

COMMUNICATION

TO: CITY OF MADISON COMMUNITY DEVELOPMENT AUTHORITY BOARD OF COMMISSIONERS
FROM: LARRY KILMER, DEPUTY DIRECTOR
DATE: 10/28/2021
RE: STATUS OF PUBLIC HOUSING SCATTERED SITE DISPOSITION

Background

The Community Development Authority (CDA) faces many issues with its public housing portfolio including currently operating 8 units of public housing over what is allowed by the Faircloth limit and an estimated \$10 million in unmet capital needs.

The Department of Housing and Urban Development (HUD) issued guidance under the Section 18 program to provide greater efficiencies for Public Housing Agencies (PHAs) to address the growing backlog of unmet capital needs.

The CDA currently owns and manages 32 scattered site units which are defined as units in non-contiguous buildings with four or fewer total units which are eligible for disposition under the Section 18 program.

Approvals

On December 12, 2019 the CDA Board of Commissioners through Resolution No. 4367 authorized agency staff to begin the process of repositioning Public Housing units through a Section 18 scattered site disposition application.

Then, on March 12, 2020 the CDA Board of Commissioners through Resolution No. 4380 authorized the submission of an Inventory Removal Application to the HUD Special Applications Center for the disposition of 32 scattered site public housing units.

On April 2, 2021 HUD's Special Applications Center approved the CDA application for the disposition of 32 scattered site public housing units to the Madison Revitalization and Community Development Corporation (MRCDC).

Next Steps

The CDA Board of Commissioners will be asked to approve the sale of the 32 disposition units to the MRCDC at the November 2021 CDA Board meeting.

The MRCDC Board of Directors will be asked to approve the purchase of the 32 disposition units from the CDA at the November 2021 MRCDC Board meeting.

It is anticipated that the disposition transaction from the CDA to the MRCDC will take place in early January 2022.