Voucher Program

Overview Section 1: Vouchers Issued and Full Utilization of Vouchers

This is the third year that Neighborhood Legal Services and the National Housing Law Project have commented upon the voucher utilization rate for HACoLA. We are pleased that HACoLA has responded to our concerns and those of many others and increased its voucher utilization rate in 2008. Nevertheless, we believe that HACoLA could lease up even more vouchers.

In calendar year2007, HACoLA had a utilization rate of 89% (i.e., there were 18,278 vouchers in use on average throughout the year out of a total of 20,652). It is our understanding through a review of HUD reports that in 2008, HACoLA improved its utilization rate to nearly 95%. (In 2008, HACoLA had 20,876 authorized vouchers and through September 2008 according to the HUD reports, it used on average 19,783 vouchers.)[1] Despite the commendable improvement, we know that HACoLA is capable of leasing a higher percentage of its vouches as it leased up 100% in 2004.[2] Moreover, there are other PHAs of comparable size that have achieved higher percentage lease up rates in 2007, the most recent year for which we have data available. (See for example the following PHAs of comparable size that in 2007 had higher a utilization rate of more than 95%; Massachusetts Department of housing and Community Development, which had 18,755 vouchers and a 100% utilization rate, Cuyahoga Metro Housing Authority (Cleveland OH) with 13,981 vouchers and a 97% utilization rate, Kansas City, MO with 7,510 vouchers and a 99% lease up rate and St Louis County with 6,265 vouchers and a 100% lease up rate.

We understand that it is difficult to manage the utilization rate, but HACoLA should set a goal of 100 percent and achieve no less than 98%. Assuming that HACoLA has a current utilization rate of 95%, a goal of 100%, if achieved, would assist 1092 (20,876-19783=1092) more voucher families and a goal of 98%, if achieved, would assist 675 (20458-19783=675) more voucher families. Assisting these additional families will add $6 -10 million to the local economy in the form of rental payments. (On average the annual value of the rental subsidy in 2008 was $9,226.) HACoLA has the reserves (more than $16.5 million[3]—absent a change in the voucher funding formula for 2009 which should be known soon as Congress passes the FY 2009 omnibus appropriations) so that achieving such a goal is certainly possible.

Maximizing the number of families participating in the voucher program, during the current economic down turn should be a priority for HACoLA. To ensure that the voucher utilization continues to be a priority for HACoLA, we also recommend that HACoLA make monthly reports on the utilization rate to the HACoLA Board, the Resident Advisory Board (RAB) and to interested residents and housing advocates.

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[1] HUD posts on its website the Voucher Management Systems (VMS) data for each PHA. This data shows the unit months leased total, which is the total number of vouchers under lease on the first of the month for all vouchers See http://www.hud.gov/offices/pih/programs/hcv/psd/index.cfm

[2] *See* attached data from the Center on Budget and Policy Priorities.

[3] *Id*.

The HACoLA Annual Plan Overview of Major Changes (hereinafter referred to as Overview) § 1 states that the number of vouchers it "issues to applicants is based upon statistics of program attrition." Whereas, Chapter 8 of the Administrative Plan, § 8.2, states that "the number of vouchers issued must insure that the Housing Authority stays as close as possible to 100 percent lease-up." We believe that the statement in the Administrative Plan is the better policy and that the Overview is inadequate. Nevertheless, the best policy would be one that combines the two concepts. Thus we suggest that the language in the Administrative Plan be amended as follows:

> The number of vouchers issued is based upon statistics of program attrition and must ensure that the Housing Authority stays as close as possible to 100 percent utilization rate.