

**RENTAL  
ASSISTANCE  
DEMONSTRATION  
PROGRAM**

**Queen City Tower Presentation**

# Save Your Questions

**PLEASE**

Save your questions to the end of this presentation as it is designed to answer most of your questions if not all, dispel false rumors and give you the facts.



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# Your Right to Information

- During today's meeting, we will describe the RAD program and our current ideas in more detail.
- If we submit an application to HUD and are accepted into the program, we will have at least one additional meeting with you about our plans.
- You have the right to hear about major changes in the plans for the project, and we will invite you to additional meetings if key features of the plans change.



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# Cumberland Housing Group

- Is a collective name used to describe the:
  - Housing Authority of the City of Cumberland (government agency)
  - Cumberland Housing Alliance (501c3)
  - Cumberland Neighborhood Housing Services (501c3)
  - Several Limited Partnerships (LP) and Limited Liability Corporations (LLC)

All operated from our central offices at 635 East First Street by our combined administrative, management and maintenance staff



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# Our Mission

The Mission of the Cumberland Housing Group is:

- to ensure 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;
- to develop affordable housing, both rental and for sale, in Allegany County; and
- to renew pride, restore confidence, promote reinvestment and revitalize neighborhoods.



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# Continuing On Our Mission

- River Bend Court (formerly Fort Cumberland Homes) completed the RAD conversion at the end of 2021
- John F. Kennedy Homes (soon to be JFK Apartments) will begin RAD conversion later this year
- Cumberland Housing Group is now beginning the planning to convert the Queen City Tower project from the public housing program to Section 8 rental assistance under the Rental Assistance Demonstration (RAD) program.



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# Continuing On Our Mission

- An application is being prepared to submit to HUD for Queen City Tower to participate in the program
- The plan to convert Queen City Tower:
  - has been in the planning stage since tenants were originally notified in 2015 and at move in since that time
  - has been incorporated into the HUD required Public Housing 5 Year plans since 2019
  - Has been previously approved by the Housing Authority Resident Advisory Board



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# Notifications

- As part of our application process, we are required to do two resident related items:
  - Distribute a RAD Information Letter (RIN) letter to all households explaining our application and possible relocation activities. This was originally distributed in 2017 and to tenants since then but is being reissued.
  - Conduct two Resident Meetings which a notice was distributed to all households listing dates, times and locations.



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# Resident Information Meetings

- ALL RESIDENTS WERE PROVIDED A NOTICE AND ENCOURAGED TO ATTEND ONE OF THE FOLLOWING MEETINGS.
- July 19, 2022 at 11:00 a.m.  
Queen City Tower Community Room
- July 21, 2022 at 3:00 p.m.  
Queen City Tower Community Room



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# What is RAD?

- RAD is a voluntary program run by the U.S. Department of Housing and Urban Development (HUD).
- Under RAD, HUD will change the way it provides rental assistance to the property from public housing to a long-term Section 8 assistance contract.
- The Section 8 program would make it easier for us to access money to repair and improve the property, either now or in the future.



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# Why was RAD established

- The public housing inventory across the Country was aging with four of our developments having been constructed between 1952-1970 with no significant modernization
- Operational Subsidies have continually declined
- Capital funding has continually declined over the past decade and is funded at less than half of the annual need
- The funding is insufficient to meet the growing backlog of capital needs



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# How does RAD Work

- Ownership of the Development is transferred to a Limited Partnership with the Cumberland Housing Alliance as the General and Managing Partner. Limited Partners will also have ownership for a period of time.
- The Limited Partnership agrees contractually to operate the development as an affordable housing property for a period of 40 years which is then renewable.
- Replaces the HUD deed of Trust with a RAD use agreement so the Partnership/development can have access private debt, Low Income Housing Tax Credits (LIHTC) grants and equity to finance capital needs both at the beginning and ongoing.



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# How does RAD Work

- RAD provides a defined and more secure/stable project subsidy from HUD. Locks in the current level of project subsidies in a Section 8 HAP contract with built-in annual operating cost adjustment factor (OCAF) increases that would address inflation.
- Better platform for long-term preservation
- Development is managed and operated under the HUD Multi Family regulations by the Housing Authority just as it currently is.

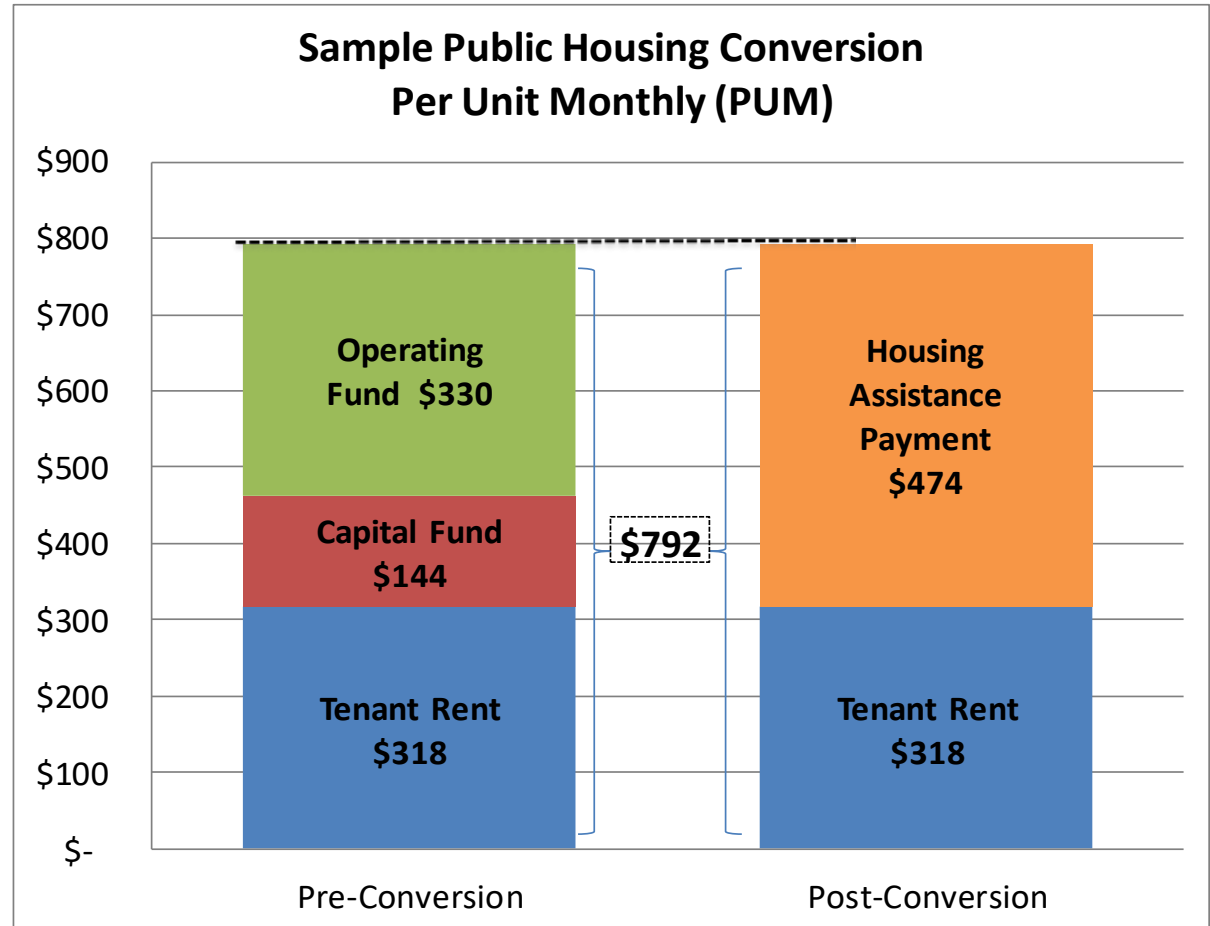


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# How does RAD Work?

At conversion, PHAs will convert funding to a Section 8 contract rent



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# Program Comparison

## BEFORE RAD

- Properties are not funded at 100% in Public Housing
- Housing Authorities cannot borrow money to make improvements to the building as the government owns the building and it cannot be used as collateral
- Current funding levels prevent us from keeping up with deteriorating living conditions of tenants

## AFTER RAD

- Properties are placed on a more Stable Section 8 platform
- Owners can more easily borrow money to perform rehabilitation work and improvements
- The living conditions of tenants are improved and sustained



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# Your Right to Rental Assistance

- Our decision to participate in RAD does not affect your rental assistance eligibility.
- Current residents on the lease are not subject to new eligibility screening.
- If we satisfy all HUD requirements and the property is placed under a Section 8 Housing Assistance Payment (HAP) contract, you have a right to ongoing rental assistance as long as you comply with the requirements of your lease.
- In most cases, your rent will not change with the conversion from public housing to Section 8. In the rare event that your rent calculation would change (most commonly, when you are paying a “ceiling or flat rent”), the increase would be phased in over time.



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# Will a RAD conversion affect my housing assistance?

- You will not lose your housing assistance and current residents on the lease will not be subject to eligibility re-screening as a result of the RAD conversion. You can remain in your unit regardless of your current income.
- However, the Cumberland Housing Group will continue to follow its annual and interim re-examination processes, including re-examination of your income to adjust your rent. These requirements will be in your lease.
- In a RAD conversion, your housing assistance will change from being Public Housing assistance to being Section 8 housing assistance under the Project Based Rental Assistance (PBRA) program.



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# Will a RAD conversion affect my rent?

- Most residents will not have a rent increase as a result of a RAD conversion.
- However, if you are paying a flat rent in public housing, you will most likely have to pay more in rent over time.
- If your rent changes by more than 10% and requires you to pay more than \$25 per month in additional rent, your new rent will be phased in.
- If the increase in your rent is less than 10% or \$25 per month, the change in rent will be effective immediately.



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# Transfer of Assistance

- This is when a tenant is moved to another location permanently due to the conversion and relocation activities
- We have no plans at this time to locate tenants permanently off site
- Our preliminary plan is to perform necessary relocations as we have done at River Bend and planned for at JFK:
  - Units vacated preceding the planned renovations are not refilled
  - Once selected areas to start the renovations have been established AND the conversion has been completed. Tenants are then temporarily moved to other vacated apartments
  - Once the selected units are completed, tenants in the next selected area move into these completed units.
  - Process continues until all current tenants are
  - Applications are then accepted to fill vacant units created at the beginning



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# Will I have to move if my home or building is rehabbed?

- If the repairs planned at your property are small, you will most likely be able to stay in your home during renovation.
- If the repairs planned at your property are more extensive, you will most likely need to be relocated during rehabilitation.
- Even if you are required to move during the construction, you have a right to return to a RAD-assisted unit at this development after construction is completed.



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# Reasons You Might Need to Move

- Renovation of residential units may require them to be vacant for a period of time.
- Renovations to adjoining units or common areas near your residential unit.
- Elimination and relocation of certain units
- All relocations will be done for your Safety and to provide you with an enhanced living environment



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# What changes will I see in my lease renewal process?

- At the time of the RAD conversion, you will need to sign a new lease for each of the two funding programs (PBRA & LIHTC).
- Unless there is good cause for eviction based on your actions, your new leases will continue to renew.
- Under the PBRA program, a property owner who tries to end your lease must give you notice and grievance rights similar to the rights you have under public housing and the owner must follow state and local eviction laws.



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# Will RAD affect my rights and participation as a resident in the development?

- RAD keeps many of the resident rights available under public housing such as the ability to request an informal hearing and the timeliness of termination notification.
- You also have a right to continue with your resident organization and will receive up to \$25 per occupied unit each year for specially allowed training and education.



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# Will I still be able to participate in self-sufficiency programs?

- The Resident Opportunities and Self Sufficiency-Service Coordinators Program (ROSS-SC) program provides public housing residents with coordinators to connect them to supportive services and empowerment activities.
- If you are a current participant in the ROSS-SC, you can continue to participate in ROSS-SC until program funding is used up. Once the grant funds are spent, we cannot apply for a new grant for a RAD property.



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# Conversion of Queen City Tower

- The Cumberland Housing Group is pursuing the conversion of all public housing properties to a Section 8 Project Based Rental Assistance platform.
- This will allow us to use a combination of funding sources from the Cumberland Housing Group, Federal Government and the State of Maryland Department of Housing and Community Development (DHCD) to potentially include the renovation of residential units and common spaces at Queen City Tower.



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# Physical Inspections, Studies Assessments, and more

- A Cumberland Housing Group team and designated contracted experts will be performing several physical inspections and assessments to determine the type and extent of upgrades at each property.
- There will be some authorized individuals/firms on site in the coming months/year to perform these services. Please be courteous to these individuals and assist however you might be asked.
- Whenever access is needed to any residential units, you will be notified ahead of time of the date of the proposed entry.



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# Putting it All Together to Provide the Best for QCT

- The plans that we currently have, may change as we work through this tedious process.
- As we improve the plans, we will consider the following:
  - resident input;
  - an independent professional's analysis of what needs to be repaired at the property;
  - the cost to maintain the property for the long-term; and
  - the financing that can be brought to the development to support the improvements.



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# Current Plans for the QCT

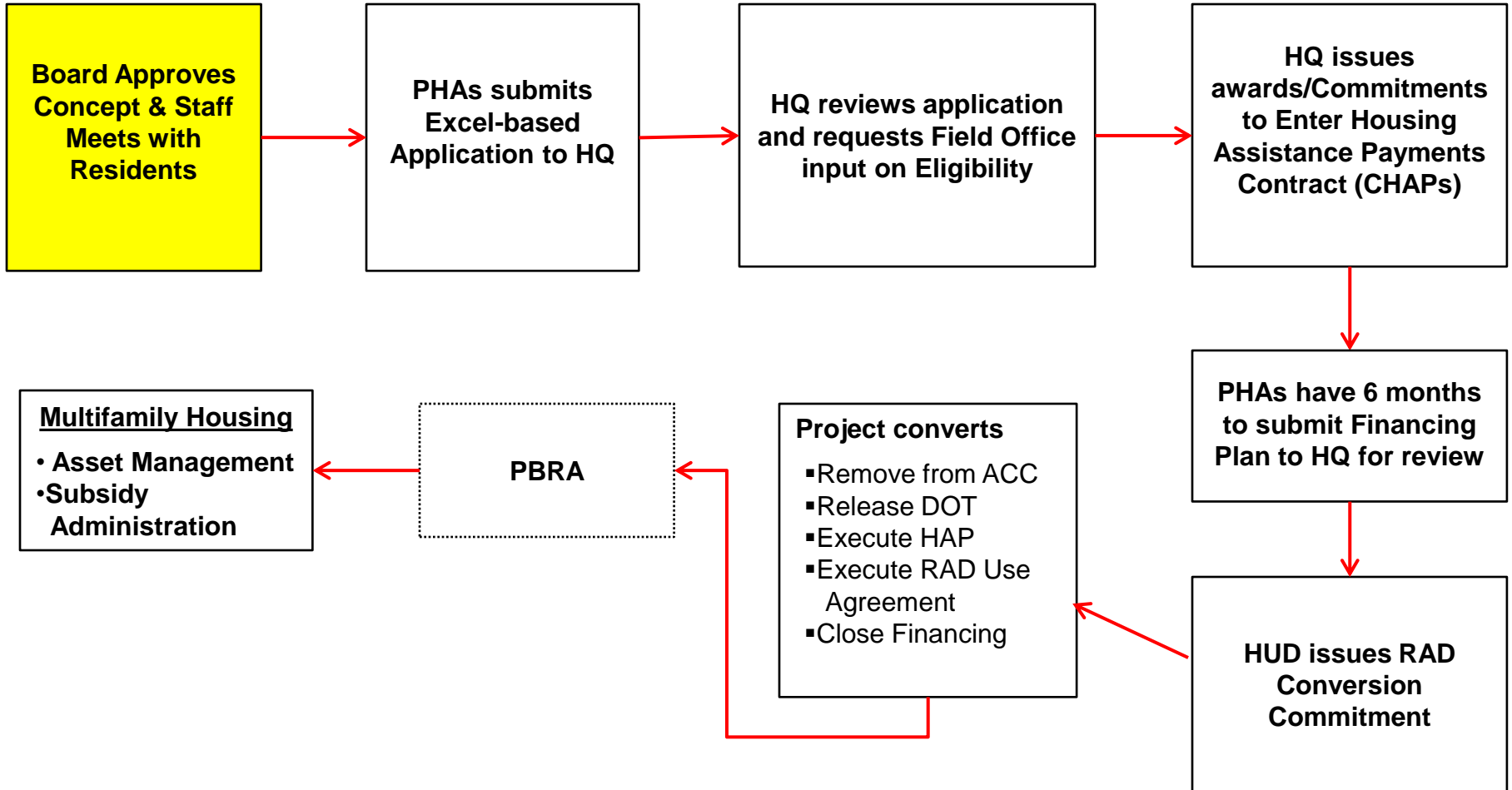
- Preliminary improvements include:
  - upgraded electrical and plumbing building systems and fixtures in units and common areas;
  - New bathroom and kitchens including appliances
  - New ceiling, wall and floor finishes in units and common areas
  - Improvements to existing accessible units and the addition of additional accessible units
- Results in new and remodeled living units with modern enhancements, appearance and accessibility



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# Conversion Steps



# Application Submittal Only

- **NOTE:** HACCC will have the option at any time in the process to withdraw its RAD applications and is not committed until it actually executes the HAP contract with HUD.
- This is not something that will be occurring in the near future and if it does, it will be a long process to complete.



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# Information

- **DO NOT** believe anything that doesn't come published or presented by the Cumberland Housing Group!
- If you have a question, contact your Property Manager to get the correct answer.
- You will be kept advised **if** and **when** activities begin to occur.
- For more information on the RAD program, go to the RAD website, [www.hud.gov/rad](http://www.hud.gov/rad)



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# FALSE RUMOURS

- We have sold our developments  
*We can't sell government assets and we have a long term contract to provide subsidized housing*
- We are in bad financial condition  
*Financial condition is strong despite budget cuts, clean audits for years, reserves funded to 100%*
- We have run HACCC into the ground  
*We are a HUD high Performing Agency for 24 continuous years 2021!*



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# FALSE RUMORS

- Social Security recipients or select tenants will get certain units and others will get what is left.  
You will return to the same size unit as you have now unless you do not meet the HUD occupancy standard
- We are closing the developments  
Just the opposite, we are making provisions that the development will be here and operated the same 40 years from now.



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# How can I participate in the RAD planning process?

- We will be required to have at least one more meeting with all residents of the property before HUD approves the final RAD conversion. This additional meeting is another opportunity for the PHA to keep you informed and for you to provide comments about our RAD conversion plans
- In addition to these resident meetings, your Resident Advisory Board (RAB) will also be consulted and have an opportunity to make recommendations on your PHA's RAD conversion plans during the PHA Plan public hearing process



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# How can I participate in the RAD planning process?

- Prior to participating in RAD, HUD requires PHAs to:
  - Notify all residents at the property about their RAD plans (the RIN notice distributed to all QCT households, and
  - Conduct at least two (2) meetings with residents (July 19<sup>th</sup> & 21<sup>st</sup>)
- These meetings are an opportunity for you to discuss the proposed conversion plans, ask questions, express concerns and provide comments.
- These meetings are also an opportunity to tell us what you think needs to be repaired at the property which we will ask for at the end of this presentation.
- We can then consider that information when developing plans for the property.



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# What if I need Accommodations to participate?

- Any person with disabilities that needs
  - materials available in accessible formats
  - accessible meeting areas
  - language assistance to persons with limited English proficiency
  - written translation of written materials
  - providing oral interpreters at meetings so that you can understand materials, participate in meetings, and provide comments on the proposed RAD conversion please let your Property Manager know.



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# ULTIMATE GOAL

We have but one goal in this conversion

**To provide our residents  
with upgraded, modern,  
attractive, safe  
and affordable housing  
for the next 40 years!**



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# Your Right to Information

- We will be distributing an additional document today to those present labeled a “General Information Notice” or GIN.
- Residents not attending one of the two meetings will be provided their copy of the letter before the end of the month.
- The GIN provides information on our proposed RAD project and the rights extended to you under the Uniform Relocation Assistance and Real Property Policies Act.
- There will be future meetings with you announced if the RAD conversion proceeds



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# Resident Participation

- We thank you for your time and interest in our RAD project. We will now accept:
  - QUESTIONS
  - COMMENTS
  - CONCERNS
  - SUGGESTIONS FOR IMPROVEMENTS
- This portion of the meeting will be recorded in writing and placed in a permanent file for HUD and staff review at a later time.



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# THANK YOU FOR YOUR PARTICIPATION AND INPUT

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Together we will improve  
Queen City Tower to be a more  
modern place to live