Understanding Housing Voucher Utilization and Success Rates

Barbara Sard
December 11, 2015
Utilization and Success Rates Defined

• Utilization rate:
  • Commonly, the share of an agency’s *authorized* vouchers in use on average over a calendar year.
  • SEMAP allows alternative measure of share of CY renewal budget authority (including offset reserves) spent on voucher subsidies.

• Success rate:
  • Share of *newly issued* vouchers leased (excluding moving vouchers).
Both Measures Matter

- **Advocates** are likely to care both about how the program performs (utilization) and how the program works for *particular households* (success).
- **HUD** mostly focuses on voucher utilization:
  - Renewal funding eligibility
  - Performance measurement
  - No data collected on success rates
- **PHAs** tend to follow HUD’s lead, but the lower the success rate the more administrative time required to achieve a high utilization rate.
National Picture: Utilization

Share of Authorized Vouchers in Use 2004-2014

Percent of authorized vouchers leased

Note: To calculate voucher utilization rates, we divided the annual average of units leased by the authorized voucher count as of the prior December to account for the time it takes housing agencies to lease up new vouchers.

Sources: The Department of Housing and Urban Development’s Voucher Mangement System, Resident Characteristics Reports, and Tenant Protection and Veterans Affairs Supportive Housing voucher awards, and the Technical Assistance Collaborative’s voucher database.
What Affects Voucher Utilization Rate

• 2003 HUD study* found:
  • Unfavorable market conditions – low vacancies and lower quality housing stock – adversely affect utilization.
  • But effective PHA management can offset market:
    • Stable leadership attentive to data-driven voucher issuance and staff allocation
    • Updated waiting list
    • Attention to factors that drive voucher success rate (landlord relations, housing search assistance and possibly others (e.g., payment standards))

Success Rates

• No national data available since HUD 2001 study* which found an average success rate of 69 percent in large metro PHAs
  • PHA rates varied from 37% - 100%
  • Market tightness affects success rates
  • Regardless of market factors, success rates higher if:
    • payment standards above FMR
    • jurisdiction prohibits source of income discrimination
    • most units pass inspection on first try
    • PHA reached out to landlords.

CBPP Data on Voucher Utilization


### Housing Choice Voucher Utilization Data

Annual data on the number of families using housing vouchers, the number of authorized vouchers, the percentage of authorized vouchers in use, and the total voucher assistance payments to owners, by state and local housing agency, 2004 to present.

<table>
<thead>
<tr>
<th>Agency Name</th>
<th>Authorized Vouchers</th>
<th>Number of families using vouchers</th>
<th>Percent authorized vouchers</th>
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<td>Alameda Co.</td>
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<td>CDC of National City</td>
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</tbody>
</table>
Incentives for PHAs to Increase Utilization

• Meet community need
• More administrative fees (based on vouchers leased)
  • Some PHAs use other funds to add staff if necessary to get leasing up
• Increase following year’s renewal funding
• “Use it or lose it” risk of recapture in some years
• PHAs with “excess” HAP reserves (including HUD-held) less likely to qualify for adjustment funding or new vouchers (if available)
• Failure to use at least 95% of vouchers (or budget authority) likely makes achieving SEMAP high-performer status impossible, and requires corrective action
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VOUCHER UTILIZATION STRATEGIES

Joseph Villarreal
Executive Director
Contra Costa Housing Authority
Local Applications for Utilization and Success Rate Challenges

Shirley Gibson
Directing Attorney

Legal Aid Society of San Mateo County
San Mateo County

Tight market conditions:

- Low vacancy rate of 3%
- 50% increase in market rents since 2011

MTW demonstration PHA

- FMR flexibility, not limited to 90-110%
- Blending of HCV and other funds

Approximately 4,300 vouchers

Utilization rate is about 92%
Success rate is about 45%
Moving to Work PHAs

Exceptions to the Norm

HUD’s Moving to Work (MTW) demonstration provides 39 public housing agencies (PHAs) with flexibility from most statutory and regulatory requirements, such as rent affordability and income targeting.

MTW programs impact both public housing residents and housing choice voucher program participants.

High utilization rate was a factor in initial selection of some PHAs for demonstration.
SMC Working Group

Collaboration of San Mateo County Housing Authority, local housing advocates, and elected officials

*Common goal: everyone wants to see improved performance of voucher program in the county*

Measures considered include:

- Source of income discrimination protection for voucher usage (county and city)
- Development contracts to include HCV acceptance commitment
- Landlord incentive program
- Marketing to property owners
PHA Measures to Improve Utilization Rate

Changes made possible by MTW flexibility:

• Changed subsidy calculation to “tiered subsidy table,” share of rent is only loosely tied to income
  • Has resulted in some hardships to tenants
• Regular increases in the total value of the voucher based upon market increases
• Increased number of Project-Based Vouchers to increase the overall availability of affordable housing

Not dependant on MTW flexibility:

• Modified policy on approving voucher extensions
• Reduced HQS inspections for consistently passing units
PHA’s Leasing Success Program

• Housing locator services provided by contracting organization, targeted to disabled and participants with relocation vouchers close to expiration
• Approval of voucher use for shared housing, and contracting with home sharing program to help place voucher holders
  • Available option for all PHAs
• Landlord incentive program pays up to one month “vacancy payment” during transition between tenants if landlord re-rents to another voucher holder within 60 days
  • Generally PHAs can use admin funds only, unless PBV units
• Security deposit funding program for tenants, pays up to 50% of the total deposit
  • Generally PHAs can implement with admin funds only