



U. S. Department of Housing and Urban Development
Washington, D.C. 20410-5000

OFFICE OF THE ASSISTANT SECRETARY
FOR PUBLIC AND INDIAN HOUSING

JUN 14 2000



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Mr. Danny E. Cruce
Executive Director
Portsmouth Redevelopment &
Housing Authority
New Kirn Building
339 High Street
P.O. Box 1098
Portsmouth, VA 16146

Dear Mr. Cruce:

The Department has reviewed the Portsmouth Redevelopment & Housing Authority's (PRHA) application for the demolition of 160 units in 41 dwelling buildings and 2 non-dwelling structures at Washington Park, VA36P001007. This application was received by the Special Applications Center on March 23, 2000. Supplemental information was received through May 2, 2000.

I am pleased to inform you that your request to demolish 160 units at Washington Park, VA36P001007, is hereby approved.

Approval of your application is based on the Department's understanding of your submittal as outlined in the enclosed memorandum from me to the Virginia State Office.

The Virginia State Office has been informed of this approval and its staff is available to provide any technical assistance necessary for your agency to proceed with the demolition.

The Public Housing Reform Act of 1998 eliminated the requirement for one-for-one replacement for public housing units. Therefore, the PRHA is not required to provide for replacement housing and the Department is under no obligation to fund replacement housing.

Please be aware that the demolition of these units will affect your operating subsidy eligibility in two significant ways. First, the dwelling units you have identified for demolition will be excluded from your inventory of subsidy eligible units. If the units are now vacant, they will be excluded starting with the month that this letter is dated. If the units are now occupied, they will continue in the inventory until vacated. This inventory adjustment is to be reflected on your next required original or revised budget and/or subsidy eligibility submission.

Second, your agency may be eligible to receive phase down or transition funding for the units you propose to demolish. The qualifying criteria for this funding are found in the regulations at ~~24 CFR 990.114~~. The maximum term of funding is 36 months and would start with the month that this letter is dated. Please contact your HUD financial analyst for additional information on how to apply these criteria to your particular case.

Please make sure that your annual formula characteristics report is updated properly to reflect these changes.

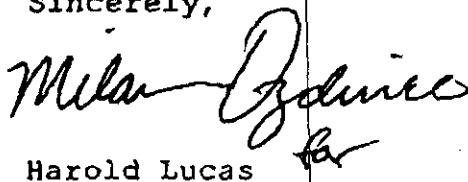
The Virginia State Office of Public Housing will prepare an amendment to the Consolidated Annual Contributions Contract to reflect the decrease in units under the Act resulting from this demolition.

If you are interested in applying for Section 8 rental vouchers for relocation or replacement housing in connection with the units approved for demolition, you must submit an application to the Virginia State Office of Public Housing for review and approval. You should not submit your application until HUD's issuance of a new Notice outlining the application procedures for FY 2000. The issuance of such a Notice will be contingent upon the availability of Section 8 rental voucher funding in FY 2000 for relocation and replacement housing.

In accordance with 24 CFR 970 section 14 of the regulation, your agency is required to inform the Virginia State Office of the status of the project, (i.e., delays, actual demolition or other problems). When the demolition has been achieved, please submit a report to the Virginia State Office confirming the action and certifying compliance with all applicable requirements. ~~Files must be maintained which are sufficient for audit purposes and must be made available upon request.~~

As you start the process of implementation, I urge you to continue maintaining an open dialogue with your residents and local officials. If you have to modify your plans, the Virginia State Office stands ready to assist you, as does my staff.

Sincerely,


Harold Lucas

Enclosure