



# HOUSING AUTHORITY of BALTIMORE CITY

## **STRATEGIC PLANNING COMMUNITY WORKSHOP #2**

**August 7, 2018**

# AGENDA

- **Welcome + Introductions**
  - Why a Strategic Plan and Why Now?
- **Process and Timeline**
  - Informed by Input from Diverse Stakeholders
  - Grounded by Market and Financial Reality
  - A Roadmap for the next decade and beyond
- **Context**
  - HABC Today
  - National and Regional Trends
- **Questions**
- **Today's Workshop**



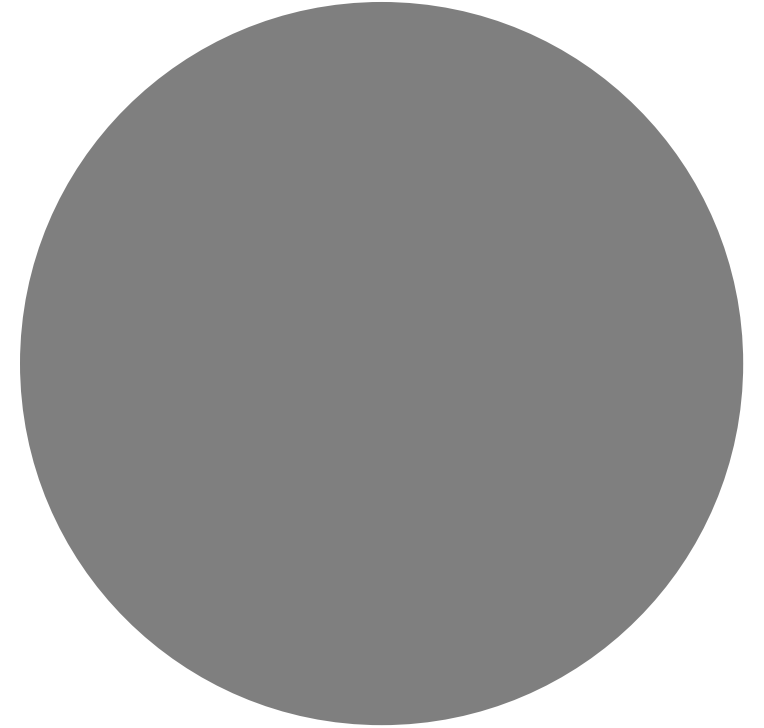
**HOUSING**  
AUTHORITY of  
BALTIMORE CITY



- **No existing strategic plan**
- **Separation of HABC and HCD in 2017**
- **Being developed under HABC's 4 Core Principles**
- **Plan will serve as the blueprint for HABC activities in the future**

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**WHY A STRATEGIC PLAN AND WHY NOW?**





## **HABC MISSION**

**To create and provide quality affordable housing opportunities in sustainable neighborhoods for the people we serve.**



## **HABC VISION**

**To create diverse and vibrant communities; to provide opportunities for self-sufficiency; and to build pathways for strong partnerships.**

## 4 HABC CORE PRINCIPLES

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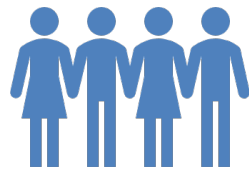
**COMMUNICATION** - Create clear and consistent communication.

**COMMUNITY** - Improve the housing and quality of life for the people we serve.

**CUSTOMER SERVICE** - Increase efficiency, responsiveness, and accountability in the services we provide to our internal and external clients

**COLLABORATION** - Build upon our commitment to strong partnerships with residents, employees, government, nonprofit and business communities.

- Learning – learn more about HABC and its programs, as well as the challenges it faces
- Engaging – visit various information stations and participate in activities designed to get feedback on different HABC initiatives
- Sharing – provide your thoughts on the current perception of HABC and how they can enhance or improve their role in your community



**WHAT TO EXPECT TODAY?**

# STRATEGIC PLAN PROCESS

## Phase 1: Current State

Assessment – review/ analyze HABC in context of local, federal and state affordable housing landscape

- Finances and Operations
- Capital Assets
- Programs and Services
- Partnerships
- Need
- Challenges and Opportunities

Phase 2: Public Engagement – work with internal/ external stakeholders to identify strengths and weaknesses, and gather feedback on challenges and opportunities

- Advisory group
- E-surveys
- Focus groups
- Community workshops
- Interviews



# STRATEGIC PLAN PROCESS

**Phase 3: Technical Discussions –  
Ground work in market and  
financing reality**

- Where does HABC want to be?
- What tools are available to HABC today?
- What are the contextual issues that may likely impact HABC's success?

**Phase 4: Draft Plan – translate  
the results and outcomes into an  
actionable plan**

- Draft/Refine strategic goals and objectives
- Identify priorities, action items and time frames for each strategic goal
- Communicate the proposed plan

# HABC TODAY

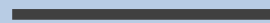
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Information is as of  
1/31/18 unless  
otherwise noted

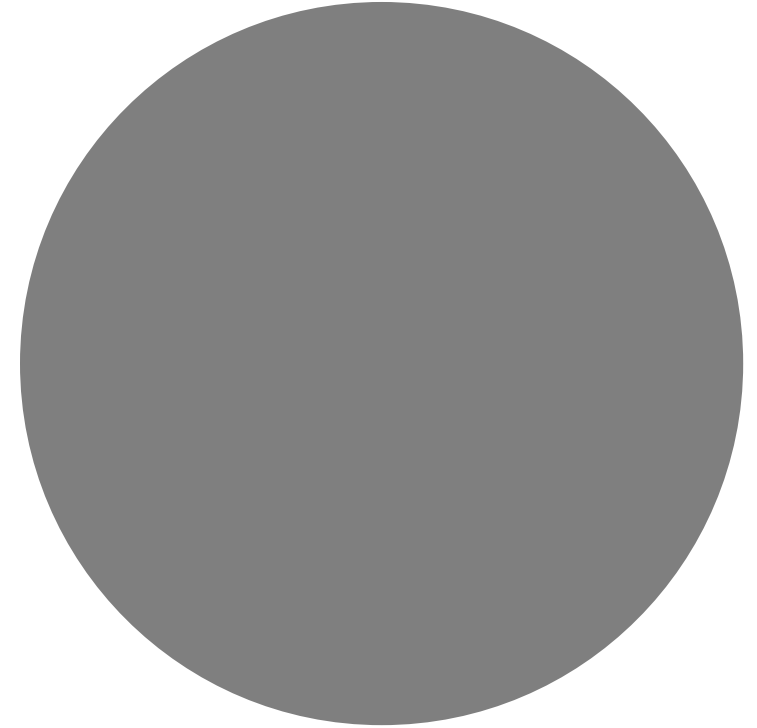


**831 Acres Across the City**

**725 Personnel**



**HABC ASSETS/RESOURCES**

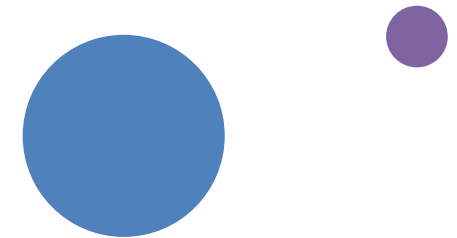


# RESIDENTIAL UNITS

- **HABC owns 7,770 conventional public housing units**
- **Of this, 1,095 are scattered sites**
- **Is the Asset Manager\* of 3,362 units (146 are Scattered Site)**

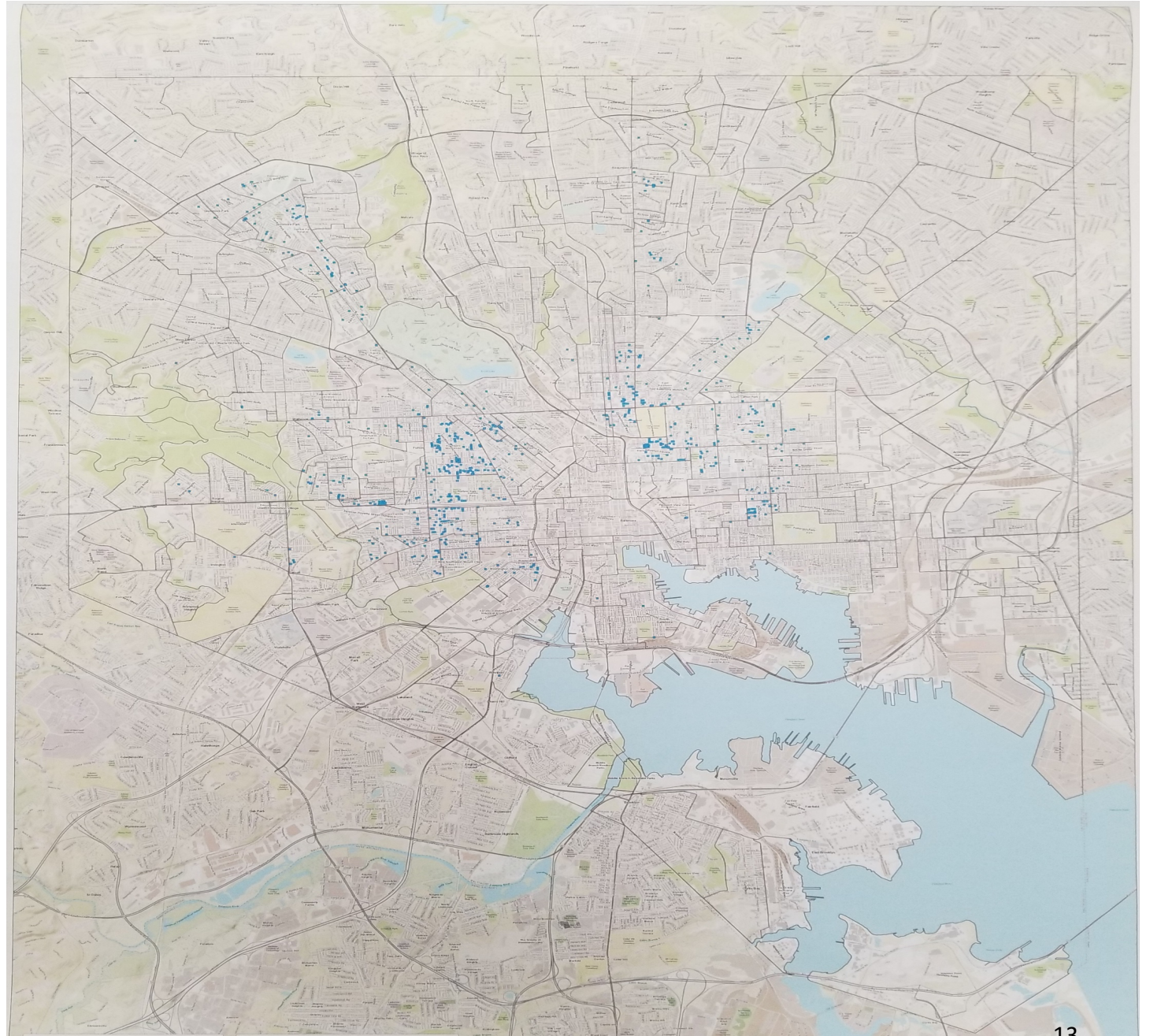
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**\* ASSET MANAGER - HABC does not directly own or manage the unit but monitors performance and compliance.**



# SCATTERED SITES

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➤ **Currently, HABC has converted or is in the process of converting some of its public housing inventory through the Rental Assistance Demonstration Program**

- **Public Housing Units Converted: 2,701**
  - **Public Housing Pending Conversion: 790**
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**RENTAL ASSISTANCE  
DEMONSTRATION PROGRAM (RAD)**

# HOUSEHOLDS SERVED



➤ **19,814 (as of 4/16/18)**

**69% Housing Choice Vouchers**

**31% Public Housing (HABC-Owned)**

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➤ **Public Housing Program**

- **54% Disabled**
- **17% Elderly**
- **Average Household Income - \$8,800**
- **Average Family Size – 3**
- **97% African American**

➤ **Housing Choice Voucher Program**

- **68% Disabled**
- **59% Elderly**
- **Average Household Income - \$12,559**
- **Average Family Size – 2**
- **95% African American**

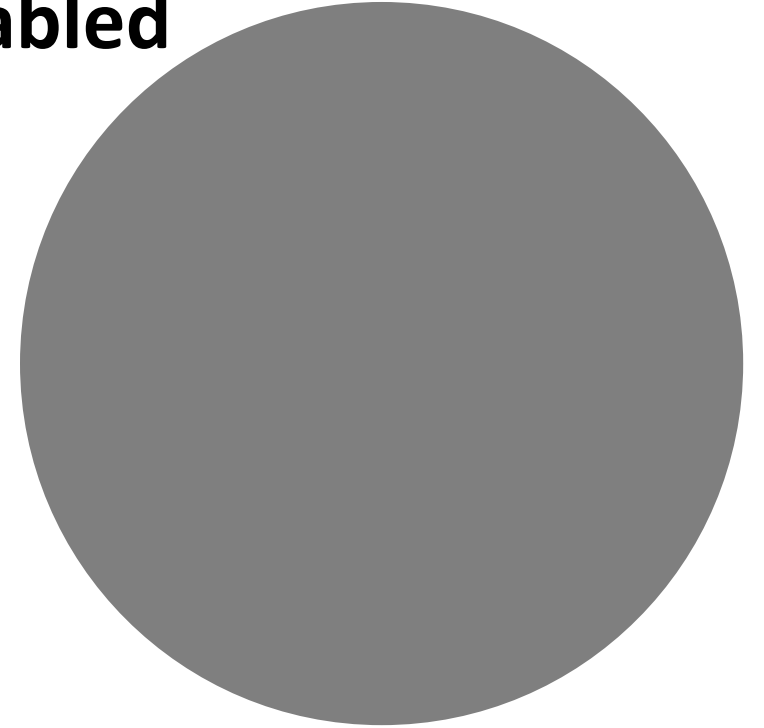
➤ **Tenant Based – 24,282 (as of 5/30/18)**  
54.7% = Family      14.9% = Non-Elderly Disabled  
25.8% = Other      4.7% = Senior

➤ **Project Based HCV – 8,797 (as of 5/30/18)**

➤ **Public Housing – 24,174**  
62% = 1BR      23% = 2BR  
13% = 3BR      2% = 4BR

➤ **Applied for Both HCV and PH – 4,850**

**DEMAND – WAIT LISTS**

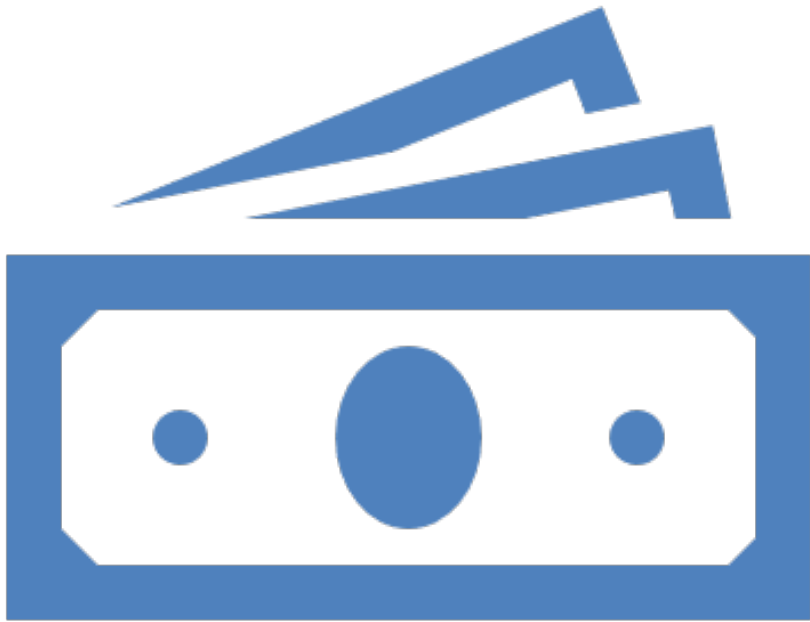




- **Self-Sufficiency programs**
  - Family Self-Sufficiency
  - People Accessing Continued Employment (PACE)
  - Ticket to Work Program
  - Jobs Plus
  - My Goals for Employment Success

- **Supportive Services to Families**
  - Service Coordination
  - Child Care Program
  - Our House Early Head Start
  - Pre & Post Occupancy Program (POP)
  - Youth Programs
    - Boys and Girls Club
    - Youth Leadership Club

## **SUPPORTIVE SERVICES**



# **CAPITAL NEED**

**CAPITAL  
FUNDING:  
2008 – 2017**

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**HUD Funds  
Received/Obligated/Expended  
- \$161.2M**

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**Average Annual HUD  
Allocation - \$14.4M**

# CAPITAL NEEDS: 2017 - 2023

➤ The extent of capital needs varies with the highest demand in the scattered sites and large conventional public housing developments.

– Large Sites (>250 units)	\$332.3M (\$ 64.5K/unit)
– Scattered Sites	\$115.1M (\$109.4K/unit)
– Medium Sites (100-250 units)	\$ 14.3M (\$ 32.1K/unit)
– Small Sites (< 100 units)	\$ 13.6M (\$ 65.3K/unit)



**CAPITAL  
NEEDS:  
2017 – 2023**

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**Capital needs exceed funding potential by  
more than FIVE TIMES**

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**Seven Year Capital Needs**                      **\$495.5M**  
**(\$816M over the next 20 years)**

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**HUD Capital Funding Expected**            **\$ 79.9M**

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**Leveraged Funding Expected**            **\$ 11.5M**

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**Total Funding Anticipated**                **\$ 91.4M**

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**Shortfall - \$404.9M (over 7 years)**

# CAPITAL NEEDS: 2017 - 2023

The scattered sites units have the largest proportion of needs

	<b>% Total Units</b>	<b>% Cap Needs</b>
➤ <b>Large Sites (&gt;250 units)</b>	<b>73%</b>	<b>67%</b>
➤ <b>Scattered Sites</b>	<b>15%</b>	<b>23%</b>
➤ <b>Medium Sized Sites (100-250 units)</b>	<b>6%</b>	<b>3%</b>
➤ <b>Small Sized Sites (&lt; 100 units)</b>	<b>3%</b>	<b>3%</b>



# LARGE CONVENTIONAL SITES

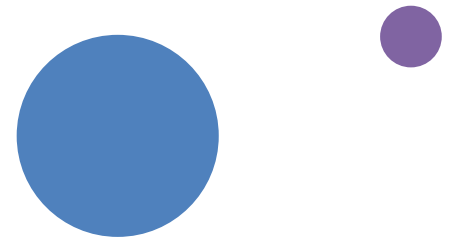
>250 UNITS

Capital Needs  
2017-2023

Development	Units	Capital Needs	Cost per Unit
Brooklyn Homes	486	\$ 16,640,802	\$ 34,240.33
Cherry Hill Homes	1,281	\$ 52,914,550	\$ 41,307.22
Douglass Homes	387	\$ 27,227,174	\$ 70,354.45
Gilmor Homes	548	\$ 53,376,071	\$ 97,401.59
Latrobe Homes	672	\$ 19,210,058	\$ 28,586.40
McCulloh Homes	556	\$ 59,172,165	\$ 106,424.76
O'Donnell Homes	304	\$ 30,613,872	\$ 100,703.53
Perkins Homes	629	\$ 59,317,587	\$ 94,304.59
Poe Homes	288	\$ 13,868,400	\$ 48,154.17
<b>Totals</b>	<b>5,151</b>	<b>\$ 332,340,679</b>	<b>\$ 64,519.64</b>

- **Capital Investment Strategies**
    - **Selective Demo/ Site Reconfiguration**
      - **Gilmor Homes**
    - **Hold and Sustain for Resolution of Neighborhood Revitalization**
      - **McCulloh Homes, Poe Homes**
    - **Future Major Reconfiguration and De-Densification**
      - **Brooklyn Homes**
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**LARGE CONVENTIONAL  
SITES >250 UNITS**





## ➤ Capital Investment Strategies (cont.)

- Redevelopment Potential
  - Perkins Homes (CNI)
  - Latrobe Homes (Future CNI)
  - O'Donnell Heights (Phased Development)
- Maintain & Manage with Normal Replacement and Capital Improvements
  - Cherry Hill Homes, Douglass Homes

**LARGE CONVENTIONAL  
SITES >250 UNITS**

# MEDIUM SIZED SITES

## 100-250 UNITS

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Capital Needs  
2017-2023

Development	Units	Capital Needs	Cost per Unit
Mount Winans	140	\$ 3,515,873	\$ 25,113.38
Rosemont	106	\$ 4,924,117	\$ 46,453.93
Westport Homes	200	\$ 5,874,806	\$ 29,374.03
<b>Totals</b>	<b>446</b>	<b>\$ 14,314,796</b>	<b>\$ 32,095.96</b>

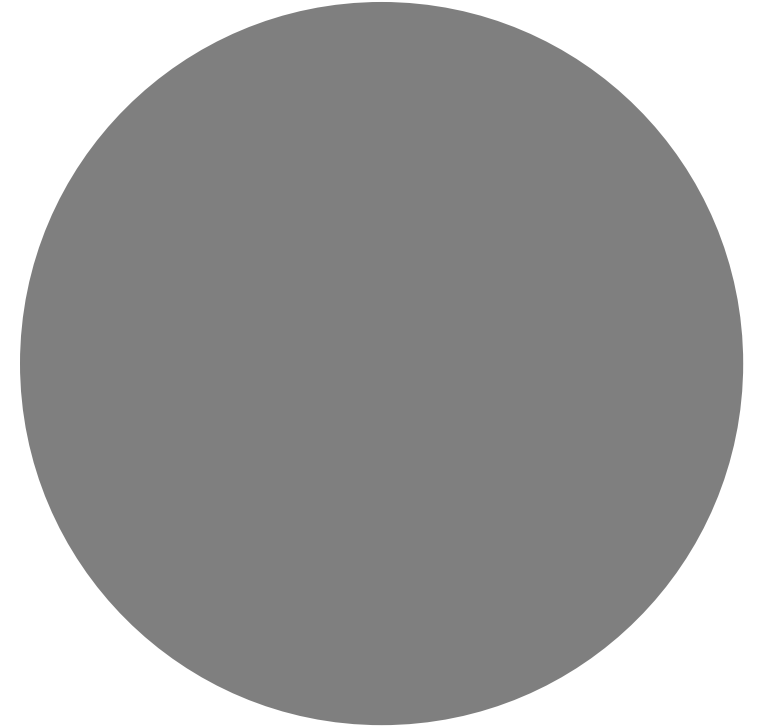
## ➤ Capital Investment Strategies

### – Maintain and Manage with Minor Site and Building Reconfigurations

- Mount Winans
- Westport
- Rosemont

### – Potential for Future RAD Conversion

- Rosemont
- 



**MEDIUM SIZED SITES 100-250 UNITS**

# SMALL SIZED SITES

## <100 UNITS

Capital Needs  
2017-2023

Development	Units	Capital Needs	Cost per Unit
Albert Spencer Gardens	20	\$ 473,076	\$ 23,653.80
Dukeland	30	\$ 1,861,849	\$ 62,061.63
Oswego Mall	35	\$ 1,596,887	\$ 45,625.34
Shippley Homes	21	\$ 654,722	\$ 31,177.24
<b>Totals</b>	<b>106</b>	<b>\$ 4,586,534</b>	<b>\$ 43,269.19</b>

## ➤ **Capital Investment Strategies**

- **Maintain/ Manage with Minor Reconfigurations**
  - **Dukeland**
- **Maintain/Manage with Normal Replacement and Capital Improvements**
  - **Albert Spencer Gardens, Oswego Mall, Shipley Hills**
- **Potential RAD Conversion Candidates**
  - **All of the Above**

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**SMALL SIZED SITES <100 UNITS**

# SCATTERED SITES

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## Capital Needs 2017-2023

### Conventional Scattered Site Properties

Development	Units	Capital Needs	Cost per Unit
AMP 200	212	\$ 16,573,679	\$ 78,177.73
AMP201	197	\$ 26,345,924	\$ 133,735.65
AMP202	193	\$ 32,635,451	\$ 169,095.60
AMP203	336	\$ 41,534,901	\$ 123,615.78
<b>Totals</b>	<b>938</b>	<b>\$ 117,089,955</b>	<b>\$ 124,829.38</b>

Development	Units	Capital Needs	Cost per Unit
Midtown	35	\$ 1,671,756	\$ 47,764.46
Uptown	37	\$ 1,630,217	\$ 44,059.92
Stricker St.	25	\$ 1,490,493	\$ 59,619.72
Thompson 22	22	\$ 439,607	\$ 19,982.14
Albemarle Square	4	\$ 176,601	\$ 44,150.25
Bailey UFAS	34	\$ 351,533	\$ 10,339.21
<b>Totals</b>	<b>157</b>	<b>\$ 5,760,207</b>	<b>\$ 36,689.22</b>

## ➤ Capital Investment Strategies

- Invest Only in Units Located in Stable, Improving and Targeted (SIT) Neighborhoods
  - Based on crime, safety, surrounding conditions, community investment
- Invest only if rehabilitation costs are reasonable
  - Range of \$75k - \$150k / Unit
- For Occupied and Recently Rehabbed Units
  - Retain, Maintain and Manage as Public Housing  
(Regardless of location)

**SCATTERED SITES**

## ➤ Capital Investment Strategies

- For Occupied and Non-Rehabbed Units
  - In SIT Neighborhoods – Retain and Rehab on Turnover (Subject to Fund Availability)
  - In Distressed Neighborhoods – Dispose
- For Vacant Units
  - In SIT Neighborhoods – Retain and Rehab Subject to Cost Reasonableness and Funding Availability
  - In Distressed Neighborhoods – Dispose

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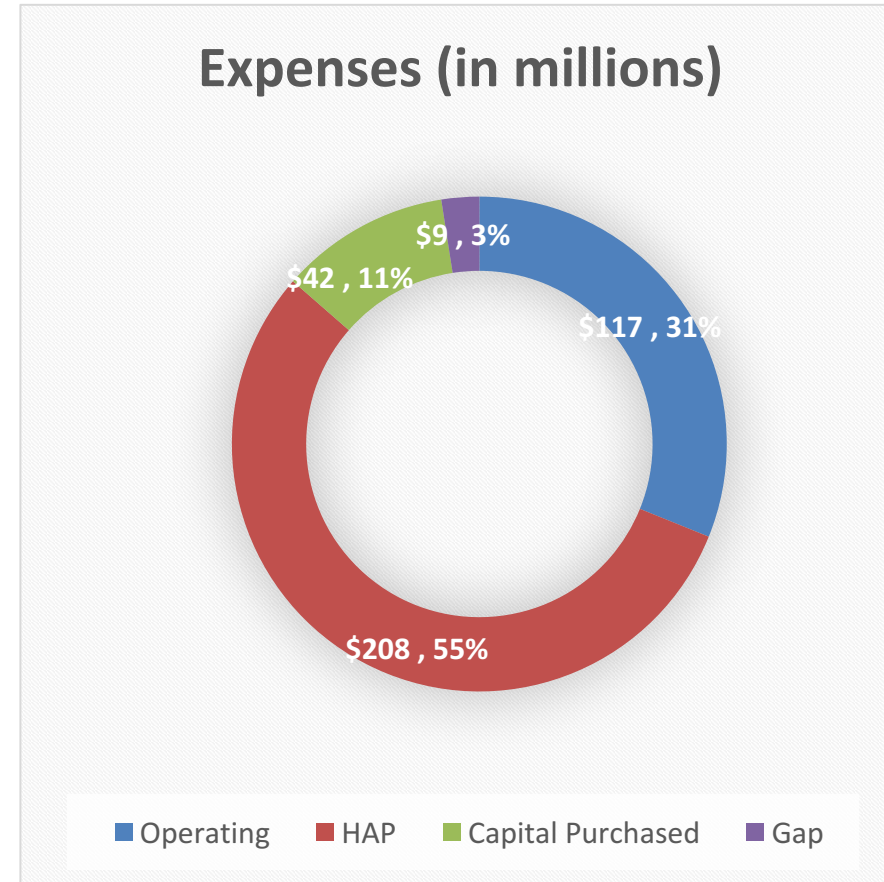
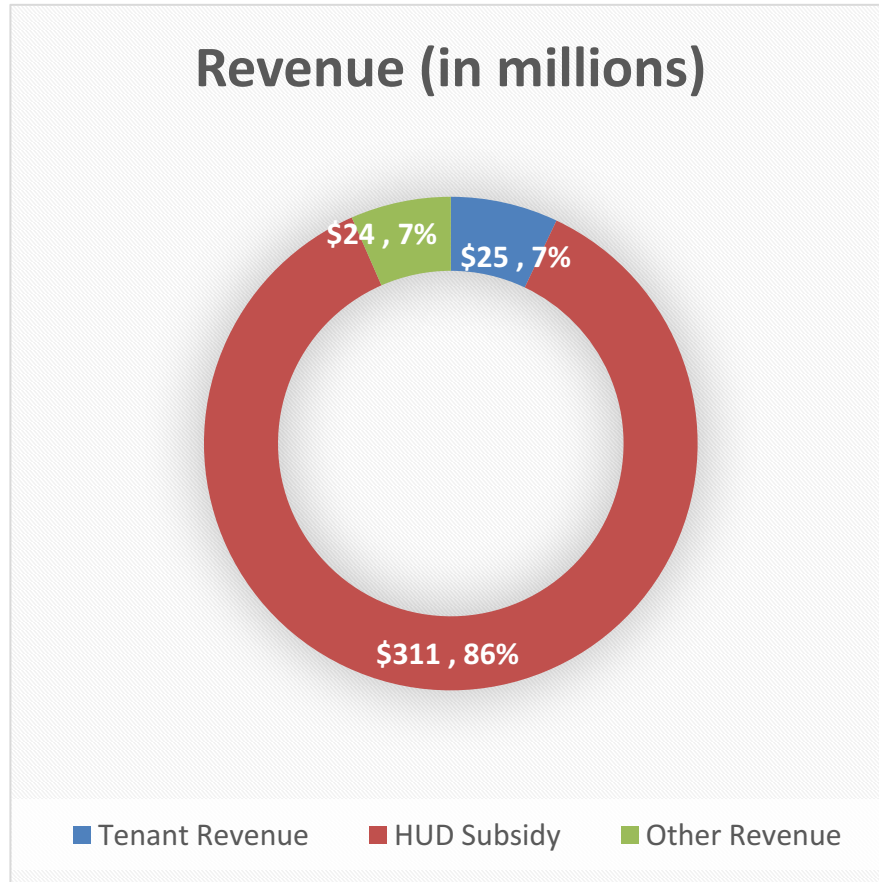
**SCATTERED SITES**



# BUDGET



# FY 2018 BUDGET



# **NATIONAL AND REGIONAL TRENDS**



# HOUSING TRENDS

**Operating Fund  
Decreasing\***

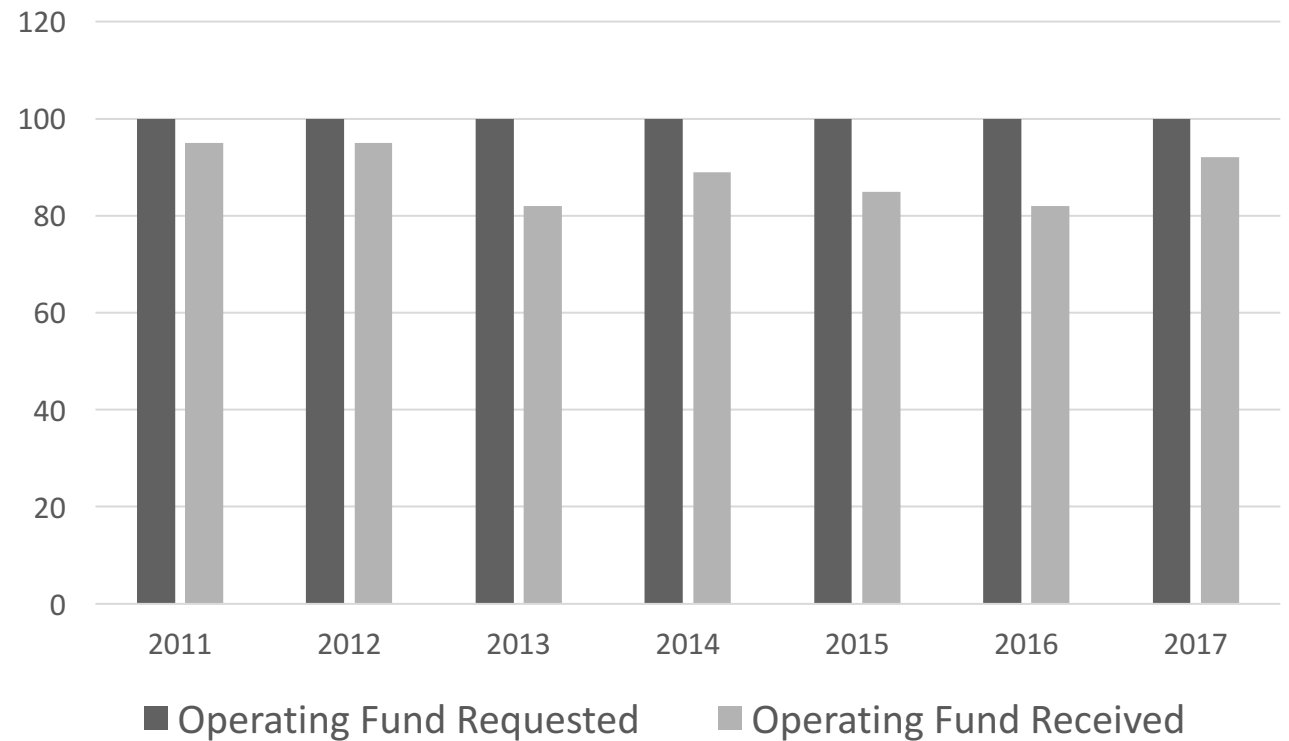
**Capital Fund  
Decreasing\***

**Section 8 (TBV, PBV, PBRA)  
Mostly level**

**# of Public Housing units  
Decreasing**

- Historically, Appropriations are not enough to fund 100% of Operating Fund requests.
- On average, a PHA receives 85% - 95% of its requested Operating Funds.
- 2018 was an anomaly – PHAs received an increase in spite of the Administration's proposed budget

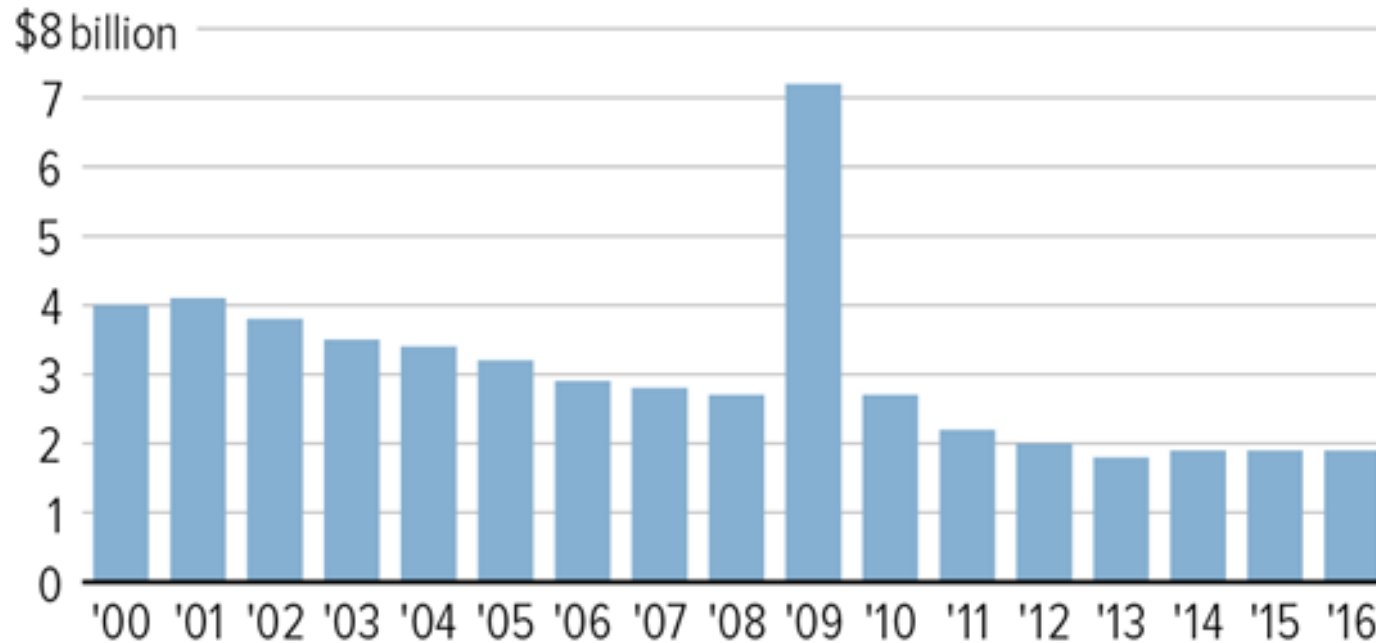
## Public Housing Operating Fund Historically Underfunded



# CAPITAL FUNDING HAS FALLEN FAR BEHIND NEED

Funding for repairs has fallen 53 percent since 2000...

Budget authority, in billions of 2016 dollars



Capital funding has declined 53% since 2000 by nearly a billion dollars, to just **\$1.9 billion in 2016**.

- ▶ HUD estimates the projected annual accrual of needs is at least **\$3.4 billion per year** on average over the next 20 years
- ▶ As a result, the backlog of needed repairs, **estimated in 2010 to be some \$26 billion**, continues to grow.

- Traditionally, Congress has provided adequate housing voucher renewal funding (HAP or rent subsidy costs)
- Is not true of Administrative fees (funds PHAs receive to administer the HCV program), which have seen a steady decrease
- However, rent costs in most jurisdictions have risen and the funding levels now support fewer voucher users

**SECTION 8 (TBRA,  
PBRA, PBV) = SAME**

- HUD estimates 300,000 units of public housing have been lost between 1990 and 2010, mainly due to lack of investment in repairs
- Underfunding of capital repairs results in approximately 10,000-12,000 units lost every year
- HUD has been actively pursuing demolition/ disposition activities as a “management strategy” and PHAs are demolishing with HUD approval

**PUBLIC HOUSING UNITS  
= DECREASING**

# 2018 BUDGET - WHITE HOUSE VS CONGRESS

## WHITE HOUSE

- **FY2018 Budget proposed \$6.8225 billion in funding cuts for affordable housing programs**
  - **Operating funds - cut by 11.3%**
  - **Capital funding – cut by 68%**
  - **HCV – cut by 11.6% (estimated 256,900 fewer vouchers nationwide)**
  - **Tenant rent share - increased from 30% to 35%**

## CONGRESS

- **FY2018 budget ignored WH budget**
- **March 22, 2018, Congress and the President signed the FY2018 Omnibus Bill; resulted in an overall 24% increase**
  - **Operating funds – up 3.5% (2 yrs)**
  - **Capital funding - up 41.6%:**
  - **HCV – up 8.5%**
  - **RAD - up 102% (in units; no \$)**
  - **Choice Neighborhoods - up 9.1%**



# 2019 BUDGET - WHITE HOUSE VS CONGRESS

## WHITE HOUSE

- ▶ Proposed FY2019 Proposed budget more drastic than 2018.
  - Operating funds - cut by 37% from \$4.5B to \$2.8B
  - Capital funding - eliminated (\$1.9B)
  - Choice Neighborhoods, CDBG, HOME and SHOP - eliminated
  - RAD - removes cap and provides \$100m in support

## CONGRESS

- ▶ The House Proposed FY2019 ignores the WH budget proposal, proposing 24% increase (still must pass Senate)
  - Operating funds/ Capital funds – funded at 2018 levels
  - \$30m in competitive demolition grants
  - HCV (HAP) – increased funding
  - HCV (Administrative fees) - level
  - Choice Neighborhoods - level



# **YOUR ASSIGNMENT TODAY**

# STATION ACTIVITIES

## Station 1: HABC Background

- Learn more about HABC and give us feedback on the new HABC Mission, Vision, and Four Core Principles

## Station 2: SWOT

- Provide your thoughts on HABC's Strengths, Weaknesses, Opportunities, and Threats

## Station 3: Conventional Public Housing

- Learn about HABC's current conventional public housing assets and provide opinions on various redevelopment strategies

# STATION ACTIVITIES

## Station 4: RAD

- Learn about the Rental Assistance Demonstration program and other programs and provide your opinions

## Station 5: Scattered Sites

- Learn about See where HABC's scattered sites are located and comment on various redevelopment strategies

## Station 6: Housing Choice Vouchers

- Learn about payment standards and offer thoughts on rent structure strategies

## STATION ACTIVITIES

### Station 7: Supportive Services

- Learn about HABC's Resident Programs and provide observations on where HABC should prioritize its limited resources

### Station 8: Survey Table

- Complete HABC's Community E-Survey

### Station 9: Parking Lot

- A "Parking Lot" to note ideas, thoughts, comments, and suggestions beyond current stations

# Reference Documents

1. HABC 1/31/18 Board Report; HABC MTW/Annual Plan + Reports; HABC Departmental Documents
2. <https://fas.org/sgp/crs/misc/R41654.pdf>
3. [https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/ph/am/funding](https://www.hud.gov/program_offices/public_indian_housing/programs/ph/am/funding)
4. <https://www.cbpp.org/research/housing/chart-book-cuts-in-federal-assistance-have-exacerbated-families-struggles-to-afford#section02->
5. <http://docs.house.gov/billsthisweek/20180319/BILLS-115SAHR1625-RCP115-66.pdf>
6. <https://www.hudexchange.info/resources/documents/FAQs-Extension-of-Deadline-for-Submission-of-Assessment-of-Fair-Housing-for-Consolidated-Plan-Participants.pdf>
7. <https://www.hud.gov/sites/dfiles/SPM/documents/HUDSTRATEGICPLAN2018-2022.pdf>
8. [http://www.multifamilyexecutive.com/business-finance/tax-reform-uncertainty-hits-lihtc-market\\_c](http://www.multifamilyexecutive.com/business-finance/tax-reform-uncertainty-hits-lihtc-market_c)
9. <http://www.taxcreditcoalition.org/news/ahtcc-commends-congress-for-strengthening-and-expanding-housing-credit-in-omnibus-spending-bill>

# QUESTIONS?

## Need More Information?

[http://habc.baltimorehousing.org/habc\\_strategic\\_plan](http://habc.baltimorehousing.org/habc_strategic_plan)





**Take the Survey!**

**<https://www.surveymonkey.com/r/HABC>**