



Public Housing Repositioning Strategies



Why reposition public housing?



Public Housing Repositioning has allowed PHAs to:

- Modernize aging properties
- Stabilize property revenues
- Conduct substantial rehabilitation
- Demolish/redevelop distressed/obsolete properties
- Support neighborhoods of opportunities
- Thin densities and mix incomes
- Streamline operations



HUD and PHA shared goals

- Improve physical conditions
- Stabilize financial performance & long-term operations
- Secure improved access to affordable housing



What does “repositioning” mean?

Unit is taken out of the federal public housing inventory and converted from Public Housing Section 9 to Section 8

Preserve affordable housing availability,
using a project-based unit or voucher



Why reposition public housing?

- Backlog of capital needs estimated at \$26 billion in 2010
- Conversion to long-term, Section 8 rental assistance contracts:
 - Stabilizes project revenue
 - Provides access to debt and equity to finance capital needs
 - Simplifies program administration



Better physical conditions

**Long-term affordable rental
assistance**

**Flexibility to move through
HCV program requirements**

**What do
residents
gain?**



What is HUD's role?

- Ensure PHAs know of repositioning strategies
- Provide technical assistance to help communities weigh their options



What options do PHAs have?



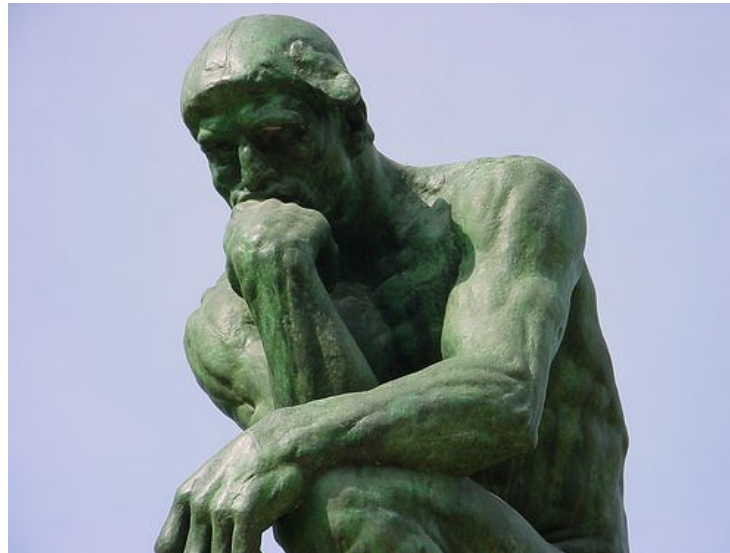
Repositioning Considerations

How many households do you want to serve?

Do you want to own and operate housing?

Where should housing in your community exist?

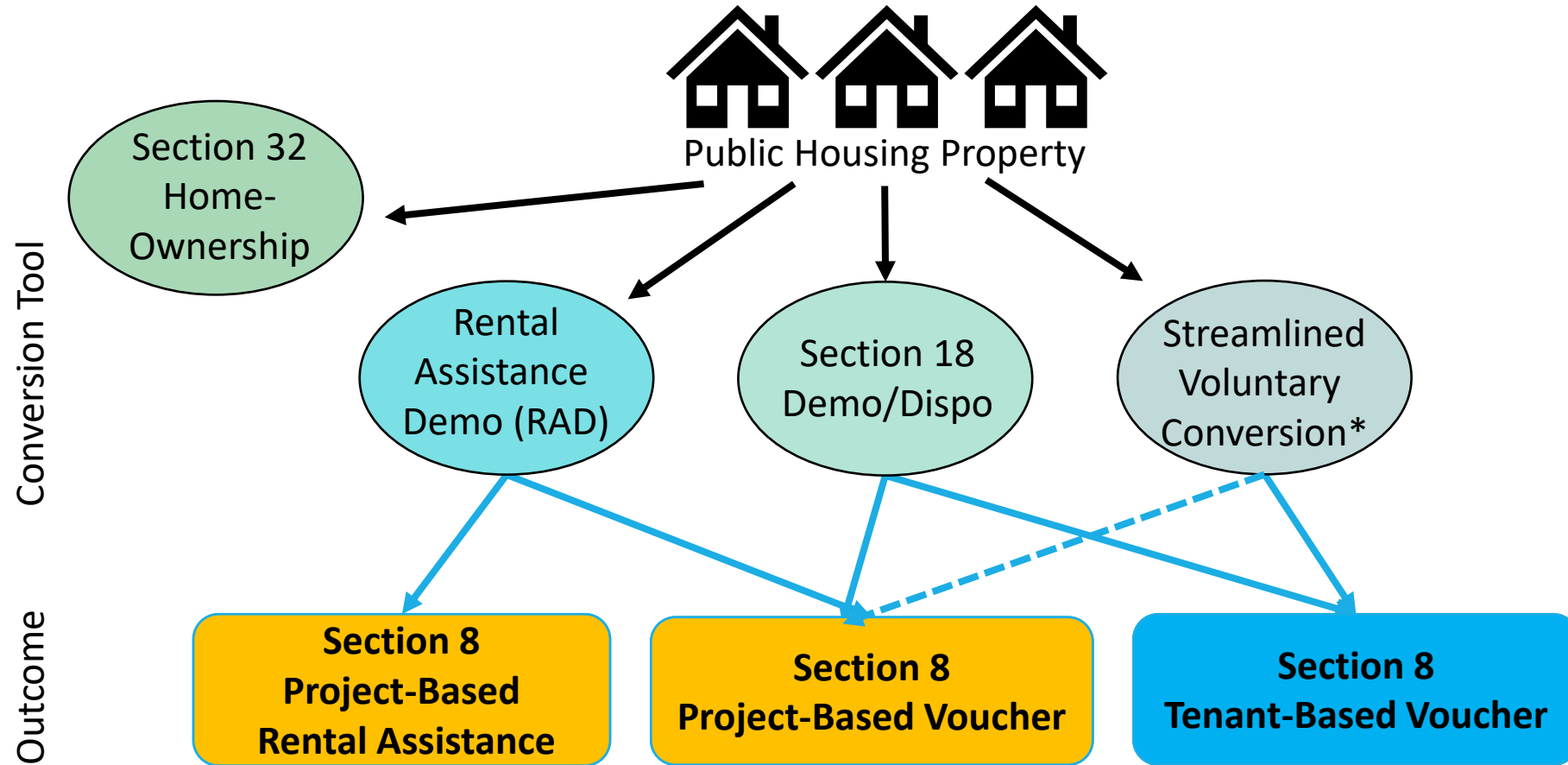
Who are you serving?
(elderly, families, homeless)



What income levels are you serving?

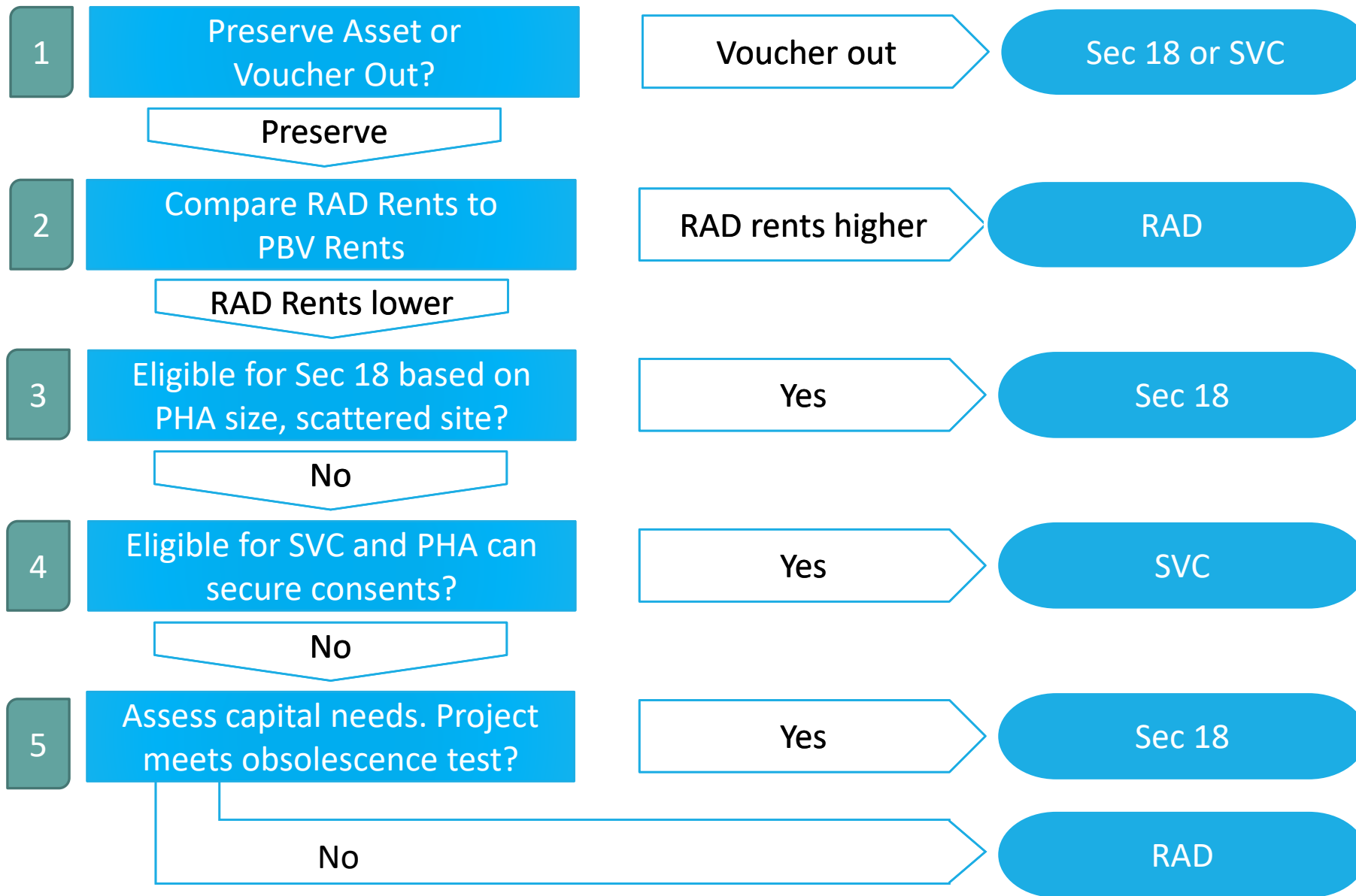


Public Housing Repositioning Options



* Under Voluntary Conversion tenant protection vouchers must first be offered to residents as tenant-based assistance, but may be project-based with tenant consent.





Eligible for SVC and PHA can Secure Consents?

- PHAs with 250 or fewer units (including last 250 units of a larger portfolio) can qualify under Streamlined Voluntary Conversion, without demonstrating cost-effectiveness
- SVC a good option if:
 - PHA wants to voucher out and dispose of the property for non-rental use
 - PHA can secure consents
 - Property doesn't need financing or PHA wants to manage a mixed-income property



SCENARIO	OUTCOME	CONCLUSIONS
#1 All or substantially all residents consent to allow voucher to be project-based	Property under PBV contract	Effective preservation tool; PHA can secure financing
#2 Some or few tenants consent to allow PBV; tenants remain in property with tenant-based voucher	Property filled with tenant-based voucher holders; more challenging to finance	Good option if property doesn't need financing
#3 Some or few tenants consent to allow PBV; tenants leave property with tenant-based voucher	PHA may operate property as mixed-income property or backfill property with additional PBV	Unique challenges to operate mixed-income property; backfilling requires greater use of PHA's existing vouchers

Can a PHA use SVC as Preservation Tool?

