

CLACKAMAS COUNTY BOARD OF COUNTY COMMISSIONERS

Sitting/Acting as:

Board of Commissioners of the Housing Authority of Clackamas County

Study Session Worksheet

Presentation Date:	Approximate Start Time:	Approximate Length:
May 15, 2012	1:30 p.m.	1 Hour

Presentation Title: HACC Voucher Program Initiatives

Department: Housing Authority

Presenters: Cindy Becker, Trel Anderson

Other Invitees: Toni Karter, HACC Voucher Program Manager

WHAT ACTION ARE YOU REQUESTING FROM THE BOARD?

We are seeking approval from the Housing Authority Board of Commissioners to implement two initiatives regarding the Housing Choice Voucher program:

1. Regional Mobility Pilot Project
2. Project-Based Vouchers

EXECUTIVE SUMMARY (why and why now):

The Regional Mobility Pilot Project was initiated almost one year ago as the four Housing Authorities serving the Metro region began meetings to discuss opportunities for collaboration, administrative streamlining, and cost reductions. In part because we share a large "east side" housing market, HACC and Home Forward have advanced a discussion to eliminate barriers for clients (increasing their mobility and housing options), streamline administration, and save money. A more detailed description and outline is attached.

The initiative of *Project-Based Vouchers* stems from conversations with social service and mental health providers, H3S Executive Team members, owners of "expiring use" properties exiting from HUD contracts, and nonprofit housing development organizations. As described in the attached material, the project-based voucher initiative will have HACC serve in a partnership role to provide more housing opportunities to people with special needs, and preserve the existing affordable housing portfolio across the county.

FINANCIAL IMPLICATIONS (current year and ongoing):

Explained in the attached material.

LEGAL/POLICY REQUIREMENTS:

Explained in the attached material.

PUBLIC/GOVERNMENTAL PARTICIPATION:

Both initiatives are identified in the HACC Annual Plan.

OPTIONS:

Please see the attached material.

RECOMMENDATION:

We recommend that the Housing Authority Board of Commissions direct staff to implement the Regional Mobility Pilot Project and the Project-Based Voucher initiative.

Approvals will be formally made by resolution at a future HACC business meeting.

ATTACHMENTS:

SUBMITTED BY:

Division Director/Head Approval _____
Department Director/Head Approval _____
County Administrator Approval _____

For information on this issue or copies of attachments, please contact _____ @ 503-_____

Fiscal Impact Form

RESOURCES:

Is this item in your current work plan and budget?

YES

NO

START-UP EXPENSES AND STAFFING (if applicable):

Not applicable.

ONGOING OPERATING EXPENSES/SAVINGS AND STAFFING (if applicable):

Please see attachment for details.

ANTICIPATED RESULTS:

Please see attachment for details.

COSTS & BENEFITS:

Costs:							
Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL	
Total Start-up Costs							
Ongoing Annual Costs							
Benefits/Savings:							
Item	Hours	Start-up Capital	Other Start-up	Annual Operations	Annual Capital	TOTAL	
Total Start-up Benefit/Savings							
Ongoing Annual Benefit/Savings							

Project-Based Vouchers

POLICY QUESTION:

Should HACC convert some “tenant-based” vouchers to “project-based” vouchers in order to facilitate two policy objectives?

1. Create access, opportunity and stable housing for people with special housing needs or circumstances (victims of domestic violence; and/or people living with mental illness; people in alcohol and drug addiction recovery; people transitioning from homelessness).
2. Preserve existing affordable housing properties, maintaining the current portfolio of affordable housing properties across the county.

While creating additional access for special needs clients and preserving existing affordable properties, the vouchers used for project-based units are taken from the existing voucher pool, and thus reduces the number of vouchers available for wait list applicants.

BACKGROUND:

The Housing Choice Voucher program is primarily established as a “tenant-based” program, meaning the subsidy is “tied” to the tenant as they live in rental housing market. As such, people with special housing needs or circumstance can not readily access the Voucher program if they are not on the wait list. HACC wait lists are currently closed and the wait time for someone on the current list is between 3 and 5 years.

HUD allows local Public Housing Authorities the option to assign tenant-based vouchers from the Voucher pool to specific properties and units. This is called a “project-based” voucher. Project-based vouchers can create access to housing for people with special needs who are not currently on the Voucher program wait list. Vouchers are assigned to a property through a contract between a Housing Authority and rental property owner. In exchange for a guaranteed rent payment, the property owner takes referrals from social service organizations and allows for rapid access and placement.

Project-based vouchers allows HACC to integrate housing resources with other community supportive resources like Behavioral Health, State Department of Human Services family resources, the Oregon Youth Authority, Clackamas Women’s Services, Northwest Housing Alternatives homeless transitional support, and more. These are planned initiatives to ensure that resources are complementary, focused, and leveraged to maximize positive outcomes for clients.

Project-based vouchers also assist in the financing of affordable housing. Banks, tax credit investors, and Oregon Housing and Community Services Department all consider a project-base contract between a Housing Authority and a property owner as a plus to a property’s financial position – a guarantee for rental unit income. Often, an affordable housing project with

a project-based contract is deemed more “bankable” than a project without project-based vouchers.

HACC can assist to preserve affordable housing properties where a contract with HUD or Oregon Housing expires. Many of these properties are privately owned and when the contracts expire, these properties are considered at-risk of being converted to market rate properties because they lose their rent assistance. For financial reasons, the private owner seeks to collect market-rate rents. That rent assistance once provided in the HUD contract is converted by HUD to tenant-based vouchers and assigned to the local Housing Authority.

When this occurs in Clackamas County, HACC can project-base some of these vouchers back to the property – thus stabilizing the rental cash flow. To preserve the property, a nonprofit organization often acquires it and seeks project-based vouchers. A new rent assistance contract is executed between HACC and the property owner for the project-based vouchers. Typically, the vouchers complement a host of funding sources like tax credits, bonds, and HOME funds. Together these resources preserve the housing asset for long-term affordability.

When vouchers are project-based, separate wait lists may be maintained; one by HACC for the regular tenant-based voucher pool, and others for individual properties with project-based housing units. The wait lists for the project-based units are typically managed by the property owner or third-party property manager.

Properties that receive project-based vouchers must be selected through a Request for Proposals (RFP) process. In cases where HACC is a property owner and plays the role of providing special needs housing, or acquires a property for preservation, HACC properties may also be selected through the RFP process. No more than 25% of the units in a designated property may be project-based. A Housing Authority may project-base up to 20% of all vouchers - up to 300 for HACC.

FINANCIAL IMPLICATIONS (current year and ongoing):

There are no anticipated financial implications. When vouchers are project-based we are re-distributing the Housing Choice Voucher resource differently.

There would be a shift in workload for staff, taking on a new role to advise and train property managers for eligibility screening, rent calculations and HUD compliance. HACC staff would also take on a monitoring role.

LEGAL/POLICY REQUIREMENTS:

The HACC Annual Plan and Voucher Administrative Plan both allow for project-based vouchers.

PUBLIC/GOVERNMENTAL PARTICIPATION:

A project-based voucher program typically involves other community partners: providers of affordable housing and service providers.

OPTIONS:

1. Do not project-base vouchers; no changes to the program.
2. Direct HACC to project-base up to 200 vouchers over the course of the next two years under the following scenarios:
 - a. Create permanent supportive housing opportunities for people with special housing needs or circumstances; and
 - b. Preserve existing affordable housing that is transitioning from an original contract with HUD or Oregon Housing and Community Services.

RECOMMENDATION:

We recommend that the Board directs HACC proceed with an RFP to select properties to assign project-based vouchers (Option 2).

Regional Mobility Pilot Project

POLICY QUESTION:

Should HACC implement a Regional Mobility Pilot Project that provides for greater housing choice and opportunities for clients, and saves the organization money and staff time?

BACKGROUND:

One year after initially receiving a Housing Choice Voucher, recipients are allowed to move anywhere within the United States as long as there is a Public Housing Authority within the area they move to that administers a Voucher program. This process is referred to as "porting". When the family moves or ports, the receiving Housing Authority has two options: 1) incur the in-coming voucher payment to their program (called "absorbing"); or 2) administer the voucher on behalf of the originating Housing Authority and bill for 80% of the administrative fee. Under 2) the originating agency continues to pay the rent assistance while the receiving agency performs annual and interim reviews for eligibility, and unit inspections.

Most Housing Authorities do not absorb and choose 2) as the preferred alternative as it is considered financially positive for the receiving agency. However, due to the HUD requirements for tracking and reporting, the porting process is an administrative burden for both the originating and receiving agencies.

Locally, over the past year HACC had billed Home Forward for an average of 60 families per month. At the same time, Home Forward has billed HACC for an average of 100 families every month. Both agencies are losing administrative fee funds to one another. Both agencies experience the administrative burden of port administration.

For almost two years, the four Housing Authorities serving the Metro region have been meeting to discuss ways to collaborate on programs, increase client mobility and housing choice, decrease administrative burdens, and/or reduce costs. Stemming from these discussions, HACC and Home Forward have analyzed the port data between the two agencies and now seek to test a "no porting" scenario we are calling the Regional Mobility Pilot Project.

Within the Pilot program, when HACC or Home Forward pulls from their wait list, the Pilot will allow Voucher program participants to choose to rent a unit anywhere within Clackamas or Multnomah. Recognizing a regional housing market, the flexibility to use the voucher in either county will allow clients more housing choice and mobility to live in communities where they may have local support networks; and better access to opportunities such as education and training, jobs, health care, transportation, or other services and amenities.

Administratively, the originating agency will maintain responsibility for administration and voucher payments to landlords – keeping admin fees. The tracking and reporting of ports is eliminated – reducing administrative burdens.

HACC and Home Forward are committed to tracking and reporting the outcomes of this Pilot program. Indicators of success may include a client satisfaction rating related to their choice of housing options and mobility; a reduction in client housing + transportation costs; a landlord satisfaction rating; administrative savings; and savings in staff time.

FINANCIAL IMPLICATIONS (current year and ongoing):

Home Forward have agreed to absorb vouchers on a one-for-one basis – leveling out the administrative fee losses to start the Pilot Program. This results in an initial savings to HACC of \$16,000.

On-going, HACC and Home Forward would no longer pay 80% of their admin fees to the receiving agency; nor would either agency have to administer port-ins while receiving only 80% of administrative fees. We anticipate annual cost savings of \$16,000 for HACC. The cost savings estimate is based upon the average number of families choosing to port to Multnomah County; the loss of the associated administrative fees.

We anticipate a savings in staff time that would otherwise take to administer the associated HUD rules and regulations of the port process. Saving staff time is needed as we consider scenarios of operating with fewer staff hours because of budget shortfalls (HUD Admin Fee reductions).

LEGAL/POLICY REQUIREMENTS:

The HACC Annual Plan allows for the Pilot program.

PUBLIC/GOVERNMENTAL PARTICIPATION:

We will enter into a Memorandum of Understanding (MOU) with Home Forward. Formal approval of the MOU will be through a resolution presented at a future HACC Board business meeting.

OPTIONS:

1. Do not implement the Pilot program, no change to the Voucher program.
2. Approve the implementation of the Regional Mobility Pilot Project.

RECOMMENDATION:

We recommend option 2. – implementation of the Pilot Project with expectations to evaluate the outcomes in order to determine the program's longer-term viability.