



HOUSING AUTHORITY of BALTIMORE CITY

STRATEGIC PLANNING COMMUNITY WORKSHOP #1

May 31, 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

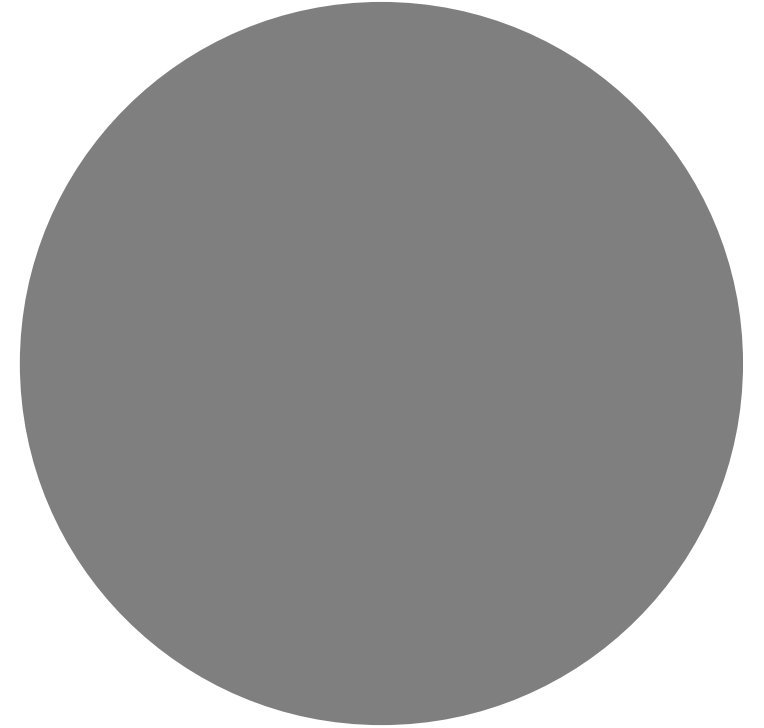


HOUSING
AUTHORITY of
BALTIMORE CITY



- 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

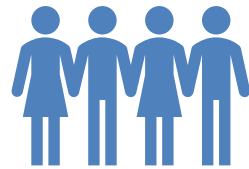
To create diverse and vibrant communities; to provide opportunities for self-sufficiency; and to build pathways for strong partnerships.

4 HABC CORE PRINCIPLES



WHAT TO EXPECT TODAY?

- 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



STRATEGIC PLAN PROCESS

Phase 1: Current State Assessment – review and analyze HABC in context of local, federal and state affordable housing landscape

- Finances
- 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

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

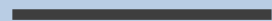
HABC TODAY

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

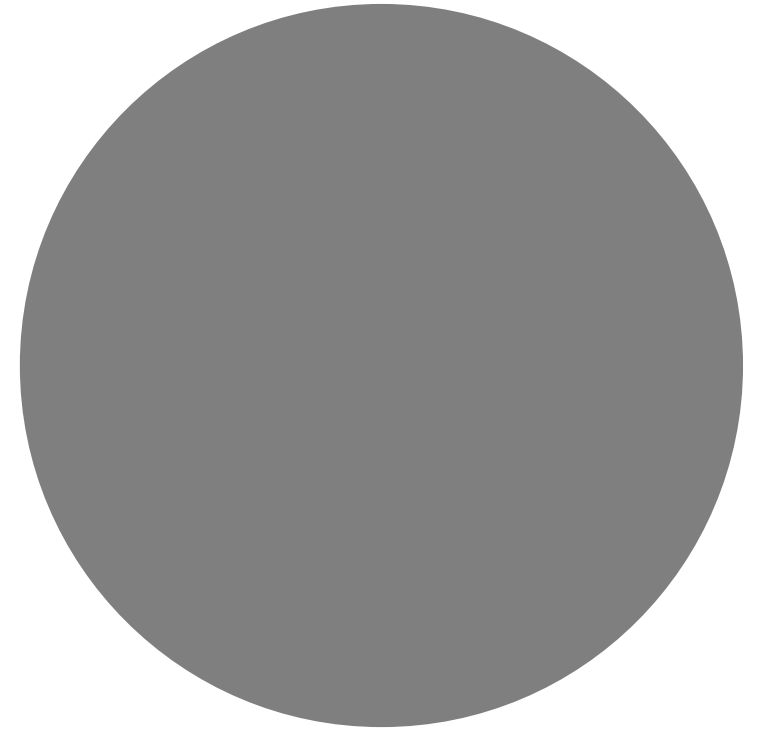


831 Acres Across the City

725 Personnel

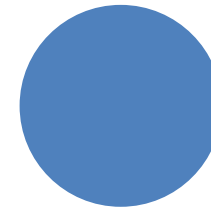


HABC ASSETS/RESOURCES

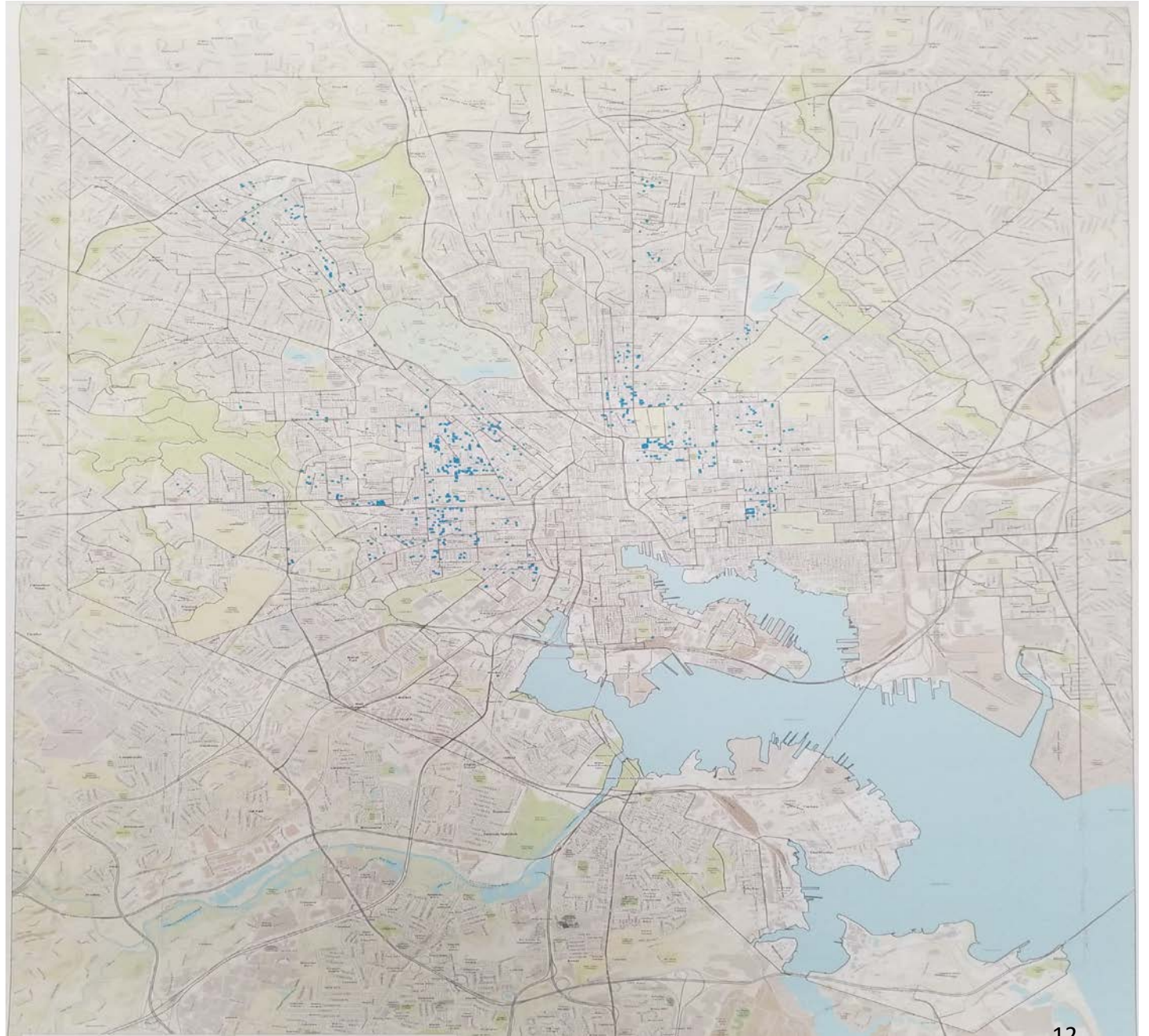


- HABC owns 7,770 conventional public housing units
 - Of this, 1,095 are scattered sites
 - HABC is an Asset Manager of 3,362 units (146 are Scattered Site)
 - NOTE: ASSET MANAGER - HABC does not directly own or manage the unit but HABC monitors performance and compliance.
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RESIDENTIAL UNITS

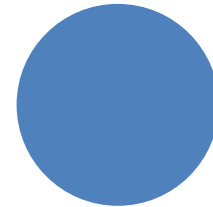


SCATTERED SITES



- 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

RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)



HOUSEHOLDS SERVED



➤ 19,814 (as of 4/16/18)

69% = Housing Choice Vouchers

31% = Public Housing (HABC-Owned)

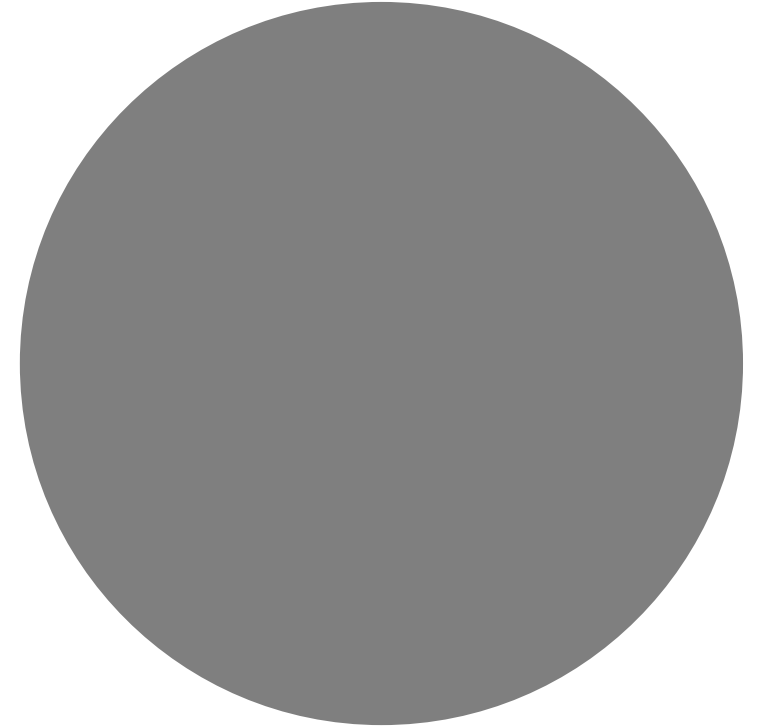
➤ Public Housing Program

- 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
 - 25.8% = Other
 - 14.9% = Non-Elderly Disabled
 - 4.7% = Senior
- Project Based HCV – 8,797 (as of 5/30/18)
- Public Housing – 24,174
 - 62% = 1BR
 - 13% = 3BR
 - 23% = 2BR
 - 2% = 4BR
- Applied for Both HCV and PH – 4,850

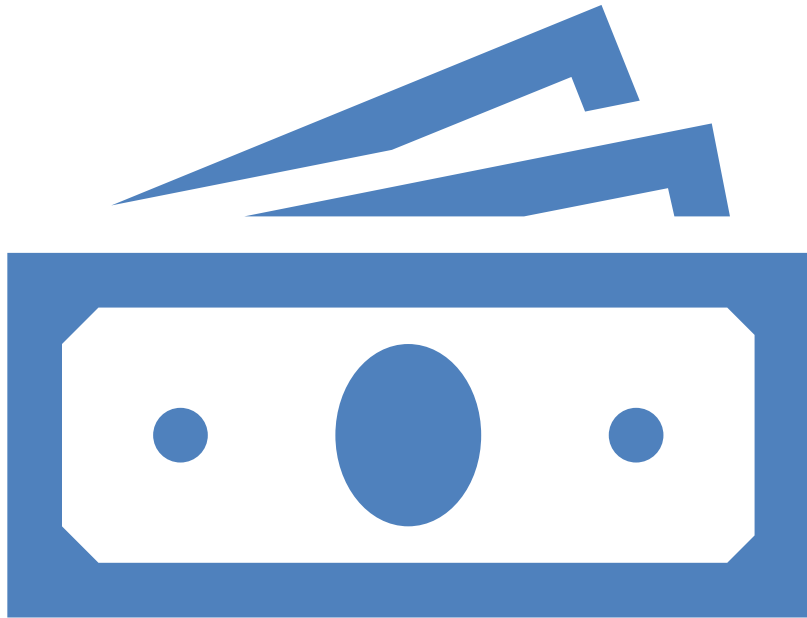


DEMAND – WAIT LISTS

- 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 Program
 - Pre & Post Occupancy Program (POP)
 - Youth Programs
 - Boys and Girls Club
 - Youth Leadership Club

SUPPORTIVE SERVICES



CAPITAL NEED

**CAPITAL
FUNDING:
2008 – 2017**

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

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



CAPITAL NEEDS: 2017 – 2023

Capital needs exceed funding potential by
more than FIVE TIMES

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

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



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
Totals	5,151	\$ 332,340,679	\$ 64,519.64

- Capital Investment Strategies
 - Selective Demolition/ Site Reconfiguration
 - Gilmor Homes
 - Hold and Sustain for Resolution of Neighborhood Revitalization
 - McCulloh Homes
 - Poe Homes
 - Future Major Reconfiguration and De-Densification
 - Brooklyn Homes

**LARGE CONVENTIONAL
SITES >250 UNITS**

- ▶ Capital Investment Strategies (continued)
 - 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

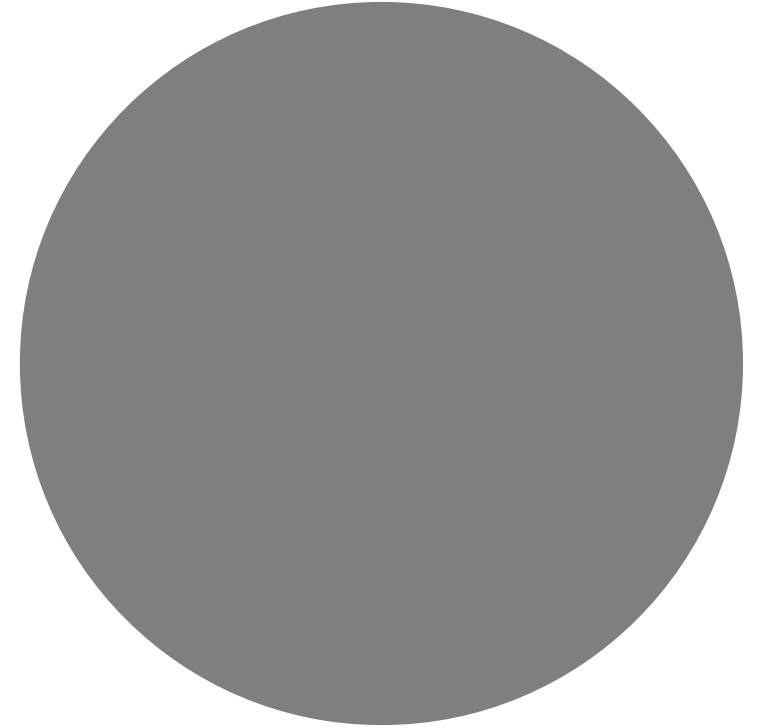
Capital Needs 2017-2023

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
Totals	446	\$ 14,314,796	\$ 32,095.96

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
Totals	106	\$ 4,586,534	\$ 43,269.19

➤ Capital Investment Strategies

- Maintain/ Manage with Minor Site/ Building 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

SMALL SIZED SITES <100 UNITS

SCATTERED SITES

Capital Needs 2017-2023

Conventional Scattered Site Properties

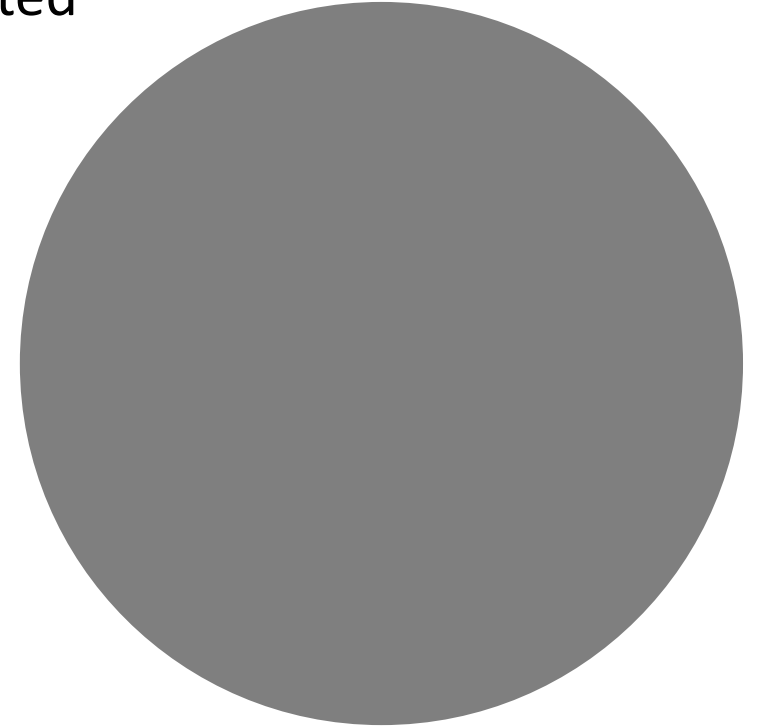
Development	Units	Capital Needs	Cost per Unit
AMP 200	212	\$ 16,573,679	\$ 78,177.73
AMP201	197	\$ 26,345,924	\$ 133,735.65
AMP202	193	\$ 32,635,451	\$ 169,095.60
AMP203	336	\$ 41,534,901	\$ 123,615.78
Totals	938	\$ 117,089,955	\$ 124,829.38

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
Totals	157	\$ 5,760,207	\$ 36,689.22

➤ 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

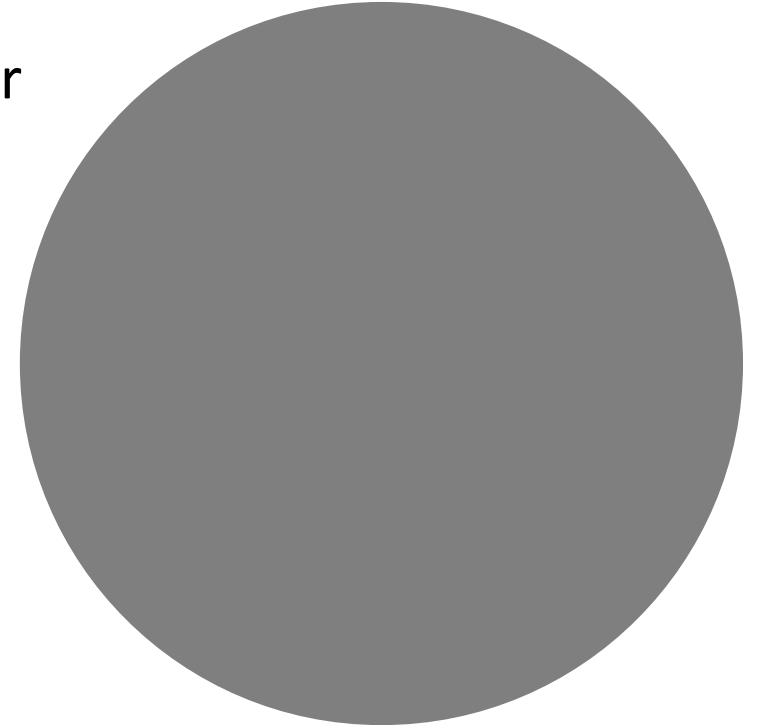
SCATTERED SITES



➤ 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

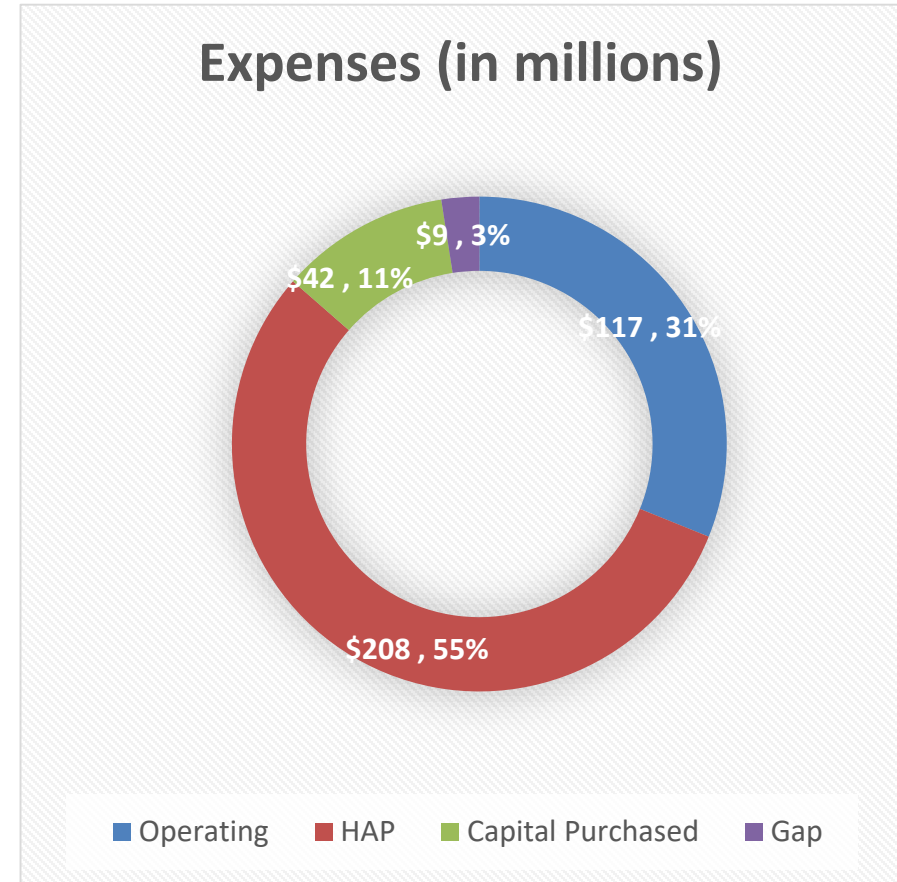
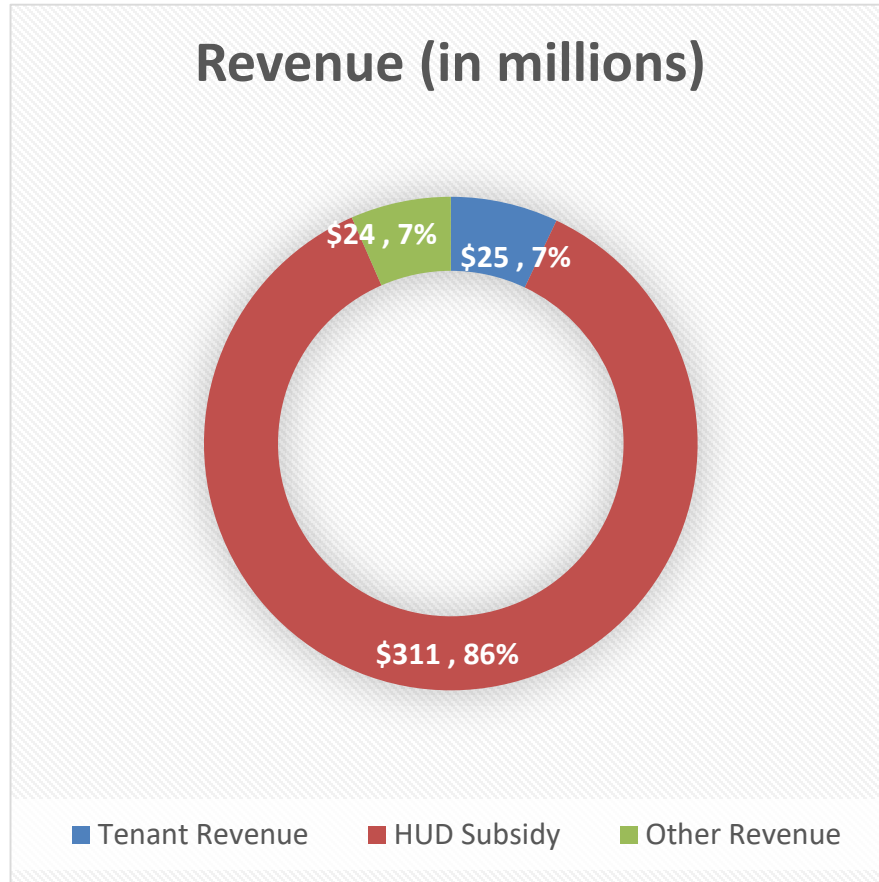
SCATTERED SITES



BUDGET



FY 2018 BUDGET



NATIONAL AND REGIONAL TRENDS



HOUSING TRENDS

**Operating Fund
Decreasing***

**Capital Fund
Decreasing***

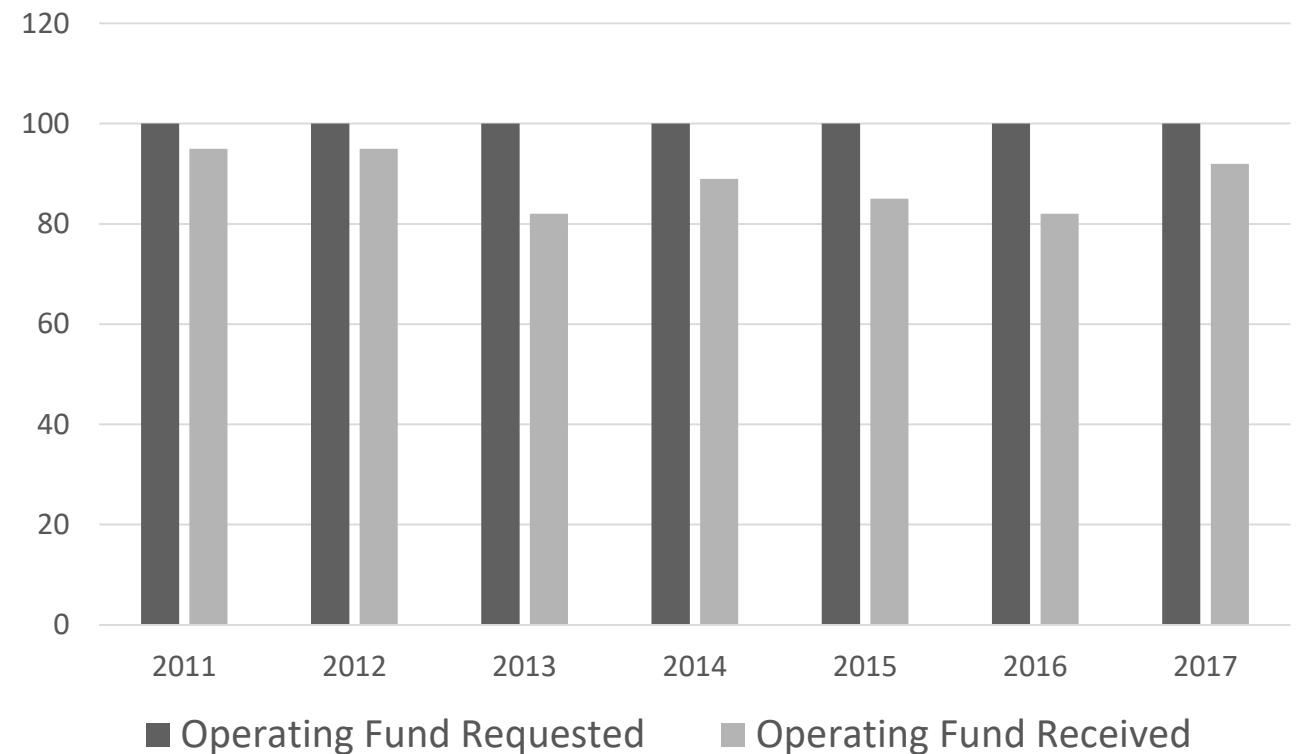
**Section 8 (TBV, PBV, PBRA)
Mostly level**

**# of Public Housing units
Decreasing**

OPERATING FUNDS

- 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

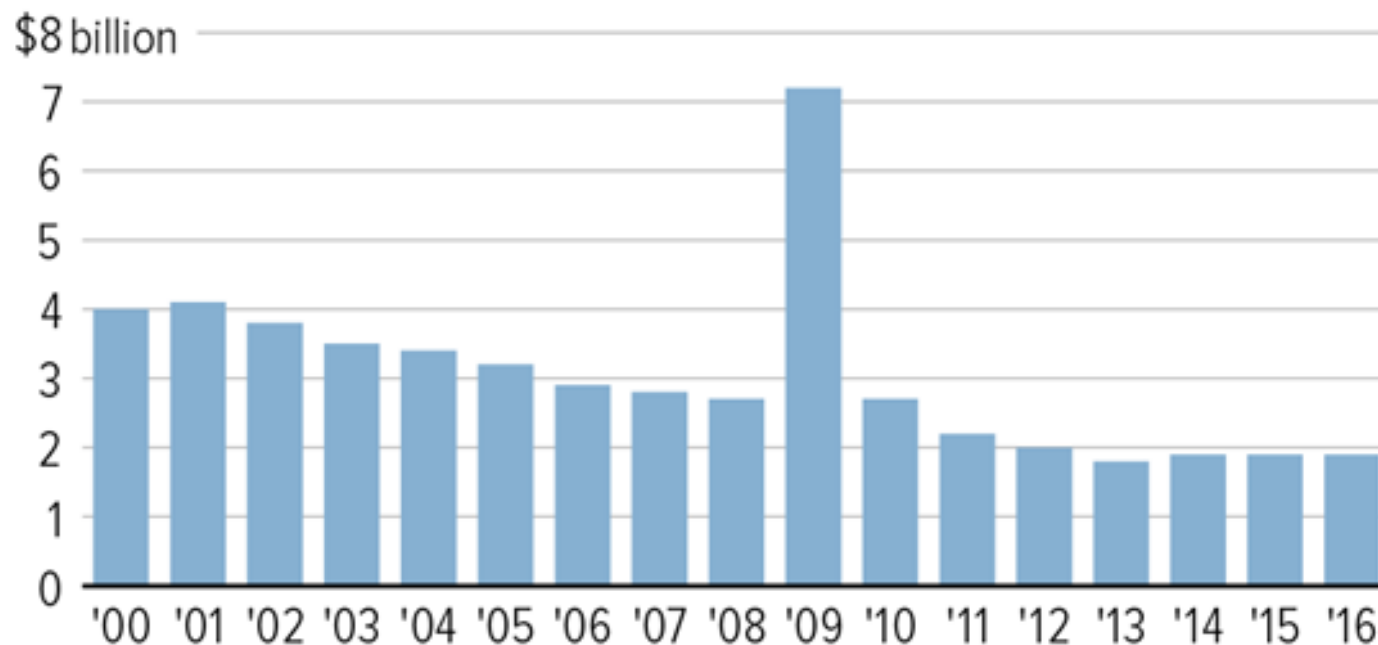
Public Housing Operating Fund Historically Underfunded



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 the 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% for 2 yrs
 - Capital funding - up 41.6%:
 - HCV – up 8.5%
 - RAD - up 102% (in units; no additional funding)
 - Choice Neighborhoods - up 9.1%

2019 BUDGET - WHITE HOUSE VS CONGRESS

WHITE HOUSE

- Proposed FY2019 Proposed budget is more drastic than the proposed 2018 budget.
 - Operating funds - cut by 37% from \$4.5B to \$2.8B
 - Capital funding - eliminated (\$1.9B)
 - RAD - removes cap and provides \$100m in support
 - Choice Neighborhoods, CDBG, HOME and SHOP - eliminated
 - Homeless funding – increased by \$133m

CONGRESS

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



**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 Voucher Program

- 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
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
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





Take the Survey!

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