

LEGAL ACTION OF WISCONSIN

Providing free legal services to low-income Wisconsin clients since 1968 • Proporcionando servicios legales gratuitos a clientes de bajos ingresos en Wisconsin desde 1968

October 15, 2024

Council President José G. Pérez
City Hall – Room 205
200 E. Wells Street
Milwaukee, WI 53202

Re: Legal Action of Wisconsin Response to Information Request Regarding HACM

Dear Council President:

Thank you for requesting information about what our clients who rely on help from the Housing Authority of the City of Milwaukee (HACM) experience. As you may know, we are prohibited from lobbying or attempting to influence the direction of policy due to funding restrictions from the Legal Services Corporation, but we are happy to share information and we very much appreciate the opportunity to do so.

Over the past two years, Legal Action of Wisconsin (LAW), has accepted more than 400 cases from tenants who either live in HACM public housing or receive Section 8 (Housing Choice Voucher [HCV]) administered through HACM. In about half of the cases, LAW provided legal advice or legal advice and brief service.¹ The other half of cases involve extended services, such as eviction defense at the courthouse. LAW's housing unit prioritizes low-income individuals who qualify for housing subsidies. Unfortunately, due to limited resources, LAW cannot accept every case or provide representation to every qualifying individual who seeks our help.

Based on LAW's extensive experience, tenant complaints about HACM involve two types of housing programs: Section 8 and public housing. In general, both programs require all applicants to undergo a screening of their household members regarding citizenship, employment, income, and assets in order to become certified participants or residents. In both programs, rent is 30% of the participant's or resident's income and federal funds subsidize the remaining amount to the landlord.

The Section 8 Program is administered by HACM. HACM provides a document or "voucher" that the participants can take to any landlord who will accept the participant as a tenant and abide by the federal requirements. Details about the payments to the landlord is in the Housing Assistance Payments (HAP) contract. Public housing is owned by HACM who, therefore, is the landlord. Qualified applicants who move into public housing are considered residents.

The Section 8 Program

The majority of LAW's cases involving HACM deal with Section 8 tenants.

¹ Brief service includes making a phone call or drafting a letter to a landlord or HACM to clarify a matter.

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The top three complaints about the Section 8 unit are: 1) failure to answer calls or otherwise respond to communications; 2) failure to timely notify voucher holders about their recertification or problems with their recertification; and 3) failure to notify voucher holders that HACM terminated their Section 8 benefits.

No Response to Calls

Our clients try to resolve their issues before coming to LAW. Clients who call the Section 8 unit often get voice mail but cannot leave a message. If they can leave a message, no one returns their call. If their call is answered, they are left on hold for as long as 45 minutes before they give up or are promised that someone will call them back later but no one ever calls them back. This issue is present in all our clients' interactions with the Section 8 unit.

Imbedded in this complaint is an apparent lack of staff. Clients have reported that they believed they had an assigned housing case worker and made multiple attempts to contact them. Clients later discover that their case worker no longer works for HACM and no one has changed or redirected the case worker's voice mail or email.

Consequently, Section 8 participants' issues exacerbate because of the delay in getting a response (or in most cases no response) from the Section 8 unit. It is often only after weeks of repeated calls with no response that tenants contact LAW for help.

Failure to Notify Section 8 Participants about Recertification

The second most common client complaint is HACM's recertification process. Clients tell LAW that they submitted all the required documentation to HACM, but clients do not get confirmation that HACM received (or did not receive) certain documents. As previously stated, clients cannot verify with HACM that HACM received all of a client's documentation or if something is missing, because no one returns calls or answers the phone.

If HACM tells clients that it did not received all documents, recertification is delayed. Clients tell LAW that they then re-submit documents to HACM and/or submit new documents to HACM but then are unable to verify whether the submitted/resubmitted documents were received or are sufficient. LAW has had a number of cases where HACM informed the client that documents were missing, the client then provided additional documents or resubmitted the allegedly missing documents and then HACM made no further communication to inform clients that the file was still deemed incomplete – much less inform the client what they needed to do in order to complete the recertification.

The delay in notifying the clients causes a delay in HACM's payments to landlords, who often initiate eviction actions against the tenants when they are not paid. Because HACM does not effectively communicate with the tenants, it is often not until a landlord files an eviction action that a tenant learns that HACM wants additional information.

The outcomes of this issue are mixed. Depending on the landlord and whether HACM will allow a client to remedy the allegedly missing information, some clients lose their Section 8 and must vacate their residences. In other words, *they lose their housing benefit and their housing because of HACM's delays*

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and failure to communicate. Even in cases where HACM completes the re-certification, there may be a gap of months where HACM will not pay the back rent, leaving tenants responsible for the back payments.

As an example, one LAW client submitted his recertification papers to HACM four times over a nine-month period using different methods of delivery before HACM acknowledged receipt of the papers. HACM told the client that it could not verify that it received client's three previous deliveries. The delay in HACM's receiving and processing his recertification papers meant the client owed the landlord approximately \$12,000+ in back rent in an eviction action. Fortunately, at the time COVID-related emergency rent assistance was available and covered the client's back-rent. The eviction case was dismissed. Such assistance is no longer available to tenants.

Termination of Section 8 without Notification to Participants

Another client complaint is the Section 8 unit's failure to notify voucher holders that HACM terminated their Section 8. This complaint is more recent (within the last two months) and has taken on more prominence because HACM no longer has vouchers to distribute.

The landlords of several clients have told them that HACM stopped paying its Housing Assistance Payment due to missing recertification paperwork. Clients often say that they never received notice from HACM that documents were missing or that the assistance had been terminated. LAW has had a number of cases where only recently the client received notice that rent assistance had been terminated months or years earlier. For example, in one case, HACM's terminating notice letter was dated January of 2024 for a termination effective October 2022 for alleged missing information from the 2022 recertification.

Public Housing

LAW has accepted close to 100 HACM public housing cases over the past two years. The predominant issue for clients in public housing is HACM's bookkeeping.

Tenants often complain that they are unable to get ledgers and that their ledger changes without explanation. Some HACM ledgers defy logic. Some HACM ledgers appear to be unnecessarily complex.

In certain cases, HACM fails to show consistency between its ledgers and its notices of rent due. Ledger descriptions are sometimes cryptic: for example, "TPA Reclassification Charge." If a client has a payment plan, HACM lists the repayment amount as a charge, then subtracts it. Timely rent payments from a resident are not always posted to the ledger. Late fees are added – even in some cases where the rent was timely paid – and then subtracted many months later in the ledger.

Earlier this year, LAW had an influx of clients who received termination notices because HACM re-did their ledger and determined that clients were missing one or more payments from a year or more earlier. These clients had paid their rent on time and had never before received notice about an allegedly missing payment. In some cases, LAW's clients could show by check stub or money order receipt that they made their rent payment on time. HACM requested proof that the money orders were cashed, and many clients learned that HACM had failed to cash the money order from 2023, 2022 or earlier. Those clients then had to take the steps needed to reissue the Money Order. Most were asked

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to pay the re-issue fees out of their own pockets. For those clients who had not kept their receipts from years earlier and could not prove the payments were made, they were given the choice of paying a second time or risk eviction. Many paid just to avoid the risk of losing their housing.

When LAW does community outreach, LAW strongly encourages all tenants in Public Housing to protect themselves by keeping their rent receipts for at least 7 years and copies of all notices because tenants cannot rely on HACM records or bookkeeping.

Thank you for your interest in LAW's clients and their experiences with HACM. Please do not hesitate to reach out if there is anything else you would like to discuss or if you have any questions.

Sincerely,

Jill Kastner
Supervising Attorney – Milwaukee Housing Unit
Legal Action of Wisconsin
633 W Wisconsin Ave., Suite 2000
Milwaukee, WI 53203
Tele: (414) 274-3080
jxk@legalaction.org