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Bookletter #4
FY 2007 - 2AHMLAP

February 14, 2007

MEMORANDUM FOR: All Owners, Managing Agents, PHAs, and PBCA of Federally Assisted Multifamily Housing

FROM: Yvette Lugo, Acting Director, New York Multifamily Hub, 2AHMLA

SUBJECT: RESIDENTS' RIGHT TO ORGANIZE

HUD encourages residents to become actively involved in the decisions that affect their housing developments. Chapter 4 of the HUD Handbook 4381.5 Rev-2, "Working with Residents," seeks to foster a partnership among the key actors in HUD-insured and assisted housing: owners, management agents, HUD staff, and the residents. This chapter elaborates on important regulations found under 24 CFR 245 pertaining to the residents' right to organize.

This letter brings to your attention key features of Chapter 4 in the HUD Handbook 4381.5 Rev-2.

- Chapter 4 states HUD's expectation that owners/management agents will recognize legitimate resident organizations that meet regularly, operate democratically, are representative of all residents in the development, and are independent of non-resident owners and management agents. Owners/management agents may not impede the reasonable efforts of residents to organize, nor may they impede activities of resident organizations to reasonably represent resident interests.
- Where space is available, owners/management agents are specifically expected to provide an accessible meeting space within the premises of the development for legitimate resident associations to hold meetings. In projects subject to budget-based rent reviews, owners/management agents may not charge residents a fee for the use of such rooms. For all other projects, owners/management agents may charge residents a fee for the use of these facilities only if a fee is normally charged for the use of such facilities. A schedule of fees for the use of these facilities should be permanently posted in a conspicuous place in the development.
- The Handbook also identifies specific actions by owners/management agents that constitute impediments to residents or resident associations attempting to exercise their rights. These include:

- i. Unreasonably denying accessible meeting space to residents.
- ii. Repeatedly sending management representatives to resident meetings that residents have requested management not to attend.
- iii. Evicting, threatening to evict, withholding entitlements, or otherwise penalizing residents for organizing or asserting their rights.
- iv. Attempting to adversely influence resident leaders by offering individual inducements such as employment, preferential transfers, rent abatements, favored repairs, or other benefits not available to all residents in the development.
- v. Attempting to form a competing resident organization under the control of the management company or the owner.
- vi. Sexually harassing residents.

Owners/management agents are expected to engage in conduct that is responsive to and supportive of independent resident organizations. Where owners/management agents are found by HUD to have violated these rights, HUD may take appropriate enforcement action, which may include debarment, suspension, limited denial of participation in HUD programs, and civil monetary penalties, as defined in 24 CFR Part 245.135 and 24 CFR 30.45.

If you have any questions, you may review HUD Handbook 4381.5 Rev-2 at www.hudclips.org or call Brooke Schlageter at (212) 542-7805.