

CITY OF MADISON
INTER-DEPARTMENTAL
CORRESPONDENCE

DATE: February 4, 2016

To: CDA Board

From: Agustin Olvera

Subject: Proposed Revision to Our Agency Annual Plan and Administrative Plan
(Section 8 Program Policies)

The staff of Housing Operations is recommending a revision to our Annual Plan and the Administrative Plan by a change to our preference policy pertaining to the Housing Choice Voucher Program. The proposed change would give a preference to those who have a “Rent Burden.” A Rent Burden is defined as those who are paying over 30% of their income towards rent. There are several reasons for making this change. It would allow the CDA to serve those with the most financial need. It would also affect those already in subsidized housing by giving them less of a priority on the Wait List. CDA’s public housing residents or other subsidized development’s residents, such as Wexford Ridge or Northport Packers Apartments, would be placed further down on the wait list. Since they have subsidized housing already they have less of a need than those without.

In addition, the CDA’s experience in issuing vouchers has been that many of its Public Housing residents are on the Section 8 Wait List. When they get a voucher and move this creates a vacancy. In 2013 the CDA had 90 move outs. In 2014 it was 89 and in 2015 it was 104. Truax Phase 2 also created new move ins whose applications had to be processed and two of the sites have reported an uptick in the number of approved applicants who are turning down units after they have been offered, usually citing the size of the units, and the increase in rents now required by HUD. This combination of activities is creating an increase in administrative effort to get approved files out to the sites which is creating a dip in our occupancy rate. HUD would like to see all Housing Authorities at a 98% occupancy rate. Part of HUD’s annual assessment of housing authorities is based on its occupancy levels.

In the past the physical apartment turnaround was part of the problem. This is no longer an issue. The current issue is the processing of applications. The CDA currently has a “team” of staff processing:

1. Public Housing
2. Multifamily Housing (Parkside and Karabis)
3. Section 8
4. Section 8 PBV
5. Section 8 FUP &
6. Section 8 VASH

All of those applications have unique program regulations which must be adhered to. We have made numerous efforts to streamline the application process and make it more efficient such as: 1) Assigning staff to particular programs so they may become “specialist;” 2) utilizing technology, calls and emails in

place of correspondence; 3) closing on Fridays to give more concentrated uninterrupted time and effort; and 4) hiring of a part-time staff as clerical support to those processing applications.

The CDA policies are a balanced approach to serving low income households. Our goal is to house city of Madison low-income residents but also to properly manage its rental properties by having appropriate screening standards. The CDA does not use a straightforward formula of credit scores and good landlord history. Some applicants have bad credit and bad histories. Our goal is to house people so if we can look at mitigating circumstances (being laid off or hospitalized so rent could not be paid, can mitigate a bad rental history). The CDA must sort through these and if denied must offer the chance to appeal a denial through a hearing process. Our application process requires more time and effort. An additional staff might help in this process but financially the CDA cannot afford to hire at this time.

Creating this preference will help to reduce the vacancies occurring in public housing and again improve the opportunity to serve those currently not receiving any housing assistance. If the CDA Board is in agreement, staff will begin the process outlined by HUD to amend our policies. This involves a public notice, a public hearing and then final approval by the CDA Board and HUD.