

### RENTAL ASSISTANCE PROGRAM STATISTICS

ACTIVITY	6/2010	7/2010	8/2010	9/2010
Applications	62	61	64	50
Walk-in/Appointments	255	291	274	269

WAIT LIST	5/2010	6/2010	7/2010	8/2010	9/2010
Section 8 Vouchers (498)*	1,019/907	1,025/909	1,064/946	983/878	1,019/911
Parkview Knoll (28)	75	79	78	80	80
Blue Mountain Estates (28)	52	53	56	54	54
Scattered Sites (24)	66	75	84	77	83
Schoolhouse Manor (32)	32	32	33	32	34
Monterey House (24)	7	8	7	11	13
Francis Murphy Apartments (120)	85	75	77	77	81
Springfield Manor (36)	62	65	67	70	71

\* Where two numbers are shown, the first is total applications and the second is persons free of debts or criminal records that would bar them from participation.

Vouchers	4/2010	5/2010	6/2010	7/2010	8/2010	YTD Proj
Available	498	498	498	498	498	4,980
Utilized	494	498	498	494	495	4,920
Occupancy	99.20%	100.00%	100.00%	99.20%	99.40%	98.80%

PUBLIC HOUSING	7/2010	8/2010	8/2010	Vacancy	Occupancy	Move in	Move Out
PVK	28	28	28	0	100%	0	0
BME	28	28	28	0	100%	0	0
Scattered	24	24	23*	0	100%	0	1

\* On 10/1/2010 one unit was taken off-line for capital program repairs.

RENTAL PARTNERSHIP	7/2010	8/2010	9/2010	Vacancy	Occupancy	Move In	Move Out
SHM	32	31	32	0	100%	1	0
Monterey	24	24	24	0	100%	0	0
Francis Murphy	120	120	119	1	99%	0	1
Springfield Manor	36	36	36	0	100%	0	0

## I. Reports

A. NCI - All four of our NCI funded homes are under lease! We already have one family whose homeownership goal is one year in duration.

B. Rent-to-Own - The two families that occupied RTO homes near the end of September are very happy. We have one home ready to rent and one in the repair stage, and we will be purchasing additional homes on October 20<sup>th</sup> and November 15<sup>th</sup>. We have 2 eligible applicants looking at homes and 7 additional applications at various stages in the review process.

Unfortunately one of the first homes we purchased has not been attractive to any of our applicants so far. With the approval of bond counsel based on the special circumstances involved, staff have decided to accept a private offer to purchase this home outside of the program. The basis for this sale will be our investment plus 1%. The calculation of our investment will include 1/12th of the legal fees for the tax exempt bond sale, interest paid on the money we borrowed, utility charges as well as our purchase costs and investments in bringing the home to like-new condition.

C. Section 8 funding - In a year's time, HUD provides us with over \$2.5 million dollars to supplement the rent-paying ability of the 498 customers we are authorized to serve. Monthly we receive an automatic bank deposit to cover the checks we will be cutting. Over time unspent Housing Assistance Payment (HAP) dollars are added to a locally held HAP reserve on our books. HUD has determined that this HAP reserve should ideally contain 6% of an agency's annual budget. This is a bit peculiar as to cover one-month's HAP payments would take an 8.6% reserve, but there it is. At this writing our reserve is 6.4%

Over the past year the monthly cost to fund our HAP payments has exceeded the HUD-provided funding by about \$8,000. Thus our reserve level has been steadily shrinking. Our hope was that Congress would appropriate adequate funding for the Section 8 program. While subsequent Congressional action may provide a remedy, we need to examine what actions we can take in the interim.

Our average HAP payment is around \$470 per unit. If we do not issue new HAPs when the next 16 families drop off the Section 8 program, our monthly expenditure will match the funding we are being provided. Over the past year on average, 4 families drop off of the program each month. If we change our occupancy target from the 498 authorized by HUD to the (498-16) 482 funded by HUD, we will halt the drain on our reserves; and we will reduce our program utilization to 97% ( $482 \div 498 = 97\%$ ). Fortunately, 97% is above the HUD-established benchmark of 95%. If utilization falls below 95%, HUD can begin withholding funding - talk about a catch 22! (The Section 8 Management Assessment Program, SEMAP, minimum standard is also 95%.) This is doubly ironic given the Board's express desire to be serving more rental assistance needs in five years!

The other potential solution to this dilemma is to lower our payment standards. Payment standards are set by each Housing Authority in relation to the HUD published Fair Market Rents (FMRs). Payment standards can range from 90 to 110% of the FMR. The payment standards

provide a cap on the combined cost of rent plus utilities. As such the payment standard level is a key factor in HAP cost. Unfortunately, lowering payment standards does not have an immediate effect on the HAP cost. Current tenants must be informed of the reduction, and it does not apply to them for a year after the notification. New program participants will start at the new standards, but the “old” clients on whom we are spending the reserve draining dollars will not be affected. When considering such a reduction, we would need to carefully consider the impact on program utilization and on the pocket books of participants a year hence. Generally payment standards are raised to allow clients a wider range of choices. As rents increase in the local market, the program tries to use the payment standard flexibility to keep up. A more gentle approach would be to leave payment standards constant for the next year.

Fair Market Rents are usually announced by HUD to be effective on the first of October each year. Staff expect to be able to make payment standard recommendations to the Board at the November meeting.

- D. Year-End Financial Reports - [coming from Mr. O'Brien in a later email.]
- E. Preferred words - In a discussion at a recent Education Committee meeting, it was decided that as we work together to frame the discussion of how to provide homes citizens of Washington County can afford, we need to keep a list of words and phrases to avoid. The following table exercise provides some of the “Not so good” words and some possible alternatives. Please add your own “No-no” words so we can complete our table at the meeting.

<b>NO-NO WORDS AND PHRASES</b>	<b>POSITIVE ALTERNATIVES</b>
Development	Community
Project	Community
Houses	Homes
Housing	Homes
Elderly	Seniors
Households	Families
Affordable housing	Homes within reach of working families
Income limits/guidelines	? Opportunity target ?
Disabled persons	Persons with disabilities
“Hon” or “Honey” or “Dear”	Mr./Mrs./Ms. Last name or Mam

F. Follow-up on the August Planning meeting

1. Formation of a 501(c)(3) arm - Organizational documents are under review by a local CPA. It is estimated that the review and recommendation stage will require an investment of \$500.
2. Partnerships - Executive Director, Richard Willson, met with the Habitat Washington County Executive Director to discuss inter-agency partnerships. HAWC will be helping Habitat by reaching out to assisted families in the Williamsport market area looking for potential participants. Habitat will provide HAWC brochures to families in their monthly orientation meetings. HAWC will market the opportunity to be "family partners" to staff and others and provide several insights on marketing and outreach from our experience.

G. Marketing -

1. Lobby signage - Paper versions of revised lobby signage have been put in place for staff and Board feedback before permanent signs are ordered. Take note the next time you visit.
2. Pam Schnebly is investigating the Clear Spring school's willingness to send RTO information home with students. If this works in one school it may work system wide!
3. We may need to resume a Facebook ad campaign at least one week per month to keep the application volume up to speed. Mrs. Shipley reports a marked decline in expressions of interest since the last campaign ended in mid-July.
4. Cost proposals for web re-design are due back in the office on Wednesday, October 29<sup>th</sup>, and will then be reviewed by the Marketing subcommittee.
5. Schoolhouse Manor Sign - Building and sign permits have been approved by the

·Building and Sign Permits approved by the County and Town of Boonsboro. Paperwork submitted to Sign Here. Estimated time for installation 2-3 weeks.

·Action items

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