



Metro HRA

2013 HUD Budget Update

August 19, 2013



Background

- Section 8 Housing Choice Voucher Program
 - Funded through federal appropriations
- HUD 2013 Budget decreased by 5.1%
 - Due to federal sequestration
- Reduces number of families served with rental assistance



Background

- Strategies adopted to reduce impact to families
 - Council approved use of \$1.5 million in reserves
 - Reduce program size through natural attrition
- Avoids termination of currently housed families



More \$\$ Available

- HUD announced \$103M available in additional funding
- Available to agencies that:
 - Work with HUD shortfall team to avoid termination of current families
 - Stopped issuing vouchers
 - Rescinded all vouchers on the streets
 - Stopped absorbing vouchers from other agencies



More \$\$ Available

- Council applied for additional funds
- Awarded \$2.9M
- Current projected shortfall = \$2.7 million
 - Program size not shrinking as fast as projected
 - Cost-saving measures not fully implemented



Considerations

- Program size reductions are permanent
 - Future year funding based on current year spending
 - Spend less \$ in 2013 = get less \$ in 2014
- Implementation of other cost containment strategies
 - Reduced bedroom sizes for some families
 - Ask for voluntary reductions in rent



Current Impact 2013

- Program reduction through monthly attrition
 - 45 per month
- Year end 2013
 - 400 families less than start of 2013
- End Overall Result
 - Service to 125 less families per month
 - Reduction gradual each month



Options

- Request HUD Waiver to allow use of previously approved reserves (\$1.5M)
 - Issue vouchers
 - Absorb Families
- Will result in service to more families in 2103
- Increased funding in 2014
- No guarantee of waiver approval



Looking Ahead

- Start 2014 at 400 less families than start of 2013
- Must remain at that level to stay within anticipated 2014 budget authority
 - Assumes reduced budget (sequestration) as we know it today
 - Assumes voucher freeze continues through 2013

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