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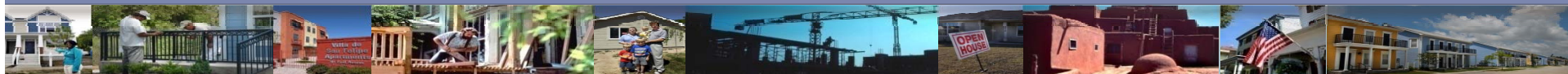
*Transforming Rental Assistance (TRA):  
An Informational Webcast for Residents  
of HUD's Rental Assistance Programs*

Department of Housing  
and Urban Development  
March 29, 2010





*Welcome*





# AGENDA

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## *Why Transform Rental Assistance?*

Carol Galante, Deputy Assistant Secretary for Multifamily Housing

## *How will TRA affect residents?*

Sandra Henriquez, Assistant Secretary for Public and Indian Affairs

## *Frequently asked questions*

Barbara Sard, Senior Advisor for Rental Assistance, Office of the Secretary





# WHY TRANSFORM RENTAL ASSISTANCE?

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- *HUD provides deep rental assistance to more than 4.6 million households*
- *Our continued ability to serve families in need is at risk*
- *Today, billions of dollars of federal investment in public and assisted housing are in danger of being lost for future generations*





## WHY TRANSFORM RENTAL ASSISTANCE?

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- *Obama Administration provided \$4 billion in public housing capital funding as part of the Recovery Act*
- *This meets only about 20% of the estimated \$20 billion capital backlog in public housing*
- *At the same time, 150,000 assisted housing units were lost through demolition or sale in recent years*
- *Federal government alone can't meet this need*





# WHY TRANSFORM RENTAL ASSISTANCE ?

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## *Our Choice:*

- *Approach challenges program to program, as we have for decades, OR*
- *Create a comprehensive solution in partnership with stakeholders from all the rental housing programs--and put our rental assistance programs on a more sustainable footing for years to come*





# WHY TRANSFORM RENTAL ASSISTANCE?

*Now is the moment to:*

- *Permanently reverse the long-term decline in the public housing portfolio*
- *Address the physical needs of an aging assisted housing stock*
- *Move HUD's rental housing programs--and the people who rely upon them--into the housing market mainstream*
- *Speak with one voice to improve subsidized rental housing*





## TRA PRINCIPLE: SIMPLIFICATION

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### 1. *HUD programs are too complex*

*HUD has thirteen different deep rental assistance programs, each with its own set of rules, administered by three operating divisions that contract with more than 20,000 separate entities to deliver rental assistance to 4.6 million households.*

*It is time to streamline and simplify programs so they are governed by a single, integrated, coherent set of rules*







## TRA PRINCIPLE: ACCESS TO PRIVATE CAPITAL

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*2. The key to meeting long-term capital needs of public and assisted housing: shifting to a federal rental subsidy stream that can attract capital from private and other public sources*





## TRA PRINCIPLE: MAINSTREAM HOUSING MARKET

### *3. Move subsidized housing into the mainstream housing market*

*HUD-assisted housing must be built, financed and managed in a 21st century way to attract mix of uses, incomes and stakeholders that will make rental assistance programs truly successful*





## TRA PRINCIPLE: COMBINE BEST FEATURES

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*4. Combine the best features of tenant-based and project-based programs to encourage resident choice and mobility*





# TRA OBJECTIVES

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- *Leverage private funding to meet capital needs backlog*
- *Streamline rental assistance programs*
- *Simplify program administration*
- *Encourage broader housing planning efforts*
- *Introduce greater market discipline*
- *Enhance tenant mobility*





# TRA LONG TERM VISION

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*One platform for major Federal rental assistance programs: Section 8*

*Three programs within Section 8*

- *Project based contracts (PBCs)*
- *Project based vouchers (PBVs)*
- *Tenant based vouchers (TBVs)*





## TRA: WHERE DO WE START?

*The President's FY11 budget requests \$350 million for TRA Phase One. This is expected to allow over 250,000 public housing and multifamily units to immediately access investments for renovation and repair.*

- *\$290 million would cover the supplemental cost of converting public housing and some assisted housing to the TRA long-term property-based contract*
- *\$50 million would support resident choice*
- *\$10 million would be for technical assistance and evaluation*





## ELIGIBLE PROPERTIES IN YEAR ONE

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- *Public Housing*
- *PHA-owned Multifamily properties*
- *Rent Supplement program*
- *Rental Assistance Program (RAP)*
- *Section 8 Moderate Rehabilitation Program (Mod Rehab)*





# *How Would TRA Affect Residents?*







## MAJOR FEATURES OF TRA: PROPERTY IMPROVEMENTS

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- *Access to new money - up to \$7.5 Billion leveraging potential in Year 1*
- *Opportunity to substantially rehabilitate aging public housing properties*
- *New investments will also create new jobs for residents and other low income people in the community*
- *Ongoing reliable rental subsidies that will sustain properties in decent condition*





## MAJOR FEATURES OF TRA: RENTS AND SECURITY OF TENURE

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### *HUD Proposal:*

- *Residents would continue to pay 30% adjusted income*
- *Conversions will not affect continued residency - no rescreening*
- *After conversion, evictions only for good cause*





## MAJOR FEATURES OF TRA: RESIDENT ORGANIZING

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### *HUD Proposal:*

- *Residents have a right to organize*
- *Tenant groups must be recognized by owners and PHAs*
- *Owners and PHAs must not impede resident organizing*
- *Funding for organizing and involvement made available through a competitive process*





## MAJOR FEATURES OF TRA: RESIDENT INVOLVEMENT IN PLANNING

### *HUD Proposal:*

- *PHAs and owners required to consult with residents before and during the conversion process*
- *PHAs required to have at least one tenant on their board*
- *No changes to annual planning requirements*





## MAJOR FEATURES OF TRA: RESIDENT CHOICE

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### *HUD Proposal:*

- *After two years in the converted property, residents have option to move using a housing choice voucher, subject to availability*
- *Property based subsidy remains with the unit*





## MAJOR FEATURES OF TRA: OPPORTUNITIES FOR SELF-SUFFICIENCY

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### *HUD Goal:*

- Give residents from all assisted housing programs equal access to self-sufficiency programs*
- Expand access to opportunities for employment and contracting generated by HUD funding (Section 3)*





# *Frequently Asked Questions*





## FREQUENTLY ASKED QUESTIONS: LONG TERM AFFORDABILITY

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*Question:*

*Would converted properties remain affordable for the long term?*

Answer: Yes

Converted public housing properties would be subject to long term use restrictions, ensuring that this public investment is preserved for future generations.







## FREQUENTLY ASKED QUESTIONS: PUBLIC OWNERSHIP

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*Question:*

*Are you proposing privatizing public housing?*

Answer: No

By allowing public owners to access the capital and resources private owners can today, we're making it possible to raise the needed funds to preserve public housing, without a change in ownership.





## FREQUENTLY ASKED QUESTIONS: ONE FOR ONE

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*Question:*

*Will TRA result in the loss of affordable housing units?*

Answer: No

HUD would **only** approve reduction in units **if** owner can **show**:

- Community has more affordable housing than it needs; AND
- Households in that community could be successful using a voucher including in low poverty communities.





## FREQUENTLY ASKED QUESTIONS: AVOIDING FORECLOSURE

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*Question:*

*Will there be protections to avoid losing units to foreclosure?*

Answer: Yes

The rental assistance contract for converted properties would remain in place, whether or not the loan is insured by FHA, in the unlikely event that a lender forecloses on a loan.





## FREQUENTLY ASKED QUESTIONS: RESIDENT PARTICIPATION

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*Question:*

*Is HUD committed to ensuring robust opportunities for resident participation in converted properties?*

Answer: Yes

Residents would:

- Have a right to organize
- Be consulted before and during conversion
- Have access to funding for organizing/participation through a competitive process
- Serve on PHA boards
- Participate in PHA planning process





## FREQUENTLY ASKED QUESTIONS: FUNDING RESIDENT PARTICIPATION

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*Question:*

*Will HUD continue to provide funding for resident involvement?*

Answer: Yes

In place of the current public housing method of funding resident participation, HUD is proposing a new, competitive funding stream for this purpose.





## FREQUENTLY ASKED QUESTIONS: MOBILITY ASSISTANCE

*Question:*

*Will HUD work to increase the success rates of residents who choose to move?*

**Answer: Yes**

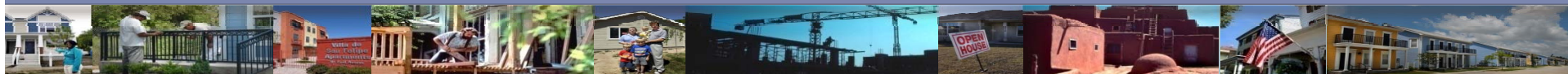
HUD's budget request includes \$50 million for:

- One-time costs of combining HCV program administration to increase efficiency and effectiveness
- Outreach to encourage landlords in a broad range of communities to participate in the program and
- Provide additional services to expand families' housing choices





# Questions?





Thank you!

*Please send comments to:*

TRA@hud.gov

