



## **NAHRO Demonstrates Further Damage to Voucher Programs from Downward Administrative Fee Pro-rations**

NAHRO analyzed the information in HUD's annual "Quality Control for Rental Assistance Subsidies Determinations" to develop charts on each adverse trend in the administration of Section 8 voucher programs relative to the performance of Project-Based Section 8 Multi-family Rental Assistance (PBRA) programs.

NAHRO's charts compare Section 8 Tenant-Based Voucher programs to Project-Based Sec. 8 Multi-family Assistance Programs from FY 2011 and reveal the following:

- **Voucher Caseloads, Gross Rent Error Rates & Program Dollar Rent Errors:** On average, voucher program caseload sizes were at 360 households vs. 102 households in PBRA programs, gross rent error rates were at 8 percent vs. 4 percent, and dollar rent errors averaged \$19 per household vs. \$7 per household, respectively.
- **Not Having Enough Staff to Handle the Workload:** 34 percent of voucher programs did not have enough staff to handle the workload compared with 8 percent of PBRA programs.
- **The PHA/Projects with (Re)Certification Staff Who Left the PHA / Project:** When comparing Section 8 Voucher Programs to Project-Based Section 8 Multi-family Rental Assistance programs in 2011, 46 percent of voucher programs had (re)certification staff who left the PHA/Project compared with 23 percent of PBRA programs.
- **Budget and Management (e.g. layoffs, budget cuts, new management):** 11 percent of voucher programs had layoffs, budget cuts, and new management compared with 6 percent of PBRA programs.
- **New Staff and Reassigned Existing Staff To Conduct (Re)Certifications in Past 12 Months:** 53 percent of voucher programs hired new staff or reassigned existing staff to (re)certification tasks in the past twelve months compared with 35 percent of PBRA programs.
- **Overdue Re(Certifications):** 26 percent of voucher programs overdue re(certifications) compared with 16 percent of PBRA programs.
- **Mistakes in Calculating Rent:** 60 percent of voucher programs had mistakes in calculating rent compared with 42 percent of PBRA programs.
- **Complex HUD Regulations for Rent Calculations:** 41 percent of voucher programs had mistakes in calculating rent compared with 38 percent of PBRA programs.

NAHRO's charts use the identical information above expressed as ratios between the Section 8 tenant-based voucher program and the Section 8 Project-Based Rental Assistance (PBRA) program in each area. NAHRO's charts are accessible on this, as well as previous demonstrations of adverse impacts in voucher programs due to reduced administrative fee revenues are available [online](#) (see the web version of this article for links).

While PHAs endure historically low administrative fee pro-rations, owners/managers of Project-Based Section 8 Multi-family Rental Assistance programs have received 100 percent pro-rations in funding in accordance with their contracts with HUD.

In FY 2011 - the most recent year evaluated by HUD - PHAs received 84.5 percent pro-rations for their ongoing administrative fees which dropped dramatically from 93.0 percent in FY 2010. Because HUD's FY 2012 "Quality Control for Rental Assistance Subsidies Determinations" will be issued in October 2013, we do not know at this time the extent of damage to PHAs or voucher program under-performance and non-compliance. We do know, however, that PHAs' ongoing administrative fee prorations fell from 84.5 percent to 80.0 percent for FY 2012 and from 80.0 percent to 69.0 percent for FY 2013. Based on historically low on-going administrative fee pro-rations alone, it seems logical to assume that the figures in these same areas will be even worse in 2013 and 2012 than they were in 2011.

NAHRO's charts and related resources illustrate the percentage of PHAs handing back or transferring their voucher programs by voucher program size, examine the relationship between downward pro-rations in administrative fees and the number of PHAs handing back or transferring their voucher programs from FY 2009 to the first quarter of FY 2013 and provide an in-depth explanation of other adverse programmatic impacts resulting from ten consecutive years of downward pro-rations.

HUD's FY 2014 Congressional Budget Justifications state that the administration's request for ongoing administrative fees is sufficient to fund 82 percent of PHAs' fee eligibility. The justifications note that the "requested level of administrative fee funding is critical" given the number of PHAs (29 in CY 2012, 13 in the first quarter of CY 2013) that "gave up administration of the HCV program due to the severity of the 2012 cuts." The reduction in administrative fees also contributed to several PHAs refusing new allocations of HUD-VASH vouchers in 2012. At least six PHAs indicated an inability to take on additional vouchers, citing increased costs associated with administering such vouchers, being short-staffed, or otherwise underfunded."