



## Staff Report

**File #:** 19-308

**Version:** 1

**Date:** 7/8/2019

**Item #:**

**TO:** Chair and Housing Authority Commissioners

**THROUGH:** Steve Powers, Executive Director

**FROM:** Nicole Utz, AIC Administrator

**SUBJECT:**

Participation in US Department of Housing and Urban Development's demolition/disposition program.

Ward(s): All Wards

Commissioners(s): All Commissioners

Neighborhood(s): All Neighborhoods

Result Area(s): Welcoming and Livable Community.

**ISSUE:**

Shall the Salem Housing Authority Commission adopt Resolution No. 2246 authorizing the Salem Housing Authority to apply to the US Department of Housing and Urban Development to remove 79 scattered homes from the public housing program through Section 18 Demolition/Disposition?

**RECOMMENDATION:**

Adopt Resolution No. 2246 authorizing the Salem Housing Authority to submit an application to the US Department of Housing and Urban Development (HUD) to remove 79 scattered homes from the public housing program through Section 18 Demolition / Disposition.

**SUMMARY:**

The future of federal funding for publically-owned housing is uncertain, with decreasing support the most likely outcome. The Salem Housing Authority does not have the resources to maintain scattered housing units. To preserve needed affordable housing in our community, at maintenance standards expected by residents, SHA recommends transitioning 79 scattered Authority-owned homes to HUD's Section 18 Demolition/Disposition program, a voucher-based program.

The program provides tenants with Housing Choice Vouchers through the Section 8 program. This option allows residents to remain in place using a voucher with SHA acting a private landlord in the market. Once the resident chooses to leave the home, it would be sold on the open market, and proceeds would go toward development of future affordable housing. This process does not remove the units from the control of Salem Housing Authority, and they would remain as affordable housing

stock in our community until there are better alternatives for our low-income families.

## **FACTS AND FINDINGS:**

SHA believes this program would provide more flexibility for the residents as they can remain in place with a Housing Choice Voucher. Residents will be able to move and take the voucher with them when they choose, or potentially purchase the home. SHA believes allowing this process to take place over time allows for better planning of capital resource use, sale proceeds, and use of funds in development of new affordable housing units in Salem. SHA staff would have the necessary time to work through pre-development of new projects at a pace that meets SHA's capacity level. Transitioning to Tenant Protection Vouchers through the Section 8 program offers residents more flexibility and security in a difficult housing market.

## **BACKGROUND:**

In November 2015, the Authority Commission authorized a CHAP ("Commitment to enter into a Housing Assistance Payment") program application to HUD to convert 245 Authority-owned public housing units to project-based, Section 8-funded units through the Rental Assistance Demonstration (RAD) project. This conversion would require improvements to the converted units, and for the Authority to have replacement housing available to residents during construction. Due to other projects taking place at SHA, there are no replacement units available at this time. Staff is withdrawing the application for CHAP and intends to utilize Housing Choice Vouchers instead as a more beneficial and feasible option for Authority residents.

SHA met with residents to discuss this option, and to date there has been no opposition. Residents are pleased that the process of disposing of the scattered homes will be over a five-year period. Residents have also expressed relief they would have a voucher they could use anywhere they choose and not be tied to any specific house or apartment.

Jessica Blakely  
Asset Manager

## **Attachments:**

1. Resolution No. 2246