
MEMORANDUM

DATE: January 5, 2005

TO: Council Members

SUBJECT: Housing Authority HUD Section 8 funding cuts

Please find attached information provided by the Salt Lake City Housing Authority for the Council's Work Session discussion scheduled for Thursday, January 6th regarding the recent HUD budget cuts for the Section 8 voucher program.

EXHIBIT A
HOUSING AUTHORITY OF SALT LAKE CITY
ANALYSIS OF SECTION 8 SHORTFALL
JANUARY 4, 2005

MONTH	# OF FAMILIES LESS COUNTY AND ATTRITION	COUNTY HA TAKING FAMILIES	NATURAL ATTRITION RATE	FAMILIES ADDED FROM WAIT LIST	NUMBER OF FAMILIES SERVING	AVERAGE HOUSING ASSISTANCE PAYMENT PER FAMILY	TOTAL RENT SUBSIDY NEEDED	HUD PROVIDED RENTAL ASSISTANCE	HA SLC, STATE OF UTAH AND SALT LAKE CITY CONTRIBUTIONS	TOTAL (SHORT) OR OVER
JANUARY	2,180	0	0	0	2,180	485.00	1,057,300.00	993,719.00	60,000.00	(3,581.00)
FEBRUARY	2,110	50	20	0	2,110	485.00	1,023,350.00	993,719.00	30,000.00	369.00
MARCH	2,085	0	25	0	2,085	485.00	1,011,225.00	993,719.00	20,000.00	2,494.00
APRIL	2,055	0	30	0	2,055	485.00	996,675.00	993,719.00		(2,956.00)
MAY	2,025	0	30	24	2,049	485.00	993,765.00	993,719.00		(46.00)
JUNE	2,019	0	30	30	2,049	485.00	993,765.00	993,719.00		(46.00)
JULY	2,014	0	35	35	2,049	485.00	993,765.00	993,719.00		(46.00)
AUGUST	2,014	0	35	35	2,049	485.00	993,765.00	993,719.00		(46.00)
SEPTEMBER	2,024	0	25	25	2,049	485.00	993,765.00	993,719.00		(46.00)
OCTOBER	2,024	0	25	25	2,049	485.00	993,765.00	993,719.00		(46.00)
NOVEMBER	2,024	0	25	25	2,049	485.00	993,765.00	993,719.00		(46.00)
DECEMBER	2,024	0	25	25	2,049	485.00	993,765.00	993,719.00		(46.00)
							12,038,670.00	11,924,628.00	110,000.00	(4,042.00)

1/4/2005

Exhibit B
Housing Authority of Salt Lake City
Analysis of Section 8 Shortfall

	Budget 2004	Actual 2004	Budget 2005	Loss Between 2004 & 2005 Budgets
Housing Assistance Payment	12,665,438	12,487,565	11,924,628	740,810
Unit Months of Assistance	25,668	25,247	24,588	1,080
Average per unit Cost	493	495	485	8
Maximum Families to be Served	2,139	2,104	2,049	90
HUD Funds Required for Full Leasing @ 2139			523,776	

EXHIBIT C

The Housing Authority of Salt Lake City Section 8 Housing Choice Voucher Program

The Housing Authority of Salt Lake City (HASLC) has been funded for Calendar year 2005 with a decrease of \$740,810 when compared to the 2004 funding provided to our agency by HUD. (Previous announced funding cut was overestimated due to December year end numbers not being finalized.)

Funding in 2004 allowed us to assist 2,139 families, this years funding will allow us to assist no more than 2,049 families; a decrease of 90 families.

Program Income Limits

Regulations governing the Section 8 Housing Choice Voucher program require Public Housing Agencies to assist 75% of available vouchers with applicants whose income is at or below 30% of the area median income.

2004 Income Limits for Section 8 Programs Salt Lake City-Ogden, UT Median Family Income \$61,100

Number of Persons in Household	30% of AMI Extremely Low Income	50% of AMI very Low Income
1 Person	\$12,850	\$21,400
2 Persons	\$14,650	\$24,450
3 Persons	\$16,500	\$27,500
4 Persons	\$18,350	\$30,550
5 Persons	\$19,800	\$33,000

By way of explanation:

- 76% of the families assisted within the past 12 months have income below 30% of AMI
- 24% are below 50% of AMI.

Income of Clients Being Served

- Average Annual Income of all clients = \$10,804

Distribution by Primary Source of Income for Assisted families

Wages	Welfare	SSI SS/Pensions	Other Income Sources	Asset Income
29%	16%	48%	5%	2%

Average Annual Income by Primary Source of Income

Wages	Welfare	SSI SS/Pension s	Other Income Sources	Asset Income
\$15,545	\$7,493	\$9,348	\$5,117	\$7.00

- Client rent is based upon 30% of their annual adjusted income. The average Housing Assistance payment made by HASLC each month on behalf of clients is \$485.00
- Client income data taken from HUD website, <https://pic.hud.gov>

Demographics of Clients Being Served

Total Clients January 1, 2005	Total Disabled	Total Elderly / Non Disabled	Total Families
2172	978	123	1071

The Waiting List

Number of Applicants on the Waiting List

January – March	April – June	July-September	October – December
8,119	7,019	6,815	6,775

- The Section 8 voucher waiting list has been closed for the past 12 months which accounts for the decrease in applicants.
- The average waiting time for a Housing Choice Voucher is currently 24 months.

Waiting List Demographics

Average Annual Income	Number of Applicants w/\$20,000 +	Elderly Applicants (62 or older)	Disabled Applicants	Disabled (Wheelchair)
\$7,850	266	294	1,273	14

Average Apartment Rent within Salt Lake County

Average Rents Mid-year 2004

Studio	1 bed 1 bath	2 bed 1 bath	2 bed 1 ½ bath	2 bed 2 bath	3 bed 2 bath	Townhouses
\$410	\$546	\$604	\$666	\$752	\$811	\$808

This data was obtained through Equimark Properties Inc., and can be located at:
www.equimark.com/rentalrate.html

- A year and a half ago HUD began to cut back on funding levels and we were forced to decrease by three staff members. Additionally, previous HUD policy (2003) funded all approved voucher (units) of 2,139. New HUD policy gives you dollars only, which will only fund 2,049 voucher units, or 90 fewer families and individuals.
- In 2005 HUD is funding us with \$740,810 less for rental assistance payments. This equates to serving 90 fewer families than the 2,139 we were authorized to assist in 2004.