

PUBLIC HOUSING CONVERSION PLAN

HACSD intends to apply to HUD to financially reposition the 121 public housing units, located at four sites throughout the City of Chula Vista (AMP CA108000001). Through the RAD/Section 18 Small PHA Blend (Small PHA Blend) process HACSD will convert public housing to project-based voucher assistance. If the Small PHA Blend is approved, all existing eligible public housing residents would receive Project-Based Vouchers (PBVs) to replace the rent subsidy provided through the public housing program.

It is HACSD's intent to maintain the 121 units as affordable to low and very low-income households. All residents would have the right to remain in their existing unit paying an affordable rent. Currently, it is anticipated that all existing residents would qualify for a PBV. Through the Small PHA Blend process, up to 80% of the units, or other amount identified by HUD, in the Converting Project may be converted to tenant protection vouchers (TPVs) awarded through a Section 18 disposition approval. The TPVs will be used to attach PBVs to the Section 18 units through a non-competitive process as outlined in PIH Notice 2017-21. The other units would convert to PBVs through a Rental Assistance Demonstration (RAD) process. It is anticipated that all of the public housing units would thereby be replaced by PBV assistance.

- Residents with a PBV will be eligible to request a tenant-based Section 8 Housing Choice Voucher (HCV) and request to move with their voucher one year after the conversion is complete contingent on funding. Units vacated by a household will be filled through a PBV waiting list, identified in the HCV Administrative Plan.

Although no involuntary relocation is anticipated, HACSD will provide relocation assistance as necessary.

The ownership of the 121 units will be transferred to a separate legal entity which will serve as owner. HACSD will likely serve as the sole member of the legal entity in order to retain an ownership interest in the properties. A HUD approved independent entity will also be secured to perform required administrative tasks, such as rent reasonableness determinations and inspections. Upon completion of the conversion, the HACSD will close out the Public Housing Program.

Following the completion of the Small PHA Blend and transfer of properties, the separate legal entity will retain ownership while exploring potential disposition options for the four sites. Disposition activities may be completed via a sale or ground lease to an affordable housing developer. The properties will remain affordable under a long-term housing agreement.