

Disposition Frequently Asked Questions

1. What is disposition?

- Disposition is a HUD process to remove a rental unit's Public Housing designation on the property and, in Oakland Housing Authority's case, replace it with enrollment in HUD's Section 8 project based program.
- The process requires a change in control of the properties and, in this circumstance, OHA leased the property to a non-profit affiliate, and OHA retained ownership of the property.
- Future occupants of the rental units will be pulled from a site-based waitlist, as OHA is now using for both of our remaining Public Housing units and for these new project-based Section 8 units.

2. Why did OHA undertake disposition of its scattered sites?

- OHA believes the systemic 40-year under funding of the Public Housing program placed the program, its residents, and the quality of the housing in jeopardy. OHA determined it needed to take proactive steps to protect and preserve the current units that are scattered throughout the City and to ensure the growth of new quality affordable housing opportunities for the people of Oakland.
- At the same time, we sought to provide greater choices for our residents, who in the Public Housing program were unable to move. The ability to choose where to live and when to move is one of the essential differences between the Public Housing and Section 8 programs.
- With better choices for OHA residents, and increased revenue from HUD through an award of new Section 8 vouchers for the City, OHA believes this step will both sustain and improve our current housing, and provide a new resource to develop better housing for our residents.
- All money associated with the disposition – either sales proceeds or excess revenue – must be used for replacement units, or to improve scattered sites or public housing units. No members of the non-profit corporation, or anyone else, will experience any financial benefit from this program.

3. What are the terms of HUD's approval?

- Properties will be leased to a non-profit corporation, which is an affiliate of OHA.
- Failure to abide by disposition approval terms will result in lease termination by the affiliate and return of control of the properties to OHA.
- Units will be subsidized with new Section 8 resources awarded to OHA for this purpose.

- Units will remain affordable to families at or below 60% of area median income (AMI) for a period of no less than 55 years (compared to 40 years for units in the Public Housing Program).
- Any unit taken out of service must be replaced one-for-one, and will be subject to the same restrictions as the current scattered site units.
- New occupants will be pulled from site-based waitlists.
- Any significant action in the future with regard to these properties (substantial rehabilitation, redevelopment, sale, etc.) will require OHA Board approval in public session.

4. What is the impact on families currently living in the units

- More choice
- Improved living conditions over time

5. How did the disposition affect families on the waitlist for Section 8 Vouchers?

- In the application for the disposition, OHA conditioned any approval of the application on the award of new Section 8 vouchers. Once the application was approved by HUD, OHA immediately applied for and has now been awarded new Section 8 vouchers specifically for these units that are separate from, and in addition to, the current Section 8 program.

6. What input did residents have in the disposition application process?

- Significant consultation with residents occurred in developing the application.
- Six meetings were held from June to August 2009; over 1,100 scattered site residents attended.
- Seven additional public meetings were held where OHA's intent to submit disposition plan to HUD was discussed.
- Of those who completed feedback cards during the meetings, the ratings were as follows: 89% approval; 4.2% did not approve; 7.2 did not respond or were not sure.