

Homes & Communities

U.S. Department of Housing
and Urban Development

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News Release

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HUD MAKES FUNDS AVAILABLE TO HOUSING AGENCIES WITH SECTION 8 DIFFICULTIES

HUD issues guidance to agencies to keep families housed

WASHINGTON - The U.S. Department of Housing and Urban Development (HUD) is today advising all public housing agencies that administer HUD's Housing Choice Voucher (HCV) program that additional funds have been made available to help them address funding shortfalls that may limit them from serving families participating in their HCV rental assistance programs. HUD issued this guidance to minimize the impact on families and prevent terminating housing vouchers.

"I know from experience how much of a challenge it is to manage this important program, especially during a recession," said Assistant Secretary Sandra Henriquez, who heads HUD's Office of Public and Indian Housing. "It was only a few months ago that I was an executive director, and now I stand as a partner with my former colleagues so that we can work through this funding challenge together to continue helping families who need support to live in affordable housing." Prior to joining HUD, Henriquez spent 13 years as the Executive Director of the Boston Housing Authority.

Letters were sent to 2,400 public housing agencies today that administer the HCV program, also known as Section 8, to inform them of HUD's action thus far to address challenges they may be encountering as they manage their HCV program.



HUD has already worked with several public housing agencies to assist them to take administrative actions to lessen the impact on families. HUD has also awarded \$89 million from its \$100 million set-aside fund, provided by Congress to give additional support to agencies in certain situations, such as increased leasing or unforeseen circumstances.

In the coming weeks, HUD will award the remaining \$11 million from the set-aside fund to agencies that are on the verge of terminating families. In addition, HUD will disperse another \$30 million to agencies that are eligible to receive extraordinary administrative fees for technical assistance to prevent the termination of families. These funds can also be used to fund vouchers. HUD provides fees to housing agencies to administer the HCV program.

The shortfalls have so far impacted about 15 percent of all PHAs and HUD is working aggressively to resolve PHA shortfalls with existing funds. If it is determined that additional funding is needed, HUD will work with Congress on legislative changes, for example, authority to adjust allocations of available funding, to minimize adverse consequences to families and to the other PHAs that are not experiencing shortfalls.

In the letter sent today, HUD asks housing agencies to submit an **e-mail** no later than August 14th if they suspect their available funding will force them to terminate families.

A combination of factors caused some housing authorities to issue more vouchers than their final budgets will support. HUD's 2009 budget was not approved until March, which required the department to fast-track its process to verify voucher usage and distribute funds to housing agencies in May - five months into the calendar year. Also, nationally, the department saw an increase in the cost of vouchers due to decreases in families' contributions towards rent and rising utilities. Additionally, voucher turnover slowed in major cities, which means families are holding on to vouchers longer due to the economy, and attrition is a limited option for reducing program costs.

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HUD is the nation's housing agency committed to sustaining homeownership; creating affordable housing opportunities for low-income Americans; and supporting the homeless, elderly, people with disabilities and people living with AIDS. The Department also promotes economic and community development and enforces the nation's fair housing laws. More information about HUD and its programs is available on the Internet at www.hud.gov and espanol.hud.gov.