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Photos Included

Monterey County's Affordable Housing Gets an Upgrade

Salinas, CA (August 8, 2016) – The Housing Authority of the County of Monterey (HACM) and their development arm, the non-profit Monterey County Housing Authority Development Corporation (HDC) are pleased to announce their transition to the Rental Assistance Demonstration program. The program will allow 500 affordable rental housing units throughout Monterey County to receive much-needed repairs and upgrades while preserving affordability and tenant protections.

Nearly 10,000 affordable housing units are lost nationally each year due to the consistent decline in federal funding and the \$26 billion backlog of deferred maintenance. The effort to preserve public housing and create new affordable units has long been hindered by tight federal budgets and scarce city and state funding. To help stem the tide, the U.S. Department of Housing and Urban Development (HUD) created the Rental Assistance Demonstration (RAD) in 2011 to help preserve, improve and strengthen public housing for this and future generations.

“HUD has a responsibility to provide public housing residents with a quality and safe roof over their heads,” said HUD Secretary Julián Castro in a recent press release. “Assistance from the private sector through HUD’s Rental Assistance Demonstration program will help housing authorities address longstanding capital improvements and preserve and enhance America’s affordable housing.”

RAD is a model for innovative financial solutions that allows housing authorities to address significant capital needs and preserve housing for their most vulnerable residents. The program provides an inflow of cash for maintenance and operations by allowing private investment in affordable housing units by established industry lenders, owners and stakeholders. Still in the early stages of a pilot project, only 185,000 of the 1.2 million units in the United States are being allowed into the program. HACM and HDC have entered into partnerships under RAD to pave the way for revitalizing and rebuilding Monterey County’s distressed public housing without displacing existing tenants or changing their portion of the rent. Monterey County’s transition to RAD will be the largest affordable housing initiative in Central California and the second largest in all of California.

With the transition to RAD, HACM with HDC’s help will convert 100 percent of their public housing units, allowing them to conduct \$15 million in capital improvements over the next 14 months, something that previously would have taken up to 10 years to complete. Tenants who are currently in public housing will be relocated for up to six weeks during the renovations. Relocation costs will be covered by the program and tenants will be able to return to the same development after renovations are complete. All unit renovations will include a minimum 10% energy efficiency increase, cosmetic improvements and upgrades to the most up-to-date seismic standards.

“The transition to RAD ensures long-term preservation of affordable housing,” said Starla Warren, president/CEO of HDC. “These partnerships allow for the transformation of the rental homes, the community and the lives of the families who reside there while improving the environment and quality of life for families in need of long-term, quality affordable housing.”

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HDC was created specifically to assist Public Housing Authorities (PHA's) with redeveloping their public housing and related portfolios as well as building development capacity. HDC has been able to enter into a variety of Memorandums of Understanding with PHA's within and outside of its jurisdiction, providing an effective mechanism to begin exploring a wide range of solutions since they are not constrained as a regular non-profit developer might be. Due to HDC's intimate knowledge of all public housing, Section 8 and other PHA programs, they are in an excellent position to share their knowledge and approaches with PHA's. For more information about HDC, visit hdcmonterey.org or call 831-796-4660.