

Brentwood Terrace Apartments
2018 North Sherman Ave.
Madison, WI

Explanation of Mod-Rehab Program

In the early to mid 1980's HUD had a program called Mod-Rehab to provide federal funds for the construction and remodeling of low and moderate income housing. As part of this program HUD "guaranteed" Section 8 residents for participating housing providers. This "guarantee" provided that whenever there was a vacancy, the "administering entity" would refer section 8 qualified potential residents to the participating housing provider. Participants had to sign a 15 year participation contract with HUD to obtain this "guarantee". The local administering entity was the Dane County Housing Authority (DCHA). Brentwood Terrace Apartments partnership entered this program in 1984 and used the Mod-Rehab contract as a basis to reconstruct/rehab the former Walsh Medical Clinic into the twenty-two one-bedroom Brentwood Terrace Apartments. Pursuant to the recommendation of city staff and the approval requirements of the plan commission, Brentwood Terrace Apartments was deed restricted as "age 55 and over elderly housing."

When the Mod-Rehab program ended in 1999, HUD did not have any other "guarantee" program in place to take over. Therefore HUD and DCHA agreed to an extension to 2000 of the program. At the end of the extension period (2000), the "guarantee" contract expired. All residents who had been receiving benefits through DCHA were transferred over to City of Madison, Community Development Authority (CDA). All residents retained their Section 8 status and went into the Section 8 Voucher program.

Within 18 months of the transfer to the CDA, the CDA placed a freeze on its waiting list as there were over 2,000 people on it which was resulting in a more than a two year wait. Before the freeze, Brentwood Terrace Apartments had sufficient elderly Section 8 referrals to maintain full occupancy. When the CDA froze the waiting list, Brentwood Terrace Apartments no longer had a flow of elderly Section 8 applicants who were readily available to rent at Brentwood Terrace Apartments. Since the freeze by the CDA, Brentwood Terrace Apartments has only rented to one new elderly Section 8 tenant.

With the discontinuance of the referral/availability of elderly Section 8 applicants, over the past two years (2004 and 2005) Brentwood Terrace Apartments has averaged only 70-75% occupancy. As of December 31, 2005, there were 4 vacant units, an 82% occupancy rate. Currently the property has ten elderly Section 8 tenants and nine non-section 8 elderly tenants.

The basis for the removal of the senior housing restriction is to allow for a larger pool of prospective renters, including non-elderly Section 8 tenants. There is no intent or desire to eliminate Section 8 tenants should the age restriction be lifted; to the contrary, the lifting of the deed restriction would expand the Section 8 eligibility by expanding the pool of Section 8 potential tenants.