



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

Thomas Sahlin
Executive Director
Atlantic City Housing Authority
227 N. Vermont Avenue
Atlantic City, NJ 08401

Geoff Dorsey
Chair, Board of Commissioners
Atlantic City Housing Authority
227 N. Vermont Avenue
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'AUG 1 1 2025

Received:
8/11/2025
~10:30 AM

LETTER OF POSSESSION

Dear Mr. Sahlin and Mr. Dorsey:

On July 21, 2025 you were notified by certified letter and email (“Determination of Substantial Default”) in your official capacity that the U.S. Department of Housing and Urban Development (“HUD”) had determined the Atlantic City Housing Authority (ACHA) to be in substantial default for breaching the terms of the Recovery Agreement it entered into with HUD on December 21, 2023. *See* Attachment A – Determination of Substantial Default. Upon a declaration of substantial default due to breach of a Recovery Agreement, HUD may take any action provided for in 42 USC § 1437d(j)(3)(A), including “taking possession of all or part of the public housing agency, including all or part of any project or program of the agency...” *See* 42 USC § 1437d(j)(3)(A)(iv).

As a remedy for the substantial default, as authorized by Section 6(j) of the United States Housing Act of 1937, the Determination of Substantial Default (the “Determination Letter”) further notified you that HUD will take full possession of ACHA, including but not limited to its programs, projects, and assets, after ten (10) working days of the date of the Determination Letter, at a reasonable time of HUD’s choosing. Pursuant to 24 CFR § 907.5(a)(3), ACHA was given ten (10) working days from the date of the Determination Letter to dispute the determination in writing and to demonstrate to HUD that the Determination was in error in accordance with 24 CFR § 907.5(b)(1).

ACHA submitted a written response dated August 4, 2025, which contended the following:

“In response to the United States Department of Housing and Urban Development’s (HUD’s) Notice of Substantial Default and potential federal takeover issued 7/21/2025 (Att. 1), the Atlantic City Housing Authority (ACHA) through this written response formally disagrees with the determination because the tangible improvements made by the agency and multiple

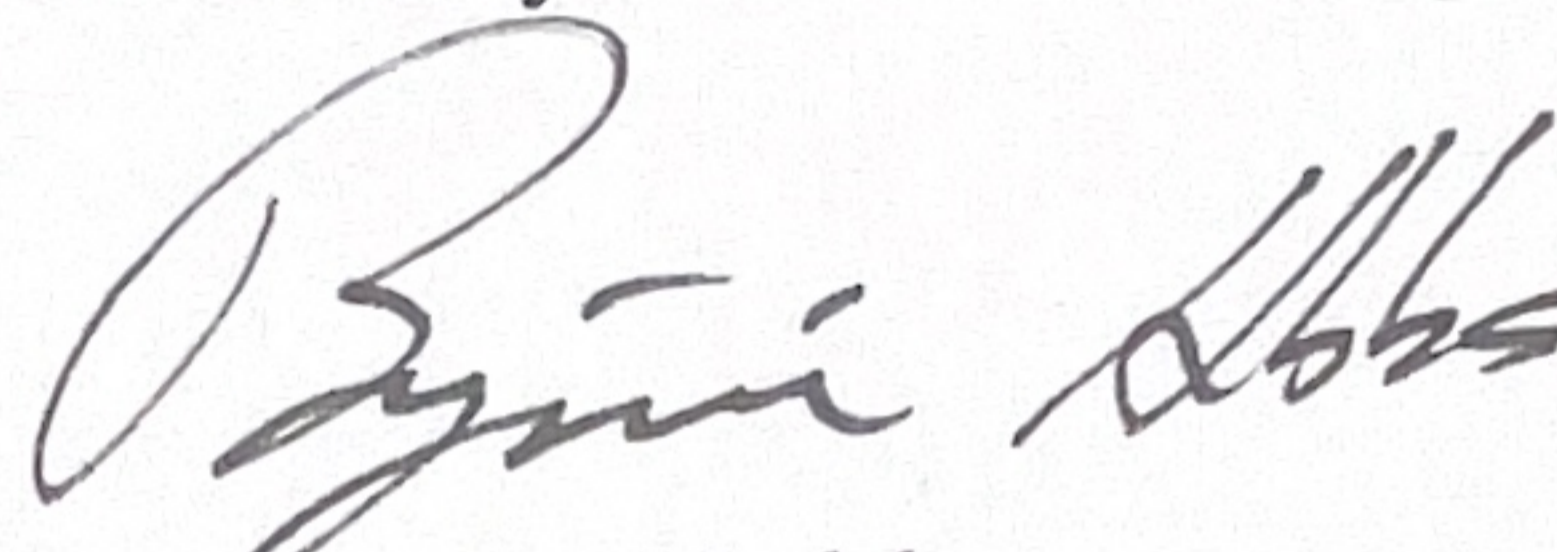
denied requests for HUD assistance were not reflected in the aforementioned letter...”
(See Attachment B – ACHA Response to Notice of Substantial Default.)

I have reviewed ACHA’s response and found no basis to reverse my previous determination, therefore, the original Determination Letter remains in effect. The PHA has been determined to be in substantial default, and HUD hereby takes full possession of ACHA, its programs, projects, and assets as authorized by law, effective immediately. Further, the board of commissioners of ACHA and its individual members are hereby removed and relieved of their duties as commissioners, also effective immediately.

Nothing in the Determination Letter or the remedial actions being taken by HUD shall be understood to have waived HUD’s right to exercise any other right or remedy permitted by statute, regulation, and the Annual Contributions Contract, including but not limited to those permitted under 42 USC § 1437d(j)(3)(A).

Should you have any questions regarding these timelines or requirements, please contact Towanda Macon, Director, Office of Prevention, Recovery and Transformation, at Towanda.S.Macon@hud.gov.

Sincerely,



Benjamin Hobbs
Principal Deputy Assistant Secretary
Office of Public and Indian Housing

Enclosures:

Attachment A – Determination of Substantial Default
Attachment B – ACHA Response to Notice of Substantial Default

CC:

Towanda S. Macon
Director, Office of Prevention, Recovery and Transformation
Office of Public and Indian Housing

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New Jersey Lieutenant Governor and Secretary of State
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The Honorable Marty Small, Sr.
Mayor of Atlantic City

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