

	<p>“Catch-22” for agencies that needed waiver approval for shortened time-frames for their payment standard reductions, in order to serve the same number of existing families. This policy may have also been a contributing factor to the unprecedented reduction of voucher-assisted households from April 2004 – December 31, 2006.</p>	<p>preserving housing affordability standards for voucher-assisted households</p>	
<p>Use VMS voucher leasing and cost data for portability reimbursement</p>	<p>NAHRO has reviewed HUD’s explanation of how the Department arrived at the set of PHAs with known net portability HAP deficit expenses in its preliminary calculations. NAHRO is concerned about HUD’s method as it relates to the use of PIC data – as opposed to VMS data - to determine the reimbursement amount for PHAs with net HAP deficit expenses attributable to portability.</p> <p>The “Consolidated Appropriations Act, 2010” (P.L. 111-117) states: “... <i>Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph and any carryover, the Secretary for the calendar year 2010 funding cycle shall provide renewal funding for each public housing agency based on voucher management system (VMS) leasing and cost data for the most recent Federal fiscal year...</i>”(emphasis added)</p> <p>To implement the FY 2010 appropriations law, HUD has to date used VMS voucher leasing and cost data for PHAs’ base renewal HAP funding. For reasons unknown to us, to implement the same appropriations law HUD has indicated through PIH Notice 2010-5 and through information posted on its website that the Department will use PIC data for voucher leasing and cost data in order to implement funding adjustments for portability (as opposed to using VMS data for this purpose).</p> <p>All PHAs report through the Voucher Management System’s existing fields on portable vouchers paid: port-out, as well as portable vouchers administered: port-in. This information on portability voucher leasing and costs in VMS provides HUD with the data it needs to determine each agency’s net portability HAP expenses under section 8(r) of the Act.</p> <p>PIC was not designed as a financial information system, whereas VMS was created at the direction of Congress for that very purpose. While HUD has used a flawed approach that relies on PIC data for portability reimbursement in the past, we hope that the Department will not use this as justification for using PIC data for this purpose for 2010. HUD officials have expressed the Department’s desire to incentivize portability and remove barriers to portability. Properly reimbursing PHAs for their actual net HAP deficit expenses relating to portability billing through the use of VMS data relates to HUD’s larger public policy objective in facilitating portability. After what happened in 2009 and HUD’s extraordinary actions to help remedy the funding shortfalls that took place in large measure due to HUD’s use of PIC data rather than VMS data for “mid-month” leasing, we believe that all interested parties wish to avoid such a crisis from occurring again this year through continued use of PIC data for portability reimbursement. We would appreciate learning more about why HUD is using PIC rather than VMS for this purpose, and urge the Department use VMS data instead.</p>	<p>Accurate reimbursement of portability costs</p> <p>Prevents unnecessary funding shortfalls</p> <p>Enables PHAs to continue to serve same number of families Makes use of existing information technologies and reduces inter-agency billing administrative costs</p> <p>Facilitates portability</p>	<p>Not commenced</p>

<p>Reassessment of PHAs' Net Restricted HAP Assets</p>	<p>NAHRO recommends HUD correct its error in its wholesale use of PIC data, by reassessing PHAs' Net Restricted HAP Assets (NRA) amounts using VMS data for voucher leasing and costs. Our recommendation has two elements:</p> <ul style="list-style-type: none"> <p>Reassess PHAs' Net Restricted HAP Asset amounts. Many PHAs have significant NRA discrepancies compared with the amounts identified for them by HUD in previous years. HUD's assessment of some PHAs' NRA is significantly higher than actually exists. This had the effect of compounding the impact of distributional shortfalls to many PHAs around the country, by overstating a primary source of funding - NRA - necessary to deal with them. In 2009, HUD and Congress took extraordinary actions to help remedy funding shortfalls for PHAs facing terminating families, which took place in large measure due to HUD's wholesale use of PIC data rather than VMS data for "mid-month" leasing. There are other PHAs that experienced funding shortfalls due to the same HUD error, who could not lease turnover vouchers and ended up serving fewer families and had no financial remedy. As a result of HUD's error, PHAs were forced to lease fewer families than they could have otherwise served. NAHRO recommends HUD recalculate PHAs' proper Net Restricted HAP Assets (NRA) using VMS data, while continuing to satisfy the \$750 million rescission (offset) target mandated in the FY 2009 appropriations act. Without any new appropriations and entirely within the existing amounts of NRA nationwide, NAHRO recommends HUD recalculate PHAs' proper NRA using VMS data and in accordance with PIH Notice 2009-13. Instead, HUD's FY 2011 budget plans to cement its inaccurate assessment and offset of PHAs' NRA, by busting the caps in PHAs' Annual Contribution Contracts (ACCs) and allowing the "haves" to serve greater numbers of families than their ACC voucher level and the "have nots" to serve fewer families than their ACC voucher level.</p> <p>Recalculate PHAs' voucher lease-up and budget utilization rates using VMS data, to make sure that they are in the correct utilization groups. Based on HUD's wholesale use of PIC data for PHAs' "mid-month" leasing rather than VMS data, some PHAs' voucher leasing and budget utilization rates should be reclassified as provided in HUD Notice 2009-13. If completed, this would affect the calculation of PHAs' NRA offsets.</p> 	<p>Accurate assessment of NRA</p> <p>Provide a financial remedy with existing appropriated funds to PHAs to restore their lost leasing</p> <p>Enable PHAs to serve up to their ACC number of vouchers</p> <p>Accurate offset of NRA</p>	<p>Error not fully remedied</p>
<p>HUD may exercise its power to recapture and reallocate funds from underutilizing agencies (24 CFR 982.102)</p>	<p>Under current regulations (24 CFR 982.102) the Department has the authority to recapture and reallocate funding from underutilizing agencies. Careful exercise of this option could help alleviate the stress on the most seriously under-funded agencies. In this regard, it is noted that some PHAs have available NRA funds that would exceed six percent of their FY 2010 HAP budget authority at 100 percent leasing of their ACC vouchers. Under HUD's FY 2011 budget as well as SEVRA (HR 3045), HAP funds over this threshold would be recaptured and</p>	<p>Incentive high voucher leasing and budget utilization by enforcing existing regulations</p> <p>Provide a</p>	<p>Incomplete</p>

	<p>reallocated by HUD. At a minimum, NAHRO recommends HUD conduct mandatory recaptures and reallocations of available unutilized funds under existing regulations, that would otherwise be offset and reallocated in 2011. There are PHAs that experienced funding shortfalls due to HUD's error in 2009, who could not lease turnover vouchers and ended up serving fewer families and had no financial remedy. As a result of HUD's error, PHAs were forced to lease fewer families than they could have otherwise served. Undertaking this measure, would help provide a financial remedy to these agencies through the use of existing appropriated funds.</p>	<p>financial remedy with existing appropriated funds to PHAs to restore their lost leasing</p>	
<p>Allow and Facilitate Transfers of Eligible Populations HCV to Special Voucher Programs within a PHA</p>	<p>Some PHAs with HAP funding shortfalls in their HCV programs also have special allocations of HUD-VASH, Mainstream and FUP Vouchers. Although it would require some coordination, NAHRO recommended the Department take immediate steps to enable these agencies to transfer eligible special population households from their main HCV programs to the applicable special purpose programs with available funding and vouchers.</p>	<p>Provide a financial remedy with existing appropriated funds to PHAs to restore their lost leasing</p>	<p>Incomplete</p>
<p>Facilitate Portability Absorptions</p>	<p>For PHAs experiencing funding shortfalls but for whom there has been no financial remedy to date, if a PHAs' voucher leasing rate does not exceed baseline, NAHRO recommends that the Department facilitate absorption by adequately funded receiving agencies of portability billings of the sending PHAs' vouchers, particularly where interagency billings have continued for a year or longer. This would free up budget authority necessary to maintain current leasing levels at the sending agencies. Where ports have occurred to areas with higher per voucher costs, absorption will have a multiplier effect at the sending agency.</p>	<p>Provide a financial remedy with existing appropriated funds to PHAs to restore their lost leasing</p>	<p>Incomplete</p>
<p>Reinstate opportunity for temporary and partial transfer of HAP budget authority and vouchers between PHAs</p>	<p>Previously PHAs that had more HAP funding than could serve 100 percent of their authorized vouchers, worked with under-funded PHAs in their surrounding communities (within the same metropolitan area, non-metropolitan county, or state) to voluntarily transfer a portion of their HAP budget authority and vouchers (PIH Notice 2002-14). This process which required PHAs' notification to HUD, enabled greater number of low-income families to be served and also facilitated a prompt method for some communities dealing with a tight housing market to receive the necessary funding to deal with temporary spikes in their HAP costs. HUD's previous notice enabled PHAs to transfer the same amount of HAP budget authority back to the original PHAs such that all agencies retained their total number of authorized vouchers. However, in March 7, 2007, HUD issued a notice (PIH 2007-6) rescinding PHAs authority for partial transfer of HAP budget authority and instead only allowed PHAs divest their entire voucher program to another PHA or no HAP funding at all. Under HUD's 2007 notice, all such voluntary voucher program divestitures are permanent, which for all intents and purposes, precluded PHAs helping their under-funded neighboring agencies and the families they serve. NAHRO recommends reinstatement of PIH Notice 2002-14 either through reinstating authority to PHAs or providing similar authority to HUD Field and/or Regional Offices.</p>	<p>Maximize available HAP resources to serve the maximum number of families</p>	<p>Implemented in 2002 but rescinded in 2007 and beyond</p>
<p>Consolidate and reduce duplicative reporting requirements to HUD (24 CFR § 943)</p>	<p>HUD was compelled under the consortium statute (Section 13(a)(2)(B) of the U.S. Housing Act) within the Quality Housing and Work Responsibility Act of 1998 authorized local agencies to form consortia, to facilitate cooperative arrangements, and to consolidate all HUD reporting requirements for agencies engaged</p>	<p>Program streamlining Administrative cost savings</p>	<p>Incomplete</p>

	<p>in consortium. Unfortunately, HUD has been unable or unwilling to accommodate the consolidated reporting necessary to facilitate the formation of consortia. As a result, the consortia process has not been as widely used as many PHAs would like. Operating in consortia could afford the benefits of scale and allow PHAs to administer a multitude of programs through this vehicle, while preserving the advantages of local knowledge and involvement in affordable housing efforts. NAHRO supports actions by HUD to encourage the use of consortia in all instances where operational efficiencies may be achieved through doing so.</p>		
<p>Improve SEMAP performance assessments for small PHAs (24 CFR § 985)</p> <p>Correct timing mismatch between SEMAP performance assessment and budget accounting systems - increasing number of authorized families served, by synchronizing PHAs' voucher leasing and budget utilization targets to calendar year, consistent with their voucher program funding cycle [24 CFR § 985.3 (n)]</p>	<p>For years, NAHRO has called for HUD to reform its point rating system for small PHAs, which HUD's studies have demonstrated unfairly skew overall ratings for small PHAs. Small agencies are assessed under the Section Eight Management Assessment Program (SEMAP) on only 7 of the 13 indicators available. As a result, the total number of possible points in the denominator of their overall score is less than medium and large-sized agencies. Therefore, deductions in points for any of the 7 indicators in the numerator of their overall score, has a greater disproportionate impact on their SEMAP score than medium or large-sized agencies. A copy of HUD's SEMAP report to Congress regarding its adverse impact on small PHAs is accessible at: HUDSEMAPREPORTTOCONGRESSVER4ATTACHME.pdf.</p> <p>Under current systems, many PHAs face a mismatch between the 12-month periods used to evaluate the number of vouchers under lease for purposes of 1) program performance and 2) accounting. Since the number of voucher families naturally fluctuates, PHAs need a consistent period of time over which to aim for 100 percent utilization – without going over or under. The existing mismatch results in inefficient use of funds and unfair penalties assessed to PHAs. The HUD-controlled evaluation systems should be synchronized to provide PHAs consistent goals that allow efficient budgeting of resources.</p> <p>For over five years, HUD has not followed through with synchronizing the calendar year voucher program funding cycle with annual settlement calculations for PHAs, which continue to be based on each PHA's fiscal year (i.e. 3/31, 6/30, 9/30, 12/31). The department declared its intention to do this in Section 9A of PIH Notice 2005-1 which stated: "HUD will issue further guidance relating to the Year-End Settlement Statements which, subsequent to the last quarter in calendar year 2005, will be based on calendar years rather than a PHA's fiscal year end."</p> <p>Voucher program renewals are funded on a calendar year, yet the Department has not issued the guidance contemplated in the 2005 notice, and PHAs continue to report that their HUD Field Offices are holding them to leasing and budget utilization unit months available (UMA) at their respective PHA fiscal years. This has resulted in unnecessary complexity for PHAs administering the voucher program and has been a contributing factor in producing programmatic inefficiency resulting in a significant drop in lease-up rates of authorized vouchers and budget utilization rates in past years and inhibiting greater numbers of families from being served in the HCV program in more recent years.</p> <p>This problem seems technical, but it has real consequences. PHAs that have sought to increase or decrease their lease-up rates</p>	<p>Program streamlining</p> <p>Create more equitable and accurate program performance assessments</p> <p>Maximize available HAP resources to serve the maximum number of families</p> <p>Reduce PHAs' unnecessary administrative expenses to engage in asynchronous and cyclical leasing twice a year</p>	<p>Incomplete</p> <p>Incomplete</p>

<p>Correct SEMAP Voucher lease-up rate calculation method for project-basing of vouchers [24 CFR § 985.3(n)]</p>	<p>in order to meet their targets for the fiscal year, may place themselves in an untenable position for the balance of the calendar year remaining after fiscal year end. Note in this regard that SEMAP scores continue to be generated based on the PHA's fiscal year, so that HUD's system introduces incentives to PHAs to make adjustments in the run-up to fiscal year end that they would not necessarily make if year end settlements were synchronized with the funding cycle. Agencies that approach this situation conservatively will serve fewer very low-income households than could have otherwise been served. We believe tens of thousands of households were not leased, in significant part, due to this problem. Unfortunately, this is occurring at a time when "worst-case" housing needs are significantly increasing and the need for efficient use of voucher funds is always important.</p>	<p>Reduce "worst-case" housing needs among VLI households</p>	<p>Incomplete</p>
	<p>HCV program Housing Assistance Payment funding offsets are also executed on calendar year basis not by PHAs' respective fiscal years. The asynchronous administration of SEMAP leasing and budget-utilization scores and the calendar year funding cycle has also prejudiced the SEMAP scores of some PHAs. Further, this has had adverse consequences for these PHAs' ability to apply for and receive all types of incremental vouchers over the last several years. Further details are contained in NAHRO's letters to HUD on these issues at: http://www.nahro.org/members/news/2005/FY05_HCV_ltr.pdf (12/05) and at: www.nahro.org/members/news/2007/fy_con.pdf (12/07).</p>	<p>Eliminate unfair HAP offsets</p> <p>Create more equitable and accurate program performance assessments</p>	<p>Incomplete</p>
	<p>For purposes of HUD's Section Eight Management Assessment Program (SEMAP) voucher lease-up and budget utilization scores (indicator 13) for PHAs, NAHRO believes that HUD should revise its existing regulations to include in its SEMAP calculations for both voucher lease-up and budget utilization rates; all of days a voucher-assisted household is under an assisted dwelling lease and HAP contract, not just the days starting on the first day of each month. This method would provide a more accurate representation of PHAs' voucher lease-up and budget utilization rates, as well as their average per voucher HAP costs.</p>	<p>Create more accurate voucher leasing rates, budget utilization rates, per voucher HAP costs and program performance assessments</p>	<p>Incomplete</p>
<p>PHAs using the Section 8 Project-Based Voucher (PBV) program, want to designate a portion of their Section 8 ACC (up to 20 percent) in order to have enough units to attract or leverage private investment and LIHTC under their local Qualified Allocation Plan. If they do so, it takes time for the Section 8 PBA construction or substantial rehabilitation to take place. Fortunately, Congress removed one important impediment to using the PBV program, by including in the voucher renewal HAP formula a provision that credits PHAs for funding purposes for each voucher "committed" for the Section 8 Project-Based Voucher (PBV) program.</p>	<p>Maximizing resources to serve the greatest number of households</p>	<p>Incomplete</p>	
<p>However, PHAs that want to take advantage of the Section 8 Project-Based Voucher (PBV) program still find themselves between a proverbial "rock and a hard place." Under HUD's</p>			

<p>Put SEMAP in a housing market-based context (24 CFR § 985.3)</p>	<p>existing SEMAP scoring method for determining voucher lease-up and budget utilization rates under SEMAP indicator 13, PHAs are adversely affected because the vouchers being designated or “committed” (but not yet leased) for Section 8 PBV construction or substantial rehabilitation are currently counted by HUD against their voucher lease-up rates during that time period. NAHRO recommends HUD give PHAs a grace period on counting units that have designated or committed Section 8 vouchers under the PBV program for new construction or substantial rehab. This grace period should be provided as long as there is a well-defined construction plan in place with specific time-frames, which are documented and submitted to HUD in a reasonable fashion as determined by the Department.</p> <p>The HCV program is a market-based program, and should be evaluated in a market-based context. For several years, NAHRO has called for HUD to include critical market-based factors in evaluating Section 8 HCV program performance. Many factors impact the lease-up rate, including Fair Market Rent (FMR) levels, the availability of affordable housing, and prevailing market conditions in individual localities are just a few examples. HUD has access to a wealth of quarterly rental housing data at the local level, including rental vacancy rates and market absorption data. NAHRO believes that the SEMAP lease-up indicator should be held in comparison with quarterly local rental market data already available to HUD, rather than held in isolation, which is currently the case. NAHRO believes that the “success rate” data captured in SEMAP will also help put PHAs’ “lease-up” rates in better context.</p>	<p>Create more accurate voucher leasing rates, budget utilization rates, per voucher HAP costs and program performance assessments</p> <p>Increased market-based elements</p>	<p>Incomplete</p> <p>Not commenced</p>
<p>Reforming utility allowances (24 CFR § 982.517)</p>	<p>NAHRO recommends HUD to allow interested parties should be able to comment on the utility component of FMRs separately from the overall level of FMRs. In addition to this opportunity, the public should have available an accepted methodology, in much the same fashion as the FMRs as a whole now have available for contract rents.</p> <p>HUD should provide PHAs with the utility data it gathers from the annual Fair Market Rent (FMR) calculations, so that every PHA does not have to undertake their own utility studies which can be time consuming and an additional expense. PHAs should be able to use the utility allowance of a household’s authorized voucher size if the bedroom size of their leased unit is greater than their authorized voucher size. In addition, PHAs should be allowed to use the lower of their utility companies’ “lifeline” rates or the standard commercial rate averages where applicable. Finally, PHAs should be able to use simplified utility allowance schedules by bedroom size only, without additional allowances by all building types (i.e. high rise, garden & row, etc.). These measures would greatly simplify the leasing process for voucher holders and property owners, to help create less programmatic barriers to low-income assisted households accessing the housing market relative to unassisted households.</p>	<p>Program transparency</p> <p>Program streamlining</p>	<p>Not commenced</p>
<p>Improve the regulatory and administrative framework of voucher portability (24 CFR § 982.353)</p>	<p>HUD adopted the Inspector General’s (IG) report recommendations, by implementing a portability system with greater standardization in the billing and payment procedures. HUD implemented the IG’s recommendations to help bring about reasonable enforcement mechanisms to enhance the existing portability system and reduce PHAs’ administrative problems.</p>	<p>Program streamlining</p>	<p>Incomplete</p>

	<p>However, we believe that additional measures should be taken to improve the portability feature of the HCV program.</p> <p>NAHRO views portability as an essential element of the voucher program. However, present administrative requirements relating to portability are overly burdensome, in particular with respect to inter-agency billing. NAHRO suggests that appropriate legislative and regulatory action be taken that would preserve the right to port for participating families, eliminate inter-agency billing, preserve the ability of agencies with high rates of in-porting vouchers to serve their waiting lists. PHAs urge a solution that reduces to the extent possible the impact of widely differing HAP costs. PHAs experiencing a net out-porting of vouchers may also have high affordable housing needs and voucher utilization rates. An appropriate portability mechanism should maintain the level of authorized vouchers to those agencies. Finally, they believe that a successful reform will enable agencies to earn 100 percent of their local administrative fee rates. We suggest that this will require central administration by HUD through its existing systems.</p> <p>NAHRO suggests that the competing considerations can be reasonably balanced by the following mechanism for portability.</p> <ol style="list-style-type: none"> 1) The agency shall absorb each family into its voucher program if at the time the agency receives notification of the family's moving into its jurisdiction, the agency is utilizing during the current calendar year (year-to-date average), less than 95 percent of the current year annual budget authority or the agency's voucher program waiting list contains no eligible families. 2) If the agency is utilizing during the current calendar year (year-to-date average) 95 – 100 percent or more of the current year budget authority, and the agency's voucher program waiting list contains one or more eligible families, the receiving agency shall absorb into its voucher program a minimum of one of each four families exercising their right of portability to relocate to the agency's jurisdiction. (The receiving agency's absorption obligation, would apply both to ported vouchers being billed to HUD through HUD's Voucher Management System for turnover vouchers within their allocation as well as incoming ported vouchers for a total of one in four vouchers.) 3) From amounts designated in appropriations or set aside by the HUD annually for such purposes the Department would provide funds to the receiving agency for housing assistance payments and administrative fees sufficient to pay the cost of each voucher not absorbed in the agency's voucher program for the balance of the calendar year in which the relocating family resides in the receiving agency's jurisdiction. 4) Vouchers that are not absorbed by the receiving agency during the calendar year of the family's relocation shall be absorbed into the agency's program of voucher assistance at the <i>commencement of the next calendar year</i>, and HUD would increase the receiving agency's baseline renewal funding for such vouchers for the year in which such absorption occurs and for subsequent years. 	<p>Enable receiving PHAs to serve their waiting lists</p> <p>Reduce the impact on the number of families served resulting from widely differing HAP costs between communities</p> <p>Enable initial PHAs to re-issue voucher to an eligible household on waiting list</p> <p>Enable PHAs to earn 100 percent of their local administrative fee rates</p>	
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<p>Remediation of harmful impacts created by HUD's optional use of OMB statistical area definitions for Fair Market Rents (FMRs) and Annual Adjustment Factors (24 CFR § 888.111, 888.113 and 888.115)</p>	<p>Provisions in the Section Eight Voucher Reform Act (SEVRA) to decrease the number of applicable dwelling units necessary for determining Fair Market Rent (FMR) areas and submarket areas, coupled with use of housing data from the American Community Survey (ACS) will improve the accuracy of housing market values. Until such statutory improvements are made however, we recommend HUD improve FMR values within its regulatory purview by reinstating use of previous OMB areas for purposes of determining FMRs and Annual Adjustment Factors (AAFs).</p> <p>In FY 2005, HUD used its discretion to apply new OMB area definitions to HUD programs including: Section 8 Housing Choice Voucher, Moderate Rehabilitation Single Room Occupancy, Low-Income Housing Tax Credits, and HOME programs. HUD's discretionary adoption and modification of OMB's area definitions combined formerly non-metropolitan areas with metro counties, which resulted in the dilution of the value of two key factors used to determine HUD rental assistance levels to families: Fair Market Rents (FMRs) and Annual Adjustment Factors (AAFs). Since 2005, NAHRO has called for the restoration of OMB's prior area definitions, which is permissible under OMB guidelines.</p> <p>To support its discretionary adoption of revised OMB area definitions for purposes of calculating FMR values, HUD's notice of proposed FY 2006 FMRs states, "Note that 96.9 percent of the population is in areas where the 2000 Census Base Rent changes by less than 5 percent." In its analysis of FY 2006 FMRs however, NAHRO found significant dilution of metropolitan</p>	<p>Improve reflection of local housing markets</p>	<p>Implemented in 2000 but rescinded in 2005 and beyond</p>

<p>Improve inflation factors to more accurately reflect local rental costs (24 CFR § 888.203 and 888.204)</p>	<p>FMR areas in FY 2006 than they otherwise would have absent HUD's inclusion of former non-metropolitan counties. In the same analysis, NAHRO found small percentages of households residing in metropolitan areas that experienced increases in FY 2006 FMR values as a direct result of including former non-metropolitan counties. This dilution in FMR values have continued for several years. Not only do the OMB areas not reflect unique housing markets or improve upon the previous FMR areas, but the dilution of FMR values (described herein) disadvantages voucher-assisted households' (and other federally assisted households') access to modestly priced, decent, safe and sanitary affordable housing dwellings in the marketplace.</p> <p>NAHRO conducted a survey from January 15 – April 30, 2006 focusing on the impact of HUD's FY 2006 FMRs. The survey illustrates the adverse programmatic impact of the diluted FMRs. As a result of inadequate FMR values, applicants deemed eligible for the HCV program, after having spent long periods of time on waiting lists, are leasing with their vouchers at lower rates of success than in years past. Diluted FMR values in resulted in decreased rental assistance payments for voucher-assisted households in-place. A copy of one of NAHRO's FMR comment letters including the results of our quantitative analysis of the extent of diluted FMR values is on pages 36-43, located at: http://www.nahro.org/members/news/2006/FMR_Letter.pdf</p> <p>Following the 1998 Negotiated Rulemaking Committee's deliberations, the Department was to collect two-year's worth of data to analyze more accurate inflation factor alternatives to the existing Annual Adjustment Factors (AAF). Since 1998, the rate of increases in local rents as defined by Fair Market Rent (FMRs) is greater than the rate of increases in modest AAFs, creating greater funding shortfalls and less access to housing markets in their community. NAHRO recommends the Department take up the recommendation of the Neg. Reg. Committee to analyze housing inflation factor data and to come up with a recommendation in collaboration with voucher program stakeholders to improve upon the existing AAF inflator.</p> <p>HUD's discretionary adoption of new OMB areas for FMRs described above, also had adverse effects on PHAs ability to serve low-income families in their communities, by dramatically reducing the number and specificity of AAF values from more metropolitan and non-metropolitan areas and regions; including ten HUD regions down to just four regions – Midwest, Northeast, South, and West. HUD's discretionary change has provided less accurate FMRs and renewal HAP funding to PHAs as a result. Therefore, NAHRO recommends HUD restore OMB's prior area definitions for purposes of determining AAF values, which is permissible under OMB guidelines.</p>	<p>Greater reflection of local housing market inflation</p>	<p>Incomplete</p>
<p>Program integrity by improving verification of household status in formerly federally assisted housing programs to ensure the integrity of affordable housing programs and serve</p>	<p>Provide all Housing Agencies with access to HUD's PIC viewer data system, in order to determine whether applicant households previously left any federal housing program (i.e. Section 8 tenant-based, Section 8 project-based, Public Housing, etc.) owing monies or having their participation in federally-assisted housing program terminated in bad standing. PHA's would still have the discretion to determine applicant households' program eligibility consistent with governing regulations and their administrative plans regarding admissions and occupancy.</p>	<p>Program integrity Program cost savings</p>	<p>Incomplete</p>

<p>eligible applicant households in need</p>			
<p>Enable PHAs to earn up to 100 percent pro-rations of ongoing administrative fees as well as special fees, authorized but not funded in years through use of unobligated balances authorized under the FY 2009 Omnibus Appropriations Act</p>	<p>The Section 8 HCV program ongoing administrative fee provision in the FY 2009 Omnibus Appropriations Act (P.L. 111-8), enables HUD to the extent necessary to provide full payment of amounts under Section 8(q) of pre-QHWRA administrative fee rates, to utilize unobligated balances, including recaptures and carryovers, remaining from funds from a series of accounts for fiscal year 2008 and prior fiscal years, notwithstanding the purposes for which such amounts were appropriated. Exercising the administrative fee provision in the FY 2010 Omnibus Appropriations Act that enables HUD to use unobligated Housing Assistance Payment funds from prior years to increase ongoing administrative fee pro-rations up to 100 percent, would help the HCV program serve more families and reaching historic high performance levels once again.</p>	<p>Maximize available HAP resources to serve the maximum number of families, while preserving and expanding agencies' staff and services to low-income families and property owners</p>	<p>Not commenced</p>
<p>Improve calendar year reconciliation of all PHAs' ongoing administrative fee pro-rations</p>	<p>For the last several years, HUD has withheld 25 percent of all PHAs' ongoing administrative fees in the fourth quarter of each calendar year. HUD's withholding of 25 percent of PHAs' 90 percent pro-rated administrative fees, has left agencies with just 68 percent of the amount of funding they need to comply with HCV program requirements and provide services to families and participating property owners. HUD's practice is simply unnecessary and can be improved in a number of ways.</p> <p>For over a year, PHAs have submitted their voucher data to HUD through the Voucher Management System (VMS) on a monthly basis. For over a year, VMS provides an on-line validation tool to help identify data entry errors and anomalies before PHAs' submit their data to HUD. In FY 2003 and every year thereafter, Congress provided appropriations to HUD for 75 Full-Time Employees to the Department's Quality Assurance Division (QAD) within the Financial Management Center. When established at the direction of Congress, QAD's main function was to audit and validate voucher leasing and cost data in VMS. Despite PHAs' monthly submissions of VMS data for over a year, HUD still validates agencies' VMS submissions on a quarterly basis. HUD's QAD should be directed by Congress to validate VMS data on a monthly basis.</p> <p>HUD has two options in how they decide to pay PHAs ongoing administrative fees for calendar year-to-date over-leasing. At a time when ongoing administrative fees are paid at less than 100 percent, NAHRO has asked the Department to pay all PHAs for voucher leasing not to exceed 100 percent of their calendar year-to-date baseline number of vouchers. Instead, HUD has chosen to pay ongoing administrative fees to PHAs for calendar year-to-date leasing above their baseline number of vouchers throughout the year, and then reduce their fee payments at the end of the calendar year. The method HUD has chosen contributes to its perceived need to withhold 25 percent of PHAs' ongoing administrative fees in the fourth quarter of each year and further lowers the amount of fees that all other PHAs have to work with to administer their programs throughout the year.</p> <p>Correcting these two things requires no additional money than is</p>	<p>Provide PHAs with the greatest amount administrative fee earnings under the law in a more timely fashion</p>	<p>Not commenced</p>

<p>Provide opportunities for small PHAs to apply for higher ongoing administrative fee rates</p>	<p>already appropriated each year, but would provide every PHA with the greatest amount administrative fee earnings under the law in a more timely fashion.</p> <p>In March 2010, NAHRO released its study of the Housing Choice Voucher (HCV) program’s ongoing administrative fee pro-rations, when compared with rates in effect immediately prior to the enactment of the Quality Housing and Work Responsibility Act of 1998 (QHWRA) for each authorized voucher-assisted household. NAHRO’s study shows that over a seven-year period from CY 2004 - CY 2010, the national average pro-ration relative to the pre-QHWRA benchmark is approximately 90 percent. HUD estimates 90 percent pro-rations for FY 2010 and under the Department's FY 2011 budget request. In other words, Public Housing Agencies (PHAs) of all types—city, county, multi-county and state—that administer the HCV program received ten percent less on average each year from CY 2004 – CY 2010 than they were otherwise eligible to earn for each household assisted under the program at pre-QHWRA fee rates. PHAs' lease-up rates of voucher-assisted low-income households increase each year, while PHAs continue to experience 10 percent shortfalls in ongoing administrative fees. Total administrative fee funding shortfalls have been worse than 10 percent each year, because NAHRO's study does not include additional losses of operating revenue from the elimination of special fee funding for audit reimbursement, "hard-to-house" when assisting families that include three or more minors or a person with disabilities, lead-based paint assessment and clearance, closings for first-time homebuyers under the voucher homeownership program, and for conversion actions.</p>	<p>Application of the law</p>	<p>Completed in prior years but discontinued in FY 2010</p>
<p>Pay PHAs administrative fees for “mid-month” moves (24 CFR § 982.152)</p>	<p>The governing authorizing law in effect immediately before the enactment of the Quality Housing and Work Responsibility Act (QHWRA), stipulates "the amount of the fee <u>each month</u> for which a dwelling unit is covered under assistance payments contract..." The law enables HUD to pay PHAs ongoing administrative fees for each authorized voucher-assisted household leased every day of the month (i.e. 1st, 5th, 10th, 15th, etc.). Nevertheless, HUD currently pays PHAs’ ongoing fees for each voucher, but not until it is under lease and HAP contract as of the first day of each month, rather than on any day of a month (i.e. 5th – 31st) that a family is under an assisted housing dwelling lease and HAP contract through the voucher program. So a PHA that assists a voucher holder to lease on May 5th, will not be paid any administrative fees for assisting the household from May 5th – May 31st, but will only receive administrative fees for assisting the household from June 1st and beyond. Over the course of a year, the amount of administrative services PHAs provide to families to help them secure leases under the voucher program for which they are not compensated is significant. To help PHAs assist families in accessing housing markets for low-income households, HUD can and should pay PHAs for every day a voucher-assisted household is under an assisted dwelling lease.</p>	<p>Maximizing resources to serve the greatest number of households</p> <p>Fee compensation for PHAs’ services to help families lease</p>	<p>Commenced but not completed</p>
<p>Establish a more equitable fee rate for PHAs administering portability billings</p>	<p>Currently, ongoing administrative fees for portable vouchers are based on 80 percent of the “Column B” rate for the receiving PHA, and 20 percent of the “Column B” rate for initial PHA, prior to the national pro-ration percent being applied. “Column</p>	<p>Provide more equitable compensation for</p>	<p>Not commenced</p>

<p>(24 CFR § 982.152)</p> <p>Enable PHAs that qualify for exception administrative fees to apply every three-years, and provide a more reasonable method for determining eligible PHAs' qualified program expenses versus revenues [(24 CFR § 982.152(b)(3)]</p>	<p>B" fee rates provide less financial compensation to PHAs than "Column A." The "Column B" fee rate is 7.0 of the base two-bedroom FMR from 1993/1994, and the "Column A" rate is 7.5 percent of the base two-bedroom FMR from 1993/1994. As a result, both initial and receiving PHAs of all types (i.e. city, county, multi-county and state) administering vouchers through portability billings, experience higher administrative costs than usual but receive substantially less fees. For PHAs with portability billings, NAHRO recommends HUD use an 80% vs. 20% split of the "Column A" administrative fee rate to more adequately compensate these agencies.</p> <p>HUD Notice 2010-5 PIH relating to the 2010 implementation of the Section 8 voucher program in paragraph 5. A) 2) (b), provides a procedure to apply for and receive additional administrative fees by PHAs operating programs over large geographic areas. Previously, these additional fees were also made available to small PHAs. So this represents a narrowing of the categories of agencies to which these fees are potentially accessible.</p> <p>The 2010 Appropriations Act calls for distribution of administrative fees according to Section 8(q) of the Housing Act as existing immediately prior to the enactment of QHWRA. It provides in pertinent part:</p> <p style="text-align: center;"><i>"The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas."</i> (italics added)</p> <p>If the intent of the provision is to make sure that fees made available for two particular types of programs that experience higher costs actually reflect those costs, there would not seem to be a rational basis for suddenly eliminating one of the two categories of programs mentioned in the statute.</p>	<p>administration of port ability billing vouchers</p> <p>Administrative cost savings</p> <p>Provide more equitable compensation for administration of voucher program for small PHAs and agencies administering vouchers over large geographic areas</p>	<p>Not commenced</p>
<p>Publish administrative fee inflation factor data and implement a more accurate inflation factor commensurate with agencies' wages and benefits (24 CFR § 982.152)</p>	<p>NAHRO is aware that there is an effort in some quarters to urge the consolidation of small PHAs and small voucher programs. This should not be accomplished through misapplication of section 8(q).</p> <p>If appropriations are available, HUD may pay a higher ongoing administrative fee for a small program or a program operating over a large geographic area. This higher fee level will not be approved unless the PHA demonstrates that it is efficiently administering its tenant-based program, and that the higher ongoing administrative fee is reasonable and necessary for administration of the program in accordance with HUD requirements. Currently, HUD requires PHAs that qualify for exception administrative fee rates to reapply every year, which creates administrative burdens for these agencies. NAHRO recommends HUD enable these PHAs to reapply every three-years for an exception administrative fee rate. In making its existing determinations, HUD uses PHAs' administrative fee expenses relative to a theoretical administrative fee earnings rate at a 100 pro-ration percent rather than compared with the actual pro-ration for that given year. As a result, PHAs' who would otherwise qualify under the exception fee regulation [(24 CFR § 982.152(b)(3)] are deemed ineligible by HUD. NAHRO recommends that the Department review eligible PHAs' applications for exception fee rates by comparing their</p>	<p>Improve program and financial transparency</p> <p>Provide more equitable compensation for administration of voucher program</p>	<p>Not commenced</p>

	<p>administrative fee expenses with the actual pro-rated fees for that given year.</p> <p>The pre-QHWRA administrative fee statute directs the Department to adjust the fee rate each year based on changes in wage data or other objectively measurable data that reflect the costs of administering the program. Currently, HUD does not publish the inflation factor source or data for agencies to understand or evaluate, relative to the inflation of their local wages and benefits for comparable employment sector(s). To provide greater financial transparency, NAHRO recommends HUD publish the inflation sources and data. NAHRO recommends the Department evaluate the adequacy and applicability of the existing inflation data used for agencies' administrative fees, and to work with program stakeholders through the rulemaking process to arrive at an inflation factor that more accurately reflects comparable sectors' employee wages and particularly benefits.</p>		
<p>Improve HUD's Information Technology and Financial Accounting Systems</p> <p>Correct methodology errors in calculating PHAs' PIC reporting rates</p>	<p>Unresolved problems with HUD's own accounting and data systems, known as PIC and the Voucher Management System (VMS) have resulted in a series of adverse financial and programmatic implications for PHAs. NAHRO requests that HUD grant extensions and accommodations to PHAs for errors created by HUD IT problems.</p> <p>In October 2007 and later again in September 2008, NAHRO raised specific questions with HUD about the Department's mathematical calculations in determining PHAs' PIC reporting rates with their corresponding VMS data from the same three-month time period under PIH Notice 2007-29. To date, the summary explanation of HUD's methodology to determine PHAs' PIC reporting rates in this notice provide insufficient details and lack the level of transparency we believe is warranted. Unresolved problems with PIC and VMS beyond the control of PHAs, will have adverse implications for them including:</p> <ol style="list-style-type: none"> 1) lowering PHAs' Section Eight Management Assessment Program (SEMAP) scores below what they should be if HUD's IT systems and HUD PIH program staff evaluations were performed in accordance with HUD's governing regulations, notices and guidance; 2) sanctioning PHAs' administrative fee earnings permanently for those with PIC reporting rates below 94.5 percent; 3) under-calculating a portion of PHAs' ongoing administrative fee earnings and Housing Assistance Payments for vouchers leased after the first of the month; 4) sanctioning PHAs for Rental Integrity Monitoring (RIM) and Rental Housing Integrity Improvement Program (RHIIP) findings; and 5) eliminating 50th percentile Fair Market Rents (FMRs) for several non Moving-to-Work (MtW) PHAs several metropolitan statistical areas around the country. 	<p>Program integrity</p>	<p>Improvements commenced but not completed</p>

	<p>Given the wide range of impacts on PHAs resulting from their PIC reporting rates including financial sanctions and performance assessment status, NAHRO recommends publication of the Department's calculations in order to provide greater transparency.</p> <p>A detailed explanation of problems identified for HUD by NAHRO can be found on pages 10 – 21 our letter, which is accessible at: https://www.nahro.org/members/news/2008/0808_picsemap.pdf.</p>		
<p>Enable PHAs to use cash accounting each month, as long as agencies use accrual accounting method for their fiscal year-end unaudited and audited financial settlements</p>	<p>NAHRO recommends PHAs be able to use the cash accounting method for purposes of Voucher Management System (VMS) reporting only. However, for purposes of PHAs' Financial Data Schedule (FDS) unaudited statements, independently audited financial statements, and financial 50058 household data extractions from PIH Information Center (PIC), we recommend continued use of the accrual accounting method consistent with Generally Accepted Accounting Principles (GAAP). In the short-term, our recommendation would enable PHAs to use the cash accounting method for VMS reporting, while financial data in PIC would be the basis for accrual accounting reporting for PHAs' FDS submissions under GAAP. Over time, 50058 data extractions from PIC under the accrual accounting method could also serve as the financial information source for providing identical financial summary totals in PHAs' VMS reports.</p>	<p>Reduce unnecessary manual administrative work while complying with annual GAAP requirements</p>	<p>Not commenced</p>
<p>Improve monitoring and oversight of housing agencies with demonstrated program performance where they are truly at-risk of going into "troubled" status.</p>	<p>The administration of the Section 8 voucher program is already reviewed through Rental Housing Integrity Improvement Program (RHIP)/Rental Integrity Monitoring (RIM) on-site reviews, SEMAP confirmatory on-site reviews, independent audits, and checks in the Financial Management Center, and MTCS. All of these reviews require additional PHA staff time in what is already a staff intensive program operating with continuing reductions in administrative fee support.</p> <p>The Department has internal risk-assessment databases to use when targeting on-site audits, yet PHAs which administer 80 percent of all vouchers nationwide that have received multiple HUD audits over the last several years have been subject to HUD's additional "consolidated reviews." HUD's "consolidated reviews" have taken place with PHAs without their ever having received the results of previous on-site HUD reviews so that any previous problems identified could be corrected if necessary. Greater measures are needed, to make sure that PHAs are not subject to a multiplicity of on-site visits for duplicative purposes. The description of the audits is unacceptably vague. To date, no protocol or transparent set of standards for those audits have been provided.</p> <p>While we acknowledge that the Department has the right (and obligation) to conduct reasonable oversight activities, as well as a mandate to ensure that its data systems contain accurate data, we believe that it also has the obligation to conduct those activities in an efficient manner that avoids redundancy and causes the least disruption of PHA activities. Its obligation in this respect is all the more acute at a time when there are fewer resources available to serve Section 8 families.</p>	<p>More efficient and effective targeting of limited resources for monitoring and oversight</p>	<p>"Consolidated reviews" began in 2006 and are scheduled to continue through 2011</p>
<p>Implement simplified</p>	<p>On December 29, 2009, HUD issued a final rule titled,</p>	<p>Reduce</p>	<p>Key</p>

<p>process for identifying household income prior to rent calculations, to reduce improper payments (24 CFR § 5, 92, and 908)</p>	<p>“Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs: Implementation of Enterprise Income Verification” which took effect on January 31, 2010. When HUD started this rulemaking process two-years ago, the purpose of HUD’s rent refinement rule was to strengthen income and rent integrity, thereby reducing overpayments. Among other things, HUD withdrew a provision which would have improved household income and asset determinations by enabling PHAs to use participants actual past income from the previous twelve-months or current income as anticipated for the following twelve-months.</p> <p>As part of the October 15, 2009, proposed amendments, HUD withdrew previous provisions pertaining to the definition of annual income. Accordingly, the content of the annual income provision at §5.609 remains as it has been for a long-time. HUD’s justification for such action was “the possibility of legislation that would make, in the near future, statutory changes to annual income provisions.”</p> <p>To the Department’s earlier justification, NAHRO wrote, “Notwithstanding that the Department’s rulemaking on the definition of annual income has taken several years, during a time when Congress directed the Department to move forward with whatever regulatory and administrative actions it can to increase flexibility, reduce administrative burden and streamline program implementation, the notion that legislation will make changes to annual income provisions in the near future is not a certainty. The Section Eight Voucher Reform Act of 2009 (HR 3045) contains provisions regarding annual income...Because the January 27, 2009 final rule’s definition of annual income which enables PHAs at their discretion to “apply past actual income received or earned within the last 12 months of the determination date, as HUD may prescribe in applicable administrative instructions...” it would help agencies that would like to avail themselves of this opportunity to begin the steps needed to accomplish an important change if/when SEVRA is enacted requiring all PHAs to use past actual income received or earned within the last 12 months of the determination date. Under the January 27, 2009 final rule, if maintained as of January 31, 2010, PHAs would be able establish policies that were beneficial and fair to low-income households, more administratively manageable to PHAs, and responsible to taxpayers who fund the applicable programs. This is particularly true in years when less than 100 percent pro-ration is provided in Housing Assistance Payments and administrative fees as has been the case and may continue in the future. PHAs should not have to serve fewer families nor to continue to have existing households paying higher rent burdens than they otherwise could under the January 27, 2009 final rule’s definition of annual income. The purpose of HUD’s rent refinement rule is to strengthen income and rent integrity, as well as simplifying the income process to render it more accurate, thereby reducing overpayments. Reverting back to the existing definition of annual income does not accomplish one of the main original proposed purposes of the “rent refinement” rule.”</p> <p>HUD’s December 29, 2009 response states, “HUD is aware of</p>	<p>improper payments and unnecessary housing cost burdens Maximizing resources to serve the greatest number of households</p> <p>Program integrity</p> <p>Program streamlining</p>	<p>component of “rent refinement” rule which would have enabled PHAs to use households’ prior-year income in their rent determinations, were withdrawn and have not been re-issued</p>
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	<p>the need to address the issue of annual income and intends to address this issue.”</p> <p>Another commenter stated that HUD should address annual income determinations for seasonal or cyclical workers. One commenter urged HUD to quickly address the method of calculating rent for seasonal workers and those participants who habitually lose income prior to annual recertifications. The commenter wrote that there is insufficient guidance on this topic. In its response, HUD states, “HUD understands the concern expressed by the commenter and, as stated in the preamble to the October 15, 2009, proposed rule, issues concerning calculation of rent are more appropriate for a rule for which that subject is the focus. The focus of this rule is full implementation of the EIV system.”</p> <p>If the Department addresses the definition of annual income in a separate rulemaking process that may address broader rent and income regulatory reforms, NAHRO’s comment letter recommended that the Department move forward at the conclusion of this process on January 31, 2010. The Associations’ comment letter states, “...NAHRO recommends that the Department include a number of regulatory reforms previously intended for implication yet later withdrawn such as: implement simplified rent calculations - to ensure all subsidy payments are calculated accurately (24 CFR § 5, 92, and 908). HUD’s previous semi-annual regulatory agenda projected a proposed rule by February 2004 to amend the regulations for Section 8 and public housing programs. If implemented, the rule would have streamlined HUD’s income and rent regulations, including the elimination of some income exclusions. Other broader rent and income regulatory reforms NAHRO would also like to see included in proposed rules:</p> <ul style="list-style-type: none"> • For any households on a fixed income, PHAs should be permitted to apply the applicable annual adjustment factor to their fixed benefit (e.g. SS or SSI) or income verified HUD’s EIV system to determine their annual income for rent calculation. • At the discretion of the PHA, HUD should enable household income and composition recertifications performed by other federal, state, or local government entities (for example, LIHTC-assisted households, TANF agencies) to stand in place for PHAs’ eligibility determinations of applicant households and recertifications of participant households. This documentation could be honored by PHAs at their discretion, as defined in their Admissions and Occupancy Plan, so long as the date of determination is within 12 months of applicant households’ eligibility determination or participant households’ interim or annual recertification effective date. 		
<p>Avoid skipping very-low income applicant households unnecessarily, and preserve the goal of 75</p>	<p>During a March 2006 House Financial Services hearing, former PIH Asst. Sec. Michael Liu said, “There may be families that are at 35 percent of median, just 5 percentage points higher, and yet today they have to be put on waiting lists or they have to be overlooked.” This phenomenon could be prevented if HUD</p>	<p>Program streamlining</p>	<p>Not commenced</p>

<p>percent of all households served being extremely low-income households [(24 CFR § 982.201)(b)(vi)(2)]</p>	<p>properly exercised its existing statutory authority under QHWRRA.</p> <p>Under QHWRRA’s income-targeting provision, not less than 75 percent of the families <i>admitted</i> to a PHA’s tenant-based voucher program during the PHA fiscal year from the PHA waiting list shall be extremely low income families. Extremely-low income families are <i>admitted</i> to the Housing Choice Voucher program when they are determined eligible and issued a voucher during their initial briefing. As such, NAHRO recommends HUD promulgate regulations compliant with QHWRRA, which would require 75 percent of all vouchers issued by PHAs, must be to extremely low-income households at or below 30 percent of Area Median Income (AMI).</p> <p>PHAs provide equal levels of service and information to all households determined eligible for the HCV program, regardless of their level of income. Each household determined eligible for the HCV program, briefed and issued a voucher, has different levels of success leasing a unit under the program for a number of factors including but not limited to landlord references and credit scores. HUD’s 2001 voucher success rate study - "Quantitative Study of Success Rates in Metropolitan Areas" (http://www.huduser.org/Publications/pdf/sec8success.pdf) - found among other things that seventy-two percent of extremely low-income households succeeded in leasing with their vouchers while 59 percent of very low-income households succeeded in leasing with their vouchers. The findings are consistent with the expectation that the lower a household’s income, the greater the benefit from Section 8 and thus, the higher the success rate. Other findings of HUD’s metropolitan study include: once other factors were controlled, success rates did not differ by race, ethnicity, gender of the head of household, disability status of household members, or by source of income.</p> <p>HUD’s 2001 voucher success rate study - "Qualitative Study of Five Rural Areas" (http://www.huduser.org/Publications/pdf/sec8_vol2.pdf) - found among other things that in most of the non-metropolitan areas studied, the applicants' need for housing assistance appeared to be episodic rather than chronic. Families applied for housing assistance when they experienced changes in their living situation-changes or loss of employment, health problems, marriage and divorce, domestic discord or abuse, the illness or death of elderly parents. Not only were waiting lists for the Section 8 program generally short, but among families that were admitted to the program turnover was high. Among families that were admitted to the program turnover of the voucher back to the PHA for another eligible household was high.</p> <p>Based on NAHRO’s modeling of our voucher issuance recommendation described above in the context of HUD’s 2001 voucher success rate studies, we found that nationally, 68 percent of extremely households below 30 percent of AMI experiencing worst-case housing needs would receive approximately 79 percent of annual Section 8 rental assistance benefits, and 22 percent of households between 30 to 50 percent AMI that experience worst-case housing needs would receive</p>	<p>Prevent very low-income households from being unnecessarily skipped on waiting lists</p> <p>Administrative cost savings</p>	
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	<p>approximately 21 percent of annual Section 8 rental assistance benefits, on average. If properly implemented, this would preserve the goal of 75 percent of all households ultimately served under the HCV program would be extremely low-income, prevent PHAs from having to skip very low-income and low-income households on their waiting lists, and provide greater administrative efficiency in the admissions and occupancy of the program where significant uncompensated costs are incurred by PHAs to satisfy HUD's current income targeting regulations.</p>		
<p>Down-payment assistance using Housing Choice Voucher HAP funds [24 CFR § 982.625(e)]</p>	<p>Under Section 301 of the American Homeownership and Economic Opportunity Act of 2000, and contained in HUD's final rule titled, "Section 8 Homeownership Program; Down-payment Assistance Grants and Streamlining Amendments" (September 12, 2000), 12-months of Housing Assistance Payments under the Section 8 Housing Choice Voucher HCV) Payment can be offered to an eligible household for down-payment assistance towards to the purchase of a home, upon which the eligible household would voluntary withdraw from the HCV program. The final rule also authorizes use of voucher funds for down-payment assistance, but that initiative cannot become effective without an appropriation which has not been sought by HUD.</p>	<p>Greater local flexibility</p> <p>Program and administrative cost savings</p>	<p>No funding to implement the rule</p>