

Housing Commission  
**Voucher (Section 8) Housing Business Unit**

**PRIMARY SERVICES**

- Adminster rent subsidy program
- Pay rent subsidies to private landlords
- Housing inspections prior to providing rent subsidies to landlords
- Annual income certifications of tenants to determine eligibility

**FINANCIAL SUMMARY**

	Actual				Projected			
	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)	(\$ 000s)
<b><u>VOUCHER PROGRAMS</u></b>								
<i>Revenue:</i>								
HUD Rent Subsidy	\$ 8,315	\$ 8,501	\$ 8,787	\$ 9,606	\$ 11,380	\$ 12,049	\$ 12,049	\$ 12,281
HUD Admin Fee	907	918	881	881	1,210	1,208	1,208	1,231
City General Fund	18	47	115	105	145	204	204	238
Other Revenue	29	19	19	20	9	10	10	10
Total Revenue	<u>\$ 9,269</u>	<u>\$ 9,485</u>	<u>\$ 9,802</u>	<u>\$ 10,612</u>	<u>\$ 12,744</u>	<u>\$ 13,471</u>	<u>\$ 13,471</u>	<u>\$ 13,760</u>
<i>Expense:</i>								
Salaries/Benefits	\$ 674	\$ 723	\$ 664	\$ 664	\$ 951	\$ 882	\$ 882	\$ 931
Other Operations	291	345	314	314	430	528	528	536
Insurance	8	11	11	11	9	9	9	9
All Other	16	19	17	17	14	3	3	3
Sub-total Operating Expense	<u>\$ 989</u>	<u>\$ 1,098</u>	<u>\$ 1,006</u>	<u>\$ 1,006</u>	<u>\$ 1,404</u>	<u>\$ 1,422</u>	<u>\$ 1,422</u>	<u>\$ 1,479</u>
Rent Payments to Landlords	9,050	9,391	8,904	8,787	11,479	12,049	12,049	12,281
Total Expense	<u>\$ 10,039</u>	<u>\$ 10,489</u>	<u>\$ 9,910</u>	<u>\$ 9,793</u>	<u>\$ 12,883</u>	<u>\$ 13,471</u>	<u>\$ 13,471</u>	<u>\$ 13,760</u>
<b>Net</b>	<b>\$ (770)</b>	<b>\$ (1,004)</b>	<b>\$ (108)</b>	<b>\$ 819</b>	<b>\$ (139)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<i>Memo:</i>								
Number of Units	1,433	1,458	1,483	1,503	1,846	1,846	1,846	1,878
HUD admin reimbursement rate	80%	69%	79%	79%	81%	82%	82%	82%
Admin. loss included in above loss	\$ (35)	\$ (114)	\$ 9	\$ -	\$ (40)	\$ -	\$ -	\$ -
<b>Total fund balance</b>	<b>\$ 340</b>	<b>\$ 226</b>	<b>\$ 235</b>	<b>\$ 1,054</b>	<b>\$ 915</b>	<b>\$ 915</b>	<b>\$ 915</b>	<b>\$ 915</b>

**OBSERVATIONS ABOUT ABOVE FINANCIALS:**

- HUD's administration reimbursement rate has declined from full funding and is assumed at 81% for projections.
- The lower HUD reimbursement rate resulted in Admin. losses in FY12 & FY13. HUD Admin Fee revenue can also vary based on the number of units leased up.
- Prior to FY15, Rent Payments to Landlords was supported by a HUD reserve. HUD discontinued in FY15.
- FY16 & FY7 staff reallocated across all business units in response to RAD conversions and other programmatic changes

**CHALLENGES/OPPORTUNITIES IN OPERATING THIS BUSINESS**

- If HUD reimburses the AAHC at 95% of what is owed, the voucher program would be self-sufficient.
- AAHC is requesting \$100- \$115K recurring funds to partially offset the lower HUD reimbursement rate.
- As public housing is converted under RAD to project-based vouchers, the AAHC receives voucher admin fees for the RAD units too

**FUND BALANCE (Net Assets)**

	<u>FY2014</u>
	(\$ 000s)
<b>6/30/14 - Total Fund Balance (Net Assets)</b>	<b>\$ 235</b>
Less:	
Restricted - Housing Assistance Payment (HAP) reserve	-
Reserved by Policy for Admin. Reserve (4 mos)	(335)
<b>Subtotal Available Fund Balance</b>	<b>\$ (100)</b>

**Known Risks**

- Because of lower HUD reimbursement rate, over 260 housing authorities have closed their Voucher programs.
- Federal funding levels for administration and vouchers are uncertain with new Trump administration
- FY18 & FY19 are projected at 81% reimbursement rates so if reimbursement rates are reduced, then AAHC will need additional general fund support from the City