

Housing Authority of City of Annapolis

Report to
Annapolis City Council
February 26, 2018

Agenda

- I. Current Status
- II. Rental Assistance Demonstration (RAD)

Recovery Plan

- ▶ 2017 HACA designated Troubled Agency
- ▶ 2017 HACA, City of Annapolis and HUD Signed Recovery Plan
 - ▶ Recovery Plan covers all areas of HACA's operations: Governance, Financials, Public Housing and Section 8
- ▶ 2018 Quarterly Progress Report to HUD
 - ▶ HACA is Stabilized and On Track to complete Recovery Plan.
 - ▶ Recovery Plan Progress Report is posted on HACA's Website.

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Areas of Focus

- ▶ Governance: Need appointment of new Board members.
 - ▶ Committed to mission of public housing and ready to serve.
- ▶ Financial: Fiscal management is on track. But, HACA is not financially strong. Any federal budget cuts to public housing will worsen problems.
- ▶ Property Condition: Boards will be off vacant units during second quarter of 2018.
 - ▶ We are tracking response time on emergency and routine maintenance calls to ensure health, safety and repair issues are addressed, timely.
- ▶ Redevelopment: Needed to address aged housing with deferred maintenance.

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WHY RAD?

- ▶ Congress/HUD have not provided public housing agencies with needed funds for maintenance and improvements.
 - ▶ Public Housing Operating funding has been volatile and decreasing over the past decades.
 - ▶ Public Housing Capital funding for property upkeep has been steadily decreasing over the past decades.
 - ▶ Over \$30 billion capital backlog and demolition of 10,000 units per year, nationwide.

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How RAD Works

- ▶ RAD “converts” or switches funding sources from Section 9/Public Housing to Section 8/Project-Based Voucher contracts
 - ▶ Stabilizes future funding of operations and property upkeep
- ▶ Allows Public Housing Authorities to raise capital through affordable housing funding sources such as Low Income Housing Tax Credits, tax-exempt financing, grants and loans
 - ▶ Addresses new construction needs through demolition and rehabilitation (e.g. Newtowne 20); and
 - ▶ Addresses moderate/substantial rehabilitation (e.g. Blum).
 - ▶ Over \$5 billion in public housing improvements funded by RAD to date.

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Impact on Residents

- ▶ Improvements to properties
- ▶ No Displacement of Residents - All residents have right to return if relocated due to construction
 - ▶ No re-screening to return after redevelopment
- ▶ Residents pay same rent/utilities as in Public Housing
- ▶ Residents have same basic rights as in Public Housing
 - ▶ Right to same grievance process
 - ▶ Same Resident Council rights

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Impact on HACA

- ▶ Improvements to Properties
- ▶ HACA retains all 935 deeply subsidized units in its portfolio
 - ▶ RAD requires 1-1 replacement of public housing units with deeply subsidized RAD units.
 - ▶ HACA can add mixed income units to 935 deeply subsidized units.
- ▶ HACA retains control of public housing functions during redevelopment and long term ownership of properties
 - ▶ Ownership is shared with developer and investors during construction and while financing is in place.
 - ▶ HACA retains long term ownership through ground lease and negotiated investor and developer contracts.

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Estimated RAD Conversion Schedule

| HACA Portfolio-Part 1 | | | | | |
|-----------------------|------------|-------------------|-------|-----------------------------------|-------------------------------|
| | Year Built | Property Name | Units | Date RAD CHAPs* Awarded/ Expected | Estimated Construction Period |
| 1 | 1971 | Newtowne 20 | 78 | Feb 2018 | Aug 2019 to Feb 2021 |
| 2 | 1976 | Morris Blum | 154 | Feb 2018 | Dec 2019 to June 2021 |
| 3 | 2009 | Obery Court I | 50 | Feb 2018 | n/a |
| 4 | 2016 | Obery Court 3 | 61 | Feb 2018 | n/a |
| 5 | 2009 | Annapolis Gardens | 150 | Feb 2018 | n/a |
| HACA Portfolio-Part 2 | | | | | |
| 1 | 1964 | Harbor House | 273 | Feb 2019 | TBD |
| 2 | 1953 | Eastport Terrace | 85 | Feb 2019 | TBD |
| 3 | 1970 | Robinwood | 150 | Feb 2019 | TBD |
| 4 | 2003 | Bloomsbury Square | 51 | Feb 2019 | TBD |

* CHAP = Commitment to enter into a Housing Assistance Payment Contract

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HACA Moving Forward

- ▶ Continue to improve property conditions
- ▶ Continue to improve Agency responsiveness
- ▶ Expand partnerships for Resident Services
- ▶ Execute redevelopment under RAD

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