

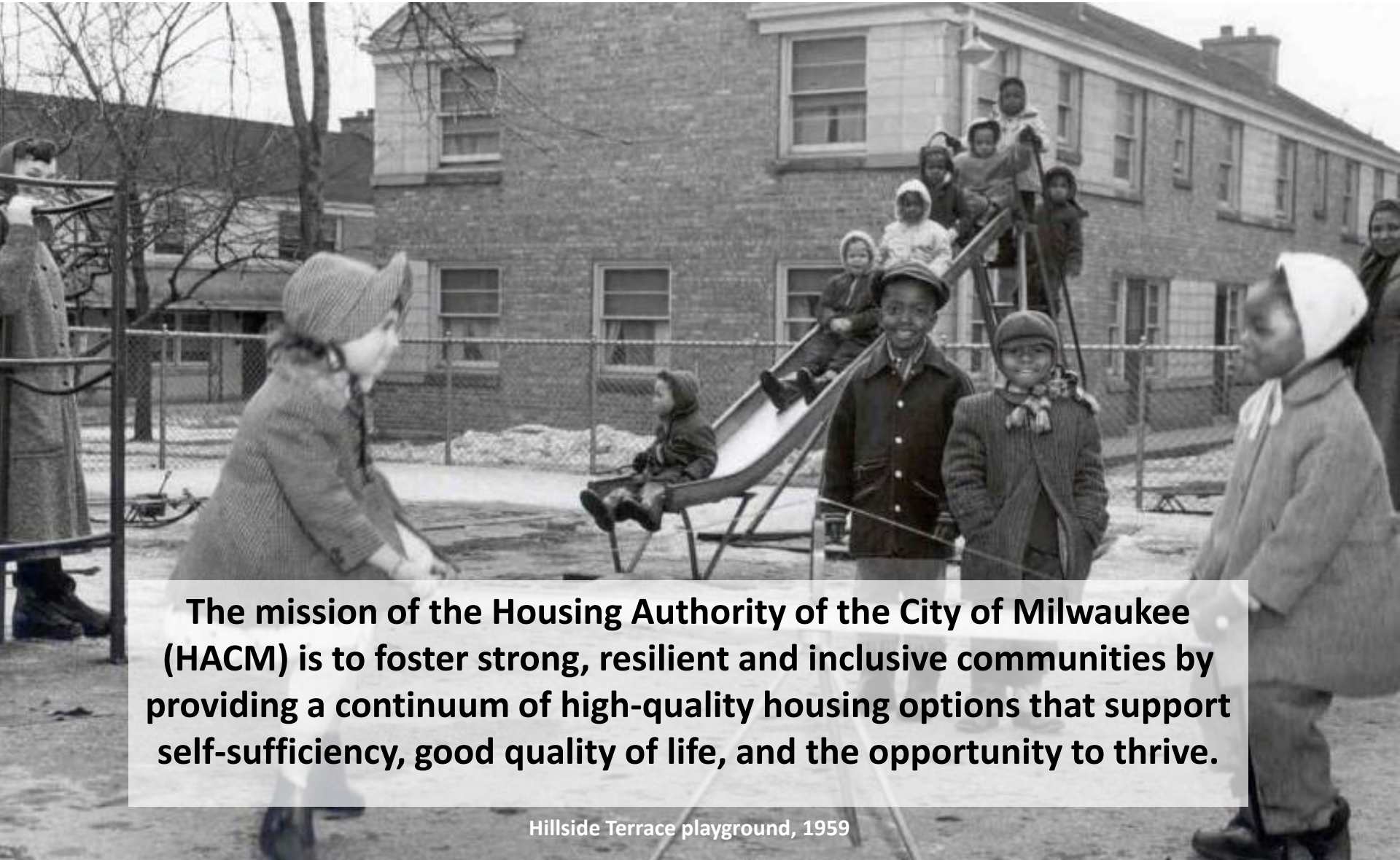


Housing Authority of the City of Milwaukee

Rental Assistance Demonstration (RAD)

ZND Communication File

May 1, 2018



The mission of the Housing Authority of the City of Milwaukee (HACM) is to foster strong, resilient and inclusive communities by providing a continuum of high-quality housing options that support self-sufficiency, good quality of life, and the opportunity to thrive.

Hillside Terrace playground, 1959



Agenda

- Introductions
- The State of Public Housing
- RAD Basics
- Resident Impact
- Communication & Outreach
- HACM Portfolio Conversion
- Conclusion



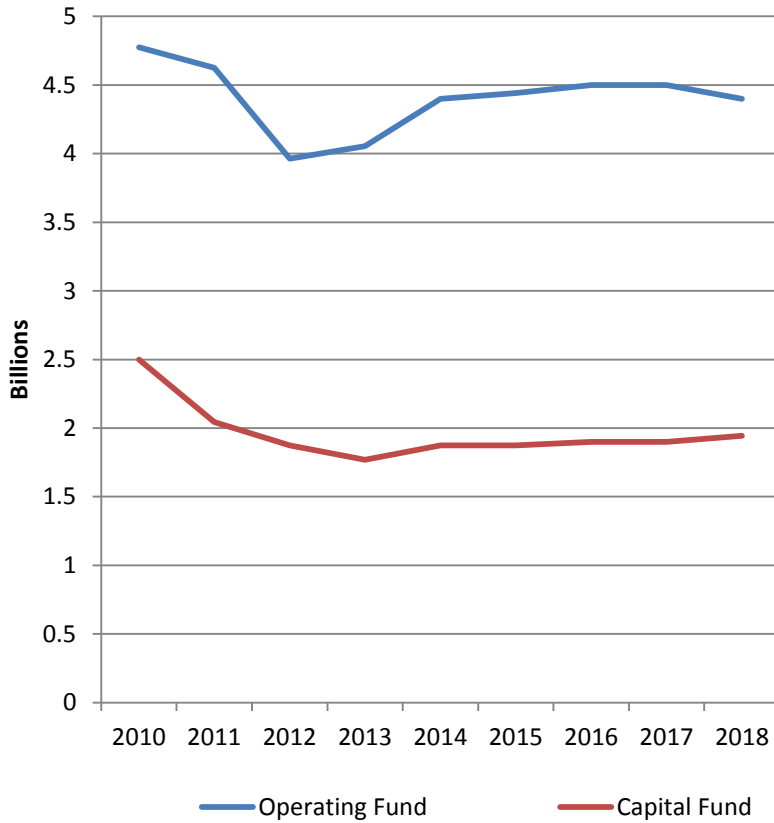
The State of Public Housing

- There are approximately 1.2 million units in the public housing (Section 9) program across 3,100+ PHAs. In 2014 a report was conducted and those units have a documented capital needs backlog of over \$26 billion.
- There is not enough federal funding to address the capital needs of public housing units. Appropriations for public housing are declining.
- As a result, approximately 10,000 public housing units are demolished or disposed of each year.
- Property conditions and HUD restrictions on public housing units make it difficult to access private capital for renovation.

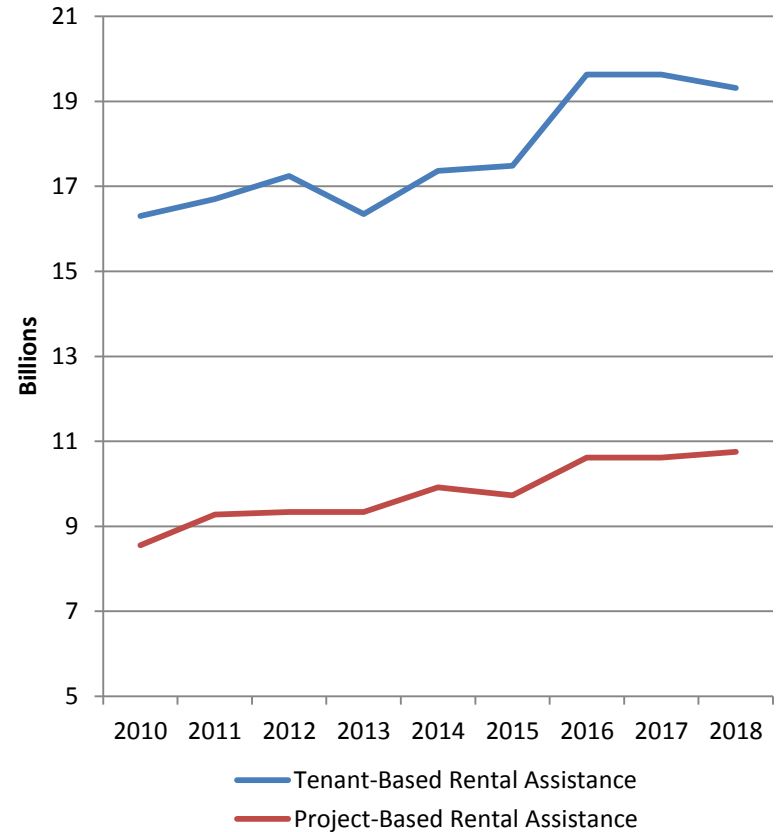


Funding from HUD

Public Housing Funding Curve



Section 8 Funding Curve



Data found on Hud.gov Summary Statement and Initiatives
 2010-2016 Appropriations
 2017 Data Annualized CR
 2018 Omnibus Bill



Administration Support

a bipartisan policy approach



“The affordable housing crisis is growing. RAD is part of the solution.”

Julian Castro, HUD Secretary 2014-2017



“Very encouraged” by RAD’s early results, and “looks forward to working with Congress to expand this worthy program.”

- Ben Carson, HUD Secretary



What is RAD?

- The Rental Assistance Demonstration (RAD) was created by HUD in 2012 in order to give public housing authorities a powerful tool to preserve and improve affordable housing and to address the large backlog of needed repairs.
- Under RAD, units change from public housing to project-based Section 8 voucher (rent assistance) under a long-term contract between HACM and HUD. This ensures that the units remain permanently affordable to low-income households.



HACM's RAD Vision

RAD will preserve and improve affordable housing, strengthen HACM's resiliency and continue to provide opportunities to thrive.



Goal of RAD

In order to preserve the housing as affordable, public housing stock is converted to the project-based Section 8 platform, which:

1. Stabilizes funding
2. Creates access to private capital
3. Streamlines HUD regulations
4. Enhances housing options for residents



Improvements

- As part of RAD conversion, HACM will pursue various funding sources including Low Income Housing Tax Credits to do the needed renovations at every property.
- The RAD team will work with residents and property managers to develop a renovation plan for each community
- Renovations would not begin until 2019 and would be done in phases over a number of years.



Relocation

- If major renovations are needed, residents may need to be temporarily relocated for renovation.
- HACM is responsible for relocation expenses
- Relocation options may include:
 - (1) temporarily relocate using a Housing Choice Voucher or to another public housing development, returning back after the repairs are completed.; or
 - (2) relocate permanently using a Housing Choice Voucher if a voucher is available.



RAD Impact on Residents

1. RIGHT TO RETURN: Will I have to move?

No, residents will not need to move. If there is a need for renovations so that we would need to temporarily move you out of your apartment to allow us to perform the renovations, you have the right to return to the housing development when the renovations are complete.

2. LEASE: Will residents have to sign a new lease?

Yes. However, current public housing residents will not be rescreened, or face other income eligibility criteria or income targeting provisions. If you are lease compliant before RAD conversion, you cannot be forced to move.

3. RENT: Will my rent change?

For most residents, rent will not change. Residents will continue to pay no more than 30% of adjusted income. However, under RAD, there are no flat rents. For some higher income residents currently on flat rents, you may have an increase in your rent to 30% of income. If RAD conversion results in a resident's rent going up by more than 10% or \$25.00 per month the increase will be phased in over three years.



RAD Impact on Residents

4. OVER INCOME: If I make too much money, will I have to move?

No, as an existing resident, you cannot be forced to move. Normally, there are income limits under the rent assistance program. However, under a RAD conversion, existing public housing residents that would be over that income limit would be able to stay living in the development. New residents who move in later and become over income may have to move.

5. NUMBER OF BEDROOMS: What if I am in a unit that is not the correct number of bedrooms for my household?

Based on your household size and composition, if you are in an apartment that is too big for your household, you are allowed to stay there until a unit in the correct size becomes available. At that time, you will be required to move.



RAD Impact on Residents

6. RESIDENT ORGANIZATIONS: Will we still have a resident organization?

Residents will continue to have the right to establish and operate a resident organization, and the resident organization will receive annual resident participation funding based on the number of occupied units.

7. CHOICE MOBILITY: Can I get a voucher to move out?

At any time after living in the apartment for a year after the conversion from public housing, the resident has the opportunity to request a tenant-based voucher if they are available or to be placed on a waiting list for one. A tenant-based voucher allows residents to use the housing subsidy with any landlord that participates in the Section 8 Rent Assistance Program.



RAD Communication & Outreach

RAD Resources to stay informed



HACM RAD Website
rad.hacm.org



HACM RAD Hotline
414.286.8600



HACM RAD Email
RAD@hacm.org

ADDITIONAL RESOURCES

www.hud.gov/rad
www.radresource.net

RAD Information Notices were Mailed to All Residents

Resident RAD General Information Meetings

All Public Housing Residents were invited to attend 2 optional RAD General Information Meetings in July 2015 prior to the submission of the RAD Portfolio Conversion Application.

Resident RAD Development Information Meetings

At least one meeting was held onsite at every development and multiple sessions held with translation services. A total of 48 optional meetings were offered with approximately 40% resident participation. Mandatory resident meetings are held at the time of conversion.

- **October 2016:** Tranche 1 Development Meetings
- **January – February 2018:** Tranche 2 Development Meetings



HACM Portfolio Conversion Phasing/Strategy

Phase I

No Debt Conversion (426 units)

2017 – 2018*

- Cherry Court (70 units)
- Convent Hill (42 units)
- Highland Gardens (46 units)
- Lapham Park (131 units)
- Olga Village (37 units)
- Scattered Sites 1 (24 units)
- Scattered Sites 2 (12 units)
- Westlawn Gardens (64 units)

Phase II

Elderly/Disabled Highrise & Midrise (1,456 units)

2019 – 2022*

- Arlington Court (230 units)
- Becher Court (118 units)
- College Court (248 units)
- Holton Terrace (120 units)
- Lincoln Court (110 units)
- Locust Court (230 units)
- Merrill Park (120 units)
- Mitchell Court (100 units)
- Riverview (180 units)

Phase III

Family Developments and Scattered Sites (1,296 units)

2020 – 2025*

- Highland Homes (56 units)
- Hillside Terrace (470 units)
- Parklawn (380)
- Townhomes at Carver Park (51)
- Scattered Sites (339)

*Estimated conversion



Conclusion

- Funding for public housing operations has decreased consistently over many years, leading to a significant backlog of building maintenance and other operational challenges that threaten HACM's long-term sustainability.
- RAD provides the opportunity for more stable funding for HACM's affordable housing operations through the Project-Based Housing Choice Voucher program.
- RAD protects residents and provides a way to maintain HACM's affordable housing in Milwaukee.
- HACM will adapt as it has over many decades in order to continue its mission of providing affordable housing.