

The contents of this document, except when based on statutory or regulatory authority or law, does not have the force and effect of law, and is not meant to bind the public in any way. This document is intended only to provide clarity to the public regarding existing requirements under law or agency policies.

This overview of Streamlined Voluntary Conversion (SVC) highlights major considerations for Public Housing Authorities (PHAs) interested in converting their entire public housing portfolio to Section 8, as outlined in [Notice PIH 2019-05](#). For additional information, please visit HUD's [Public Housing Repositioning Website](#) or HUD's [SVC website](#). For assistance completing a SVC application, PHAs are encouraged to contact their local Public Housing Field Office or email repositioning@hud.gov.

Resident Participation and Protections. SVC Plans must be developed with the full participation of residents and protections that guarantee certain benefits of the conversion. Residents must be fully protected with the opportunity to be residing in comparable housing, including costs covered for relocating to such comparable housing. In most instances, residents will have both a tenant-based mobility option and an option to remain in their units using tenant-based assistance. Specifically, resident protections include:

1. *Opportunity for resident participation.* Development of the SVC Plan must provide impacted families the opportunity for active and significant participation, with at least one resident meeting specific to the SVC Plan, in addition to meetings required for PHA Plan requirements.
2. *Evidence of principal benefit.* The SVC Plan must document its benefit to impacted families. Considerations include ability to use tenant-based assistance for housing of choice, availability of participating landlords and access to schools, jobs, and transportation.
3. *Opportunity for mobility through Housing Choice Voucher (HCV) Program.* Generally, impacted eligible families receive HCV tenant-based assistance, even if the property remains as rental housing, thereby offering the opportunity to remain in the property or to move off-site, with the PHA providing counseling and paying reasonable actual relocation costs.
4. *Opportunity for comparable housing.* In the event that the property will not be retained as rental housing, residents must be offered comparable housing, which in addition to HCV assistance could include a unit operated or assisted by the PHA at a comparable rental rate as public housing. Even "over-income" families or those otherwise ineligible for HCV must receive comparable housing.
5. *Requirement for written consent to Project-Base.* Impacted families must voluntarily provide informed written consent to project-based voucher (PBV) assistance in their units. Briefings are required prior to consent, with at least 30 days to decide. See [PIH Notice 2019-05](#), Appendix A. The briefing must include a representative from the local HUD Public Housing Office (either in person or over the phone). PHAs cannot accepted written consent until families are fully informed of their relocation rights, including rights to use tenant-based assistance in their current units or off-site (with the PHA paying relocation expenses and providing counseling, as noted above).

SVC Plan (Application) Thresholds. PHAs must submit an SVC Plan to HUD that evidences the conversion will benefit the residents, the PHA, and the local community. HUD will not approve an SVC Plan unless it meets certain threshold requirements, which include:

1. *Evidence of Benefits.* As noted above, present evidence that the conversion principally benefits residents, the PHA, and the community, through an impact analysis, the proposed future use, voucher utilization rates, and/or a rental market analysis. See 24 CFR 972.224.
2. *No Adverse Impact.* Describe impacts to the neighborhood, including availability of affordable housing, concentration of poverty, and other substantial impacts. This analysis needs to support the determination of conversion benefits.
3. *Environmental Review (ER).* The proposed future use (which remains subject to HUD approval) needs to be part of the ER under 24 CFR part 58 (or part 50). If future use is yet unknown, the ER must be updated once the future use is known.
4. *Consultations.* Required stakeholders are the public, residents, local government, and board of directors. For the public, describe and include SVC Plan in the PHA Annual Plan or Significant Amendment (for Qualified PHAs, discuss SVC Plan at Annual Public Hearing). For residents, see above summary. For local government, obtain certification from appropriate officials that the SVC Plan is consistent with the Consolidated Plan. For Board of Directors, obtain approval of the SVC Plan.

Future Use of Property. The PHA's plans for the property after the tenant assistance has been converted to HCV is subject to HUD approval. PHAs must actively engage stakeholders in this process. The property may, but does not need to, continue as rental housing after conversion. PHAs should consider factors such as the condition and location of the property; the value of the property (and ways to use proceeds if property is sold); and the availability of private housing in the community where residents will be able to use tenant-based assistance. The proposed future use must benefit the residents, the PHA, and the community. PHA considerations regarding future use include:

1. *Retain or Transfer?* A PHA will want to consider comparative advantages relevant to retaining property or disposing property to a related entity or unrelated third party via fee title transfer (sale) or ground lease. Proceeds from disposition are restricted to eligible uses in accordance with Section 18(a)(5) of the 1937 Act; see guidance in [PIH Notice 2020-23](#).
2. *Demolition.* If the demolition is approved under the SVC Plan and is completed within a reasonable time, the PHA can use Capital Funds. Demolition may also occur after DOT release, as described in SVC Plan, but 1937 Act funds cannot be used.
3. *Rental Housing.* If the property remains as rental housing, existing families have the right to remain in their units with tenant-based assistance. PHAs cannot execute a HAP contract as both Administering HCV Agency and as the Owner, so transfer or a contractual relationship is required before executing the HAP.
4. *Below market value transactions and use restrictions.* If property ownership is retained without compensating HUD or if transfer is at below fair market value (FMV), provide a good cause justification (e.g., housing affordable to lower income families) with an identified, legally-committed term (e.g., a recorded use restriction for 30 years).



5. *Attaching PBV Assistance.* Prior to entering into a PBV HAP contract, meet all applicable PBV requirements (see 24 CFR Part 983).¹ The HAP cannot be executed until the DOT is released (and units are in “Removed from Inventory (RMI)” status in IMS/PIC). If an impacted family chooses to remain in the unit, the family must provide voluntary and informed written consent to the PBV assistance after being fully informed of all relocation rights. Again, see [PIH Notice 2019-05](#). Vacant units can be added to the HAP, but the PHA may need to use some existing HCV resources when impacted families relocate using the TPVs as tenant-based assistance.
6. *Non-Dwelling Real Property.* Vacant land and non-dwelling buildings can be removed from the public housing program as part of the SVC Plan. Describe if such non-dwelling property is used to support units (e.g. community building, playground) or if such is unrelated or excess.
7. *Personal Property.* Include as part of the SVC Plan and describe if exclusively or primarily supporting the property under conversion. Central office personal property (acquired with 1937 Act funds) cannot be part of the conversion but addressed later under public housing closeout pursuant to [PIH Notice 2019-13](#).
8. *Different Future Uses.* Different future uses can be proposed for different projects/units. A PHA could sell some units on the open market at FMV and transfer other units to an affiliated entity at below FMV to continue as affordable housing. Staggered or sequential timelines for conversions are acceptable.

Implementation Options and Considerations. HUD’s approval of an SVC Plan triggers certain authorization, funding, and actions, which include:

1. *Tenant Protection Vouchers (TPVs).* PHAs are eligible to apply for TPVs for units occupied by assisted families within 24 months prior to SVC approval. See [TPV FAQs](#). An agreement with a separate HCV Agency to administer the TPVs is required if the PHA approved for conversion does not itself administer an HCV program.
2. *Release of DOT.* HUD releases its Declaration of Trust (DOT) and changes the units’ status to “Removed from Inventory (RMI)” in IMS/PIC after all families are relocated to comparable housing (generally by converting the families to HCV assistance via the HUD-50058) and as part of the approved future use of the property (e.g., demolition, transfer, retention) in accordance with the SVC Plan.
3. *Impact on Funding.* Full Operating and Capital subsidies remain in effect until the DOT is released and units change to RMI in IMS/PIC. Once the property is removed from DOT, the PHA cannot spend Public Housing Capital Funds or Operating Subsidy at the site. See [Repositioning and Public Housing Funds](#).

¹ PBV requirements were subsequently amended by the Housing Opportunities Through Modernization Act (HOTMA). HUD implemented most of these HOTMA amendments through Federal Register Notice at 82 Fed. Reg. 5458 (January 18, 2017) and 82 Fed. Reg. 32461 (July 14, 2017), and subsequently issued guidance in PIH Notice 2017-21. HUD has not implemented these HOTMA changes through regulation, so PHAs must apply 24 CFR Part 983 in conjunction with the FR notices to have the full set of PBV requirements. If a project does not qualify as existing housing under PBV requirements, it must be developed as new construction/rehabilitated housing, pursuant to an AHAP.



4. *Public Housing Closeout.* The execution of the SVC Plan does not terminate the ACC. After all public housing units are in RMI status in PIC and DOTs are released, the public housing program must be closed out in accordance with [PIH Notice 2019-13](#). Closeout should occur as soon as possible after completing the assistance conversion.