

**AGENDA #** \_\_\_\_\_

City of Madison, Wisconsin

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REPORT OF: Director of Planning &  
Development & Housing  
Operations Director

PRESENTED: September 7, 2004

REFERRED: CDA, Housing Committee,  
Section 8 Advisory  
Committee

TITLE: Management Report #2:  
Housing Choice Voucher  
(Section 8) Program Per City  
of Madison Resolution  
#59903

REPORTED BACK: \_\_\_\_\_

ADOPTED: \_\_\_\_\_

RULES SUSPENDED: \_\_\_\_\_

RE-REFERRED: \_\_\_\_\_

PLACED ON FILE: \_\_\_\_\_

ID NUMBER: 36723

AUTHOR: Mark A. Olinger, Director  
Agustin Olvera, Housing Unit  
Director  
Department of Planning &  
Development

DATED: August 23, 2004

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Attached for your review and adoption is a copy of Management Report #2 regarding the operations of the Section 8 Program by the Community Development Authority of the City of Madison.

Respectfully submitted,



Mark A. Olinger, Director  
Department of Planning & Development



Agustin Olvera, Director  
Housing Operations Unit

**CITY OF MADISON  
*INTER-DEPARTMENTAL*  
CORRESPONDENCE**

DATE: August 23, 2004

TO: City of Madison Common Council

FROM: Mark A. Olinger, Director, Department of Planning & Development  
Agustin Olvera, Director, Housing Operations Unit

**SUBJECT: Management Report #2 – Housing Choice Voucher (Section 8) Program Per  
City of Madison Resolution # 59903, Approved November 5, 2002**

PART I – PROGRAM MANAGEMENT GOALS

***Background***

The City of Madison Community Development Authority (CDA) had 1,000 Housing Choice (Section 8) Vouchers in 1999. The CDA received an additional 246 in 2000 and another 310 Vouchers in 2001, totaling 1,556 Vouchers. Several projects opted out of project-based Section 8 and so in 2003 the CDA received 42 additional Vouchers bringing the total to 1598. An additional opt out is in the works and should bring the total to 1606 Vouchers in 2004.

In January of 2002, 72% of the available Vouchers were in use. By February 2003 100% of the available Vouchers were in use. Because the waiting list had grown to over 2,000 applicants the CDA decided to stop taking applications in April of 2003. The CDA had actually exceeded (over utilized) its Voucher allocation in 2003, but the CDA was allowed to go to a reserve fund and utilize funds previously allocated by HUD but which had not been used. Funding which had not been spent in 2001 and 2002 was used in 2003. However, HUD has since changed that rule. In 2004 Housing Authorities cannot, on an annual basis, exceed 100% of its Voucher allocation. HUD will not allow the CDA to dip into reserves for over utilization as it did in 2003.

In 2004 another HUD rule change is that Housing Authorities may not exceed the dollar amount allocated by HUD. In previous years as rents increased, family incomes declined, larger families came into the program, etc, the dollar amount of assistance per household has been increasing. HUD used to allow Housing Authorities to receive additional funding at the end of the year to cover a shortfall of this nature. This year however HUD will not be doing this. This means that most Housing Authorities must serve fewer households, or reduce the average assistance per household to serve the same number of households.

Another proposed HUD change has been a reduction in administrative fees paid to Housing Authorities. Originally calculated to be a 13% reduction, HUD recently revised that to 6%. This will have a significant effect on program personnel and efficient administration.

What has been particularly troubling is that these changes have been proposed during the budget year and retroactive for many housing authorities, giving no chance to plan for any of these significant changes.

## **Goal**

### **1) *Initial inspections within an average of 72 hours or three business days.***

#### **CDA Response/Update:**

In the 1<sup>st</sup> quarter of 2002 the average initial inspection was performed in 2.75 days, currently it is 2.08 days.

### **2) *First rent assistance payment within 10 business days.***

#### **CDA Response/Update:**

With all Vouchers in use there are no more first assistance payments.

### **3) *Need for exception rents.***

#### **CDA Response/Update:**

**Ongoing Review.** HUD sets a fair market rent (FMR) payment standard by bedroom size. Housing authorities are permitted, with HUD approval, to go to 110% of the FMR in high rent areas. The CDA received approval for 110% for the entire city several years ago and it is still in place.

### **4) *Housing database for Section 8 participants.***

#### **CDA Response/Update:**

The State of Wisconsin Department of Administration received funding to develop a statewide affordable housing database. It is called Wisconsin Service Point (WI Front Door). It will be a statewide listing of affordable housing that will be made accessible for use by tenants, housing providers and social service agencies. It is intended to be a listing service that can be updated on a fairly frequent basis. The goal is to assist people in finding affordable housing as part of a homelessness prevention strategy. Instead of developing its own system the State has decided to buy an already existing system. It is now set up and being tested and marketed by the State. It is anticipated to be operational by the end of the year. Representatives of the CDA were members of an advisory group that helped the State implement this system. We believe this will help Section 8 participants locate units in Madison much more effectively.

### **5) *Reduce the average time needed for prospective tenants with Vouchers to find housing, to an average of 60 days or less.***

#### **CDA Response/Update:**

With all the Vouchers in use this has not been an issue. People with large families, disabilities, desire to live in certain areas and households who have pets may have trouble finding what they want, but no one has returned their Voucher for lack of finding a place to rent.

**6) Decrease concentrations of Voucher holders in certain neighborhoods.**

**CDA Response/Update:**

To provide baseline information to use for future analysis we compared the Census Tracts that had the highest number of Vouchers in 2001, 2003 and 2004. Table 1 below identifies the top 20 Census Tracts with the greatest number of Vouchers.

**TABLE 1  
December 2001, May 2003, and 2004 Section 8 Clients  
By Census Tracts with Greatest Number of Vouchers**

<b>Rank</b>	<b>2001</b>	<b>#</b>	<b>2003</b>	<b>#</b>	<b>2004</b>	<b>#</b>
1	4.04	91	4.04	147	4.04	170
2	21	84	21	113	21	106
3	6	83	6	110	6	94
4	15.01	77	4.03	89	4.03	91
5	14.01	54	22	85	23.01	87
6	22	52	23.01	85	15.01	80
7	23.01	48	15.01	83	22	79
8	20	47	17.01	75	14.01	71
9	16.02	43	14.01	72	17.01	65
10	19	41	20	70	20	65
	<b>SUBTOTAL</b>	620		929		908
	# of all Vouchers	1081		1701		1680
	As % of all Vouchers	57%		54%		54%

<b>Rank</b>	<b>2001</b>	<b>#</b>	<b>2003</b>	<b>#</b>	<b>2004</b>	<b>#</b>
11	19	36	19	57	18	62
12	17.01	35	5.04	51	5.04	59
13	30.02	34	5.01	46	19	55
14	7	25	16.02	45	16.02	45
15	24.02	25	19	45	5.01	44
16	5.01	24	24.02	37	26.03	42
17	26.02	24	30.02	37	30.02	39
18	4.03	22	26.01	35	24.02	38
19	1	21	3	33	26.01	36
20	3	20	1	32	3	30
	<b>SUBTOTAL</b>	266		373		450
	Combined	886		1302		1358
	Subtotals	25%		22%		27%
	As % of all Vouchers	82%		76%		80%

Source: City of Madison Department of Planning & Development  
Housing Operations Unit

Except for the top three Census Tracts there has been some movement of participants among the top 20 Census Tracts. The CDA is also working with the Apartment Association of South Central Wisconsin to market the Section 8 program to housing providers. A map of the city showing the Census Tracts is attached at the end of the report.

**7) PERFORMANCE GOALS REGARDING CUSTOMER SERVICE.**

**CDA Response/Update:**

**Ongoing review.** While the main goal of 100% Voucher utilization has been accomplished, customer service was also been noted as an area needing improvement. Those areas and the CDA response follow:

- *Calls to Section 8 staff go unreturned:* Prior to full staffing this had been a frequent complaint. With full staffing and a more manageable caseload, staff has been able to return calls in a timely manner.
- *Checks to landlords are late:* This is not an accurate statement. The main check runs issued at the end of the month for the 1<sup>st</sup> of the month rent payments have all been timely for the past .5 years except for January of 2003. A computer glitch and the holidays resulted in a small delay. The CDA and Comptrollers' Office are currently investigating a direct deposit system for landlords.
- *Housing providers are not satisfied with the program and will not participate:* Again, we do not believe this to be an accurate statement. As indicated previously, a survey indicated a small percentage (7%) of program dissatisfaction among housing providers.

## **PART II—ORDINANCE EFFECTS**

### ***Background/Update***

As reported earlier no Voucher holder has reported being denied the opportunity to lease in place.

### ***Data Requested***

#### **CDA Response/Update**

- a) *The number of tenants who stay in their apartments as a result of the Ordinance.* No new Vouchers have been issued so the effect of the ordinance in this matter is unknown.
- b) *The amount of time remaining on the lease.* No new Vouchers have been issued so the effect of the ordinance in this matter is unknown.
- c) *The number of tenants who renew their lease after remaining in their apartment as a result of the Ordinance.* No new Vouchers have been issued so the effects of the ordinance in this matter are unknown.
- d) *The number of tenants who informed the CDA that they disagreed with landlord's determination that they were not "in good standing."* The CDA has received no notice of any Voucher holder not being able to lease in place and not in good standing.
- e) *An estimate of the number of tenants who landlords have determined "not in good standing."* The CDA has received no formal complaint of any Voucher holder not being able to lease in place and not in good standing.
- f) *An estimate of the number of tenants who remained in place and refused the Voucher because they were not in good standing.* The CDA has received no notice of any Voucher holder not being able to lease in place and not in good standing.
- g) *An estimate of the number of tenants who remained in place and were subsequently evicted.* To our knowledge this has not occurred.
- h) *The total number of units that failed to meet the initial inspection requirements of the CDA where a tenant is renting in place as a result of the Ordinance.* A lease in place unit may have failed initial inspection (as many units do) but to our knowledge it did not result in anyone unable to lease in place.

In the meantime, if you have any questions, please feel free to contact either one of us directly.

Thank you.

**CLICK [HERE](#) FOR ATTACHED MAP**