



Jacksonville Office, Region 4
325 West Adams Street
Jacksonville, Florida 32202-4303
4.6HMA(SW)

May 27, 1986

Mr. Elliott L. Smith
Executive Director
Housing Authority of the
City of Sanford
P.O. Box 2035
Sanford, FL 32772-2035

Dear Mr. Smith:

We are in receipt of a letter from Ms. Treena A. Kaye, Managing Attorney, Central Florida Legal Services, Inc., concerning the procedure that the PHA used in Adopting Resolution 711 (Increasing Security Deposits).

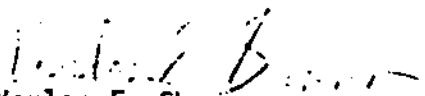
After carefully considering the procedure that the PHA used by adopting the resolution before posting the 30 day notice, it is our opinion that the action was premature. It gives the appearance that tenants' comments were only invited to satisfy program regulations and not to seriously consider the comments.

The PHA should cease taking any additional security deposits from tenants who were in occupancy prior to the adoption of the resolution. Monies that have already been collected should be held in escrow until the following procedures are implemented:

1. Recind Resolution Number 711.
2. Post the Notice for 30 days of the PHA's intention to increase security deposits and invite tenant's comments.
3. Give consideration to tenant's comments before any formal action is taken.

It is not our intention to place any undue hardship on the PHA because of their position. However, we feel that it will negate any problems in the future.

Sincerely,


Verlon E. Shannon
Chief
Assisted Housing
Management Branch, 4.6HMA