TO: Wichita Housing Authority Board Members

SUBJECT: Wichita Housing Authority Semi-Annual Report

INITIATED BY: Housing and Community Services Department

AGENDA: Wichita Housing Authority Board (Non-Consent)

Recommendation: Approve the Wichita Housing Authority Semi-Annual Report and authorize submission to the U.S. Department of Housing and Urban Development (HUD).

Background: On January 23, 2001, the City Council created Charter Ordinance Number 189 that established the Housing Advisory Board to oversee the Wichita Housing Authority. The membership of the Wichita Housing Authority Board shall consist of the members of the governing body of the City of Wichita, and one additional member who shall be a tenant receiving public housing or Section 8 assistance from the City of Wichita. Such additional member shall be appointed by the Mayor with approval of the City Council.

Whereas the Wichita Housing Authority does not have existing bylaws, quarterly programmatic reports to the Housing Advisory Board are necessary so that the City Council remains engaged in the public housing authority’s service delivery.

Analysis: The Wichita Housing Authority (Authority) consists of two program divisions: (1) Public Housing and; (2) Section 8 Housing Choice Voucher (HCV). Public Housing manages 578 apartment units while HCV administers rental assistance for 2,636 tenants. The Authority receives its funding wholly from HUD. Public Housing receives $3,917,126 for operating purposes and $810,174 restricted to the Capital Fund Program each year. HUD also provides nearly $13 million annually to the HCV for administration of its voucher program.

On June 27, 2016, the Authority’s Public Housing program received a Public Housing Assessment (PHAS) of 72 out of 100 possible points and was designated as Sub-Standard by HUD for Fiscal Year 2015. This label marks the fifth time since 2011 that the Authority has been Sub-Standard. Key deficiencies were in property management and financial management.

Public Housing has made significant progress in addressing its vacancy issue since the previous report through June. Vacancies have reduced from 40 units to 18 units as of October 31, 2016. This result yields a 96.86 percent occupancy. The Authority anticipates attaining a 97 percent occupancy on November 30, 2016. After reaching the 97 percent milestone, the Authority must maintain this level for 18 consecutive months in order to receive its remaining annual administration fee from HUD, which is approximately $109,000. This amount has been forfeited for the last three years due to low vacancy. As a result, the Authority has been depleting its operating reserve in order to fully fund the program’s expenditures. The recent increased occupancy will begin to mitigate this situation.

In collaboration with Communications and Information Technology, the Authority now has web-based marketing. This feature will capture social media users. The web-based marketing is already live at the City of Wichita’s website where a prospective tenant can view available units and complete an application electronically. Circular advertising has been modified for the appropriate demographics and will run through December 31, 2016.
On the other hand, the Housing Choice Voucher (HCV) Program was designated by HUD on April 15, 2016, as a High Performer for Fiscal Year Ended December 31, 2015. A 97 percent rating was attained based upon 140 of 145 points on the Section 8 Management Assessment Program.

The HCV program endeavors to increase its voucher utilization and has processed 2,374 voucher applications to date this year. The goal is to issue 500 new vouchers due to program attrition.

HUD also awarded HCV with 10 additional vouchers for veterans in its Veterans’ Affairs Supportive Housing Program. The additional rental assistance helps to fulfill the Mayor’s Challenge of Ending Homelessness among Veterans.

**Financial Consideration:** There is no impact to the General Fund as a result of this action at this time. If utilization of the capital fund and reserves are not sufficient to cover future shortfalls, interim funding measures or operational adjustments may be required for Public Housing.

**Legal Consideration:** The Law Department has reviewed and approved the Semi-Annual Report as to form.

**Recommendation/Actions:** It is recommended that the City Council approve the Wichita Housing Authority Semi-Annual Report and authorize submission to HUD.

**Attachment:** Wichita Housing Authority Semi-Annual Report