PHA Plan process. You have a right to get a copy of your housing authority's annual PHA Plan—ask at your housing authority's office. The Plan has to say if your housing authority is planning to put your development up for sale.

To learn more about the annual PHA Plan process and how to get involved, see the National Housing Law Project's "Public Housing Fact Sheet #1: Annual and 5-Year PHA Plans".

2. **Read the disposition application.** If your housing authority wants to sell a public housing development, it has to fill out a disposition application and send it to HUD. This application is one of the best sources of information about what your housing authority plans to do and when. You can get a copy of the application—ask at your housing authority's office.
3. **Go to the meetings.** Usually, the housing authority will hold resident meetings about its plans to sell the development. Attend these meetings. It is a good time to learn about what your housing authority plans to do and when. It is also a good time to ask questions about the plans.
4. **Get organized and decide what you want to do.** Get together with your neighbors and review the application carefully. Do you agree with what's in it? Do you disagree? Do you want to stop the sale and stay in your building?
5. **Send a letter to HUD.** One of the most important things to do is communicate directly with HUD. HUD is in charge of your housing authority and HUD has to approve the application. If you disagree with what the housing authority says in the application, then you have to tell HUD the real story. It is your right.

Here are some tips on writing your letter to HUD:

- a. **Be as specific as possible.** Spell out exactly why you disagree with the housing authority.
- b. **If the housing authority says things in the application that are wrong, tell HUD about them.** HUD will pay more attention to your letter if it finds out that the application might be wrong. For example: Housing Authorities usually say they want to sell a public housing development because it is too expensive to fix up. If you think this isn't true, get proof. You could invite a contractor or architect in to give you a new estimate. If your estimate is less than the housing authority's estimate, say so in the letter. And don't forget to send a copy of the estimate with the letter.
- c. **If the housing authority has not consulted with residents and local government officials, tell HUD.** If HUD finds out the housing authority has not done this, it will say "no" to the sale. But just know that your housing authority could try again and consult with residents the next time.

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- d. **If the demolition plan was not approved in the housing authority's current PHA Plan, tell HUD.** If HUD finds out about this, it will say "no" to the sale. But your housing authority could try again and follow the rules the next time.
- e. **Contact your mayor's office and the office of your local council members.** Tell them what is going on. Tell them that you and your neighbors are in danger of losing your homes. Share your letter with them. Ask them to sign their names to your letter or write their own letters to HUD in support of the residents.
- f. **Send your letter to:**

**Director of Dispositions
HUD Special Application Center
77 West Jackson Boulevard
Chicago, IL 60604-3507**

FOR MORE INFORMATION

- 42 U.S.C. § 1437p (Section 18 of the United States Housing Act)
- 24 C.F.R. Part 970 (demolition/disposition regulations)
- HUD Notice PIH 2003-9 (update to regulations)
- Form HUD-52860 (demolition/ disposition application form)
- HUD Special Applications Center Web page, www.hud.gov/offices/pih/centers/sac.
- HUD Housing Programs: Tenants' Rights (National Housing Law Project, March 2004), Chapter 15

For additional information on the PHA Plan process:

- Public Housing Fact Sheet #1: Annual and 5-Year PHA Plans
- Residents' Guide to the New Public Housing Authority Plans (Center for Community Change, June 1999) available at <http://www.communitychange.org/publications/housingcommdev.htm> (also available in Spanish)

ABOUT THIS FACT SHEET

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