



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING

FEB 19 2016

Mr. Andy Clarke
Chairman,
Alexander County Housing Authority
Board of Commissioners
1100 Ohio Street
Cairo, IL 62914-1942

Dear Mr. Chairman:

Pursuant to the United States Housing Act of 1937 (the Act), the Alexander County Housing Authority (ACHA) entered into a Consolidated Annual Contributions Contract (ACC) with the United States Department of Housing and Urban Development (HUD) on September 5, 1972. As governed generally by Article V, Part II of the ACC, HUD hereby provides notice of its determination that the ACHA has violated provisions of the ACC and the Federal statutes and regulations that implement and apply to HUD's Low Rent Public Housing Program. Accordingly, for the reasons set forth herein, HUD hereby declares the ACHA is in Substantial Default of the ACC.

On August 28, 2015, the ACHA entered into a Voluntary Compliance Agreement (VCA) with HUD, which provided remedies for civil rights findings made by the HUD Office of Fair Housing and Equal Opportunity (FHCO) (Exhibit 1). On January 21, 2016, FHCO issued a letter to the ACHA noting that the ACHA is in violation of its civil rights requirements and the VCA terms (Exhibit 2), and is therefore in non-compliance with its obligations under Title VI of the Civil Rights Act and the ACC.

Pursuant to the ACC and 24 C.F.R. § 907.3, when a Housing Authority has failed to satisfy the terms of the ACC or other covenants or conditions to which the PHA is subject, HUD may declare the PHA to be in Substantial Default. The basis for this determination is detailed below.

1. VCA Violations;

As noted in the January 21, 2016 letter issued by FHCO, ACHA has failed to comply with the provisions of the VCA requiring ACHA to act within 60 days of the effective date to: submit a Designated Housing Plan to HUD (Paragraph 16); canvas eligible families in McBride and Elmwood for interest in joining the "VCA waitlist" and develop the VCA waitlist (Paragraph 13B, C); review maintenance employee assignments and ensure that pay and assignments are equitable (Paragraph 15F); schedule the Lease Enforcement Manager to visit AMP 1 developments every day, as is practicable (Paragraph 14B); and to obtain approval by the FHCO Regional Director, or his designee, prior to tendering a formal employment offer to any Executive Director candidate (Paragraph 15B). As a result of these failures, ACHA is in noncompliance with its obligations under Title VI of the Civil Rights Act and the ACC, and is in violation of the VCA.

2. Public Housing and Other Violations;

HUD has conducted multiple reviews from September 2013 through February 2016 and issued findings requiring ACHA action in separate notices, including a results and determinations letter from a PHA Recovery and Sustainability Assessment (dated November 1, 2013) (Exhibit 3) and a letter from a cross functional team assessment conducted by HUD Office of Labor Relations, FHCO, Departmental Enforcement Center and Public Housing (dated November 12, 2014) (Exhibit 4). HUD subsequently entered into a Recovery Agreement and Action Plan with ACHA (dated June 15, 2015) (Exhibit 5).

ACHA has not taken adequate action to address the financial, physical, governance, operational, fair housing and other related findings since those notifications. A recent on-site assessment of physical conditions conducted by HUD staff on January 19-22, 2016 and February 2-3, 2016 revealed that ACHA has failed to address physical deficiencies, including pest infestation in all three Asset Management Projects ("AMPS"), presence of mold, and plumbing and electrical deficiencies that may pose emergency and immediate threats to the health and safety of the tenants.

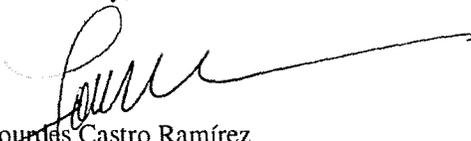
As described above, ACHA has failed to resolve its systemic operational problems, lacks effective leadership and is in default of its obligations under HUD regulations, the ACC and Federal statutes. The physical, governance, financial and operational problems have existed since 2013 without being rectified. Recently, HUD learned that the ACHA appointed an Executive Director and failed to follow the VCA in this appointment. The Interim Executive Director resigned on February 16, 2016. HUD has determined that ACHA has substantially and materially violated its ACC. Further, ACHA has demonstrated that it is not capable of correcting these violations and ensuring that they do not recur. These serious and numerous violations and conditions pose an imminent threat to the life, health, and safety of the public housing residents in all of the ACHA public housing projects.

This letter constitutes the Department's notification to the ACHA under 24 C.F.R. part 907 that it is in Substantial Default of its obligations to HUD under the ACC and Federal statutes and regulations. Enclosed as referenced above and listed below are the Exhibits, which include and provide the specific statutes, regulations, ACC and other agreements violated by ACHA.

The Department has determined that conditions exist that pose an imminent threat to the life, health, and safety of the ACHA public housing residents, and to address this emergency situation as permitted under 24 C.F.R. 907.5(d), ACHA will not be afforded a 10-day period to demonstrate that HUD's determination is not substantively accurate nor will HUD provide ACHA the opportunity to respond to this written determination or cure the Substantial Default at this time. Pursuant to 24 C.F.R. part 907 and Article V, Part II of the ACC, HUD intends to exercise the rights and options available under the ACC, Federal statutes and HUD regulations. As an initial step and effective immediately, the Board of Commissioners and its individual members are hereby removed and relieved of their duties as commissioners.

Enclosures

Sincerely,



Lourdes Castro Ramirez
Principal Deputy Assistant Secretary
for Public and Indian Housing

cc: Mr. Sidney Miller, Commissioner
Ms. Irene McBride, Commissioner
Mr. Judson Childs, Commissioner
Ms. Monica Smith, Commissioner
Mr. Jason Ashmore, Appointed Executive Director
Chalen Tatum, Chairman, Alexander County Board of Commissioners

List of Exhibits Enclosed Providing Specific Statutes, Regulations, ACC and Other Agreement Violations by ACHA

Exhibit 1. ACHA Voluntary Compliance Agreement (VCA) with HUD (dated August 28, 2015)

Exhibit 2. HUD FHEO letter to ACHA notifying of violations of civil rights requirements and the VCA terms (dated January 21, 2016)

Exhibit 3. PHA Recovery and Sustainability Results and Determinations Letter (dated November 1, 2013)

Exhibit 4. PHA Recovery and Sustainability Recovery Agreement and Action Plan (dated June 15, 2015)

Exhibit 5. Cross functional team assessment conducted by HUD Office of Labor Relations, FHEO, Departmental Enforcement Center and Public Housing (dated November 12, 2014)