
Resolution No. 4179

Authorizing the Executive Director to use program reserves to support increased utilization in the Section 8 Housing Choice Voucher Program.

Presented April 14, 2016
Referred _____
Reported Back _____
Adopted April 14, 2016
Placed on File _____
Moved By Kelly Thompson-Frater
Seconded By Sariah Daine
Yeas 4 Nays 0 Absent 3
Rules Suspended _____

Background

HUD sets annual program funding for the CDA Section 8 Housing Choice Voucher Program each year based on the prior year's expenses. The uncertainty and late notification of funding levels have made it difficult for housing authorities to set budgets and to maximize the number of households receiving assistance. For example, in 2009 HUD did not notify housing agencies of their funding levels until May, almost halfway through the funding year. In recent years, notice has been given in the first quarter of the year.

CDA program reserves at the end of 2014 were \$915,505. CDA issued 150 new vouchers to boost program utilization and to maximize future renewal funding and adequate administrative fees. The initial projection was to use \$300,000 in program reserves to support this increased utilization in 2016 and that those expenses would then become part of the 2017 renewal funding. Program reserves at the end of 2015 were \$910,692.

However, lower-average family incomes and higher-average rents have driven the average housing assistance payment higher this year. The current projection shows that CDA will use \$654,225 in program reserves at the end of 2016 to fund increased utilization.

HUD contacted CDA at the beginning of the year to discuss this strategy and to make sure no families would be in jeopardy of losing their voucher due to lack of funding. HUD has instructed CDA to submit a resolution to document that the Board of Directors has been informed about and endorses the strategic use of program reserves to increase program utilization.

NOW, THEREFORE, BE IT RESOLVED that the Executive Director or designated staff is authorized to use up to \$700,000 of program reserves to support increased utilization in the Section 8 Housing Choice Voucher Program.