



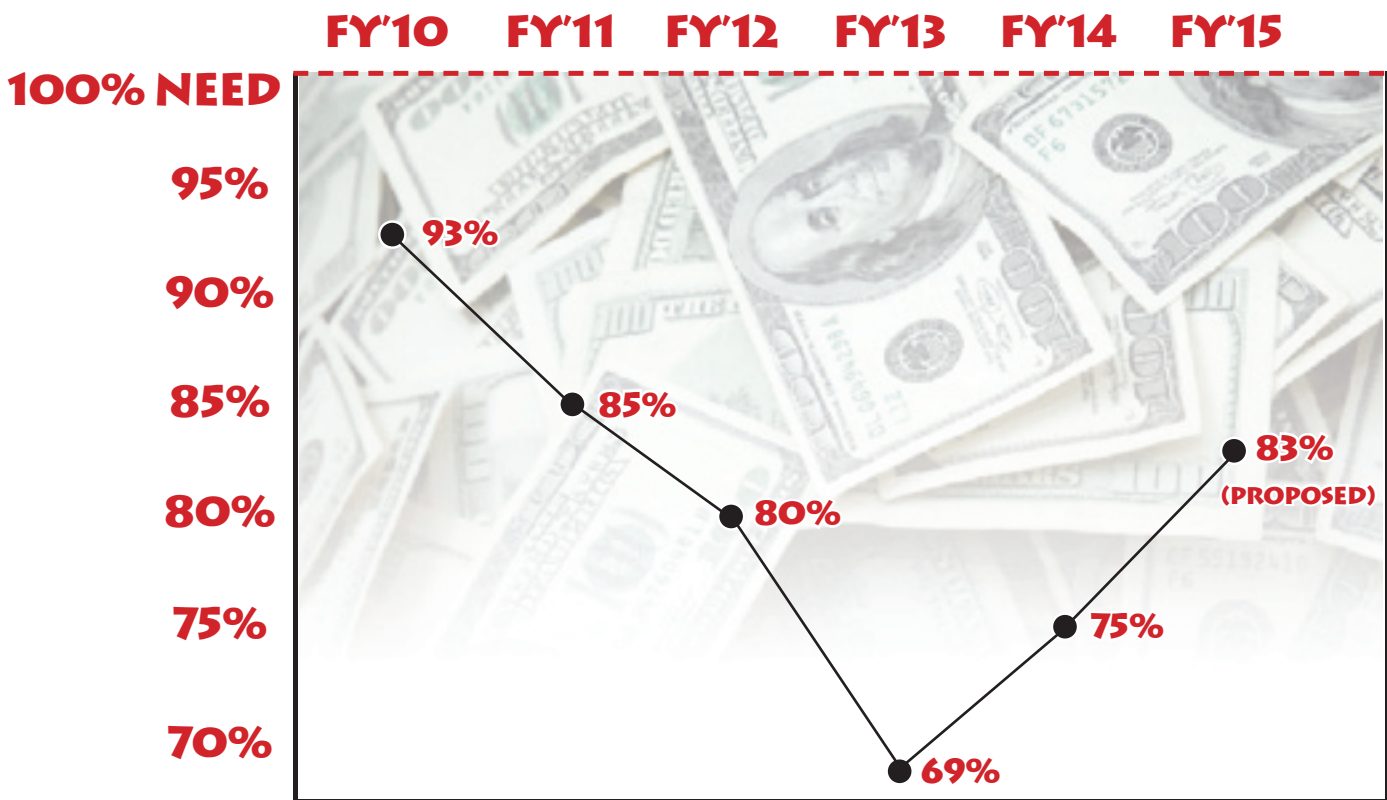
ISSUE BRIEF - UPDATE

HCV Administrative Fees

Damage to Voucher Program Continues

“Cutting administrative fees to the degree that PHAs are unable to sustain the leasing and utilization supported by the renewal funding ultimately defeats the purpose for which that renewal funding is appropriated”

-FY2015 HUD Budget Justification



CONGRESS' ADMINISTRATIVE FEE FUNDING RECORD

Issues

The housing voucher program is an essential lifeline to some of the nation's poorest households. More than 2 million households, most of which are extremely-low-income (average annual income of approximately \$13,000) families, seniors or disabled, depend on vouchers to secure decent, affordable housing of their choice in the private rental market. In spite of the program's importance to poor households, the Administration and Congress have severely crippled the voucher program by neglecting the Administrative Fee.

Full implementation of existing vouchers relies exclusively on an adequately funded Administrative Fee. The Administrative Fee pays the direct costs of issuing vouchers -- for skilled professionals to perform a prescribed, complex series of closely-timed and labor-intensive tasks. PHADA believes that the Administration and Congress needs to find more ways to save labor and costs related to the uniquely burdensome voucher program requirements during the last five years.

HUD continues to score performance on standards premised on 100% funding. The public housing industry has made repeated requests for sensible relief for agencies struggling with inadequate Administrative Fees under the Section Eight Management Assessment Program (SEMAP). Underfunding has forced agencies to shrink their voucher staff levels thereby making it virtually impossible to maintain their previous SEMAP scores. PHADA has requested that HUD suspend SEMAP scores or make them “advisory-only” until funding returns to adequate levels. The Department agreed to this reasonable step but failed to follow through on its commitment to temporary “advisory-only” scores.

Agencies need to be able to use a tiny percentage of voucher HAP reserve funds for administration. The Administration’s “full funding” of the Housing Choice Voucher provides the appearance of support for the poor and their housing needs. Without fully funding the required Administrative Fee, it is unlikely that all funded vouchers will be utilized. Fungibility of HAP and the Administrative Fee could allow local agencies to restore the effectiveness of their programs and allow higher utilization of existing vouchers.

Number of Voucher Programs Lost			
HAs squeezed by status-quo standards and too-low funding			
24 in 2010	25 in 2011	29 in 2012	61 in 2013



Harm

By under-funding the Administrative Fees, the Federal government:

Harms Poor Families by:

- slowing down issuance of new vouchers
- increasing time families stay on waiting lists
- limiting program access and convenience
- providing fewer HA staff to assist with landlord disputes
- providing fewer counseling opportunities for reasonable accommodations, mobility and other special needs
- providing fewer housing choices as landlords leave the program and others remove their more attractive, more marketable apartments

Harms Landlords by:

- limiting recruitment and retention efforts for landlords
- delaying inspections that slow apartment turnover and cause cash flow problems
- providing fewer HA staff to assist with tenant disputes

Harms Housing and Agencies by:

- eliminating staff/staff hours that affect the quality of program and Agencies service to participants
- limiting choices and opportunities of program participants
- lowering voucher utilization
- lowering SEMAP scores
- shrinking the number of vouchers available in the community

The highly regulated voucher program requires participating housing agency staff to perform a series of closely timed tasks to issue vouchers for needy families in their communities and to score well on SEMAP. Voucher program responsibilities include, but are not limited to, the following:

- ✓ Perform intake, briefings and selection of applicants
- ✓ Recruit landlords
- ✓ Retain landlords
- ✓ Perform applicant income and eligibility certifications
- ✓ Monitor income targeting
- ✓ Perform tenant interim re-certifications
- ✓ Manage waiting list
- ✓ Make timely housing assistance payments to landlords
- ✓ Perform initial Housing Quality Standards (HQS) inspections
- ✓ Perform follow-up inspections
- ✓ Review utility data and adjust, as needed, the utility allowance schedule
- ✓ Assist with tenant-landlord disputes and conduct grievance hearings
- ✓ Make determinations of rent reasonableness
- ✓ Closely track voucher success rate, utilization and make usage forecasts
- ✓ Report to HUD's PIC and VMS systems
- ✓ Consistently and fairly apply far-ranging policies
- ✓ Provide assistance to disabled applicants with reasonable accommodations requests
- ✓ Plan and implement special programs like Family Self-Sufficiency
- ✓ Coordinate and develop partnerships with local service providers and agencies
- ✓ Establish and update agency Administrative Plan consistent with mandatory policies
- ✓ Deal with the complex portability requirements
- ✓ Reach out to landlords with properties in low-poverty neighborhoods
- ✓ Provide mobility services such as housing search assistance, transportation, security deposits and family or credit counseling



Several HAs have turned down homeless veteran vouchers due to inadequate funding.

Talk to Congress now



- Tell your Senators and Representative about your voucher program and the impact of inadequately funded Administrative Fees. Specifically describe how your voucher holders, landlords and agency staff are affected.**

Ask your representatives for:

- 1) Full funding of voucher administrative fees at the PHADA estimated need level for FY 2015 of \$2.134 billion.**
- 2) Fungibility of voucher funds when prorations fall below 90%. This would allow agencies to use their HAP funds and any net restricted assets to support the administration of the program.**
- 3) Direct HUD to make SEMAP scores advisory-only until the funding prorations again exceed 95%.**
- 4) Pass legislative reform of the Section 8 program to introduce significant streamlining and flexibility so that vouchers are less costly and more manageable for communities to utilize.**