

*Our Mission: To assist low income residents to obtain affordable, decent and safe housing through the provision of rental assistance*

Funding for the five Section 8 programs that Arlington County administers comes from the federal Department of Housing and Urban Development (HUD). The principal programs in Section 8 are of two types: tenant based and project based.

- **Housing Choice Vouchers** represent tenant-based assistance and can be used in Arlington and anywhere within the United States. In FY 2005, HUD changed the way it distributes funds to Public Housing Agencies (PHAs) for the Voucher program. PHAs now receive their funding allocation for housing assistance payments and administrative fees at the beginning of each calendar year instead of the beginning of their fiscal year. This budgeting method gives HUD a better outlook on actual costs expended by agencies during the course of the year. In addition, effective October 2007, HUD increased the Fair Market Rents (FMRs), which in turn raised the payment standards that are used to calculate rental subsidies for program participants. This increase will help to defray some of the high rental costs faced by program participants. For example, a two-bedroom subsidy was increased from \$1,324 to \$1,456, a ten percent increase.
- Project based assistance includes **Moderate Rehabilitation, Substantial Rehabilitation and New Construction** and can only be used at designated project sites.
- Section 8 also administers the **Housing Opportunities for Persons With AIDS (HOPWA)** program. Section 8 staff determines initial and ongoing program eligibility for families. The rental assistance provided to these families can only be used in Arlington County. In order to qualify, the family must be very low income and either the head of household or a family member must provide a doctor's statement confirming HIV/AIDS.
- In FY 2004, the Section 8 Office began administering the **Milestones I Program**, funded by the HUD Shelter Plus Care Grant, providing rental assistance to nine homeless individuals with serious mental illness. **Milestones II and III** began providing 12 additional units in FY 2006, six for each program. To date, 19 homeless families have been admitted into the program and are living in various neighborhoods throughout Arlington County.

SECTION 8 FUND

PROGRAM FINANCIAL SUMMARY

	FY 2007 Actual	FY 2008 Revised	FY 2009 Proposed	% Change '08 to '09
Personnel	\$1,103,309	\$1,193,493	\$1,278,758	7%
Non-Personnel	342,939	314,687	308,881	-2%
Housing Assistance Payments	13,529,728	13,872,956	14,430,461	4%
<b>Total Expenditures</b>	<b>14,975,976</b>	<b>15,381,136</b>	<b>16,018,100</b>	<b>4%</b>
<b>Total Revenues</b>	<b>21,187,752</b>	<b>15,381,136</b>	<b>16,018,100</b>	<b>4%</b>
<b>Change in Operating Reserve</b>	<b>\$6,211,776</b>	<b>-</b>	<b>-</b>	<b>-</b>
Permanent FTEs	17.4	17.40	17.40	
Temporary FTEs	0.0	0.0	0.00	
<b>Total Authorized FTEs</b>	<b>17.4</b>	<b>17.40</b>	<b>17.40</b>	

SIGNIFICANT BUDGET HIGHLIGHTS

- ↑ Personnel expenditures include normal salary increases, an increase in employer retirement contributions to maintain full funding of the retirement fund, and a ten percent increase in employer health insurance rates. The increase also reflects staff turnover and new employees hired at higher salary levels.
- ↑ Housing assistance payments are expected to increase due to a higher lease-up rate and increased Fair Market Rents (\$587,505). This increase is partially offset by a reduction in the Housing Opportunities for Persons with AIDS (HOPWA) program (\$30,000). The HOPWA program is decreasing due to fewer clients and a reduction in federal funding.
- ↑ Revenue from HUD is anticipated to increase based on expenditure levels.

PERFORMANCE MEASURES

Critical Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Revised	FY 2009 Estimate	FY 2009 Target
Overall lease up rate	95%	96%	98%	94%	98%	98%	99%
Number of families served	1,501	1,517	1,548	1,509	1,545	1,560	1,560

Supporting Measures	FY 2004 Actual	FY 2005 Actual	FY 2006 Actual	FY 2007 Actual	FY 2008 Revised	FY 2009 Estimate	FY 2009 Target
Percent of landlords receiving timely payments	95%	95%	100%	98%	98%	98%	100%
Number of landlords served	317	289	289	284	290	300	300

- Overall lease-up rate is the percentage of allowable units from HUD that are leased by program participants. To be considered a high performance agency, HUD requires 98 percent minimum utilization rate for rental subsidies.

SECTION 8 HOUSING ASSISTANCE PROGRAM

FUND STATEMENT

	FY 2007 Actual	FY 2008 Revised	FY 2008 Re-estimate	FY 2009 Proposed
<b>Beginning Fund Balance July 1</b>	\$2,982,755	\$2,982,755	\$9,194,531	\$9,194,531
<b>REVENUE</b>				
Housing Assistance	19,020,037	13,513,644	13,513,644	14,101,149
Administrative Fees	1,450,231	1,459,940	1,459,940	1,587,639
Interest	402,884	48,240	48,240	-
Miscellaneous Revenue (Collections)	75,023	-	-	-
HOPWA	56,191	179,000	179,000	149,000
Shelter Plus Care (Milestones Prog.)	183,386	180,312	180,312	180,312
HUD Year-end Settlement - Prior Year	-	-	-	-
<b>TOTAL REVENUE</b>	<b>21,187,752</b>	<b>15,381,136</b>	<b>15,381,136</b>	<b>16,018,100</b>
<b>EXPENDITURES</b>				
Housing Assistance Payments	13,262,634	13,513,644	13,513,644	14,101,149
HOPWA	99,677	179,000	179,000	149,000
Shelter Plus Care (Milestones Prog.)	167,417	180,312	180,312	180,312
Administration & Operations	1,446,248	1,508,180	1,508,180	1,587,639
<b>TOTAL EXPENDITURES</b>	<b>14,975,976</b>	<b>15,381,136</b>	<b>15,381,136</b>	<b>16,018,100</b>
<b>Ending Fund Balance June 30</b>	<b>\$9,194,531</b>	<b>\$2,982,755</b>	<b>\$9,194,531</b>	<b>\$9,194,531</b>

- The Section 8 Fund's revenues exceeded its expenses by \$6.2 million in FY 2007 due to a change in the U.S. Department of Housing and Urban Development's (HUD) administrative guidelines. Housing Assistance Payments make up the majority of Section 8's expenditures and revenues. Instead of returning unused Housing Assistance Payments to HUD, jurisdictions now keep any excess funds for future use and future allocations from HUD are adjusted accordingly. As Arlington increases lease-up rates in the Section 8 program, this Section 8 fund balance will decrease.