

**CITY OF MADISON**  
***INTER-DEPARTMENTAL***  
**CORRESPONDENCE**

DATE: December 5, 2012  
To: CDA Board  
From: Agustin Olvera  
Subject: Information for Strategic Planning Discussions

Background/HUD

Low Rent Public Housing: HUD has stopped the funding of new construction under the Low Rent Public Housing Program which built most of the Public Housing across the country. Except in the cases involving the demolition of large scale developments in urban areas, HUD is allowing the replacement of a reduced number of low rise units. Vouchers are being given to cities to replace most of the demolished units. Housing Authorities (and not for profits) continue to develop subsidized housing using a variety of funding sources which can vary by location, though nationally sources are very limited.

HUD wants to transform Public Housing as it is viewed as inefficient. Housing Authorities argue HUD rules make Housing Authorities inefficient and that comparisons to private sector costs are not valid. HUD recommends Housing Authorities go beyond property management but marginally fund programs to address the multitude of needs (case management, employment and training, education, medical and mental health care, etc) of public housing residents.

Locally the CDA Housing Operations demographics are similar to housing authorities at the statewide and national levels. At HUD conferences and seminars we find we have a lot in common with other housing authorities. The CDA is the largest subsidized housing provider in Dane County, serving approximately 2400 households.

Capital Fund Program: The Capital Fund program is a formula allocation awarded to housing authorities to make major capital improvements (roofs, boilers, etc) to its portfolio. HUD recognizes that the needed improvements are significantly underfunded, however there is no expectation that funding will be increased. HUD will be requiring that all housing authorities have a Green Physical Needs Assessment performed, to document the need. This may lead to additional funding or the demolition or disposal of existing public housing.

Housing Choice Voucher (HCV) program: Congress had been appropriating more money to the HCV (better known as Section 8) program. They decided to get away from the troubled hi rise "projects", promote more dispersions of low income, allow for people to move throughout the country to go where the jobs were, and involve the private sector in housing the low income. This approach proved to be popular with Congress and so appropriations grew. They grew to the point that Congress pulled back and limited the budgets allocated to Housing Authorities. In previous years a certain number of vouchers were allocated to housing authorities with a reimbursement of whatever those expenses were. Spending, however, increased to the point HUD/Congress decided to also limit the reimbursement, which resulted in fewer vouchers being issued.

Wisconsin Housing and Economic Development (WHEDA) Multi Family Housing – Parkside and Karabis : These are generally included when we refer to CDA's public housing, however they are funded differently and are not included under HUD's Low Rent Public Housing program. Under HUD's program the CDA receives a per unit subsidy amount based on a formula that estimates regional

costs to operate a development, then subtracts out rental income earned by the housing authority. The housing authority is supposed to receive the difference between the two. However, if Congress does not appropriate sufficient funding then a pro-rated subsidy is awarded to the housing authority. Under WHEDA's program the CDA receives Housing Assistance Payment (HAP) funding for each unit similar to what we pay landlords under the Section 8 program. The HAP payments are significantly higher than the subsidy.

City Policy Issue: What is the role of the CDA's Public Housing?

The CDA and HUD have always maintained that public housing is not the housing of last resort. The courts have on occasion not permitted an eviction as the household would have nowhere to go. One of our not for profit partners has suggested an approach of never evicting, but instead to provide more services to those in danger of eviction.

In 2011 the CDA provided Housing Assistance to approximately 2,448 families, 1,582 Vouchers and 866 Public Housing units. The CDA is required by HUD to screen for criminal activity. The CDA does so at the initial applicant certification for eligibility. Many are denied, most often for criminal background or poor landlord histories. Once in CDA's programs, the number of families who face the loss of their housing assistance is relatively small. It is unfortunate when this happens. The CDA works with a variety of social service agencies to try and head off these situations. However, when they occur, the CDA must act to insure the integrity of the program and the safety of Madison's residents. This is especially true in regards to criminal matters, the CDA works closely with the Madison Police Department and the City Attorney's Office in this area.

Table 1 below outlines by year the number of households which have been terminated under the Housing Choice Voucher Program (Section 8) or which have been evicted from Public Housing due to criminal activity in the household.

Table 1

	2005	2006	2007	2008	2009	2010	2011
HCV	4	13	13	9	9	5	5
PH	0	2	0	0	2	0	0

The numbers above do not reflect the number of families who have faced eviction or termination for other reasons such as unreported income or unauthorized guests, hoarding, some families who face eviction or termination voluntarily leave the program. Also the CDA may initiate terminations and eviction action, but may drop proceedings based on a resolution of the matter. Additionally the CDA may initiate a termination or eviction action but in our appeal process a hearing officer may reverse the decision of the CDA to terminate. Finally, in addition to the CDA's appeal process a local court may reverse the CDA decision to evict or terminate.

Demographics of who we serve: See attached Resident Characteristics Report

CDA Properties: See attached chart of Public Housing & Multi Family Housing

Financial History: See attached chart of 2007-2011 Income/Expense



Resident Characteristics Report		As Of October 31 2012										
Program:	Housing Choice Voucher &		Low Rent Public Housing									
Households being assisted		2306										
<b>Distribution of Average Annual Income as a %</b>												
INCOME	Extremely Low		Very Low		Low		Above		Unavailable			
	1865	81%	350	15%	53	2%	8	0%	31	1%		
Average Annual Income		\$14,231										
<b>Distribution of Annual Income as a %</b>												
	\$0	\$1-\$5000	\$5001-\$10000	\$10001-\$15000	\$15001-\$20000	\$20001-\$25000	Above \$25000					
	4%	6%	31%	25%	14%	9%	12%					
<b>Distribution of Total Tenant Payment as a %</b>												
	\$0	\$1-\$25	\$26-\$50	\$51-\$100	\$101-\$200	\$201-\$350	\$351-\$500	Above \$501				
	0%	0%	7%	3%	9%	48%	15%	17%				
Average Monthly TTP (\$)		\$331										
<b>FAMILY RACE/ETHNICITY CATEGORY</b>												
Distribution by Head of Household's Race as a %						Distribution by Head of Household's Ethnicity as a %						
	White	Black/AAm	NatAm	Asian			Latino	Non-Latino				
	44%	50%	1%	5%			4%	96%				
<b>Distribution by Household Members Age as a % of Total Number of Household Members</b>												
	Age 0-5 years		Age 6-17 years		Age 18-50 years		Age 51-61 years		Age 62-82 years		Age 83+ years	
	627	12%	1714	33%	1853	35%	572	11%	464	9%	29	1%
<b>Distribution by Household Size as a %</b>												
	1 person	2 persons	3 persons	4 persons	5 persons	6 persons	7 persons					
	46%	19%	14%	10%	6%	2%	1%					
<b>Distribution by Number of Bedrooms as a %</b>												
	0 Bedrm	1 Bedrm	2 Bedrms	3 Bedrms	4 Bedrms	5+ Bedrms						
	3%	33%	33%	25%	7%	1%						
<b>Distribution by Length of Stay as a %</b>												
	less than 1 year		1+ to 2 years		2+ to 5 years		5+ to 10 years		10+ to 20 years		Over 20 years	
	307	13%	165	7%	542	23%	675	29%	583	25%	41	2%
<b>Distribution by Source of Income as %</b>												
	wages		welfare		SS/SSI/Pension		other		no income			
	35%		5%		64%		38%		3%			

CDA LOW RENT PUBLIC HOUSING (HUD) & MULTI FAMILY HOUSING (WHEDA)																	
AMP	site	address	built	unit type	elderly	family	disabled	efficiency	1BDR	2BDR	3BDR	4BDR	5BDR				
EAST	3-1 A site	1601-1671 Wright St	1965	townhouse		35		0	8	2	16	4	5				
EAST	3-1 B site	Webb-Rethke	1965	townhouse		36		0	0	8	16	12	0				
EAST	3-5 Tenney	Baldwin-Gorham	1968	townhouse	41			0	41	0	0	0	0				
EAST	3-7 Scattered Sites	Stein/Thompson	1981	duplex		4		0	0	0	4	0	0				
EAST	3-8 Truax	Straubel/Wright	1948	flat		115		0	0	114	0	0	1				
EAST	3-9 Scattered Sites	Williamson	1994	townhouse		9		0	0	7	2	0	0				
TRIANGLE	3-1 C site (Gay Braxton)	604-762 Braxton Pl	1965	flat			59	31	24	4	0	0	0				
TRIANGLE	3-6 Brit	755 Braxton Pl	1976	hi rise			167	0	166	1	0	0	0				
TRIANGLE	Karabis	201 S Park St	1977	slab			20	0	2	16	2	0	0				
TRIANGLE	Parkside Highrise	245 S Park St	1978	hi rise	83			0	82	1	0	0	0				
TRIANGLE	Parkside Townhouse	802-824 W Wash.	1978	townhouse		12		0	0	8	4	0	0				
WEST	3-1 D site	Baird/Fisher	1968	townhouse		28		0	4	2	16	4	2				
WEST	Romnes	540 W Olin Ave	1968	low rise	167			0	166	1	0	0	0				
WEST	3-7 Scattered Sites	Catalpa/ Greenway/ Harvey/ Sequoia/ Traceway/ Turbot	1981	townhouse		26		0	0	16	9	1	0				
WEST	3-9 Scattered Sites	Britta/ Chester/ Frazier/ Shaw	1981	single fam		41		0	0	40	1	0	0				
WEST	3-13 Scattered Sites	Blackhawk/ Capital/ Doncaster/ Elder/ Hammersley/ Manitowoc/ Marconi/ Raymond/ Russet/ Shaw/ Temkin/ Theresa/ Whitney	1991	single fam		34		0	0	6	24	4	0				
ALL	totals				291	340	246	31	493	226	94	25	8				
	as % of total				33%	39%	28%	4%	57%	26%	11%	3%	1%				