

NJ -- HOUSING AUTHORITIES DIFFER ON SECTION 8 CONVERSIONS

North Jersey – 12/14/2016 – by Kelly Nicholaides, Staff Writer



The 98-unit senior and disabled adult housing facility in Lyndhurst
(Photo: Kelly Nicholaides)

East Rutherford Boiling Springs Gardens resident Gerald Roberts says he's cautiously optimistic about the Housing Authority of Bergen County converting its public housing to Section 8. The move could bring about better access to much needed funds to maintain the buildings he and other seniors live in across Bergen County.

All 503 units that fall under the **Bergen County Housing Authority** in Dumont, Palisades Park, East Rutherford, Lyndhurst, Mahwah and Ramsey transfer to the Section 8 project based Rental Assistance Demonstration program beginning Jan. 17. The county authority runs about 22 percent of the county's public housing. Of all the 2,259 public housing units located in Bergen County, 1,580 units are pending conversion to Section 8. The move is supposed to help housing authorities leverage private funding to deal with a repair backlog estimated at \$25.6 billion to these buildings.

“They’re slow on repairs,” said Roberts.

Roberts’ rent portion is \$501, which is 30 percent of his monthly income for a 20 by 10 foot studio. “We had a meeting of tenants already about the conversion. I signed a new lease but I’m told I won’t get a copy of it until sometime in January,” Roberts said.

However, Housing Authority of Bergen County portfolios are in excellent shape, which is actually why they were accepted into the Section 8 conversion, according to executive director Lynn Bartlett.

“Our buildings are all in great shape. If not, it’s very hard to convert to [Section 8],” Bartlett said. “If you have a poorly maintained building, you couldn’t take on extra debt to maintain and provide capital improvements.”

Bartlett noted that the public housing HUD program was predominately used in the 1960s and 1970s to build public housing. The authority applied for that pot of money and built six different projects “The reason the housing authority is leaving public housing [portion] of PIH is federal money is not enough. As the pot shrinks, you still have assets to maintain such as windows, doors, carpeting, roofs, and the money is not enough to meet the demand,” Bartlett said.

Other housing authorities in Bergen County that are converting public housing units to Section 8 include Hackensack, Fort Lee, Englewood, Edgewater, and Cliffside Park.

Housing authorities however, differ on whether or not conversion will be effective.

The Lodi and Garfield housing authorities elected not to convert its combined 676 units.

“I’m not looking to change. If it’s not broken, why ‘fix’ it?” said Martin Geisler, executive director of the Garfield Housing Authority, which owns 456 units in five buildings. “We have a high performing portfolio [of housing] for the past five years, and no financial issues. We do capital improvements every year and have a \$2 million surplus. We are fine.”

Long ago, authorities leveraged capital funds and paid back loans gradually. But the pool of money kept shrinking, he noted. Regardless, the conversion of public units to Section 8 is a new program that Geisler would rather take a wait and see approach on.

HUD public affairs specialist Charles McNally noted that there are around 16,000 housing units nationwide on the waiting list to convert.

“The conversion allows authorities to gain access to funding stream up until now was only used by the private sector,” said McNally. “RAD provides stability in its funding structure because lenders are willing to lend more, and by bringing private money into public housing there are robust protections.”

Tenants can benefit from a “Choice Mobility” component to Section 8 conversions. Any housing authority with a tenant-based voucher program must reserve a portion of the vouchers they issue each year for tenants of [Section 8] developments who elect to move. Residents have the option to take a tenant-based voucher starting one year after the conversion, according to McNally.

"Given the major improvements that [Section 8] makes possible, most residents end up staying in their current housing. However, even if many residents do choose to take advantage of tenant-based vouchers the contract and subsidy remains in effect for the converted units," McNally said.

Housing authorities are required to report debt as part of their annual financial reporting to HUD. Any housing authority that plans to convert public housing units to Section 8 must complete a comprehensive physical needs assessment and identify sources of financing to cover the costs of needs identified, McNally noted.