Why Low Income Housing Providers Should be Interested In Whether Vouchers Allocated Are Fully Used Locally

Housing California
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Overview of the workshop presentation

- Back ground on voucher funding
- How to determine voucher usage by PHA
- The importance of project-based vouchers (PBV) and homeownership vouchers and how to determine usage of these vouchers
- Veteran Affairs Supportive Housing (VASH) as a project-based voucher opportunity
- Unique issues regarding Moving to Work (MTW PHAs) re: full utilization
- Neighborhood Stabilization Program (NSP) should be coordinated with PBV and Section 8 HO programs

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2009 Renewal funding for vouchers

- FY 2009 appropriations act bases renewal funding on recent voucher use. Follows approach adopted by Congress for 2007, and included in Senate 2008 bill and SEVRA.
- Provides $16.8B about $426M increase over 2008 and $936M increase over Bush request
- Approximately $15B is allocated to voucher renewals

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2009 Renewal funding for vouchers

- Renewal Funding Formula: Actual leasing during FFY 2008, plus inflation, and TPV and FSS costs not included in base year.
- PHA may not exceed “authorized level of vouchers"
- HUD must notify PHAs of 2009 funding levels by May 11, 2009

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2009 Renewal funding for vouchers

- $100M for funding adjustments
  – for portability or “unforeseen circumstances,”
  – significant cost increases at end of 2008,
  – costs related to Veteran Administration Supportive Housing (VASH) vouchers,
  – Project-based voucher (PBV) commitments not captured by FY base

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2009 Renewal funding for vouchers

- Center on Budget and Policy Priorities (CBPP) concern that there might not be sufficient funding for all vouchers in use. Short fall may exceed $400M.
  – But HUD has a pool of unspent funds recaptured and carried over from prior years which it could use.
  – Some PHAs have funding reserves, which could be recaptured
- Congress appears to want to preserve at least a minimal reserve balance at High Performing, small or PHAs with low reserves.

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2009 Incremental Vouchers

- $125M for 13,000 vouchers
  - $20M Family Unification
  - $75M for VASH
  - $30M for non-elderly with disabilities (mainstream)
- These vouchers will be allocated by NOFA.
- Nonprofits and PHAs could work together to submit application
- 2009 NOFA not currently available
  - (2004 NOFA for mainstream vouchers available at http://www.hud.gov/library/bookshelf12/supernofa/)
  - General provisions of NOFA are posted http://www.hud.gov/offices/adm/grants/fundsavail.cfm; 72 FR 79548 (12/29/08)

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How to determine voucher usage by Public Housing Agencies

- PHAs must report to HUD quarterly on voucher usage
- VMS (Voucher Management System) has information by month for each quarter
- Information reported is available on line by PHA for FFY 2008 (Oct. 2007-Sept. 2008)
- http://www.hud.gov/offices/pih/programs/hcv/psd/index.cfm

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Authorized number of Vouchers

- Authorized level is important because PHAs cannot exceed that level
- PHA staff
- Other sources of information
  - PHA Plan http://www.hud.gov/offices/pih/pha/approved/
  - PHA Profile http://www.hud.gov/offices/pih/systems/pic/haprofiles/
  - CBPP data http://www.cbpp.org/cms/index.cfm?fa=view&id=2710

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Utilization, budget amounts, reserves and average cost per voucher

- Utilization: VMS field V (Unit Months Leased)
  - Determine if numbers are increasing, decreasing or staying the same
- Budget amounts paid by PHA: VMS field AI (HAP Total)
- PHA Reserves:
  - Not readily and publically available from HUD
  - CBPP data
- Average cost per voucher:
  - CBPP data or
  - Use VMS to calculate roughly

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PBV, Section 8 HO and VASH

- Project Base vouchers: VMS field AN (voucher under PB HAP or AHAP) limited to vouchers *withheld* from leasing; no information on number of PBV used by PHA on VMS
- Section 8 HO in use: VMS field J (Home-ownership vouchers in use)
- VASH in use: VMS field T Vet's Supportive Housing Vouchers Leased) not currently filled out

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Project-based Vouchers: 24 CFR pt 983

- 25% Cap on number of units in each building: 983.56
  - Cap does not apply to units serving qualified families, who are elderly, disabled or families receiving supportive services
- 20% maximum amount of PBV assistance: 983.6
  - Includes units with a notice of proposed selection, Agreement or HAP
  - PHA determines if there is enough in budget authority
- Beware of the issue of voucher units being held off the market

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Voucher Homeownership

- VMS provides information on number of units
- HUD eligibility criteria for families
- Local eligibility criteria?

PHA Plan (and PBV and Voucher HO policies)

- PHA annual plan must be posted for notice and comment 45 days prior to hearing
- Substantial amendments subject to the same process
- Schedule based upon fiscal year of PHA (see attached chart)
  - PHA fiscal year see HUD website re: PHA Plan, PHA profile
- PHA Plan must contain
  - Information on number of authorized vouchers
  - PBV: number, location and consistency with PHA plan
  - Section 8 HO: description including unit count

TIME LINE for PHA Plan Process

Action	Jan 1 FY Start date	April 1 FY Start Date	July 1 FY Start Date	Oct. 1 FY Start Date
PHA should begin to develop plan for coming year. RAB and tenants should review prior year plan, develop issues, determine progress on prior year goals and strategies. Current year approved plan attachments and supporting documents are available for review	May (Prior Year) 8 mos	Aug (Prior Year) 8 mos.	Nov (Prior Year) 8 mos.	Feb 8 mos
PHA should have available a draft plan and should be discussing the plan with RAB and tenants and other advocates, such as housing advocates, disability rights groups, homeless advocates and other agencies such as welfare and jurisdiction consolidated plan agency	Mid-July (Prior Year) 5.5 mos	Mid-Oct (Prior Year) 5.5 mos	Mid-Jan. 5.5 mos	Mid-April 5.5 mos
Notice of hearing, proposed plan on file for review, RAB members names published	Mid-Aug (Prior Year) 4.5 mos	Mid-Nov. (Prior Year) 4.5 mos	Mid-Feb 4.5mos	Mid-May 4.5 mos
Public hearing (time should be allowed between public hearing and date plan is due at HUD to make revisions based upon public comment)	First week Oct (Prior Year) 3 mos	First week Jan 3 mos	First week April 3 mos	First week July 3 mos
Plan due at HUD	Mid-Oct. (Prior Year) 2.5 mos	Mid-Jan 2.5 mos	Mid-April 2.5 mos	Mid-July 2.5 mos
HUD approves plan and notifies PHA. PHA provides RAB with a copy of approved plan, notice of approval and funding awards. Or plan rejected	Jan 1	April 1	July 1	Oct. 1

Veteran Affairs Supportive Housing (VASH)

- Up to ½ of VASH allocation may be project based
- Application made conjunction with Veteran Administration Medical Center (VAMC)
- Subject to the overall limitation of 20% of all vouchers as PBVs

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VASH in CA 2008

- 8 PHAs, 1295 VASH units/households
  - San Francisco --------------------------- 105
  - Los Angles Area------------------------ 840
  - San Bernardino (Loma Linda)------- 35
  - Fresno (Central CA)-------------------- 35
  - Santa Clara (Palo Alto)----------------- 70
  - Pittsburgh (No. CA)--------------------- 35
  - San Diego--------------------------------- 105
  - Long Beach------------------------------- 70

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Rules for MTW PHAs may different re: PHA Plan, PBV or Section 8 HO

- CA has 5 MTW jurisdictions
  - Oakland
  - Santa Clara
  - San Mateo
  - Tulare
  - San Bernardino
  - San Diego
- These PHAs may seek to waive most of the public housing and voucher statutory requirements, includes possible waiver of PBV, Section 8 HO and PHA plan requirements

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Neighborhood Stabilization Program (NSP)

- Two rounds of funding
- First round in CA
  - 47 communities received NSP funds
  - $530 Million
- Second round to be distributed by NOFA
  - May 3, 2009 (NOFA due)
- Uses of NSP funds include, but not limited to
  - Purchase and rehab homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent or redevelop such homes and properties
  - Redevelop demolished or vacant properties

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NSP Affordability

- Overall must serve individuals with income at 120% of AMI or below or areas (neighborhoods) with 51% of households with such incomes
- 25% of allocated funds to house families whose income does not exceed 50% of AMI
- Plans were required a description of how the grantee will ensure continued affordability for NSP-assisted housing 73 FR 58333 (10/6/08)
  - Some jurisdictions using units and $ for supportive housing
  - PBV should be used

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How to meet NSP affordability objectives

- Use PBV
- Section 8 Homeownership
- Other
  - Supportive Housing
  - Public housing capital fund

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Why is it important to have full utilization of vouchers?

- Assists families currently needing housing assistance (every voucher not in use withholds affordable housing for an eligible family)
- Maintains program size for the future (because of funding formula)
- Increases the amount of federal dollars in the community
- Benefits the PHA—because administrative fee is based upon utilization rates (funding formula)
- May assist with effective use of NSP funds

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Thank you

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