

satisfy the resident consultation requirement by holding a meeting with the residents. The commenter wrote that “[h]olding one meeting to present a plan that has already been developed based on complex calculations and studies * * * is not ‘significant participation’ in the development of the plan.” Both commenters made various specific suggestions for enhancing the consultation process, including:

1. Requiring the PHA to consult with the development’s resident council and the PHA-wide Resident Advisory Board;

2. Requiring that the required meeting with residents take place at least 45 days before the PHA submits the conversion plan to HUD;

3. Requiring that the consultation process include adequate notice to residents and an opportunity for residents to comment. Further, HUD should require that a PHA give due consideration to all comments from residents and the public;

4. Providing resident access to independent technical assistance; and

5. Requiring that any relevant documents be provided to residents at least six months in advance of the public meeting. According to the commenter making this suggestion, this is necessary due to the complexity of the issues related to voluntary conversion.

HUD Response. HUD does not believe that it is necessary to revise the proposed rule to adopt the suggestions made by these commenters. Existing regulatory requirements already ensure meaningful and timely public input in the development of the conversion plans. For example, the conversion plan must be part of the PHA’s Annual Plan. The conversion plans, therefore, are subject to the extensive public participation requirements for the development of the PHA Annual Plans (see 24 CFR part 903). The consultation requirements at § 972.227 supplement the PHA Plan requirements, they do not replace them.

Among other requirements, the PHA Plan regulations require that PHAs establish Resident Advisory Boards to assist and make recommendations in the development of the PHA Annual Plans (see 24 CFR 903.13). PHAs are also required to conduct a public meeting in developing their Annual Plans, and to conduct reasonable outreach activities to encourage broad public participation in the PHA Plans (see 24 CFR 903.17). Considered in their totality, the consultation procedures contained in both the voluntary conversion and PHA Plan regulations require that a PHA undertake good faith efforts to ensure that residents understand and have a

voice in the implementation of voluntary conversions.

For purposes of clarity, HUD has made one change to the proposed consultation requirements. Specifically, the final rule clarifies that the public housing residents with whom the PHA must meet include any duly elected resident council that covers the development in question.

Although HUD has not adopted many of the suggestions made by the commenters, HUD agrees that meaningful public and resident participation is essential to the success of the voluntary conversion process. Accordingly, in addition to requiring consultation with residents during the development of a conversion plan, this final rule also requires that PHAs consult with residents during the preparation of the conversion assessment. The conversion assessment consultation process established by this final rule is similar to the consultation process for conversion plans. The new consultation requirements will help to ensure that PHAs solicit resident input as early as possible in the conversion process.

The conversion assessment procedures at § 972.224 require that a PHA hold at least one public meeting with residents of the affected site (including the duly elected Resident Council, if any, that covers the development in question). At the meeting, the PHA must explain the voluntary conversion requirements (especially as they apply to residents of affected developments), and provide draft copies of the conversion assessment to the residents. The PHA must also provide the residents with a reasonable period of time to submit comments on the draft conversion assessment. The conversion assessment submitted to HUD must contain a summary of the resident comments, as well as the PHA responses to any significant issues raised by the commenters.

Comment: *The final rule should clarify that a PHA may decide not to proceed with conversion based on comments from residents and the public.* Two commenters made this suggestion.

HUD Response. HUD does not believe that the requested change is necessary. This final rule requires that a PHA consider the resident comments in developing the conversion plan. A PHA may decide, based on its consideration of the comments, not to proceed with a proposed conversion. Further, HUD will also consider the public comments in its review of the conversion plan and will not approve a conversion plan unless it

is satisfied that the concerns of residents and the public have been adequately addressed by the PHA.

E. Comments Regarding the Components of a Conversion Plan (§ 972.217 of the Proposed Rule; § 972.230 of This Final Rule)

The proposed rule at § 972.217 described the various elements that must be included in a conversion plan. (The corresponding provisions of this final rule are located at § 972.230.)

Comment: *More notice of displacement should be required.* The proposed rule would have required that a PHA notify families residing in the development 90 days before displacement. One commenter wrote that the 90-day notice is inadequate. The commenter wrote that, under the Section 8 rental voucher program, families generally have 120 days to locate housing. The commenter also wrote that, for families with school-age children, relocation during the school term will seriously disrupt the children’s education and jeopardize related child-care arrangements.

HUD Response. In accordance with URA, this final rule provides that a family will not be required to move without at least 90-days advance written notice of the earliest date by which the family may be required to move, and that the family will not be required to move permanently until the family is offered comparable housing, in accordance with the final rule. In addition, the final rule provides that, where Section 8 voucher assistance is being used for relocation, the vouchers must be provided to the family at least 90 days before conversion. PHAs should consider all relevant factors that might affect a family’s ability to relocate (such as school age children) in determining the appropriate time frames, and should ensure that families are provided with adequate time to locate new housing.

Comment: *Reimbursement of relocation expenses should include security deposits.* The proposed rule would have required that a PHA reimburse a family for “actual and reasonable relocation expenses that [the family] incur[s] as a result of the conversion.” One commenter suggested that the final rule explicitly provide for reimbursement of security deposits.

HUD Response. Utility and security deposits are not considered an eligible relocation cost under URA since these deposits are refundable and, therefore, not an expense. PHAs may elect to assist residents to pay any increased or additional deposits that may be required at their replacement unit by advancing funds under a repayment agreement.