

COMPLAINT
BY THE RICHMOND TENANTS ORGANIZATION (RTO) AND
DONALD HATCHER
TO THE OFFICE OF THE CHIEF OF STAFF
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)
IN WHICH COMPLAINANTS CONTEND THAT
RICHMOND REDEVELOPMENT AND HOUSING AUTHORITY (RRHA)
FAILED TO COMPLY WITH RRHA'S ONE-YEAR AND FIVE YEAR PLANS
SUBMITTED TO HUD IN 2000

This complaint is made pursuant to 24 CFR Part 903.25 with respect to the 5-Year Plan for Fiscal Years 2000-2004 and Annual Plan for Fiscal Year 2000 ("2000 Plan") filed by the Richmond Redevelopment Housing Authority ("RRHA"). The RTO is a jurisdiction-wide resident council formed under 24 CFR 964.105. It represents all public housing tenants in the City of Richmond. All public housing residents in Richmond are tenants of Richmond Redevelopment and Housing Authority (RRHA) which administers all public housing in the City of Richmond pursuant to grants provided by the U.S. Department of Housing and Urban Development (HUD). Donald Hatcher is a concerned citizen of the City of Richmond and former member of the HOPE VI Community Task Force. The RTO and Mr. Hatcher ("Complainants") submit this complaint asserting that RRHA has failed to comply with its one-year and five-year plans submitted in 2000, as follows:

I. RRHA has not taken meaningful action towards its goal to provide affordable housing stock to families with extremely low incomes.

RRHA's Goal No. 6 in the 2000 Plan was to provide affordable housing stock to families with extremely low incomes.

The waiting list for Section 8 housing and Public Housing has, however, increased dramatically since last year. Specifically, according to RRHA's Annual and 5-Year Plan presented to the Resident Advisory Board in 2001, the Section 8 waiting list nearly tripled, increasing from 1,155 to 3,126 and the public housing waiting list increased from 2,372 to 3,539. This alarming trend calls for measurable goals, and reporting on success against those goals.

Complainants recommend that HUD take the following remedial actions with respect to this issue:

- a. Require RRHA to set a quantifiable targets for the number of housing units it plans to make available to extremely low, very low and low income people, the target rental rate or purchase price and the target dates for making them available.
- b. Require RRHA to include in its draft annual plan published for comment each year, how it performed against the 5-Year and Annual Goals in last year's plan.

II. RRHA has mismanaged its Section 8 program.

2.1 RRHA has failed to make reasonable progress toward meeting its Section 8 goals for its HOPE VI Program.

RRHA's Goal 1, Objective 4 was to "Maintain public housing properties and Section 8 program." However, RRHA is nearly 70% below target for placement of HOPE VI relocated tenants in Section 8 housing. It has, by the effect of its actions, substituted relocation of HOPE VI tenants to other public housing and evictions in place of Section 8 placements.

RRHA's HOPE VI quarterly report for the First Quarter of 2001 shows only 113 Section 8 placements as compared to the original target of 360, and 219 public housing placements as compared to an original target of only 80. The same report shows 43 tenants evicted and 43 "other", which may include those who left to avoid eviction. Earlier reports, including RRHA's quarterly report for the period ended June 2000 and RRHA's letter to me dated January 19, 2000, indicate 66 evictions, a total of 16% of the 418 families relocated by HOPE VI. Despite my repeated requests for such information, RRHA has declined to state how that record compares to eviction rates prior to HOPE VI. (Copies of the relevant pages of RRHA's HOPE VI quarterly reports and baseline data are attached as Exhibits A-1 through A-3.)

2.2 RRHA has put its Section 8 funding at risk.

RRHA's performance with Section 8 overall has put its Section 8 funding at risk. HUD noted in its September 29, 2000 report on Section 8:

"The principal finding in the Section 8 program is the serious under-utilization of the authority's Section 8 funding ...continued under-utilization will decrease the baseline unit number used for future funding."

According to an article published in the Richmond Times Dispatch newspaper on May 5, 2001, RRIIA reported to it that RRHA might lose as much as \$6 million, or about one-half of its Section 8 budget next year.

In April of this year, Marcel L.M.B. Slag, Esquire, managing attorney at Central Virginia Legal Aid Society (in his capacity as legal counsel for the RTO at meeting of the Resident Advisory Board ("RAB")) when meeting with RRHA for discussion of RRIIA's one-year and five-year plans before they were submitted for comment in draft form) noticed that the Section 8 budget in the draft Annual Plan for 2001 was approximately \$4 million less than the budget for the previous year, a subject that RRHA had not mentioned. Mr. Slag asked RRIIA for an explanation. RRHA indicated that the funding had been lost due to lack of use. On May 3, 2001, the evening of RRIIA's public hearing on the draft submitted by RRHA staff for RRIIA's one-year and five-year plans for 2001, RRHA distributed a revised plan that indicated a decrease of only about \$1 million in Section 8 funding, and that contained other changes from the draft provided to the public for comment. I asked for an explanation of this change in projected Section 8 funding, but RRIIA declined to answer any questions at the hearing on the grounds it was extending the comment period and would provide answers later. A Richmond Times Dispatch reporter who attended the hearing questioned Tyrone Curtis, Executive Director of RRHA, that evening. The Richmond Times Dispatch reported two days later that Mr. Curtis had acknowledged that the amount likely to be lost was \$6 million -- even more than the decrease that had appeared in documents Mr. Slag had seen, and radically different from the figures supplied to the public at the May 3rd public hearing only two days earlier. (A copy of the Richmond Times Dispatch article is attached as Exhibit B)

2.3 RRHA has discouraged Landlords from Participating in Section 8 Program.

According to the Times Dispatch article referred to above, Mr. Curtis cited "a strong housing market, coupled with a smaller number of landlords willing to accept the program's vouchers" as the reason for the shortage of supply of Section 8 housing. There is reason to believe that the smaller number of landlord's willing to use the program is attributable in material

part to RRHA's poor management of the program. Debra Fifer is a property manager with Morton G. Thalheimer, Inc., one of the largest real estate firms in Richmond. She has managed Section 8 properties for eleven years. Ms. Fifer explained to me that it is a "no brainer" that Section 8 is a good deal for landlords with properties that serve lower income tenants because the Section 8 subsidy eliminates, or substantially reduces, credit risk. Nonetheless, she stated she has stopped accepting new Section 8 tenants due to the difficulty of dealing with RRHA. In a letter to me (a copy of which is attached as Exhibit C-1) Ms. Fifer cites the following reasons for deciding not to deal with RRHA:

- Needless delays of payment for several months due to RRHA failure to process paper;
- RRHA's withholding of payment for months based on ill-founded allegations of tenant wrongdoing that ultimately were proven false;
- RRHA exposing a tenant to possible loss of an apartment due to its refusal to inspect a rental unit until it first inspected a second unit which was being sold and removed from the Section 8 market so that there was no longer any reason to inspect it;
- A process she characterized as not landlord-friendly.

John Banks, another Section 8 landlord, reported similar experiences to me. He contends that RRHA applies inconsistent inspection standards. A statement by Mr. Banks describing his views regarding difficulties in dealing with RRHA are set forth in a letter attached as Exhibit C-2.

The Complainants recommend that HUD take the following remedial action with respect to this issue:

- a. Require RRHA to hire a firm to conduct an independent, anonymous survey of Section 8 landlords' satisfaction with RRHA administration of the Section 8 program, under the supervision of HUD, and
- b. Require that a report of the results of the survey, and action plans with measurable goals for addressing any barriers to landlord participation in the Section 8 program, be developed by RRHA under HUD's supervision.

III. RRHA's behavior runs counter to its stated policy of encouraging joint meetings between tenant councils and civic associations. RRHA has, in fact, tried to undermine tenant councils.

RRHA's Goal 2, Objective 1 in the 2000 Plan was to develop joint meetings between tenant councils and civic associations and other neighborhood groups. What RRHA has done, however, is to try to undermine the formation and operation of tenant councils by interfering with tenant election of officers. Furthermore it has attempted to replace the Blackwell Tenants Council with a civic organization that is not covered by HUD's regulations protecting the rights of tenants to organize, and which has interests directly opposed to the interest of public housing tenants. This is in direct opposition to the letter and spirit of HUD's Guidelines on Resident and Community Involvement for the HOPE VI process.

3.1 Interference with Voting; Defiance of HUD Direction

RRHA's interference with the operation of the Blackwell Tenants' Council ("BTC") started with its participation, beginning in September 1999, in the making of payments from RRHA to the BTC that went directly to the president and treasurer of that organization without knowledge of the members of the BTC. RRHA interference continued with ignoring tenant insistence on compliance with HUD regulations requiring that bylaws permit dismissal of officers, interference with timely election of tenant council officers, and defiance of a HUD instruction to set up a tenant council that could fairly represent the tenants who were being displaced due to HOPE VI. The history beginning mid-way through 1999 and continuing into the 2000 Plan year, is as follows:

- a. Denying Tenant Involvement in HOPE VI Planning:** From early in the history of the HOPE VI Community Task Force until August, 1999, RRHA systematically refused to allow meaningful tenant participation in the HOPE VI Planning and Implementation Process, with the cooperation of the President of the Blackwell Tenants' Council ("BTC"). (This was documented in a report to HUD dated September 2, 1999 filed with Patricia Anderson of HUD's Richmond office, which report was adopted by the RTO in its comments on the 2000 Plan.)

b. Undisclosed Payments to BTC Officers: In the summer of 1999 the Blackwell tenants discovered that RRHA had entered into an MOU with the BTC in September 1998 providing for payment of up to \$3,500 per month for supplies and services. Almost all of the payment for services went to the president and treasurer of the BTC, without any knowledge or consent of the tenants. Those two officers of the BTC were also officers of the HOPE VI Community Task Force that had been carefully constructed to provide for ten members chosen by tenants and ten chosen by RRHA. The tenants found out that two of the representatives on their side of the table were receiving substantial amounts of money through RRHA without their knowledge based on a FOIA request filed by a former member of the Richmond City Council. The tenants were so concerned that thirteen demanded a recall of these officers. (A copy of their petition is attached as Exhibit D-1.) Demands for an accounting of how this had occurred took up most of the next several meetings of the HOPE VI Community Task Force.

c. Removal of Members from Community Task Force: In August, 1999 RRIIA unilaterally disbanded the HOPE VI Community Task Force and reconstituted it. RRIIA thereby removed from the Task Force Mr. Hatcher and three other members who had been vocal in support of tenant concerns, including the person who had discovered the RRHA MOU under which the BTC officers had been paid. The three others removed by RRHA had been chosen by the tenants to represent them, but were not themselves tenants, and were, therefore, not dependent on the goodwill of RRHA for housing and relocation services. Both of the officers who had received substantial payments from RRHA funds remained on the new task force.

d. Disbanding BTC: In December, 1999 RRIIA indicated that it was planning to seek funding for a \$51,000 payment to the BTC. When pressed to require prior disclosure to the members of the BTC of any contract for payment of RRHA money to BTC officers, RRHA promised that it would. RRHA followed that promise, however, by stopping all funding to the tenant council, and attempting to make the Blackwell Civic Association ("BCCA"), substitute for a body elected by tenants. After that, the office of the BTC was closed and it ceased to be available to Blackwell tenants, except that BTC has from time to time conducted meetings well attended by RRHA staff members.

e. HUD call for Proper Elections and Bylaws: On February 24, 2000 Patricia Anderson, Director of HUD's Virginia State Office, wrote to the Executive Director of RRHA reminding him that she had spoken with him for several months about the importance of complying with the applicable HUD regulations on tenant councils based on the complaints she had received from several parties, and asking for his immediate attention to the issue, including holding timely elections and requiring bylaws that permitted recall of officers. (A copy of her letter is attached as Exhibit D-2.)

f. RRHA Participation in Improper Vote Against Election of New Officers: RRHA followed HUD's letter by participating in a meeting held on April 12, 2000 at which the Blackwell tenants, allegedly, decided not to hold a new election. Tainya Rock, then a Blackwell tenant, reported to me that the BTC held that meeting on notice given one day before the meeting. She attended, but could not get there until 30 minutes after it started. She found many more RRHA employees than tenants at that meeting. By the time she had signed her name to the attendance roster a vote on a decision not to hold elections had been taken and the meeting was adjourned. Clearly, such a procedure does not satisfy any requirement for a quorum or any other concept of fair process. The "Hope VI Special Board Report" dated June 28, 2000, which was given to Task Force members, notes that a ballot on this issue was to be mailed out to residents. The report states that tenants decided that since fewer than 70 families remained in the community, the residents at the April 12th meeting felt that a vote would be useless. (A copy of the relevant page of this report is attached as Exhibit D-3.) Since Board reports for subsequent periods are silent on this issue, it is reasonable to conclude that the ballots were not used or were not helpful to Mr. Curtis' position. In any case, it is absurd for RRHA to take the position that voting is useless because only the few tenants who had not been relocated were affected by it, while at the same time continuing to recognize as representatives of the entire, relocated community of former Blackwell residents officers who have not been duly elected by them.

g. RRHA Attempt to Displace Tenant Representation with Broad-Based Civic Association: RRHA stated in its June 2000 quarterly report that the Blackwell Civic

Association, which includes home owners, business owners and other members of the Blackwell community, can represent the tenants since "a BTC member serves on the BCCA". (A copy of the relevant page of this report is attached as Exhibit D-4.) There were two such members, both of whom were the officers who were criticized by tenants in 1999 for being paid significant salaries with RRIIA funds under a contract never disclosed to, or approved by, the members of the BTC.

h. RRHA's Ill-founded Claim that Tenants Support Officers: RRHA's June 2000 quarterly report also says that Blackwell tenants stated at a visit with Ron Ashford of HUD in March, 2000 that the current leaders of the BTC "are representative of majority of families who have been relocated." That meeting was conducted in several different sessions. I was present at the portion of that meeting that was open to all tenants, and I am sure that no such opinion was expressed at that session by any tenant.

i. RRHA's Failure to Comply with HUD Recommendation on Election of Representative Council of Blackwell Tenants: Ron Ashford, Director of Community and support Services Division of HUD, acknowledged to me on June 21, 2000 my concerns that RRIIA's recognition of the current officers of the BTC as representative of the HOPE VI tenants was not satisfactory due to the fact that BTC did not represent relocated tenants and that it had failed to hold elections as required by HUD regulations. He advised me that he would ask RRHA to work with the Richmond Tenants Organization to set up a new organization to represent tenants. RRIIA never made any attempt to do so.

j. RRHA Defiance of Deputy Assistant Secretary Bacon's Instruction to Hold Tenant Council Elections: In response to our repeated requests for assistance on this issue, Elinor Bacon, former Deputy Assistant Secretary of HUD, along with Mr. Ashford, visited with Richmond's HOPE VI tenants on the evening of October 4, 2000. At the close of the meeting Ms. Bacon directed that RRHA work with the RTO and the League of Women Voters to set up the election of a body that could fairly represent the HOPE VI tenants in response to our complaints about the continuing recognition by RRHA of the BTC without appropriate elections. Two conference calls were scheduled after that date with RRIIA to discuss setting up the

election. One of the participants in the scheduled calls reported to me that RRIIA unilaterally cancelled both calls. Tyrone Curtis, Executive Director of RRIIA wrote to Ms. Bacon on November 10, 2000, shortly before she left her post at HUD, declining to hold the elections, mischaracterizing her requirement to create a legitimate Blackwell tenant representative body in place of the BTC as then constituted as a request to set up a new, additional HOPE VI monitoring committee, disingenuously stating "The proposal for a "new" consultative group to provide for additional resident communication and input on HOPE VI Blackwell with RRHA will duplicate existing resident participation groups."

3.2 Failure to Comply With HUD Guidelines on Tenant Participation in the HOPE VI Process

RRIIA has attempted to permanently eliminate any public housing tenant representation for tenants who are in the midst of the HOPE VI process who have been relocated out of Blackwell, despite HUD's guidelines that mandate particularly strong tenant participation during the HOPE VI process. As stated at 3.1 above, RRHA has done this by attempting to replace representatives elected by public housing tenants with the Blackwell Civic Association, an association consisting primarily of non-tenants. The Blackwell HOPE VI tenants cannot, however, be members of the Blackwell Civic Association unless they are returning to Blackwell after the rebuilding of Blackwell. Furthermore, the organization is not subject to the provisions of 24 CFR Part 904 protecting tenant rights, and the civic association members include businesses and homeowners who have interests that are inherently in conflict with the HOPE VI former Blackwell tenants.

The Complainants recommend that HUD take the following remedial action with respect to this issue:

- a. Require RRHA to work with the RTO to form recommended bylaws for a Blackwell Tenant Council representing HOPE VI tenants, including provisions on membership, election of officers, access by council to members' addresses for purpose of mailing of notices, and recognition by RRHA;

b. Move ahead on the directive that former Deputy Secretary Elinor Bacon gave RRHA last November to meet with the RTO and the League of Women Voters and plan to hold an election of officers for such an organization at the earliest possible time; and

c. Require RRHA to provide office space and funding at a specified minimum rate to support internet access, necessary office equipment, utilities and supplies and mailing resources for that tenant council.

IV. RRHA has consistently demonstrated a policy of disempowering residents in direct opposition to its stated policy of empowerment.

4.1 Failure to comply with HUD Regulations on RAB Participation in 5 Year and Annual Plan

RRHA's Goal No. 3 was to empower residents through their engagement as full partners in all facets of RRHA operation. Its behavior has been contrary to the stated goal. RRHA has not complied with HUD regulations mandating minimum participation requirements. Last year, RRHA failed to make any attempt to comply with HUD's requirements that it provide a means for the Resident Advisory Board to become informed on programs covered by the plan, communicate in writing and by telephone with families and hold meetings with them, and to access information on the internet. (24 CFR Section 903.13 (a) (2)). This year it did very little better. According to the comments filed by the Resident Advisory Board ("RAB"), RRHA provided no budget for the RAB, and made little or no attempt to provide training or resources to allow for communication with residents. (Copies of the RAB's comments on this issue for the 2000 Plan and for the plan to be filed this year are attached as Exhibit E-1 and E-2 respectively.)

4.2 Failure to Fund Tenant Councils; Inconsistent Statements on Funding

RRHA has further disempowered tenants by failing to provide funding to Richmond area tenants. I filed a Freedom of Information Act request February 7, 2000 seeking, among other things, records of RRHA funds paid to the Blackwell Tenants Council during the period after October, 1997. Tom Gelozin, then Director of Finance of RRHA, told me when I met with him in his office on February 15, 2000 that RRHA had given \$3 per unit to the Blackwell Tenants Council (which would amount to \$1320), and that he needed another ten days to get back to me

with the required FOIA disclosure. It took more than one year after that and more than 20 follow up request, including requests by the ACLU, to get that information. The final answer, given to me by Mr. Gelozin when I met with him and RRHA's counsel, Charles Chambliss on February 15, 2001, was that, contrary to his earlier statement to me, *RRHA had not made any payments to the Blackwell Tenants Council for the period covered by my request for information, and that it was not making any payments to any other Richmond area tenants councils because they were not active.* I wrote to Mr. Chambliss on April 23, 2001 seeking other documents that Mr. Chambliss had offered to look for in response to my FOIA request, stating: "I also wish to confirm Mr. Gelozin's statement to me at our meeting of February 15, 2001 that RRHA had made no payments of any kind to any tenant council (other than payments made under the MOU dated September 1, 1998 that you produced to me on February 14, 2001) from October 1, 1997 until the present. . . . If this is not the case, and if RRHA did make any such payments, then those records still need to be produced." I have never received any reply to that letter.

Despite RRHA's statement in response to my FOIA request that no funds had been given to the Blackwell Tenants Council for the past three years, according to minutes of a meeting between RRHA and HUD conducted August 8, 2000, RRHA advised HUD that "RRHA donates the maximum HUD allows (PUM) for their operating funds and requires each RC to develop and maintain a budget, approve-ble [sic] by RRHA." (See relevant excerpts of these minutes attached as Exhibit F-1 attached). Furthermore, an internal audit report prepared by RRHA dated March 21, 2001 and submitted to its Board of Commissioners includes audits of administration of funds for the twelve-month period ending December 31, 2000 for eight tenant councils, so these councils must have received some funding. Surprisingly, the report indicates at page 8:

"5. Blackwell Development

We were unable to receive any information concerning this development."

The report also indicates at page 12, however, that "For fiscal year 1999-2000, no Tenant Council was in receipt of budgeted funds; for fiscal year 2000-2001, no funds were budgeted." Overall, the report clearly indicates inadequate funding for Richmond area tenant councils. (A copy of the cover of this report and of pages 8 and 12 of the report are attached as Exhibit F-2.) This report goes on to state that this failure was an error due to poor communication and to recommend that RRHA allocate and distribute funds to the Tenant Councils.

The RTO has advised me that RRHA has provided a small amount of funding to some tenant councils in some of the last three years, but without adequate consistency in the amount paid, the source of funds, or the councils that received funding. RRHA has during recent months advised the RTO that it is willing to fund tenant councils. The RTO is in the process of evaluating the terms on which RRHA has offered to provide funding, and will be seeking full disclosure regarding this matter before entering into a Memorandum of Understanding with RRHA on funding.

The Complainants recommend that HUD take the following remedial action with respect to this issue:

- a. Require RRHA to fund the Richmond area tenant councils with the maximum amount permitted by HUD, without restricting them from seeking other funding that they might be able to seek, e.g., through grant requests:
- b. Have a HUD representative present during discussion on this issue:
- c. Not approve the 5-Year and Annual Plan for Fiscal Year 2001 unless and until RRHA has fully complied with its obligations with respect to RAB participation.

V. RRHA has failed to adhere to its stated standards on self-sufficiency.

5.1 Failure to Follow Through on Family Self Sufficiency Program

As of March, 2000 RRHA had failed to file any Family Self Sufficiency ("FSS") Action Plan or Report with HUD since 1995, in violation of 42 U.S.C. Section 1437(u), which requires annual FSS plans and reports. RRHA filed an annual FSS report in February 2001. It showed some progress, but fell materially short of what RRHA's stated goals were in 1994. RRHA's February 2001 annual report:

- Does not state any objectives, measurable or otherwise, whereas RRHA's stated in 1994 that its plan for Family Self-Sufficiency was to provide "clear, specific, measurable objectives";

- Includes no advocacy component related to child care and transportation, which were identified as key barriers to self-sufficiency in the HOPE VI baseline data, and which were to be addressed according to RRHA's 1994 plan;
- Does not include any of the several components of the program set forth by RRHA in 1994 to involve business, schools or FSS participants in the planning;
- Indicates no concentration on client-focused services with consumer satisfaction surveys, an important part of the program according to RRHA's 1994 plan.

(Copies of RRHA's mission statement filed with its 1994 Family Self-Sufficiency plan and copies of its Family Self-Sufficiency Report filed in February 2001 are attached as Exhibits G-1 and G-2 respectively.)

5.2 RRHA has Provided An Ineffective Self-Sufficiency Program For HOPE VI Tenants.

The most recent RRHA report on self-sufficiency I have been able to find is in the minutes of the HOPE VI Task Force reporting on results as of April 19, 2001 indicating 73 of the 131 HOPE VI tenants involved in the self-sufficiency program were working, and that a total of 188 Blackwell residents were at work. (A copy is attached as Exhibit H-1.) While this is an improvement over RRHA's HOPE VI self-sufficiency results of a year ago, it is quite discouraging compared to the Baseline Data Report filed by RRHA with the HOPE VI Revitalization Plan it filed with HUD in October, 1997. That report showed 191 heads of household were working. (A copy of the relevant page of that report is attached as Exhibit II-2).

The recent HOPE VI Task Force Report indicates an average income for those working, but makes no attempt to report on the average income of all those eligible for HOPE VI benefits, which is the relevant number.

When I reviewed the results of the self-sufficiency training with one resident, I learned that that tenant's self-sufficiency training did not include any job skills assessment, but provided only an interest test.

Complainants recommend that HUD take the following remedial action with respect to this issue:

- a. Require that RRHA submit regular reports on jobs lost (as well as attained) by HOPE VI participants, information, if available, on the reasons why jobs were lost, and any actions by RRHA to help participants find new jobs.

- b. Require RRHA to involve HOPE VI Task Force members in deciding on Corrective Action Plans for the program, including an opportunity for recommendations to replace service providers if appropriate, being sure that the recommendations are made by task force members who are not self-sufficiency providers.

- c. Require that a job skills assessment be offered to each HOPE VI self-sufficiency participant, that each self-sufficiency Action Plan include (i) an assessment of available transportation and childcare, if applicable, (ii) what job skills, transportation and childcare the participant needs to obtain and keep jobs in the HOPE VI targeted income range, and (iii) a plan to fill gaps, even if that plan extends beyond the HOPE VI program.

- d. Require that each HOPE VI tenant who is a participant in the HOPE VI self-sufficiency program be given copies of his or her Action Plan each time it is updated, and copies of the tenant's self-sufficiency file on an ongoing basis.

- e. Require that the self-sufficiency budget be focused on job skills training.

VI. RRHA has Not Met Its Standards For Quality Control

6.1 Delay in hiring quality assurance staff.

RRHA committed at Goal No. 5 of the 2000 Plan to hire a quality assurance staff by December 30, 2000. Its commitment subsequently slipped to August 1, 2001.

6.2 RRHA Refusal to Respond to Important Tenant Concerns

6.2.1 Individual Tenant Requests: RRHA's behavior has been inconsistent with its stated objectives to "solicit resident feedback on service quality" and "maintain a high level of professionalism in day-to-day management of all program components". For example, I wrote to

RRHA as legal counsel on behalf of a public housing tenant on five occasions between March 17, 2000 and September 21, 2000 in an attempt to address significant tenant concerns about failure to permit enrollment in home ownership training. RRHA did not respond to any of my letters or phone calls on this subject, except to promise answers that it never provided. Ultimately, RRHA placed the tenant in a rented house and told her that she had a lease with an option to purchase. The only lease she was given, however, was a standard lease, with no purchase option. My last two letters to RRHA concerning this tenant's housing issues requested a copy of the document that included a purchase option. RRHA did not respond.

6.2.2 Information on Calculation of Rent: RRHA has not adequately explained income disregards and income exclusions to tenants. The HOPE VI Community Task Force's Subcommittee on Employment and Skills stated in its minutes of July 11, 2000 that:

- No one knew why tenants who went to work for RRHA were not given the benefit of the exclusion/disregard;
- Tenants frequently experienced loss or misplacement of their verifications of training;
- Turn around on applications for exclusion/disregard to sometimes took 2-3 months to *a couple of years*. (See Subcommittee minutes attached as Exhibit I-1).

The next month, RRHA sent its designated expert to the subcommittee meeting. He explained that RRHA had not found out about the Income Exclusion requirement that became effective June 1995 until 1998, though RRHA had applied it retroactively. The RRHA expert gave an explanation regarding exclusions, but did not know whether Section 8 residents were eligible. By September 21, 2000, five months after the issue was raised, the matter was still being discussed by the HOPE VI Task Force. Its September 21, 2000 minutes (a copy of which is attached as Exhibit I-2) record that:

“There was much discussion among Task Force members about the income Exclusion program. It was obvious that there is not a consistent understanding among service providers, residents and RRHA staff what the program is and how it is administered. This item will appear again on the October agenda.”

Subsequent minutes do not mention this issue except to recommend “that RRHA increase communication of the Income Disregard and Income Exclusion programs to residents and to service providers.” As of March 2001, about one year after the issue was raised, the Task Force was still working on the resident handbook that may address this issue. In the meantime, I have had one client threatened with eviction over a misunderstanding on this issue, and a Task Force Member reported to me that another tenant was threatened with eviction on this issue last July.

6.2.3 Information on Money Paid to Tenants Council and Officers: As noted at Section 4.2 above, RRHA took more than one year to answer a FOIA request directed at funding of the Blackwell Tenants Council. As of the date of this complaint, RRHA’s last response on the open item on that FOIA request was its letter to me dated February 26, 2001 stating that it would report on its efforts to locate certain information, including identification of payments made to certain officers. RRHA has not reported on any of those items in the intervening six months despite my repeated requests that it do so.

6.3 Need for Independent Peer Survey of RRHA. RRHA’s quality plans do not include an independent, anonymous survey of the not-for-profit organizations that work with RRHA on providing affordable housing, and tenants. This kind of review, a “360° review”, is commonly used in business to gain a true picture of how an executive is performing. Similarly, any business that takes its own quality standards seriously relies on independent surveys of its customers. The only quality surveys I have obtained concerning RRHA through FOIA requests are based on self-reporting by RRHA and by a review of documents in a file. I have observed problems in this area of performance by RRHA based on many hours in meetings with RRHA staff, attempting to deal with RRHA on client-related issues, and the perception of RRHA voiced to me by persons who deal with RRHA in many different capacities. Complainants submit that there is a need to conduct an independent quality audit of RRHA. It is important for any such audit to be independent and to allow anonymity of participants because non-profit organizations that have working relationships with RRHA can be dependent upon RRHA to some extent.

Complainants recommended that HUD take the following remedial action with respect to this issue:

- a. Require RRHA to conduct a survey of tenant satisfaction with RRHA services, in concert with the RTO, and

b. Require RRIIA, in concert with the RTO, to develop an action plan to address substantial tenant concerns identified as a result of the survey.

c. Require RRIIA to hire a firm to conduct an independent, anonymous survey of not-for-profits and other agencies that work with RRIIA, and make the results of that report available to the RTO and to the public to assist the public in commenting on RRHA's next 5-Year and Annual Plan.

Respectfully submitted,

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