

**RHODE ISLAND LEGAL SERVICES, INC.
56 PINE STREET FOURTH-FLOOR
PROVIDENCE, RHODE ISLAND 02903**

**TELEPHONE: (401) 274-2652
TOLL FREE: 1-800-662-5034**

**TDD: (401) 272-5335
FAX: (401) 453-0310**

May 24, 2001

BY FACSIMILE AND REGULAR MAIL

Ms. Ellen R. Connolly
Director of Housing Division
U.S. Department of HUD
10 Causeway Street
Boston, MA 02222

Mr. Stephen A. Vadnais
Executive Director
Woonsocket Housing Authority
679 Social Street
Woonsocket, RI 02895-2090

Dear Ms. Connolly and Mr. Vadnais:

On behalf of our client the Develco Tenants Association, I am writing to request that HUD take immediate steps to prevent the illegal termination of several Section 8 contracts covering four HUD insured developments in Woonsocket, Rhode Island. Our client also requests that both HUD and the Woonsocket Housing Authority (WHA) halt any measures currently underway to implement that termination, including the issuance of Section 8 vouchers to the tenants of the four developments.

Rhode Island Legal Services has been retained by the Develco Tenants Association, a newly formed organization of tenants who live in several HUD insured housing developments in Woonsocket managed by HEDCO, Inc. These developments contain a total of 178 apartments and include Develco Apartments, Develco Modern, Develco Singles, and Develco Family. As of June 1, 2001, tenants living in those developments will receive Section 8 vouchers from the Woonsocket Housing Authority, presumably because HEDCO has opted out of the Section 8 contracts and/or because HUD has decided to voucher out those developments.

In April 2001, the tenants at the affected HEDCO managed properties received a notice from the Woonsocket Housing Authority (WHA) dated April 16, 2001. The April 16th notice states that "HEDCO has chosen not to renew its Contract with the Department of HUD . . ." and that as of June 1, 2001, the tenants would "no longer be subsidized by Hedco." The April 16th notice also states that WHA would issue Section 8 Housing Choice Vouchers only to those tenants that met certain qualifications, although those qualifications were not spelled out in any detail. The April 16, 2001 notice was the first notice sent to the tenants that states HEDCO was not renewing its Section 8 contract with HUD. On May 1, 1999, a notice from DEVELCO APARTMENTS was allegedly sent to

tenants. The May 1999 notice only says that the owner might not renew its Section 8 contract after August 31, 2000.

Neither the May 1, 1999 notice from DEVELCO APARTMENTS nor the notice from the WHA comply with federal and state laws regarding termination of Section 8 contracts. Under Federal law, the tenants were entitled to receive a one-year notice **from the owner** stating unequivocally that the owner intended to terminate the Section 8 contract. Under state law, both the tenants and Rhode Island Housing Mortgage Finance Corporation (RIHMFC) were entitled to a two-year notice **from the owner**. Moreover, the state law notice from the owner must specify “the reasons for the termination with sufficient detail to enable [RIHMFC] to evaluate whether the termination is lawful and whether there are additional actions that can be taken by the corporation to avoid the termination.” R.I.G.L. Section 34-45-5. State law also required RIHMFC to issue “a written finding of the legality of the termination and the reasons for the termination, including the actions considered or taken to avoid the termination.” Id.

Our client hopes that while the vouchering out process is halted HUD, WHA and HEDCO will supply the affected tenants with information about the alleged termination, applicable laws, and if the termination is lawful, the vouchering out process, and meet with them to discuss their concerns. The information sought by our client includes:

- ◆ copies of correspondence between HUD, WHA and HEDCO about the vouchering out of the Develco properties;
- ◆ copies of notices allegedly sent to tenants about the termination or expiration of Section 8 contracts covering the Develco properties;
- ◆ copies of any notices HEDCO sent to HUD regarding any opt out or termination of Section 8 contracts covering the Develco properties;
- ◆ copies of the Section 8 contracts between HUD and HEDCO covering the Develco properties entered into after May 1, 1999;
- ◆ projected income and expense statements for the affected HEDCO properties after vouchering out is completed;
- ◆ projected budget for any repairs to be undertaken at the affected properties by HEDCO as part of the vouchering out process, including sources of funds for the repairs and a list of repairs to be undertaken; and
- ◆ copies of any correspondence involving RIHMFC and the Develco properties.

Please consider this request for information a request under the U.S. Freedom of Information Act and the Rhode Island Open Records Act.

Since the tenants did not receive the required notices under state and federal law, the Section 8 contract termination and plan to voucher out the Develco properties on June 1, 2001 is illegal. A halt in the process is, therefore, warranted. Specifically, our client wants HUD to refuse to approve any request by HEDCO to opt out of the Develco Section 8 contracts or to prepay any of the HUD insured mortgages covering the Develco properties. Second, our clients want HUD to issue a written rejection of the owner’s notice to the tenants as inadequate pursuant to federal law and HUD’s Section 8 Renewal

Policy Guide. Our client wants WHA to stop issuing Section 8 vouchers to the Develco tenants and halt the process to qualify the Develco tenants for those vouchers.

Should you reject our client's request for HUD to disapprove the alleged contract termination and for a halt in the vouchering out process, our client is prepared to seek such relief in court. Given that the contract's expiration and vouchering out of these properties is only days away, we will need to hear from you no later than the close of business on May 29th. If we do not receive a response by that date, our client will be advised to pursue court action.

Very truly yours,

Steven Fischbach
Unit Head
Housing Law Center and
Eviction Defense Clinic

Cc: HEDCO, Inc.
Miniard Culpepper, Esq.