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Congress of the United States
House of Representatives
Washington, DC 20515

January 12, 2024

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The Honorable Marcia Fudge
Secretary
U.S. Department of Housing and Urban Development
451 7th St SW
Washington, D.C. 20410

Dear Secretary Fudge:

Thank you for your response to my letter dated September 7, 2023, regarding HUD's ongoing investigation into the Little Rock Housing Authority d/b/a Metropolitan Housing Alliance (MHA). I have been keenly following developments on this matter, which is very important to me and my district.

In addition to a response to the questions below, I am also requesting an in-person visit from you, Richard Monocchio (Principal Deputy Assistant Secretary for Public and Indian Housing), and Dominique Blom (General Deputy Assistant Secretary for Public and Indian Housing), so that I can receive an update from HUD on your work with this matter.

As you know, HUD's QAD-FMR-MOR-2023-AR004 Report states, "... MHA appears to be in substantial default of their Annual Contributions Contract (ACC) and will be referred for further review and potential enforcement action(s)." Your agency's October 6, 2023 response to my September 7, 2023 letter states, "Based on the potential MHA breaches of the ACC, PIH may exercise its authority to declare MHA in substantial default in accordance with 24 CFR 907 and may pursue any available remedies pursuant to that regulation."

In light of those statements, please respond to the following questions by January 31, 2024.

- Following the QAD report, has HUD determined whether MHA has violated its Section 8 ACC? If not, when will HUD be making this determination?
- Has HUD determined whether MHA has violated its public housing ACC? If not, when will HUD be making this determination?
- If HUD determines MHA has violated either ACC, will HUD pursue substantial default as outlined in 24 CFR 907? If not, why?
- If HUD pursues actions as outlined in 24 CFR 907, does HUD have cause to use the "emergency situations" section outlined in 24 CFR 907.5(d)?

- If HUD determines MHA is in substantial default of its Section 8 and/or public housing ACC, does HUD plan to pursue receivership, transfer MHA's voucher program to another PHA, or propose another strategy?
- HUD staff previously committed to providing my office with the specific deliverables listed below. When does HUD plan on providing this information?
 - Any additional debt incurred by MHA identified during the required Corrective Action process.
 - The Corrective Action Plan when submitted by MHA to HUD for approval.
- Does HUD confirm that it is still preparing these pending deliverables, and that it will share them with my office when completed?
 - The Recovery Agreement when it entered into by MHA and HUD.
 - HUD's determination regarding MHA's financial solvency, per question #4 of my September 7, 2023 letter.
 - HUD's "holistic assessment of MHA", "which will focus on root-cause operations, procurement, governance, and conflicts of interest between it and the Central Arkansas Housing Corporation and determine if any mitigating actions should be taken."

Thank you for your attention to this request.

Sincerely,

A handwritten signature in blue ink that reads "French Hill". The signature is fluid and cursive, with the first name "French" and the last name "Hill" clearly distinguishable.

French Hill
Member of Congress