



# HOUSING CHOICE VOUCHER UTILIZATION TRAINING



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# Agenda

- Overview of Initiative
- HCV Utilization Challenges and Keys to Success
- Use of the HCV 2 Year Projection Tool



2 Year Tool ND011\_4.27.12 [Compatibility Mode] - Microsoft Excel

PRH Name	STUTSMAN COUNTY HOUSING AUTHORITY	PRH Number	nd011
<b>ACC and Funding Information</b>			
	Current Year	Year 2	Year 3
Calendar Year	2012	2013	2014
Revolving ACC B Tuition	506	506	506
Initial BA Funding	\$1,292,245	\$1,454,288	\$854,587
OFFSET of HAP Reserve (HRA)	\$25,573	\$94,896	\$149,169
Set Aside Funding			
New ACC Unit Funding	\$	\$9	\$9
Total ABR Funding Provided	\$1,292,245	\$1,454,288	\$854,587
Beginning CT HAP Reserve (HRA)	\$147,597	\$184,990	\$229,464
Total Funding Available: ABA + HRA	\$1,349,842	\$1,243,278	\$1,983,971
Eligibility ACC	\$202.20	\$173.96	\$140.73
<b>Funding Pro-Ration Levels: Yr 2 and 3</b>			
Yr 2 & 3 Benchmarking Pro-Ration	99.0%		
Yr 2 Set Aside	90.0%		
Admin Fee Pro-Ration	80.0%		
Optional HRA OFFSET Yr 2 and 3	8.0%		
Prorated Funding Eligibility Level (including Offset)	\$1,227,778		
Average Monthly Funding Eligibility	\$192,315		
<b>Program Projection Variables</b>			
Success Rate	50%	Annual Success Rate	24.0%
<b>Time from Issuance to HAP off Date</b>			
% Leased in 30 days	10%	2.3	Revised monthly from issuance to HAP OFF DATE
% Leased in 30 to 60 days	60%		
% Leased in 60 to 90 days	20%	Call to collect monthly HEC	
% Leased in 90 to 120 days	10%	Call to add to ****	99%
% Leased in 120 to 150 days	0%		
<b>Leasing and Spending Outcomes: Current and Following Year Projections</b>			
	Current Year End Projection	Following Year End Projection	
UML % of ACC	74.2%	58.3%	
HAP Exp as % of All Funds (ABA)	86.1%	81.5%	
HAP Exp as % of Eligibility only	34.7%	88.1%	
Projected Tr End HAP Reserve	\$184,990	\$229,464	
HRA as % of ABA	15.6%	21.7%	
Projected Tr End HRA Reserve	0	0	
<b>Beginning Year Three: Month: ABA: min: HRA: Exp</b>			
Col. A - Start 600 units	Col. B	Projected Admin Fee	
\$59.99	\$52.24	\$261,793	\$158,452
<b>DECLARATION:</b>			
Year Two and Three Re-Benchmarking Funding projections are only tentative estimates using assumptions described in the guidance, and user selected variables. User choices include selecting prorations and an HRA offset.			

Ready | Projection Analysis | InfoPath data | Cash Management | NEW ACC UNITS | PUC trend-LY and current year | Tracking Actual Success Rate | 60%

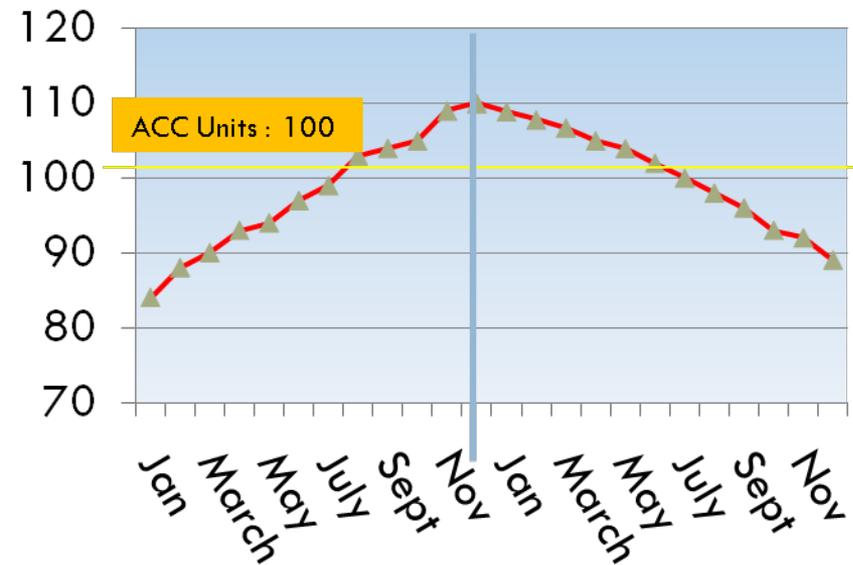
# PIH Initiative: Refocusing our Stewardship of the HCV Program

## HUD's Goals:

- **Optimizing Utilization**
  - ▣ No Shortfalls or (overleasing)
  - ▣ No Leasing Potential (underleasing)
- **Stabilizing HCV Utilization**
  - ▣ Getting to Steady State
  - ▣ Two Year Approach



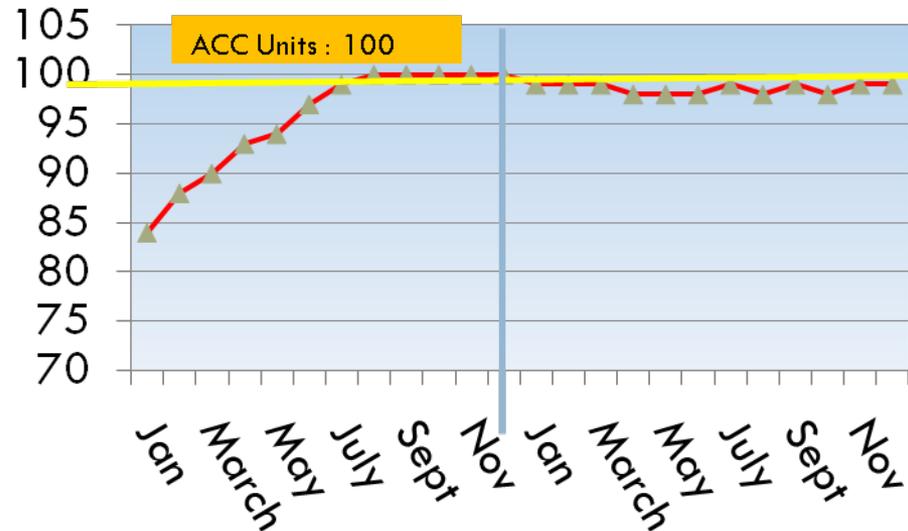
# Seeking Stable Leasing



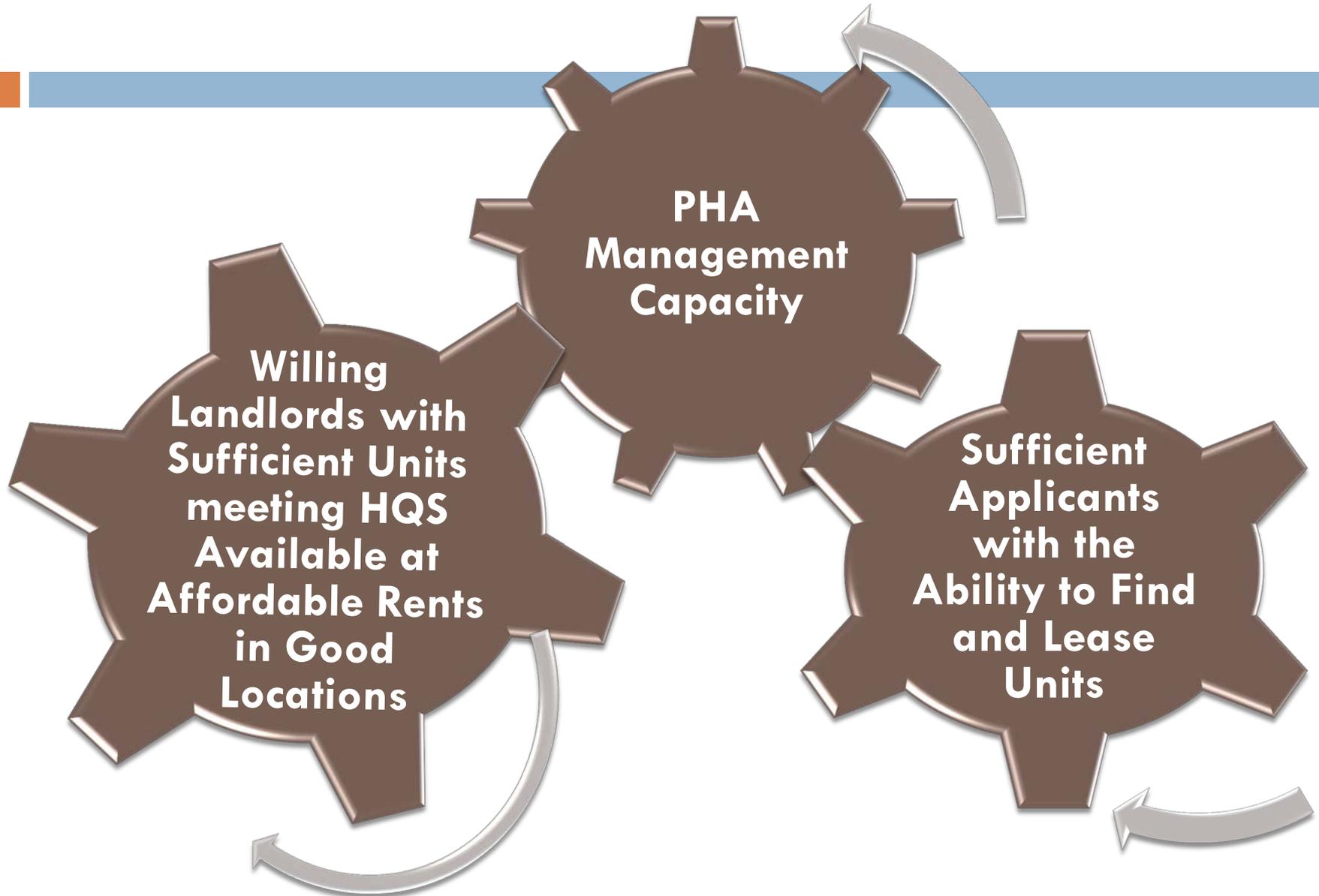
## ADVANTAGES

- More efficient and economical to administer
- Less prone to error and shortfall/overleasing
- Better dependability for applicants

- Deliberate Choices of Issuance Patterns over 2 year period
- Use of Year Two Re-Benchmarking Modeling
- Making trade-offs to gain steady state
  - Lower leasing level Year One
  - Possible funding consequences – PHAs set goals



# Necessary Conditions for Successful Leasing



# Effective Management of the HCV Program

- **Managing Budget Process** – Track Annual Budget Authority (ABA), Net Restricted Assets (NRA), total available funds and program costs to fully utilize dollars to issue vouchers.
  - Understand the impact of rebenchmarking.
  - For FY 2012, funding eligibility includes ABA funding and NRA offset per the cash management notification (PIH 2011-27).

# Effective Management of the HCV Program

- **Managing the Voucher Issuance Process** - Track: critical variables at least monthly to determine the number of vouchers that must be issued to reach a target number of unit months leased for the year.
- **Critical Variables:**
  - Unit Months Leased and HAP Costs
  - Turn-Over Rate (Attrition)
  - Success Rate of Issued Vouchers
  - Average time from issuance to HAP Contract
  - Per Unit Costs

# Other Considerations

- Potential Shortfall:
  - Look at total funding available (ABA & NRA; cell b15) and just ABA (cell c12)
  - Compare these amounts to actual and projected HAP expense for whole year (cell k33)
- FO typically sends monthly tool updates to ED
- Tool can be useful for both Section 8 and Accounting staff to use together

# Effective Management and Decision Making

- **Managing the Waiting List** - Maintain sufficient number of eligible applicants to meet needed voucher issuance volume.
- **Managing Processes and Procedures** - Effective procedures are developed covering key leasing and related processes.