

**HOUSING AUTHORITY OF THE BOROUGH OF MADISON
STATUS REPORT
AND
RECOMMENDATIONS FOR FUTURE ACTIVITIES**

**PREPARED BY
THE MADISON HOUSING AUTHORITY**

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HISTORICAL BACKGROUND

The federal public housing program, which initially focused on redevelopment and rehabilitation of blighted neighborhoods, began in earnest with The Housing Act of 1937 enacted during the New Deal era. Before that time housing development in the United States was predominately a private sector activity. This shift to a government response to housing needs sprung from the Great Depression. In 1932 the Federal Home Loan Bank was created to help the mortgage market. Shortly thereafter, the Public Works Administration, created under the National Industrial Recovery Act of 1933, authorized the first federally funded construction of low-income housing. The National Housing Act of 1934 created the Federal Housing Administration, the forerunner of the U.S. Department of Housing and Urban Development (HUD). In 1937 the U.S. Housing Act solidified and made permanent a federally assisted public housing program. The Housing Act of 1949 established the national housing policy of a “decent home and a suitable living environment for every American family.” The United States continues to work toward fulfilling this humanitarian policy articulated over 85 years ago.

The historical conditions of the 1930s stimulated a public response to housing needs. While the initiative was federal, the delivery was local. The need for a local vehicle to deliver these services brought about the creation of public housing authorities. Responding to concerns that federal housing developments were an overreach and impinged on local sovereignty, the Housing Act of 1937 dictated that low-rent public housing developments would be built and owned only by state-chartered and locally governed public housing authorities (PHAs). In this way states and municipalities could choose whether they wanted to partake in the development of low-rent homes by creating (or not creating) PHAs. This also provided for a great deal of local influence in the design and location of low-rent housing developments.

Following the Civil Rights movements of the 1950s and 1960s, a group of engaged, concerned Madison citizens joined together to address the local problem of substandard, unsafe housing conditions. This inadequate housing stock impacted the Borough’s low-income residents, disproportionately affecting African American families and seniors. Furthermore, demolition and new development in the downtown area was impacting an area where affordable apartment units were historically located, causing long-time residents to be dislocated and unable to secure other affordable homes within the Borough.

This early group's efforts to secure affordable, decent housing for all Madison residents led to the establishment of the Housing Authority of the Borough of Madison, formerly created in 1970. Volunteer board member efforts continued for over a decade before an Executive Director was hired in early 1981. The initial Board of Commissioners of the Madison Housing Authority, chaired by Rexford S. Tucker, met in one another's homes on a rotating basis starting in the summer of 1970. Minutes from those early meetings indicate that the Board of Commissioners functioned as MHA's staff in a volunteer capacity for many years. The "seed money" that they received from the HUD Turnkey Program in 1973 was \$4,000, payable in monthly installments of \$774.

PUBLIC HOUSING AUTHORITY INFORMATION

The Housing Authority of the Borough of Madison (Madison Housing Authority or “MHA”) exists through municipal ordinance, pursuant to the provisions of the New Jersey Local Housing Authorities Law, NJSA 55:14A-1 to 55:14A-58. This law today has been codified and is now referred to as the Redevelopment and Housing Law, NJSA 40A:12A-1 to 40A:12A-49. The Borough of Madison council appoints six members of the Board of Commissioners for five-year staggered terms, with one being a mayoral appointment. The seventh member is a State appointment chosen by the Commissioner of the Department of Community Affairs of New Jersey for a five-year term.

The MHA is an autonomous body whose powers are prescribed by state and federal law and by a Housing Cooperation Agreement with the Borough of Madison. Its powers cover a broad range, enabling it to build, rehabilitate, maintain and operate housing for low and moderate-income residents of the Borough. Like all Public Housing Authorities (PHAs) in the country, MHA must adhere to laws and regulations promulgated by congress and the United States Department of Housing and Urban Development (HUD), which oversees the operations and administration of PHAs nationwide.

The MHA functions within the legal restrictions of the Borough Zoning Ordinance, which requires governmental approval of all variances and zoning changes. In the past when such approvals were warranted, the Governing Body of the Borough approved those variances after an informal review by the Planning Board. If there are no variances or other zoning approvals necessary, MHA may proceed without any governing body’s approval. All building undertaken by MHA must conform to all municipal and state building codes. MHA may acquire property by right of eminent domain, issue bonds for corporate purposes and negotiate with the federal government for financial aid and cooperation.

Funding for Public Housing Authority programs comes from the U.S. Department of Housing and Urban Development by means of recurring, renewable federal program grants. Madison Housing Authority is issued an Annual Contributions Contract for Housing Assistance Payments (HAP) for the Section 8 rental assistance housing choice voucher program, and it has a 20-year project-based voucher (PBV) rental assistance contract that provides subsidies for 134 senior and family units owned by MHA. **The Madison Housing Authority receives no funding from the Borough of Madison taxpayers.**

In 1992 New Jersey enacted legislation that implemented mandatory training for housing authority Executive Directors and Commissioners. To enhance and upgrade the professional leadership of the public housing industry, the law mandates a minimum educational requirement of a four-year college degree in a related field and five years related management experience for all Executive Directors. In addition, Directors are required to successfully complete ten required courses within a 2-year period. Commissioners are required to successfully complete five courses within an 18-month period. These required courses are provided by Rutgers University's Center for Government Services.

MHA's annual budget is approved by HUD and the State. The fiscal year runs from April 1 to March 31. MHA's most recent audited financials and current budget are available to the public and posted to the agency's website.

MISSION & INTRODUCTION

The mission of the Housing Authority of the Borough of Madison is to provide quality, inclusive, affordable homes to low and moderate-income individuals and families creating opportunities to build stable, health and to become a vital part of the Madison community.

This mission is achieved by the development and implementation of three housing programs:

1. Scattered site family affordable housing, providing homes to 56 families
2. Rexford S. Tucker Apartments, providing homes to 80 elderly families
3. Section 8 housing choice voucher program, paying rental subsidies for families living in privately owned apartments throughout the community.

Through these programs, MHA assists approximately 315 families.

Madison has a population of approximately 16,000, a vacancy rate of less than .05%, average rents of \$2500 per month and a median sale price of homes of \$850,000. The Borough can look with pride at the track record of its Housing Authority over the past 50 years. There is no comparable municipality in New Jersey administering federally assisted housing programs at the local level. Low- and moderate-income families residing in subsidized units within the Borough live in safe, secure and walkable neighborhoods. Their children receive quality public education in a top-rated school system. Low-income senior families have access to transportation and an array of support services as well as access to first-class medical care. Living in vibrant, well-funded and peaceful communities provides significant health benefits, both emotional and physical.

As of January 2023, 398 senior households and 275 families have been served in the housing created and managed by the Housing Authority. These 673 families in total represent over 2,000 individuals. Over 7,000 families have been assisted with the Section 8 subsidy programs since its inception in 1978. In addition, the Housing Authority created a non-identity of interest nonprofit affordable housing corporation in 1992 to find new ways to build affordable homes after development funds were slashed from the HUD budget. This nonprofit entity operates completely independently from the MHA. In the past 30 years MHA and the nonprofit have collaborated to build 30 additional rental units owned by the nonprofit and eight affordable for-sale homes in Madison.

The lack of affordable housing in Morris County is a pervasive problem. The Borough of Madison has been working to alleviate this problem since the inception of the Housing Authority in 1970. Initially it received five (5) HUD Section 8 certificates in 1978, the beginning of the Rental Assistance Program. The first public housing construction project was the original 30 scattered site family housing units completed in 1983. An additional 12 units of family housing were added in 1989 and eight more units in 1996. Six additional family units have been created from 2000 to the present through converting the original six four-bedroom units into five one-bedroom handicapped accessible, two 2-bedroom handicapped accessible and five two-bedroom second floor flats (creating a total of six additional units).

The Rexford S. Tucker Apartments, an 80-unit low-income senior citizen apartment building, was completed in August 1986. The MHA offices were in a small office on the ground floor of the senior building from 1986 to 2010. The offices were relocated to the current downtown location in the Barbara W. Valk Firehouse Apartments building at 24 Central Avenue and a satellite office is maintained at 15 Chateau Thierry Avenue for the convenience of the elderly residents.

While operating public housing from 1983 - 2015, MHA received approximately \$16 million in development funds and \$3.8 million in improvement funds from the U.S. Department of Housing and Urban Development (HUD). Additionally, it has been granted nearly \$4.5 million in Community Development Block Grant and HOME funds. The Section 8 housing choice voucher program (HCV program) has grown from five Section 8 certificates to 194 tenant-based housing choice vouchers. Families assisted by the housing choice voucher program rent privately owned apartments within the Borough. This programs provides rental subsidies of over \$1.9 million a year to local landlords.

In December 1989 the MHA completed six duplex buildings for a total of 12 three-bedroom units at 30 Loantaka Way. The property was purchased from Drew University. In December 1996 eight two-bedroom units at 80 Park Avenue were occupied. These were the last affordable housing units in Madison developed by MHA with HUD funds.

The first for-sale affordable housing in Madison was developed in 2004 by the nonprofit in partnership with MHA and the Housing Partnership of Morris County. Five three-story two-bedroom townhouse style units were developed at 27 Elm Street. The owners formed a condominium association to

maintain the buildings and grounds. In December 2014 three additional for-sale affordable homes were completed in a joint venture with Morris Habitat for Humanity, MHA and the nonprofit. Two of these three single-family homes located on Strickland Street were occupied by former public housing residents.

In 2015 the MHA converted its existing public housing to project-based vouchers through HUD's Rental Assistance Demonstration Program (RAD). The nonprofit is the contract administrator for the RAD Project-Based Voucher program, which began January 1, 2016. MHA was among the first housing authorities in New Jersey to convert to RAD, which has provided a stable rental income through 15-year contract rents subject to an annual cost of living adjustment factor. This stable funding has resulted in a significant increase to MHA's operating reserve and allows MHA to budget for future capital improvement needs.

SCATTER SITE HOUSING

In 1983 the original 30-unit scattered site family housing development was completed. After considerable protest by some vocal residents, the semi-detached duplex townhouses were constructed on four sites throughout the Borough. Many of the previous objectors to these developments were pleased with the design and look of the units once constructed. In December 1989, the twelve three-bedroom Loantaka Way development was completed and opened for occupancy, and in December 1996 the eight two-bedroom development at 80 Park Avenue was occupied. Each of these sites was purchased as follows:

<u>Site/Block & Lot</u>	<u>Purchased from</u>	<u>Price</u>	<u>Lot Size</u>	<u>Year</u>
Community Place (49/26)	Borough of Madison	\$ 60,000	1.53 acres	1981
John Avenue (61/5A)	Borough of Madison	\$ 1.00	1.944 acres	1981
Park Avenue (26/16)	Borough of Madison	\$ 42,000	.300 acres	1981
Belmont Avenue (74/11-13)	Mrs. R. Robinson	\$ 96,000	1.014 acres	1981
Loantaka Way (3001/1.01)	Drew University	\$144,000	1.870 acres	1987
80 Park Avenue (1203/27)	Mr. N. Simonelli	\$260,000	.75 acres	1995

In 2002 three four-bedroom units were renovated and converted into one- and two-bedroom units adding an additional three units to the Borough's affordable housing stock. In 2006 an additional four-bedroom unit was converted, and in 2021 the final two four-bedroom unit conversions were completed. These conversions resulted in seven two-bedroom units and five one-bedroom units for a net gain of six additional units.

The MHA employs two full-time maintenance workers who respond to evening and weekend maintenance emergencies in addition to normal maintenance responsibilities required for MHA's units. The maintenance staff is responsible for routine work orders, unit turnovers, occupied unit painting, recycling collection, snow removal, basic plumbing and repairs. The Maintenance Supervisor resides in the Rexford Tucker Senior Apartments as a condition of employment.

Below is some basic information about the 54 households living in scattered site housing (*for additional demographic statistics, see Appendix II, pg. 35*):

Total Number of Families	54 families
Families on TANF	1 families
Working Families	45 families
Disabled/Senior Head of Household	21 families
Female Head of Household with dependents	20 families
Female Head of Household no dependents	9 families
Number of Children	37 children
Total Number of Residents	132 individuals
Average Income	\$43,118
Average Rent	\$844

The current waiting list of families is as follows:

<u>1- Bedroom</u>	<u>2- Bedroom</u>	<u>3-Bedroom</u>
236	132	164

SENIOR CITIZEN HOUSING

The Rexford S. Tucker Apartments are home to 80 senior citizen households. There are 74 one-bedroom and six two-bedroom units. Senior families consist of either one or two person households. All residents must be at least 62 years old and meet federal income guidelines to be eligible for tenancy. The Maintenance Supervisor resides in the building as a condition of employment.

The Rexford S. Tucker Apartments represents the culmination of hard work and planning by the Housing Authority and the Borough Council. Senior citizens living on fixed social security incomes were especially hard hit when rents in the Borough skyrocketed in the early 1980s. Using HUD funds for construction and the generous donation of land from the Borough of Madison, this building represented a dream come true for many local elderly residents.

Below is some basic information about the 79 households living in senior housing (*for additional demographic statistics, see Appendix II, pg. 35*):

Households on Welfare	0
Female Head of Household	65
Male Head of Household	14
Average Income	\$24,204
Average Rental Payment	\$483 per month

The current waiting list of senior households is as follows:

<u>1-Bedroom</u>	<u>2-Bedroom</u>
306	19

Each apartment contains a living room/dining area, kitchen, bathroom and one or two bedrooms. The living room and bedrooms have windows that span a large portion of the outside walls providing abundant natural light to the units. Both living room and bedrooms have sleeves for air conditioning units, which tenants may opt to purchase using bulk discounts obtained by the MHA. A pass-through wall cutout from the dining area to the kitchen allows natural light into the kitchen. The MHA provides high quality window blinds. All light fixtures have been upgraded to LED.

On the first floor there is a community room with kitchen, outdoor patio with adjacent vegetable/flower garden, a laundry room, an Arts and Crafts hobby room, a large lobby and mail room. The MHA leases the kitchen and community room to the Morris County Office on Aging for \$1 per year to accommodate a three-day per week Midday Friendship Center program. This program provides low-cost hot meals to both residents and other elderly/disabled members of the community.

The MHA maintains a small satellite office on the first floor of the senior building to facilitate unit lease-up of new tenants and annual recertification and lease renewals of existing tenants. The building is secured with an electronic fob door access for tenants and a telephone guest entry system. The MHA undertook a substantial renovation of the common areas of the building in 2019 and received national recognition for its efforts. The building resembles a luxury mid-rise apartment building and is admired by the Community and greatly appreciated by the residents.

RENTAL ASSISTANCE DEMONSTRATION PROGRAM (RAD)

The Rental Assistance Demonstration Program (RAD), launched in 2012, has become a central part of the U.S. Department of Housing & Urban Development's rental housing preservation strategy. The goal of this program is long-term preservation of the country's affordable housing stock to build and preserve strong, stable communities. This is accomplished by allowing PHAs to leverage funds to address short-term and long-term capital needs by converting from the Section 9 public housing formula (operating fund and capital fund grants) to the private multifamily housing formula of long-term Section 8 rental assistance contracts.

Under RAD, a "RAD Use Agreement" replaces the traditional public housing Annual Contributions Contract (ACC), and the Declaration of Trust is removed. As of November 2022, over 168,850 public housing units had converted to RAD nationally. MHA was among the first RAD conversions in New Jersey converting in November 2015. To assist the Borough of Madison to satisfy the terms of their affordable housing settlement, the RAD converted units were all deed restricted for a 30-year period. However, HUD affordability controls on these properties exist in perpetuity.

RAD does not change the tenant rent calculation. Tenants continue to pay 30% of gross adjusted monthly income for rent and utilities and maintain the same basic rights as they had in the public housing program. MHA has a contract rent established by HUD for each of its 134 affordable housing units. The difference between the tenant's portion of the rent and the contract rent is subsidized by HUD through monthly housing assistance payments.

Additionally, under RAD tenants gain a right to "mobility choice" that they did not have in the public housing program. Tenants living in RAD converted units have priority on the Section 8 tenant-based housing choice voucher program wait list. This allows them the opportunity to move with federal rental assistance if they wish to relocate anywhere in the municipality, county, state or country.

Building on the success of the private Section 8 platform, RAD allows housing authorities to leverage private capital to accelerate improvements and preserve assets. By converting public housing units to the Section 8 program, PHAs are ensured a more stable, long-term source of funding that they can use to meet their specific capital needs. It is also important to note that the Section 8 program makes it

easier for PHAs to use multiple sources of debt and tax credit financing to substantially rehabilitate their developments.

The Madison Housing Authority converted to RAD so it could cover the rehabilitation & renovation expenses of its properties over the next 20 years, the cost of which was projected to be approximately \$2.2 million. The private loan financing and contributions from operations to a reserve for repair and replacement account provide for these capital needs over the 20-year period. Indeed, the mandatory contributions to the reserve for repair and replacement will assure that capital needs beyond 20 years are addressed.

Prior to converting to RAD in 2015, MHA received funding from HUD's Operating Fund and Capital Fund subsidies. The trend over the past 25 years in public housing funding has been on a continual downward trajectory. Both operating and capital fund subsidies, subject to annual appropriations from Congress, have been reduced by as much as 50% between 1995 and 2018. PHAs operating public housing programs must estimate what percentage Congress will approve in preparing their budget. This persistent disinvestment of critical public housing assets has resulted in an enormous backlog of public housing capital needs nationwide. By some estimates over 10,000 of the nation's 1.8 million public housing apartments are lost annually due to lack of habitability as a result of this pervasive underfunding.

Under the RAD program HUD requires the PHA to leverage all the funds needed for long term capital repairs and to assure that it has sufficient restricted capital reserves to maintain its properties into the future. This key component of the RAD program ensures that the PHA has funds available to maintain the properties going forward. The RAD conversion requires an extensive Physical Needs Assessment (PNA) conducted by a licensed engineer. The PNA outlines in detail the condition of each development and the anticipated timeline for major repairs over a 20-year period. HUD requires the PHA to maintain a Replacement Reserve sufficient to address all the future needs of the property as outlined in the PNA.

The RAD program enables MHA to make needed repairs and replacement in a timely fashion, assuring that our properties do not fall into disrepair. The PNA report completed for the MHA indicated approximately \$108,000 in immediate repairs, which was completed in 2017. Additionally, MHA renovated its two elevators, replaced the entranceway concrete and replaced the fire panel and

accessories throughout the Rexford S. Tucker senior apartments. This work was undertaken prior to closing on the RAD and the Operating Reserve was paid back at closing. Over the course of the next 15 years the anticipated repairs include items such as windows, roofs, and complete kitchen/bathroom renovations. Under the current funding structure, if MHA does not receive sufficient funding in any one year to address major capital projects (i.e., replacement of all windows), the work could be completed piecemeal. HUD will continue to monitor MHA's capital improvements to assure that long-term viability of our affordable housing stock.

The Madison Housing Authority was the first public housing authority to complete a RAD conversion in the State. It was also the first to maintain total ownership of its affordable housing and maintain its residency preference.¹ The results of this transaction of converting from the public housing subsidy platform to the Section 8 Project-Based Voucher funding has increased the operating funds by approximately \$100,000 in the first year (2016) with anticipated increases every year going forward through 2045.

A major benefit to housing authorities of the RAD program is that HUD funding is the contractual provision of stable funding with an annual cost factor adjustment. RAD PHAs are no longer subject to operating subsidy cuts experienced by housing authorities over the past twenty plus years. In addition, RAD has allowed MHA to borrow private market funds for capital improvements that had not been available to MHA prior to RAD. The manner in which MHA administers its units, the calculation of tenant rents and the maintenance of the units does not change due to the RAD conversion.

¹ This preference has since been eliminated.

SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

In 1978 the Madison Housing Authority obtained HUD funding to administer 100 Section 8 rental assistance Certificates and in 1986 it received funding for an additional 90 Section 8 rental assistance Vouchers. The Section 8 Certificate and Section 8 Voucher programs were merged in 1998 to become the Section 8 housing choice voucher program. In 2022, HUD awarded MHA an additional 4 housing choice vouchers, bringing the total number of vouchers to 194.

At present, there are 185 units under contract receiving rental assistance. Because of the exceedingly high rents in Madison as compared to the payment standards set by the federal government for the housing choice voucher program, MHA is not able to assist all local families in need. Notably, the 40% rule established by the Quality Housing and Work Responsibility Act of 1998 has greatly impeded MHA's ability to assist low-income families in a high rent area such as Madison. This rule caps the maximum family contribution to 40% of the family's gross adjusted monthly income. Additionally, some units do not qualify for the program due to substandard physical conditions or units that were created without proper zoning approval. Initial and annual Housing Quality Standards (HQS) inspections are performed by the staff to assure that all assisted units comply with HUD's minimum standards of safety and decency. HQS inspections of assisted units have been a significant factor in apartment safety and upkeep within the Borough over the past forty years.

Since its inception the rental assistance program has helped over 2,000 families. MHA earns an Administrative Fee to operate the program. This administrative fee covers the costs MHA incurs to satisfy the regulatory and statutory requirements of the program. These requirements include wait list administration, certification of applicant eligibility, execution of required forms and housing assistance payments (HAP) contracts, tenant program orientation, landlord recruitment & retention, monthly HAP payments to landlords, annual and interim income tenant family recertifications, HAP contract renewal, initial and annual unit inspections, HUD and independent audit required monthly and annual reporting, voucher termination actions, income discrepancy reconciliation, etc. MHA's Section 8 Administrative Plan outlines in detail the scope, procedures, practices and requirements of the housing choice voucher program.

The MHA pays private landlords in Madison and Morris County over \$1.9 million per year in housing assistance payments for low/moderate income families on this program. Housing Assistance Payments

(HAP) are made directly to the landlord on behalf of the tenant family. A tenant family participating in the housing choice voucher program pays 30% of their gross adjusted monthly income for rent and utilities provided that the gross rent of the unit falls at or below the payment standard. Where the gross rent is above the payment standard, the tenant pays 30% of gross adjusted monthly income plus the difference between the payment standard and the actual gross rent of the unit. The housing choice voucher program rules put a 40% cap on a new tenant’s portion of the rent, however a tenant can pay more than 40% if the rent is increased after the first term of the HAP contract.

The Quality Housing and Work Responsibility Act of 1998, the federal government required that 75% of rental assistance be reserved for very low-income families making under 30% of the area median income. This change has reduced the number of families that can benefit from the Program, even though the need for rental assistance grows. Very low-income families have a more difficult time locating units for which they qualify due to the 40% family rent rule. Notwithstanding these hurdles, through the diligent efforts of MHA’s staff, we continue to assist as many tenant families as possible.

Each year HUD determines the Fair Market Rents (FMR) based on a rent analysis of a four-county area that includes Morris, Essex, Union and Warren counties. Public Housing Authorities are required to adopt payment standards for the housing choice voucher program based on 90 – 110% of the published FMRs. Historically, these FMRs have not accurately reflected local market rents, and in 2021 MHA elected to adopt higher Small Area Fair Market Rents (SAFMRs) to improve the utilization rate of the rental assistance program. Where the gross rent of a unit (rent plus tenant furnished utilities) is below the Payment Standard, a tenant family pays 30% of its monthly adjusted income for rent and utilities. Where the gross rent is higher than the Payment Standard, a family has the ability to choose to pay more than 30% to secure the unit. A family cannot pay more than 40% of gross adjusted income for rent and utilities at the effective start date of the Housing Assistance Payments (HAP) contract. The 2022 Payment Standards (PS) established by MHA are as follows:

<u>Zero-Bedroom</u>		<u>One-Bedroom</u>		<u>Two-Bedroom</u>		<u>Three-Bedroom</u>	
PS	Market	PS	Market	PS	Market	PS	Market
\$1355	\$1600	\$1630	\$2000	\$1972	\$2400	\$2515	\$2800

As of January 2023, there are 691 families on the Section 8 housing choice voucher wait list.

The major challenges to the housing choice voucher program are a very low vacancy rate in the Borough of Madison and the skyrocketing rents. Since applicants cannot pay more than 40% of adjusted gross income when they come on the program, lower-income tenants are disproportionately impacted because their “shopping margin” (the ability to exceed the payment standard in selecting a unit to rent) is restricted by their low incomes. Many low-income tenants have had to relocate to less expensive areas of the state. The continued inflation of local rents combined with the low FMRs is a major obstacle in growing the program in Madison.

(For the historical growth of the Section 8 Rental Assistance Program, see Appendix III, page 37.)

MOVING TO WORK (MTW) DEMONSTRATION PROGRAM

In August 2022, the Madison Housing Authority applied to participate in HUD's Moving to Work (MTW) Expansion Program Asset Building Cohort. In October 2022 HUD notified MHA of its acceptance in the program, and a MTW Amendment to the Annual Contributions Contract (ACC) was executed. MHA officially became an MTW agency January 1, 2023.

Moving to Work (MTW) is a demonstration program created by Congress in 1996 allowing select public housing authorities (PHAs) to be more creative and flexible in implementing policies to address local needs and streamline administrative procedures. Initially only 39 large housing authorities benefited from this program. In 2016, Congress passed an expansion act to offer this innovative opportunity to an additional 100 housing authorities nationwide. HUD allows these select industry leaders to create and implement programs with regulatory waivers approved by HUD. HUD studies the impact of the newly implemented policies, procedures and programs through the lens of its statutory goals (see below) to inform future industry-wide regulatory change.

MTW agencies have directly influenced national policy for over 25 years pioneering innovative and creative policy interventions that have been successful at the local level, and subsequently rolled out nationally. Examples include requiring less frequent recertifications for senior residents on a fixed income, increasing payment standards for persons with disabilities and providing incentives for landlords to participate in the Section 8 housing choice voucher program. Once designated as an MTW agency, a public housing authority must adhere to all terms and conditions of the demonstration program. **The MTW program has the following three statutory goals:**

1. Reduce cost and achieve greater cost effectiveness in federal expenditures;
2. Give incentives to families with children where the head of household is working, seeking work, or is preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and
3. Increase housing choice for eligible low-income families.

Eighteen PHAs across the country were selected for the fourth MTW cohort focused on asset building. This cohort is a key component of HUD Secretary Marica L. Fudge's economic justice agenda, entitled "Bridging the Wealth Gap," which seeks to help low-income renters build assets. Through this cohort, HUD will evaluate the effect on assisted housing of activities that encourage the growth of savings

accounts and/or activities that build credit. The MTW Demonstration Program will allow MHA to leverage and expand on the success of its Family Self-Sufficiency Program through the Asset Building Cohort. MHA's MTW application is available to the public on the MHA page of the Borough of Madison's website.

In 2023 MHA will engage its residents, staff, Board, Borough and community partners to create an MTW Supplement to the MHA 5-year plan. This public process will require significant input from all stakeholders. This amendment will outline all the programs, actions and HUD waivers that MHA will be requesting as an MTW agency in order to enhance efficiencies and promote its mission in the community. Waivers that MHA is interested in including in its Supplement Plan include the following:

1. Opt-out Savings Plan permitting MHA to use HUD funding to help build savings for a randomly selected group of tenants (this is a requirement of the Asset Building Cohort)
2. Use of HUD Housing Assistance and/or Administrative Fee funding toward new development
3. Increase the project-based housing choice vouchers (PBV HCVs) cap to assist developers of affordable housing in the community, and maximize voucher utilization
4. Increase Initial Rent Burden for housing choice voucher program applicants to provide for more success in a tight rental market
5. Alternative Policies for addressing increases in family income to allow families to save money for a period of time before a rent increase is imposed
6. Landlord incentives to increase participation in the housing choice voucher program

FAMILY SELF-SUFFICIENCY PROGRAM

Housing choice voucher & Project-based voucher Family Self-Sufficiency Program Grant

The staff and Board of the Madison Housing Authority are committed to the understanding that affordable housing is a continuum. With support and resources, residents can build toward a future where they decrease or eliminate their need for housing assistance. To that end, MHA has pursued and obtained HUD funding to administer a Family Self-Sufficiency Program (FSS) grant. This grant is a joint venture with the Morristown Housing Authority where MHA, as lead agency, has full administrative control of the grant. Both housing choice voucher (Section 8) and Project-based voucher program participants are eligible to participate in the FSS program. The FSS program is open to all assisted families, regardless of age, disability or working status.

The broad goal of HUD's FSS program is to increase residents' incomes and decrease dependence on federal funding. HUD describes this as an employment and savings incentive program. The MHA was an early supporter of the FSS program, which HUD launched in 1990. We have successfully obtained FSS grants for over two decades with a full-time case manager. There are currently 83 Madison families participating in the FSS program.

Participation in the FSS program is voluntary and available to all housing choice voucher and project-based voucher program participants who demonstrate a willingness and interest in becoming self-sufficient. The administration of this grant is contracted to the Northwest New Jersey Community Action Program (NORWESCAP), a Community Action Program headquartered in Phillipsburg with a Morris County satellite office. NORWESCAP works closely with MHA to assist interested tenants in setting long-term goals toward increased self-sufficiency. Participating tenant families sign a five-year FSS contract outlining long-term goals and the interim steps necessary to obtain these goals. Goals include education, career building, increased income, full-time employment and homeownership, to name a few. MHA has the option of approving two one-year extensions to the contract to allow the participant family to complete the goals they identify in the agreement.

While each family has unique needs and goals, the focus of the program is to enhance self-sufficiency and decrease the dependence on federally subsidized housing. This is not generally a linear process. A successful FSS program requires excellent case management where the case manager is skilled in building individual relationships based on trust and demonstrates compassion while still holding

participants accountable to their goals. To this end, the case manager works closely with the participating families to identify and address obstacles to economic and personal growth and to provide support and guidance. The FSS program includes ongoing workshops on financial literacy, budgeting, debt reduction and savings.

The FSS program provides an important incentive for families to increase their incomes by means of an escrow account. When a family's income increases, the family's portion of the rent also increases. With the FSS program, a portion of that increase is placed in an escrow account each month. The escrow money comes from the Section 8 Housing Assistance Payments (HAP) funds received from HUD. If the family meets all program requirements and achieves its goals, at the end of the FSS contract period the family receives the accumulated escrow money. An FSS graduation ceremony is held, and the family is presented with a check. In the past, FSS graduates have used their escrow for down payment on a home, tuition payments for themselves or their children, to purchase a reliable vehicle or to pay off debt.

Eligible families must be in good standing with the landlord and the MHA. Interested tenants must attend a mandatory group or one-on-one orientation and complete an FSS application. Once an FSS application has been submitted, NORWESCAP undertakes a comprehensive assessment interview and, together with the family, outlines short, mid-range and long-term goals. Participating families are required to maintain consistent contact with the case manager and to display an interest in becoming self-sufficient. Families that are unable or unwilling to follow through with the program requirements are terminated from the FSS program and any accumulated escrow is forfeited. Families who do not complete an FSS contract are not, however, terminated from the housing choice voucher program in accordance with HUD regulations.

FUNDING SOURCES

Initial Development Funding

MHA received development funds from HUD in the 1980's and early 1990's, which were used to build the 54-unit scattered site and 80-unit senior citizen low-income public housing. MHA's public housing programs operated for 23 years, from 1983 – 2016, and was eligible for HUD operating and capital subsidies. In 2016 all 134 public housing units were converted to project-based voucher assisted units through HUD's Rental Assistance Demonstration Program (*see RAD, pg. 14*).

History of Public Housing Operating Subsidy & Capital Program Funding

As originally conceived in the 1930's, the financing of public housing administration was a simple formula. The federal government would make annual payments to cover the cost of land acquisition and the principal and interest on the mortgage. Operating expenses, including salaries and maintenance, would be covered by the local housing authorities from incomes derived from tenant rents. This funding system was changed in 1969 when Congress passed the Brooke Amendment to the Housing Act of 1939, which capped a tenant's rent contribution at 25% of adjusted gross monthly income. The Brooke Amendment, while relieving the rent burden on the tenant family, placed the additional burden for meeting operating expenses on the federal government. In 1981 congress raised the cap of tenant rent to 30% of adjusted gross monthly income.

Beginning in 1971, HUD provided operating subsidies which were calculated based on the difference between PHA income (tenant rents, interest & other income) and operating expenses, to be paid to the PHA on a reimbursable basis. In 1974 HUD adopted the "Performance Funding System" (PFS) to allocate operating subsidies to authorities. The PFS formula takes into consideration such factors as age of structure, number of units, size of units, etc. Theoretically, this formula was to pay MHA for excess costs above rental operating receipts. Unfortunately, the PFS formula never fully compensated for increases in variable costs, such as rising insurance premiums and utility rates. Based on the PFS formula, the MHA received no operating subsidy from the federal government from 1982 until 1998 when it received \$16,000 for operations. In fiscal years 2002-2010 operating subsidies were substantially reduced by HUD due to congressional budget cuts. In 2011 Congress enacted the Budget Control Act of 2011, imposing a sequestration that further reduced funding by over 10%. Capital and operating fund subsidies for PHAs that continue to operate public housing programs is currently prorated to 89% of eligibility.

When the MHA converted to RAD, effective January 1, 2016, it moved from the Section 9 public housing funding platform (providing operating subsidies & capital program grants) to the Section 8 project-based voucher funding platform. Historically the Section 9 funds have been subjected to decreases and prorations, while the Section 8 program funding has remained stable.

RAD

Through the 2016 Rental Assistance Demonstration Program conversion, HUD's RAD Use Agreement mandated that MHA put aside funds annually in a Capital Reserve Account to address future capital needs. MHA deposits \$100,000 per year in its Reserve & Replacement account to assure that funds will be available to address future capital repair needs.

With predictable funding generated by the Project-Based Voucher RAD housing assistance payments, additional Section 8 administrative fees generated from the RAD units and continued vigilance in containing administrative expenses, the MHA is confident that adequate funds will be available to maintain its operations through the 30-year RAD program contract and beyond. Furthermore, MHA will have the ability, if needed, to leverage new funds to add to its Replacement & Reserve if it chooses to recast the RAD mortgage at the end of 2030.

Borough of Madison

The MHA is an instrumentality of the Borough of Madison, having been created by Borough resolution in 1970. As such, it enjoys the support and cooperation from the Borough of Madison at all levels of local government. This includes a shared service agreement for Authority vehicle maintenance, courtesy municipal construction and permitting fee waivers, use of Borough meeting space for monthly Board meetings, advice and counsel of Borough engineering professionals, the ability to purchase health insurance through the North Jersey Municipal Employee Benefit Fund, and other shared amenities. However, MHA does not receive any financial contribution or subsidy from the Borough to operate or administer its housing programs.

In support of MHA, the Borough provided MHA with office space in the Municipal Building from 1980 to 1986. Also, the Borough sold land to MHA for as little as \$1.00 and as much as \$1,000,000. The Borough also returned \$160,000 to MHA for the development of the senior citizen building in 1985, allowing for additional amenities for the residents. The Borough has pledged its Affordable

Housing Trust Funds (as available) to MHA for the development of additional affordable housing and has supported MHA projects that result in the creation of new affordable unit within the Borough. In 2021 the Borough provided \$230,000 from its Affordable Housing Trust Fund to support the conversion of two 4-bedroom apartments into four 2-bedroom apartments, both substantially rehabilitating the units and adding two additional affordable homes to the community.

MHA makes an annual Payment In Lieu of Taxes (PILOT) to the Borough each year in accordance with HUD regulations. The Payment in Lieu of Taxes is calculated as follows:

Tenant Rental Income (rents paid by tenants) - Utility Expenses x 10% = PILOT. The 2022 PILOT payment was \$60,049. Over the past 40 years MHA has contributed over \$1.7 million to the municipality through its PILOT agreement. This income to the Borough resulted from the development of six sites on which no taxes were previously being paid.

HOME & CDBG Funds

MHA is eligible to apply for funding through the Morris County HOME and Community Development Block Grant (CDBG) programs. These funds have assisted MHA with rehabilitation projects, site acquisition and site improvements for our housing developments.

Authority Owned Properties

In 2021 MHA completed the conversion of two four-bedroom units on John Avenue, creating four new two-bedroom units: 28C & 28D John Avenue. These two additional units created by the conversion are not covered by the RAD Use Agreement and do not receive Project-based voucher HAP assistance. Rather, these two units are PHA-owed affordable units with affordable rents set in accordance with state of New Jersey Mount Laurel housing guidelines. Tenants in these PHA owned units must meet the state income guidelines and, if eligible, may elect to apply for a housing choice voucher to assist in paying a portion of their rent. The MHA received additional rental income from these non-RAD assisted units and is pursuing the development of more PHA owned non-RAD units to meet the high need for affordable homes, and to increase revenue.

CAPITAL IMPROVEMENTS

A central and ongoing focus of Madison Housing Authority executive and operational staff is planning and executing capital improvements for its properties. Since its first properties opened in 1983, the MHA has invested over \$4.3 million in capital improvements to the family scatter site and senior housing developments. Capital improvements have included replacing boilers and hot water heaters, roofs and siding, kitchens and baths, sidewalks and parking lots, elevators and fire alarm system at the senior building, upgrading lighting fixtures and replacing parking lot light fixtures, floor and countertop replacement, windows and doors, etc.

Prior to the conversion from the public housing program to the Rental Assistance Demonstration program in 2016, these improvements were funded through HUD capital program allocations and county Community Development Block Grants (CDBG) and HOME grants. At the time of the RAD conversion, MHA was required to leverage \$2.1 million to address capital needs identified in a comprehensive Physical Needs Assessment (PNA), which outlined immediate and short-term capital needs. These funds were fully expended by 2018. The RAD program requires participating PHAs to allocate funds in each budget cycle to a Replacement & Reserve account to meet the future capital needs of the properties.

The MHA budgets \$100,000 per year to its Replacement & Reserve account, which is more than the HUD formula requires. Many small and medium capital expenses are absorbed in the annual operating budget. Additionally, MHA has continued to receive funding through CDBG and HOME grants for various projects. In 2019 \$150,000 in HOME funds were granted to assist in the conversion of two four-bedroom units on at 28 John Avenue. In 2020 and 2022, a total of \$195,000 was granted in CDBG funds to install an attic HVAC system at the 30 Loantaka Way family site (funding still pending grant approval). In 2023 MHA will apply for \$150,000 in CDBG funding to move the transformer at the senior building and redesign the service driveway to mitigate the risk of flooding to the below-grade boiler room located at the base of this driveway.

CURRENT NEED

The need for housing assistance to families residing in Madison has been reduced through the efforts of the Section 8 housing choice voucher program and the Madison Housing Authority’s family and senior affordable housing programs. However, there is still a significant unmet need throughout the region. New waiting lists for family & senior housing were regionally marketed and created by random lottery in May 2021. The MHA office receives approximately 70 phone calls, drop in visits and emails each week from individuals seeking housing assistance.

In 1996 MHA amended its Occupancy and Admissions policy to be more responsive to the community’s needs. Based on the increasing numbers of residents who had elderly parents living outside of the Borough, MHA amended its policies to give parents of Madison residents a preference for the Borough’s senior citizen housing development. However, in 2016 the Borough adopted an affirmative fair housing marketing plan that eliminated all residency preferences. In response, the Board of Commissioners of the Madison Housing Authority adopted a resolution rescinding the local preference for its senior and family affordable housing. The senior and family RAD programs have a regional preference for applicants residing in Morris, Essex, Union and Warren counties. The local preference, however, remains in place for the Section 8 housing choice voucher program.

The current 2022 federal income limits for HUD programs in our jurisdiction are as follows:

	Number of Persons in the Household						
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>
Extremely Low Income	\$24,150	\$27,600	\$31,050	\$34,500	\$37,300	\$40,050	\$42,800
Low Income	\$40,250	\$46,000	\$51,570	\$57,500	\$62,100	\$66,700	\$71,300
Moderate	\$62,600	\$71,550	\$80,500	\$89,400	\$96,600	\$103,750,	\$110,900

MHA has been authorized by HUD to use the Low-Income guidelines for 50% of our senior citizen units, and 20% of our scatter-site units. By enabling MHA to use the higher income guidelines, MHA has been able to establish a better socioeconomic mix of residents.

FUTURE OPPORTUNITIES

The Madison Housing Authority has several options to explore to further its mission to provide quality, inclusive, affordable homes to low and moderate-income individuals and families creating opportunities to build stable, healthy lives and to become a vital part of the Madison community.

1. New Development

Building on MHA Owned Property: In 2019 an ad hoc group including MHA staff and commissioners and Borough of Madison elected officials and professionals began meeting to discuss opportunities to utilize excess land on MHA property to develop additional affordable homes. An exhaustive process was undertaken to obtain approval to remove six parcels of property from four of MHA's RAD Use Agreements. In 2022 MHA received approval from the U.S. Department of Housing & Urban Development (HUD) Office of Recapitalization of its request to release these six parcels from the RAD Use Agreements. This release allows MHA to subdivide the six parcels for the purpose of developing additional affordable homes. While the parcels, once subdivided, will continue to be owned by the MHA, the units will not be eligible for RAD project-based voucher assistance.

The six parcels of land released from the RAD Use Agreements are located at:

- 15 Chateau Thierry Avenue (3 parcels)
- 20-24 Belmont Avenue (1 parcel)
- 20-28 John Avenue (1 parcel)
- 30 Loantaka Way (1 parcel).

In 2020, the Board of Commissioners raised over \$100,000 to honor the 39-year tenure and retirement of its first Executive Director, Louis Riccio, who guided MHA's seven public housing developments. This predevelopment seed money is currently being used to fund the site plan application to obtain municipal land use approval to subdivide the parcel located at the 20-24 Belmont Avenue site. MHA will partner with a non-profit housing developer to leverage funding from the national housing trust fund and to manage construction of the new units. MHA will also seek the support of the Borough Affordable Housing Trust Fund to finance these in-fill projects, which supports the Borough in

meeting its Mt. Laurel affordable housing obligations. The units will be assisted with housing choice vouchers and the rents will be established in accordance with New Jersey Mt. Laurel affordable housing guidelines.

Purchase & Renovation of existing property/In-fill opportunities: The MHA has been interested in this option for many years and has investigated local foreclosure opportunities for small, in-fill development. The timeline of foreclosures, however, presents obstacles since Authority expenditures must be approved by Board action in advance of any fund disbursements. Additionally, Authority reserves are restricted to exclusively address the needs of the 134 RAD units until HUD issues a formal public housing closeout letter. MHA has been working with the HUD local field office to obtain the official closeout letter since 2020.

Mixed Use Development: With MTW financial flexibilities and assistance from the Borough Affordable Housing Trust Fund, it could be financially feasible to build low-income units where rental income from a commercial venture on the first floor of a multi-use structure is used to subsidize low-income housing units on the floors above.

2. Implementation of MTW Flexibilities

As a recently designated MTW agency, the MHA has the opportunity to design creative programs to meet the local need. Once MHA completes and receives HUD approval of its MTW Supplement, innovative programs can be rolled as outlined on pages 20-21 of this document. The goal of implementing changes to policies, practices and procedures and initiating programs as a MTW agency is to better address the local needs and deliver services to residents that enhance wealth building and self-sufficiency opportunities.

3. Increase the Utilization Rate of housing choice voucher program

In 2022, HUD issued a stated goal of 98% utilization for the housing choice voucher (HCV) program nationwide. MHA has made many efforts to increase its HCV program utilization and is currently at its highest utilization rate in the past 18 years. With MTW flexibilities, there are additional tools available

to maintain a high level of HCV utilization and to move more HCV assistance (some of which is being used in neighboring communities through a Memorandum of Understanding with the Morris County Housing Authority) back into Madison. These flexibilities include assisting applicants who locate eligible units with paying part of the security deposit, assisting applicant families with realtor fees required to secure a unit, providing landlords with a cash incentive to lease up an eligible family and providing compensation to landlords for physical damages that exceed the amount of the security deposit.

4. Partnerships with Affordable Housing Developers using PBV HCVs

In 2021 the MHA received approval from HUD to project-base 30% of its 190 Section 8 housing choice vouchers. 10% of these project-based housing choice vouchers (PBV HCVs) are set aside for special needs families. Currently 25 of MHA's 57 PBV HCVs are under contract with a non-profit housing provider to assist low-income seniors and disabled families in three locations. Additionally, 8 PBV HCVs will be provided to a for-profit developer working with the Borough on a 44-unit Low Income Housing Tax Credit development at Walnut Street and Community Place. There is currently a bank 24 PBV HCVs which could be used to support future affordable housing development in the Borough. With MTW waiver flexibility, MHA can also seek to increase the PBV HCV cap above 30% in the future.

5. Rehabilitation Program

With MTW financial flexibilities and assistance from the Borough Affordable Housing Trust Fund, MHA could partner with the Borough to subsidize renovations in private apartments with the stipulation that the owner must deed restrict the units for 30 years. MHA could provide project-based vouchers to rehabilitated units, with rents established at 110% of the published Fair Market Rents and with vacancy payments provided to participating landlords. Benefits to a Rehabilitation program include assisting more low- and moderate-income families, meeting the Borough's Mt. Laurel obligations and providing a means for landlords to upgrade older multi-family structures in the Borough. The main obstacle to implementation of a Rehabilitation program is the exceedingly high rents within the Borough, which would be a disincentive to landlord participation.

6. Section 8 Home Ownership Program

In conjunction with future development plans for parcels released from the RAD Use Agreement (see pg. 28), the MHA may have an opportunity to both develop for-sale affordable homes and assist the first-time homeowner families using the Section 8 funding through the creation of a Section 8 Home Ownership Program. Other community partners, such as the Housing Partnership, could provide First Time Homeowner education and downpayment assistance. With increased payments standards using Small Area Fair Market Rents, the sales price of the affordable homes could be higher, which will positively impact the development proforma. Additionally, aiding families using housing choice voucher homeownership Housing Assistance Payments (HAP), would positively impact voucher utilization rates.

7. Shared Services with other Public Housing Authorities

If staffing capacity permits, MHA may assist another PHA in times of leadership transition or as the Contract Administrator of its RAD program. In 2017 the MHA became the contract administrator for the Summit Housing Authority's 195-unit RAD Project-based voucher program. This entails significant oversight of Summit Housing Authority's administrative staff, annual file and wait list audits, HUD required reporting, annual Housing Quality Standards inspections for all units, annual rent reasonableness study and calculating the annual Operating Cost Adjustment Factor for RAD contract rent increases. To compensate MHA for this substantial role, the administrative fees that HUD pays for the 195 units is shared between the two PHAs equally. Depending on staffing capacity or the ability to hire additional staff, MHA may have opportunities to be the contract administrator for new RAD conversions in northern New Jersey.

CONCLUSION

Historically it has been a challenge for public housing authorities nationwide to address the capital needs of their housing stock and to develop long-range plans for future development. This was due to federal funding cuts, especially from 1980 - 2008, as well as changing political environments and national economic circumstances. Annual funding notification to housing authorities typically arrives a full calendar quarter after the start of the funding year, making maintaining routine operations an ongoing hardship. Notwithstanding these historical challenges to housing authorities nationwide, the Madison Housing Authority has identified and implemented innovative and creative solutions to safeguard its programs and provide excellent service to the families it serves.

Affordable housing in affluent communities like Madison is very limited. Developing housing in a hot real estate area with exceptionally high land costs requires tenacity, creativity and mission-focused passion. In this complicated environment for low-income housing developers, MHA has nudged forward incrementally yet steadily, building trust and partnerships and embracing collaboration. MHA has benefitted immeasurably from the tireless efforts and compassionate caring of its Board of Commissioners. Its highly trained and qualified staff is exceptionally engaged in its mission to provide quality, inclusive, affordable homes to low and moderate-income individuals and families creating opportunities to build stable, healthy lives and to become a vital part of the Madison community. For these reasons MHA is a nationally recognized high performing housing authority.

MHA is respected in the community, at the county, at the state, and at the national level as an example of how low-income housing in an affluent town can be done and can transform lives generationally. The accomplishments of the Housing Authority over the past fifty-two years are encouraging as we look ahead to new goals on the horizon and a rental market with historic inflation. In partnership with the Borough, MHA will look with bold eyes and open hearts to identify and implement solutions to provide for more affordable homes in the community.

APPENDIX I

MADISON HOUSING AUTHORITY PROPERTIES

Rexford S. Tucker Senior Housing (1986)

15 Chateau Thierry Avenue

80 units (74 one-bedroom; 6 two-bedroom)

Four-story high-rise elevator building

HUD Age restricted 62 years or older

20-24 Belmont Avenue (1983)

6 units - Family housing program

Three duplex buildings with 6 two-bedroom units

24-28 Community Place (1983)

13 units - Family housing program

Three duplex building (2 one-bedroom units; 3 three-bedroom units; 1 three-bedroom handicapped unit)

One 4-plex building (2 one-bedroom handicapped units, 2 two-bedroom units)

One 3-plex building (2 one-bedroom handicapped units, 1 three-bedroom unit)

20-28 John Avenue (1983)

13 units - Family housing program

Three duplex building (2 one-bedroom units; 4 three-bedroom units)

One 3-plex building (2 two-bedroom units, 1 one-bedroom handicapped unit)

One 4-plex building (2 two-bedroom handicapped units, 2 two-bedroom units)**

70-72 Park Avenue (1983)

4 units - Family housing program

Two duplex building (3 two-bedroom units, 1 two-bedroom handicapped unit)

30 Loantaka Way (1989)

12 units - Family housing program

Six duplex building (12 three-bedroom units)

80 Park Avenue (1996)

8 units - Family housing program

Four duplex building (7 two-bedroom units, 1 two-bedroom handicapped unit)

** 28C & 28D John Avenue are not included in MHA's 134 RAD project-based voucher program. These two units are MHA owned and operated, rents are established in accordance with New Jersey Mount Laurel affordable housing guidelines and tenants are offered a Section 8 housing choice voucher subsidy.

APPENDIX II

DEMOGRAPHIC STATISTICS

RAD PBV & Section 8 housing choice voucher participants May 2022

	Project Based Vouchers		Section 8	
	No. of families	% of total families	No. of families	% of total families
<i>Total number of Current Tenants/HCV Holders</i>				
Extremely low income (<30% AMI)	57	43.8%	64	48.1%
Very low income (>30% but <50% AMI)	44	33.8%	44	33%
Low income (>50% but <80% AMI)	29	22.4%	25	18.9%
Small families (2-4 members)	129	99.33%	169	97.7%
Large families (5 or more members)	1	.77%	4	2.3%
Elderly (1 or 2 persons)	72	38.7%	107	39.48%
Non-elderly individuals	93	50%	145	53.51%
Individuals/families with disabilities	21	11.29%	19	7.01%
Race				
White	67	68.37%	114	82.01%
Black or African American	27	27.55%	15	10.79%
Asian	4	4.08%	10	7.19%
Other race				
Hispanic	32	24.62%	34	19.65%
<i>Characteristics by bedroom size</i>				
0 BR	0		9	5.2%
1 BR	79	58.9%	108	62.43%
2 BR	34	25.3%	36	20.81%
3 BR	21	15.8%	18	10.4%
4 BR	0	0	2	1.16%
5+ BR	0	0	0	0

Project Based Vouchers and Section 8 HCV Waiting Lists May 2022

	Project Based Vouchers		Section 8	
	No. of families	% of total families	No. of families	% of total families
<i>Waiting list total</i>				
Extremely low income (<30% AMI)	624	68.8%	495	72.16%
Very low income (>30% but <50% AMI)	197	21.7%	152	22.16%
Low income (>50% but <80% AMI)	86	9.5%	39	5.69
Small families (2-4 members)	823	90.7%	603	88%
Large families (5 or more members)	84	9.3%	83	12%
Elderly (1 or 2 persons)	334	37%	161	23.47%
Non-elderly individuals	573	63%	525	76.53%
Individuals/families with disabilities	104	18%	138	20.12%
Race				
White	414		309	45.05%
Black or African American	352		307	44.75%
Asian	31		15	2.19%
Other race	110		55	8.02%
Hispanic	139		111	16.18%

APPENDIX III

HISTORICAL GROWTH OF SECTION 8 RENTAL ASSISTANCE PROGRAM

Fiscal Year	Housing Assistance Payments	Total Administrative Fees	Average HAP Payment per Family	Average # Units Under Lease
2022	\$1,873,057	\$235,392	\$871	179
2021	\$1,674,184	\$176,466	\$857	163
2020	\$1,628,693	\$174,943	\$876	155
2019	\$1,567,753	\$176,800	\$891	149
2018	\$1,551,851	\$186,272	\$818	158
2017	\$1,520,800	\$179,363	\$855	148
2016	\$1,551,851	\$133,899	\$831	158
2015	\$1,417,963	\$139,821	\$772	153
2014	\$1,482,757	\$145,110	\$835	148
2013	\$1,533,104	\$144,750	\$798	160
2012	\$1,530,523	\$165,445	\$782	163
2011	\$1,654,368	\$152,375	\$810	170
2010	\$1,512,000	\$142,786	\$759	166
2009	\$1,382,985	\$148,819	\$703	164
2008	\$1,355,418	\$142,561	\$672	168
2007	\$1,251,107	\$146,877	\$599	174
2006	\$1,173,688	\$141,783	\$556	176
2005	\$1,259,227	\$157,474	\$593	177
2004	\$1,208,528	\$169,887	\$553	182
2003	\$1,202,366	\$172,755	\$551	182
2002	\$1,092,602	\$158,180	\$514	177
2001	\$938,195	\$131,682	\$412	172
2000	\$787,912	\$116,475	\$391	161
1999	\$1,275,588	\$151,118	\$427	190
1998	\$1,152,592	\$128,317	\$490	149
1997	\$1,032,916	\$119,921	\$494	157
1996	\$1,110,730	\$111,342	\$560	165
1995	\$1,221,546	\$115,111	\$557	168
1994	\$1,034,554	\$103,752	\$525	149
1993	\$960,563	\$116,928	\$480	175

1992	\$928,264	\$102,500	\$472	163
1991	\$842,383	\$96,650	\$426	166
1990	\$718,183	\$84,729	\$416	146
1989	\$487,544	\$59,901	\$350	116
1988	\$347,926	\$40,932	\$317	96
1987	\$294,542	\$34,788	\$303	81
1986	\$224,479	\$34,024	\$267	76
1985	\$196,372	\$30,624	\$230	71
1984	\$179,341	\$26,601	\$220	68
1983	\$138,202	\$19,755	\$217	53