



Cumberland Housing



Opening Doors to the Future

RAD PROGRAM PRESENTATION



During this Meeting



Save your questions to the end as the presentation is designed to answer most of your questions, dispel false rumors and give you the facts.

Cumberland Housing



- a collective name used to describe both agencies operated from 635 East First Street
- Housing Authority of the City of Cumberland - HACCC
 - ✦ A local government agency, State of Maryland Chartered and operates the Federal HUD Public Housing program
- Cumberland Housing Alliance, Inc. - CHA
 - ✦ A non profit 501c3 corporation chartered in Maryland

HACC/CHA History



- HACC Established by Maryland law in 1949 in accordance with Federal Guidelines
- HACC is subsidized federally through Department of Housing and Urban Development (HUD) Public Housing Division
- HACC operates as an independent Local Government Agency reporting to HUD
- CHA is a 501c3 corporation and serves as an affordable housing developer and property management company

HACC HUD Monitoring



- HACC is monitored annually by the HUD Real Estate Assessment Center (REAC) using the Public Housing Assessment System (PHAS) which is the assessment tool developed by HUD to measure our performance.
- After the completed assessment, HUD issues the score and designation of High, Standard or Poor Performer Status.
- Only about 3% of the nations Housing Authorities achieves the High Performer status.
- HACC has been a consistent High Performer (requires a score of 90% or above) since the inception of the rating system in 1998.

PHAS Scores



	PHAS Indicators & Maximum Points				
Fiscal Year Ending 3/31	Physical Assessment (40 Points)	Financial Assessment (25 Points)	Management Assessment (25 Points)	Capital Fund Completion (10 Points)	Total PHAS Score
2011	36	21	25	10	92%
2012	36	22	25	10	93%
2013	35	21	25	10	91%
2014	32	24	25	10	91%
2015	37	23	25	10	95%
2016	38	24	23	10	95%

Mission



- The Mission of Cumberland Housing is:
 - to provide safe, decent, sanitary, affordable and well maintained housing at a fair market rent;
 - to create opportunities for residents' self-sufficiency and economic independence;
 - to assure fiscal integrity by all low, very low and extremely low-income program participants; and
 - to develop affordable housing, both rental and for sale, in the City of Cumberland and surrounding communities.

Rental Developments



- Fort Cumberland Homes – Lamont St & Oldtown Rd
- Planning started in 1956
- Opened on October 31, 1960
- Consists of 80 townhouse style units
 - 12 Buildings
 - 47 two bedroom units
 - 30 three bedroom units
 - 3 four bedroom units

Rental Developments



- John F. Kennedy Apartments – 135 N Mechanic Street
- Opened on August 31, 1967
- Tallest Building in Cumberland (11 stories)
- Originally constructed for elderly
 - Opened to all ages in '90's with preference given to elderly then disabled before non elderly
- Consists of 100 units
 - 40 Efficiency Apartments
 - 60 One Bedroom Apartments
 - On Site Office, Community Room and Kitchen

What is the Purpose of this Meeting



- To learn about why we are making a program change and how the Annual & 5 Year Plan will be affected by the change.
- To learn what steps are involved in the RAD conversion.
- To learn about the planned changes and improvements.
- To provide a chance to ask questions.
- To provide the opportunity to express your concerns.
- To provide the opportunity for you to make comments.

Our Requirements to You



- Provide you with an understanding of what the RAD Program is and how it will change the 5 Year Plan.
- To inform you of the conversion process from Public Housing to RAD and how it will take place.
- To provide you information about our planned improvements and any changes that may result from them.
- We must document your questions and concerns and any responses needed. We are required to submit these to HUD and to consider them in our planning. However, we are not required to agree with them.

What is RAD



- The Rental Assistance Demonstration is a program of HUD developed a few years ago that seeks to preserve affordable housing currently owned by HUD.
- The new program provides a method to rehabilitate units and perform major repairs without depending upon additional money from the government.
- RAD allows the Housing Authority to convert from a Public Housing program to a Section 8 Project Based Rental Assistance program. It is still funding from HUD but from one source instead of two and ownership of the developments changes.

How Did We Get Here?



- Within the past 10 years, HUD has only provided an average of 90% of the financial assistance that they contracted to provide to HACCC which amounts to \$150,000 - \$200,000 per year.
- The Capital Fund Program, which provides funds for the major improvements at our developments has been reduced to approximately 40% of what should be funded according to HUD formulas.
- Our developments are each more than 40 years old.
- Major improvements are needed.

How Do We Change the Current Situation?



- Under Public Housing, we are not permitted by law to enter into any type of a loan or collaborative project. However, the RAD program was designed by HUD to allow this type of activity.
- Allows our agency to enter into contracts with outside lending and development firms to secure funding and leverage the development in return.
- Allows us to fund and complete major improvements that would not be possible under current conditions.

So How Does RAD Work

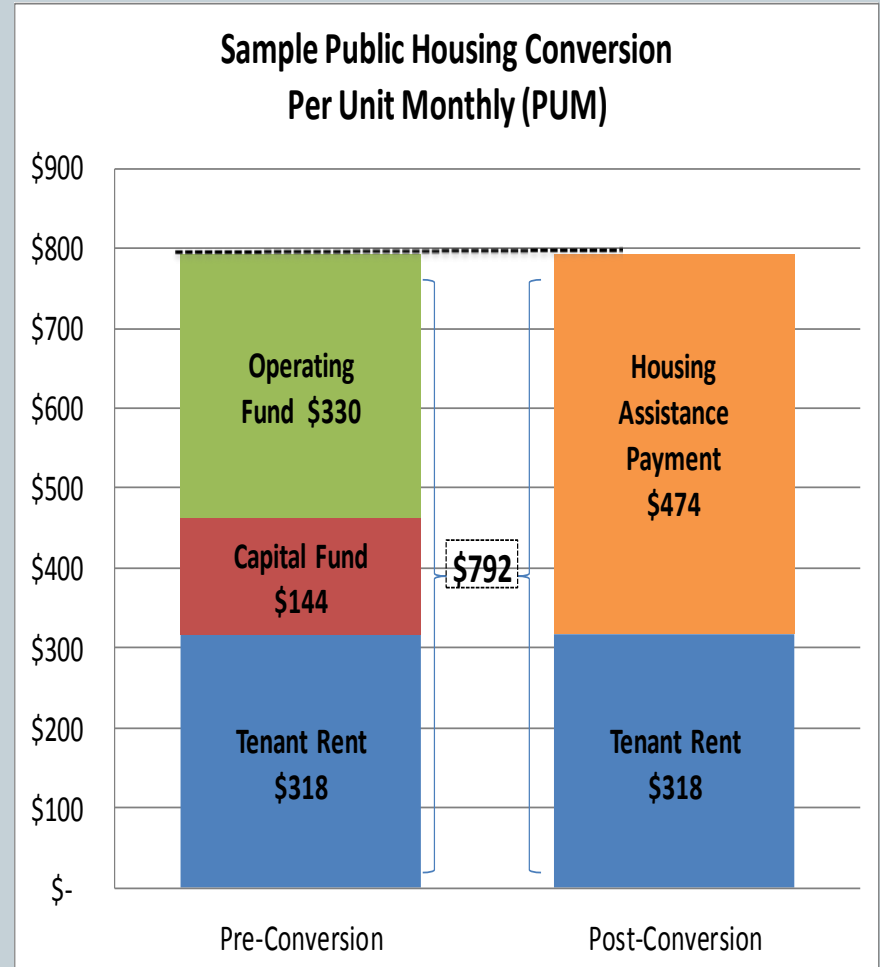


- Converts Public Housing funding and program requirements to a Section 8 Project Based Rental Assistance Program which:
 - continues to provide financial housing assistance permanently to the physical unit. (it cannot go with the resident like the Section 8 Voucher program).
 - Maintains the development as long term affordable housing with a 20 year contract which must be renewed.
- The development obtains funding through the Low Income Housing Tax Credit (LIHTC) Program
 - Use of this funding source does require us to also meet the LIHTC program requirements.

Funding



- Conventional **public housing** support consists of tenant rents, traditional capital fund subsidies and operating fund subsidies.
- **Project Based Rental Assistance** program provides a Housing Assistance Payment (HAP) which combined with the tenant rent equals the contract rent.



RAD Process



- **Step One - Application:** The HUD Application to convert all five developments of the HACCC to the RAD program was submitted in November 2015. Three published Resident Meetings were conducted to inform residents of the process and all residents at the time received a General Information Notice of our intent. This notice has also been provided to all residents entering our developments since that time.
- **COMPLETED!**

RAD Process



- **Step 2 - CHAP:** A Commitment to enter into Housing Assistance Payments for Fort Cumberland Homes and John F. Kennedy Homes was awarded on January 10, 2017. The HACCC Board of Commissioners voted on January 15, 2017 to accept the CHAP and to hire The Communities Group to co-develop the changes.
- **COMPLETED!**

RAD Process



- **Step 3 - PHA Significant Amendment:** HACC is preparing a Significant Amendment to its 5 Year Plan to include the award of the RAD program and the changes it will impose upon our developments and operations. This meeting to inform you of the changes is one requirement of the amendment process. Our plan will have a public hearing on April 17, 2017 to accept any comments.
- Will Be Completed by 4/30/2017

RAD Process



- **Step 4 - Financing Plan Submission:** Will be completed in the coming six months.
- **Step 5 – RAD Conversion Commitment:** We anticipate this to occur late in 2017 or early in 2018.
- **Step 6 – Closing:** We anticipate this to occur within the first six months of 2018. After this occurs, this development will no longer be a part of the Public Housing program.
- Construction follows the closing

Big Question: Will My Rent Change?



- Most residents will not have a rent increase because of the RAD conversion.
- Rent will continue to be calculated based upon 30% of income just like Public Housing which most residents already pay the income-based rent.
- The exception to this will be those tenants paying Flat Rent.

Big Question: Will My Rent Change?



- Flat Rents do not exist in Section 8 PBRA and Residents paying flat rent in Public Housing will most likely have to pay more in rent over time in the new program.
 - If your rent increases more than 10% AND requires you to pay more than \$25 per month in additional rent, your new rent will be phased in over 3-5 years
 - If the increase in rent is less than 10% or \$25 per month it will be effective immediately at conversion.
 - This Currently effects 6 FCH residents and 15 JFK Residents

Other Effects on Residents



- You will be required to sign a new lease at conversion. Your lease will continue to renew unless good cause exists.
- You must still be provided with proper notices of all actions and the right to hearings will continue.
- Certain rules and regulations will change based upon the new program requirements and the changes made to the development.
- **Will I be evicted - NO!** You will not lose your housing assistance as a result of the RAD conversion.

Next Big Question: Do I have to Move?



- Yes. ALL residents will be required to move from their current unit to allow for rehabilitation of the unit and surrounding grounds.
- Residents will be temporarily or permanently relocated to another unit within the same development dependant upon whether the unit transferring to has been renovated.
- Residents may be temporally transferred to another development if there are no available units within their own development.
- Every attempt will be made to accommodate the tenants requested relocation option but it will not be possible to accommodate all requests.

Relocation



- We understand that some have expressed that they do not want or intend to move. We do understand your concern however it is necessary.
- The Housing Authority does have the legal authority to require relocation of tenants as necessary in order to accommodate operations, unit sizes, designated units/buildings, etc.
- We will do our best to make this as easy as possible and accommodate your needs!

Physical Moving



- Cumberland Housing will be responsible for coordinating and arranging the transfer(s) and will be responsible for the costs associated.
- Residents will be responsible for packing up their personal belongings with boxes provided
- Suggest you start sorting through your belongings now and discard those items you no longer want.

Relocation Activities



- Residents will be notified in writing no less than 90 days from the date of the planned move.
- A one on one meeting will be conducted with each family when the time comes to discuss and plan the move.
- You may choose to transfer permanently to another HACC development or to move out of HACC housing but only if **YOU** so desire.

Under or Over Housed



- Residents currently residing in under or over housed units will be required to return to the appropriate sized units which is a requirement of the LIHTC regulations. Appropriate sizes are as follows:
 - ✦ 1 - 2 people on the Lease = 1 bedroom placement
 - ✦ 2 - 4 people on the Lease = 2 bedroom placement
(13 current FCH 2-BR families will be downsized)
 - ✦ 3 - 6 people on the Lease = 3 bedroom placement
(6 current FCH 3-BR families will be downsized)
 - ✦ 4 - 8 people on the Lease = 4 bedroom placement

Proposed Changes



- All proposed changes described in the next slides are only proposed at this time and are based upon:
 - Inspections conducted of the property
 - Requests from staff and residents
 - Proven improvements from other housing providers
 - Requirements of HUD, Building Codes and other regulatory agencies
- These proposed changes may be modified or deleted based upon available funding, design requirements and regulatory agency requirements.

Proposed Changes to Housing Units



- Complete Rehabilitation of Housing Units:
 - ✦ Updated plumbing, electric, heating , air-conditioning
 - ✦ New broadband connectivity in multiple rooms
 - ✦ Replacement doors, windows, cabinets, flooring, etc.
 - ✦ Creation of 4 - 5 handicapped accessible units
 - ✦ Improved interior lighting
 - ✦ FCH - Redesigned front porch & laundry area
 - ✦ FCH - Full height rear exterior storage unit with adjoining patio

Changes in Unit Composition



- **Fort Cumberland Homes**
 - Conversion of buildings 8 & 9 to four handicapped accessible units located on the first floor and at least four one bedroom units on the second level.
 - Possible elimination of building 7 to allow a larger area for the playground and community room area. If this occurs, the units will be re-constructed on another site within close proximity to the site.

Unit Composition	1 BR	2 BR	3 BR	4 BR	HC Accessible
Prior to Conversion	0	47	30	3	0
After Conversion	4	35	30	3	4

Changes in Unit Composition



- **John F. Kennedy Homes**
 - Elimination of balconies on the Mechanic Street side and combined with the adjacent hallway converting the efficiency units located in the 6 stack (206, 306, etc.) to form 1 bedroom units.
 - Combining the hallways adjacent to the #1 and #4 stacks to convert 20 efficiency units into one bedroom units.
 - Conversion of the # 2 stack into handicapped accessible units.
 - These Changes result in no change in the number of units in the building just enlarges 10 units.

Unit Composition	Efficiency	1 BR	H/C Accessible
Prior to Conversion	40	60	5
After Conversion	10	90	10

Proposed Changes to Fort Cumberland Homes



○ Development Site:

- ✦ Establish a Community Building with onsite programs
- ✦ New Playground relocated to middle of the development to provide a greater degree of safety and improved equipment
- ✦ Removal of fences, clotheslines, some walks and current storage units to improve site appearance, provide more open green space and improve security
- ✦ Cumberland Housing will perform all mowing at the development after the conversion
- ✦ Relocation of some trash and recycling containers for convenience and appearance
- ✦ Improved site lighting for security reasons

Proposed Changes Specific to Fort Cumberland Homes



- Per new HUD regulations, this entire development will become Smoke Free at the time of conversion.
- Creation of a designated smoking area will be performed in the area of the current playground.
- The elimination of pets in the rental units is permitted under the new program and is being considered for some if not all developments.

Proposed Changes Specific to John F. Kennedy Homes



- Hallways to be renovated and lighting improved
- Center Street side balconies to be eliminated and converted into a new trash chute
- A covered shelter constructed at rear entrance to building to allow loading and unloading out of the weather
- Tiled entrance foyer to be modernized as a sitting area with recycling relocated outside

Future Actions



- Effective immediately – no further resident generated transfers will be approved or conducted within this development.
- Contractors will be on site in the near future to conduct various types of building testing, inspection and planning functions.
- If access to your unit is necessary you will be notified.

New Development Names



- With the change to a new program and new funding sources, also comes the need to adopt new names for our developments after the conversion process is started.
- Fort Cumberland Homes is proposed to be renamed “River Bend Court”.
- John F. Kennedy Homes is proposed to be renamed “Wills Creek View”.

Other RAD Conversions



- Future improvements at Queen City Tower will mirror those from John F. Kennedy and no changes in the unit count greater than 10% are expected. Any units lost will be constructed elsewhere in the City of Cumberland.
- Future improvements to Jane Frazier Village will mirror those from Fort Cumberland Homes and no changes in the unit count greater than 10% are expected. Any units lost will be constructed elsewhere in the City of Cumberland.
- Banneker Gardens will see no physical changes.

Future Communications



- Updates on the conversion progress will periodically occur in the Cumberland Housing Newsletter.
- Flyers/Notices will be delivered to residents when necessary.
- Once the RAD Conversion Commitment has been approved by HUD, one additional resident meeting will be conducted to discuss the final RAD plans prior to construction.
- Direct one on one meetings with residents to discuss moving arrangements.

Future Information



- **DO NOT** believe anything that doesn't come published from HACCC!
- If you have a question contact your Property Manager to get the correct answer.
- False rumors will always circulate.
- Previous rumors have included:

Previous False Rumors



- We have sold our developments
 - *You can't sell a government agency!*
- We are in bad financial condition
 - *financial condition is strong despite budget cuts, clean audits for years, reserves funded to 90-95% (required to be less than 100%)!*
- We have run HACCC into the ground
 - *We are a HUD high Performing Agency for 18 continuous years including 2016!*



Cumberland Housing



QUESTIONS



Cumberland Housing



**THANK YOU FOR
ATTENDING**

**HELP YOURSELVES TO
THE REFRESHMENTS**