

Response to Questions on the FY 2014 Budget

Request By: Supervisor Gross

Question: Please recirculate information previously provided on housing choice vouchers.

Response: Please see the following memorandum to the Board of Supervisors dated March 26, 2013 with the requested information.



County of Fairfax, Virginia

MEMORANDUM

DATE: March 26, 2013

TO: BOARD OF SUPERVISORS

FROM: Paula C. Sampson, Director
Department of Housing and Community Development

SUBJECT: Initial Actions to Implement Federal Budget Sequestration in the Housing Choice Voucher Program

The Fairfax County Redevelopment and Housing Authority (FCRHA) has received guidance from the U.S. Department of Housing and Urban Development (HUD) on implementing the federal budget sequestration in the Housing Choice Voucher program. This memorandum outlines the initial steps the Department of Housing, Community Development (HCD) will take to implement that guidance on behalf of the FCRHA. The Department of Management and Budget (DMB) will forward additional information regarding a process for identification and notification of the countywide impact of sequestration within the next week.

Initial Actions to Implement Sequestration in the Housing Choice Voucher Program: Based on HUD guidance, it is anticipated that the funding received by the FCRHA in Calendar Year 2013 for the Housing Choice Voucher program will be reduced by approximately \$2.5 million as compared to what was anticipated. (HUD budgets the HCV program on a Calendar Year basis.) As a result, and following in-depth consultation with DMB and guidance from the FCRHA, HCD intends to notify applicants and partners that effective immediately, the FCRHA will suspend new leasing in the program until further notice. Individuals and families currently leased under the program are not expected to be affected. Effective April 1, 2013, those households who have been awarded vouchers but have not yet leased will have their vouchers suspended.

As many as 150 new households who would have been served coming out of homelessness or the county's waiting lists will not receive assistance in 2013. The number of vouchers which turn over every year is approximately equal to the anticipated budget cuts and has no impact on families currently leased in the program; therefore the suspension of issuing new vouchers was deemed the most prudent immediate step.

Impact on Existing Program Participants; Ensuring Long-Term Program Sustainability: It is not anticipated that voucher holders who are currently leased will be immediately affected; however, new strategies to ensure the long-term sustainability of the program may become necessary. HCD is working closely with HUD and DMB to evaluate potential next steps, which will be brought to the FCRHA for consideration in April; the Board will be advised via memorandum of any additional steps as determined by the FCRHA. The primary guiding principle for the initial actions, and any subsequent steps to ensure long-term sustainability of the program under sequestration, is to ensure that those who are now dependent on their voucher can continue to rely on the subsidy to the greatest extent possible. The FCRHA will tap its Housing Choice Voucher program reserves to do so.

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About the Housing Choice Voucher Program: The FCRHA receives federal funding under Section 8 of the U.S. Housing Act of 1937 to operate the Housing Choice Voucher program (formerly known as the Section 8 Program). Participants in the program receive financial assistance to rent privately-owned housing units. HCD administers the Housing Choice Voucher rental subsidy program on behalf of the FCRHA for Fairfax County, and for the Cities of Falls Church and Fairfax, and the Towns of Herndon, Vienna and Clifton. Tenants generally pay 30 percent of their adjusted income, 10 percent of gross income, or \$50.00 – whichever is higher. Using the federal funding, HCD pays the remainder of a reasonable rent directly to the landlord up to the established payment standard for the unit.

In FY 2012, the FCRHA received a total of \$48,633,231 from HUD to provide housing assistance and to administer the program. A total of 3,537 vouchers were authorized in FY 2012, and 9,317 people were housed; the average household income served was \$20,329, or about 21 percent of the area median income (AMI) for a family of three.

Should you have any questions, please contact me or Robert Easley, Acting Deputy Director, at 703-246-5105.

cc: Fairfax County Redevelopment and Housing Authority
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PCS/af