



## REQUEST FOR BOARD ACTION

ITEM NO. 6

**DATE OF MEETING:** August 24, 2015

**REQUESTED BY:** Judith Herring, Housing Authority Director

**SHORT TITLE:** Approval to Remove the Family Self-sufficiency and Project-based Voucher (PBV) Program from Seven Oaks Apartments.

**BACKGROUND:** In 1999, the County participated in the development of Seven Oaks Apartments and included a stipulation that residents of the complex participate in the HUD Family Self Sufficiency (FSS) Program. All residents were limited to a life-time participation in the program of five years. The program continues to operate today much as it did 14 years ago.

Elevated vacancies can be part of the normal cycle for any multi-family property. However, Seven Oaks vacancies are exacerbated by the longer-than-normal lease up time frames due to the FSS requirement for participation & the required waiting list process for the PBVs. This affects cash-flow. The property currently operates at a loss. Due to financial concerns, the Pender Housing Initiatives (PHI) Board, which oversees Seven Oaks Apartments, has voted to recommend closing the FSS program, lifting the 5-year lifetime limit on residency and removing the PBVs from the property.

HUD approval is also required to remove the PBVs and will be obtained before final action is taken on this recommendation. Once approved, the 40 vouchers would be returned to the Tenant-based Voucher program. No affordable housing units would be lost because Seven Oaks will continue to operate as a Low-income Housing Tax Credit (LIHTC) property, with the LIHTC rules, preserving the units as affordable housing but allowing more families in the community to qualify for the units. The transition process will be determined by HUD guidelines.

The effect of the changes includes: 1) Improving the property's cash flow potential; 2) families currently receiving assistance at Seven Oaks would be issued tenant-based vouchers and their housing choices will expand; 3) families with FSS Escrow balances would receive the balance in the account and the program closed; 4) with the expanded pool of eligible applicants and the processing time reduced, there will be less time from application to lease-up; 5) it creates greater opportunities for families to qualify for units at the complex by removing barriers for disabled and senior families.

Approval from the Board of County Commissioners is required to permit these changes.

**SPECIFIC ACTION REQUESTED:** Approve a change in the policies for Seven Oaks Apartments permitting the changes in the plan for Seven Oaks including closing the FSS program; removing the Project-based Vouchers upon receipt of HUD approval and converting them to Tenant-based Vouchers; and lifting the five-year life-time limit for living at the property.