

# Delinquent Rent Payments: Public Housing Authority

Madison CDA Board of Commissioner's Meeting: Sept. 8, 2022

## Background

### Public + Multifamily Housing Household Rent Calculation:

1. Households pay 30% of household income for rent
  - When a household notifies CDA of an income change, CDA will update monthly household rent payments
  - HUD subsidizes the difference between the household payment and the total monthly rent amount

### Enforcement Tools to Collect Household Rent Payments:

1. Late Payment Fee of \$25 per month (*a deterrent for late payments*)
  - Late Payment Fees waived per CDA Board Resolutions since March 2020
    - o Five continuous resolutions March 2020 – June 2022, currently expired
2. Eviction Notices and Evictions (*lease enforcement tool to get tenants to pay rent*)
  - Federal eviction moratorium September 2020 – August 2021
  - CDA Board has taken no action to waive eviction notices or evictions
    - o Historically, CDA's practice has been to work with households to avoid evictions due to non-payment of rent (repayment plans)
      - Repayment plans may only increase households monthly rent payment by 10% of household income (30% for current month's rent, 10% to pay down delinquent rent owed)

### Historic CDA Public + Multifamily Housing Delinquency Numbers (HUD Benchmark = 10%):

- 2017 – 3%
- 2018 – 4%
- 2019 – 5%
- 2020 – 12%
- 2021 – 14%
- 2022 – 19% (January – June)

## Current Status

### CDA Public + Multifamily Housing June 2022 Delinquency Numbers (as of 7/14/2022):

AMP/Project	Site	Delinquent Rent (Over 30 Days)	Rent Roll Total	Delinquency Rate	Households Delinquent (Over 30 Days)	Total Households	Household Delinquency Rate
200	East	\$ 12,507.75	\$ 55,914.00	22%	15	162	9%
300	West	\$ 26,456.16	\$ 95,079.00	28%	20	269	7%
400	Triangle	\$ 4,472.00	\$ 64,817.00	7%	14	224	6%
500	East (Phase 1)	\$ 434.00	\$ 12,215.00	4%	1	47	2%
600	East (Phase 2)	\$ 947.00	\$ 15,797.00	6%	3	40	8%
<b>Public Housing Total</b>		<b>\$ 44,816.91</b>	<b>\$ 243,822.00</b>	<b>18%</b>	<b>53</b>	<b>742</b>	<b>7%</b>
Karabis	Triangle	\$ 443.50	\$ 7,648.00	6%	2	20	10%
Parkside	Triangle	\$ 8,924.00	\$ 35,547.00	25%	11	96	11%
<b>Multifamily Housing Total</b>		<b>\$ 9,367.50</b>	<b>\$ 43,195.00</b>	<b>22%</b>	<b>13</b>	<b>116</b>	<b>11%</b>
Truax PBV	East	\$ 1,431.00	\$ 9,160.00	16%	3	24	13%
<b>S8 Project-Based Voucher Total</b>		<b>\$ 1,431.00</b>	<b>\$ 9,160.00</b>	<b>16%</b>	<b>3</b>	<b>24</b>	<b>13%</b>
<b>Total</b>		<b>\$ 55,615.41</b>	<b>\$ 296,177.00</b>	<b>19%</b>	<b>69</b>	<b>882</b>	<b>8%</b>

### Status of 69 Households with Delinquent Rent Payments:

- Paid or entered into a repayment plan since data was pulled on 7/14/2022
  - o 2 households entered into repayment plans
  - o 1 household paid off balance owed  
*3 no longer delinquent*
- Dane CORE Emergency Rental Assistance Program applications
  - o 20 households are under review/pending status with the CORE program
  - o 12 households in process of applying
  - o 3 households have been given an application  
*35 right direction*
  - o 11 households previously received funds but to reapply  
*11 need attention*
  - o 3 households have used all available CORE funds  
*3 don't qualify*
- Unknown Status
  - o 17 households haven't responded to CORE or repayment plan communication  
*17 need additional active communication*

### **Goals**

1. Limit future delinquencies and ensure monthly rent payment is an accurate representation of household income
  - a. Continue to educate households on resources, options
    - i. Report job losses/income changes to CDA Site Managers, update monthly rent payment
    - ii. Connect with payee if interested/qualified
    - iii. CDA is exploring auto-pay rent payment options with City's Finance Department
  - b. Reconstitute Late Payment Fees
  - c. Help advertise end of CORE program (CORE program application deadline 9/15/2022)
2. Recover delinquent funds
  - a. Continue to promote CORE funding opportunities to households
  - b. Set up repayment plans

### **Recommendation**

1. Communicate changes to residents
  - a. Expectations
    - i. Timing of reconstituting Late Payment Fees (**recommend Nov. 1<sup>st</sup>**)
    - ii. Create deadline to show proof of CORE program acceptance or enter into a repayment plan. If deadline isn't met, proceed with lease enforcement using eviction notices/evictions (**recommend Nov. 1<sup>st</sup>**).

2. Continue to connect households to Service Coordinators and other resources
  - a. CORE program applications
  - b. Reporting income changes to Site Managers to update monthly rent payments
  - c. Repayment plans
  - d. Auto-payment options