



Region I
Room 500
F. Kennedy Federal Building
Boston, Massachusetts 02203

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
AREA OFFICE
BULFINCH BUILDING, 15 NEW CHURCH STREET
BOSTON, MASSACHUSETTS 02114

10/4/77

IN REPLY REFER TO:

Jeffrey M. Winik, Esq.
Greater Boston Elderly Legal Services
102 Norway St.
Boston, Massachusetts 02115

Dear Mr. Winik:

Subject: Eligibility of Camelot Court residents to Participate in
Section 8 Special Allotment Program.

This is in response to your September 29 letter in which you request
an opinion regarding an owner's ability to distribute Section 8 Special
Allotment Funds. In that letter you raise the following issue:

May an owner of FHA multifamily property require a resident
family eligible for Section 8 assistance to pay an alleged
rent arrearage, terminate litigation over the alleged
arrears, and in addition, pay the owner's attorney's fees
as a condition to receiving the federal subsidy.

For purposes of participating in the Section 8 program, an owner must
consider all resident families who are eligible under the statute, and
except for preferences established by law or regulation, must devise an
equitable manner of distributing the Section 8 funds available. An owner
cannot on an ad hoc basis expand or limit the classes of eligibility or
preference established by statute or regulation.

It is our opinion that an owner cannot condition the federal subsidy
in the manner you have set out.

The primary eligibility criterion for participation in the Section 8
program is income. Section 8(f) of the United States Housing Act of
1937 as amended defines "lower income families" as "...families whose
incomes do not exceed 80 per centum of the median income for the area."

24 CFR part 886 contains the regulations applicable to the Additional
Assistance Program for Projects With HUD-Insured and HUD-Field
Mortgages. The term "eligible family" is defined at section 886.102
of that part.

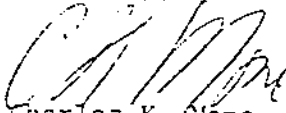
Though there are some preferences imposed by law and some flexibility vested in the Secretary, families falling within the above definition are eligible for assistance under the Section 8 program.

Based on the above, we have concluded that an owner may not discriminate against an otherwise eligible family in the distribution of special allocation Section 8 funds.

We note that there is no relation between Federal restrictions on an owner's ability to allocate Section 8 funds and an owner's ability under law to accept or terminate a family's tenancy.

If you have any further questions please contact me at 223-4153.

Sincerely,


Charles K. Mone
Area Counsel

OCT 4 1977

William Kargman
131 Tremont Street
Boston, MA 02111

Dear Mr. Kargman:

Subject: Camelot Court

This letter confirms our meeting of October 4, 1977.

We reached an understanding at that time that in the event that the 130 units of Section 8 allotted to Camelot Court is not sufficient to permit all eligible tenants in that project who desire Section 8 assistance to receive such assistance no units will be allocated until you meet with representatives from the Boston Area Office and develop a plan for awarding those units acceptable to both yourself, on behalf of the owner of Camelot Court, and HUD.

If this letter accurately reflects our agreement, I would appreciate it if you would concur on the copy and return it to me.

Sincerely,

Charles K. Yone
Area Counsel

Concurrence:

CAMELOT COURT COMPANY

BY _____