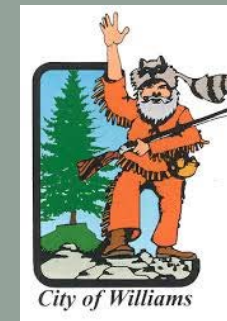


A Request
from the City
of Williams
and the U.S.
Department of
Housing and
Urban
Development

OPPORTUNITY TO EXPAND VOUCHER PROGRAM RESOURCES



OPPORTUNITY
TO EXPAND
VOUCHER
PROGRAM
RESOURCES

Purpose of Presentation:

Discussion Item

*Staff is seeking feedback and
direction*

THE
OPPORTUNITY
TO SERVE

AND INCREASE
COMMUNITY
RESOURCES

The City of Flagstaff has been presented with the opportunity to increase its number of Housing Choice Vouchers (HCV) by 50 via a voluntary transfer of the City of Williams (Williams) HCV program.



Housing Choice
Voucher (HCV)



Utilization



Administrative
Fee



Housing Assistance
Payment (HAP)



Service Area

TERMS USED
TODAY

OUTLINE

- ❖ What is the Housing Choice Voucher Program and how does it work?
- ❖ City of Flagstaff and Williams program specifics
- ❖ How Does a Transfer Work?
- ❖ Transfer Specific Details
- ❖ Schedule

THE
OPPORTUNITY
TO SERVE

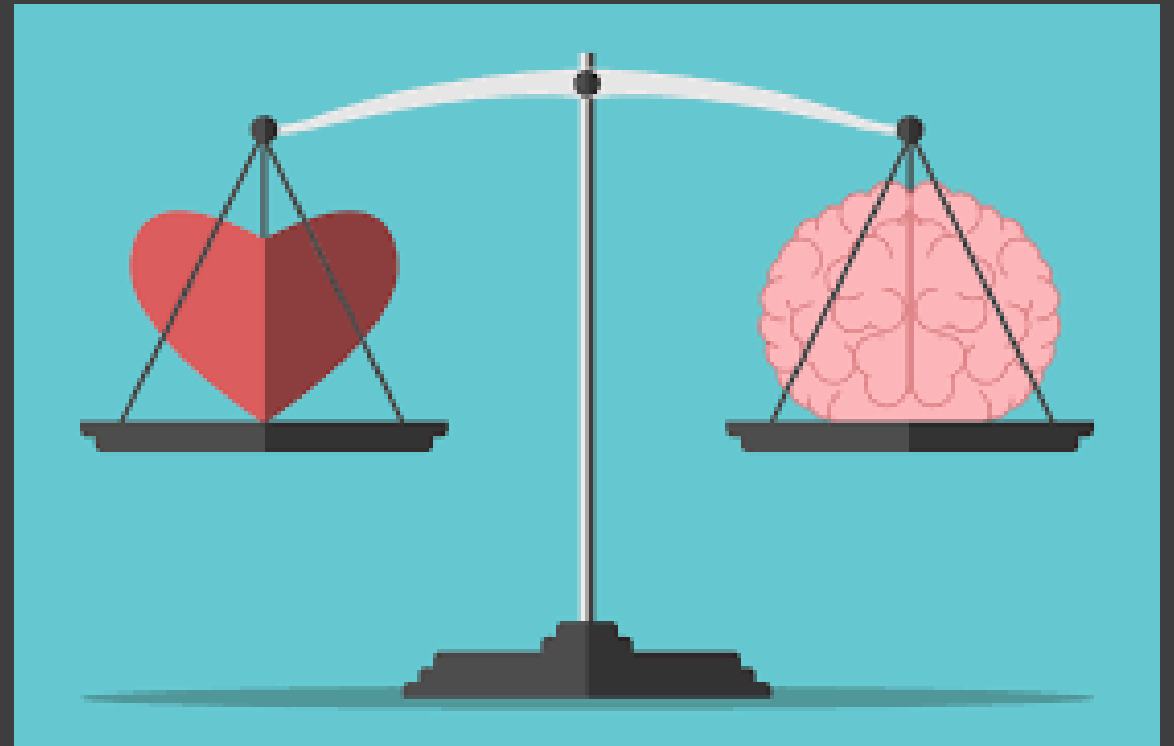
AND INCREASE
COMMUNITY
RESOURCES

It is of utmost importance to mention right up front that should this program transfer be approved, no current Williams voucher holder will see any impact beyond the administering agency changing to the City of Flagstaff Housing Authority instead of Williams Housing Authority.

PEOPLE

AND

BUSINESS



HOUSING CHOICE VOUCHER PROGRAM (HCV)

Largest Federal Affordable Housing Program

Approximately 2.4 million households nationwide

Operated by State and Local Public Housing Agencies

Many sub-programs within HCV

Generally, 50% AMI and below
(\$45,500 / 3 person household)

75% of vouchers must be issued to households under
30% AMI (\$27,000 / 3 person household)



HOUSING CHOICE VOUCHER PROGRAM (HCV)

In general, eligible households pay 30% of their gross income as rent to the landlord— known as **tenant payment**

PHA pays the difference between the tenant payment and the rent of the unit directly to the landlord – known as the **Housing Assistance Payment (HAP)**

Unit must be of good quality and have reasonable rent for the community

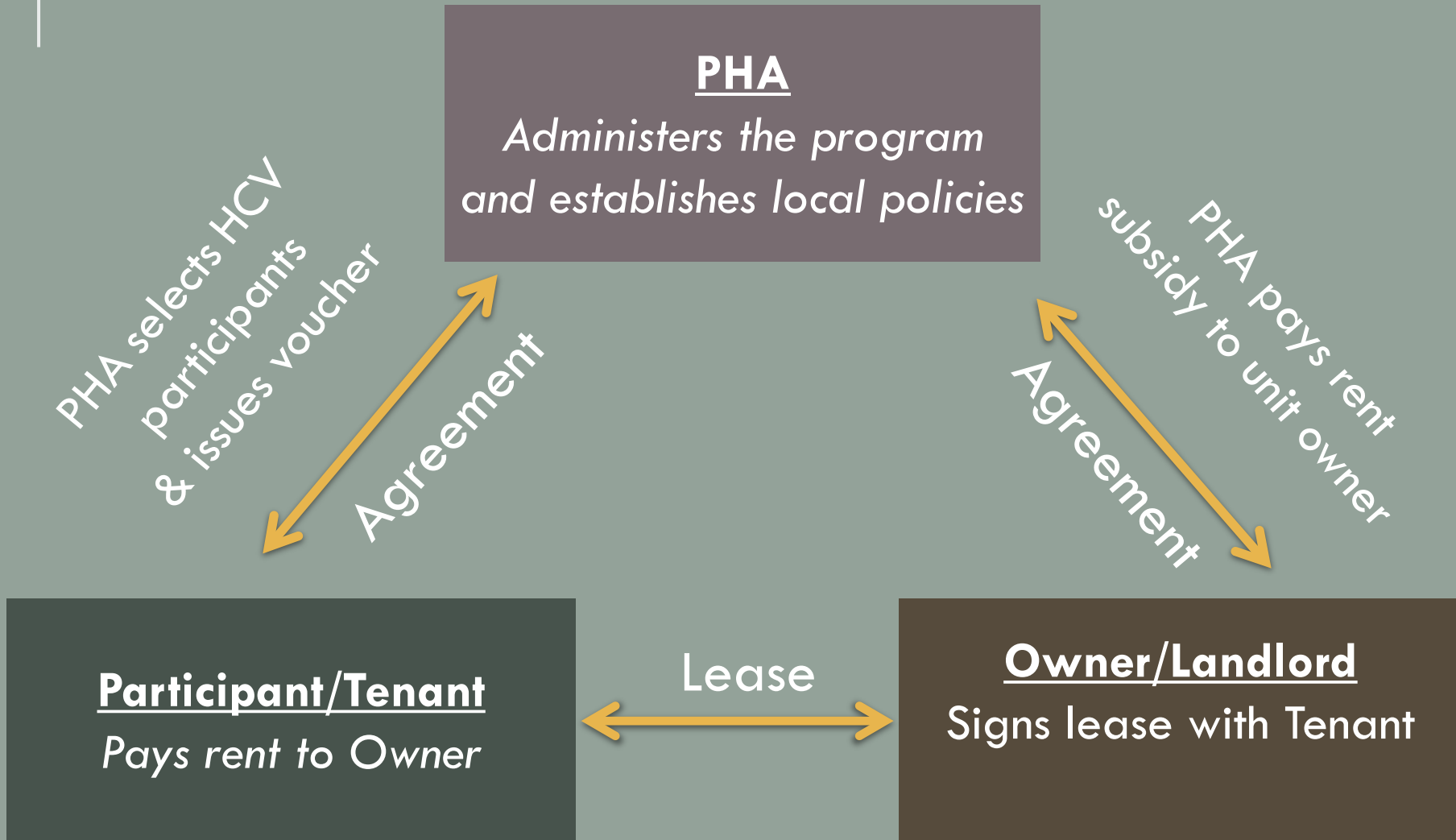
Public Housing Authorities are allocated a certain number and type of vouchers that are managed within a specified budget

HOW DO VOUCHER PROGRAMS WORK?

CFHA VOUCHER PROGRAM – 530+ VOUCHERS

- 342 Section 8 Housing Choice Vouchers (HCV)
- 106 Veterans Affairs Supportive Housing Vouchers (VASH)
- 40 Mainstream Vouchers
- 25 Emergency Housing Vouchers (EHV)
- 5 Housing Stabilization Vouchers
- 12 Single Room Occupancy vouchers for Seriously Mentally Ill
- Foster Youth to Independence (FYI) Vouchers – currently 7

HOW DO VOUCHER PROGRAMS WORK?



HCV Program is a partnership between CFHA, Voucher Holder, and Landlord

LOCAL IMPACT OF VOUCHER PROGRAM IN FLAGSTAFF



530+ Vouchers = Households Served



Currently 121 participating landlords



In 2024, an average of \$599,927 was paid monthly to local landlords in Flagstaff on behalf of HCV Program participants

WHAT IS UTILIZATION?

A careful balancing act taking into account the number of vouchers leased and Housing Assistance Payment budget used...in an ever changing rental market where the maximum amount a voucher is worth is based on 2 year old data...and federal budget amounts decided months into the funding year.



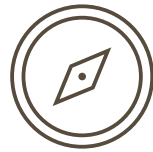
LOCAL PERFORMANCE METRICS

UTILIZATION AND TIME FROM ISSUANCE TO MOVE-IN



Utilization

Annually over 98% for more than 15 years



Issuance to Move-In (Number of Days)

18% less than 30

38% 60 – 90

40% 30 – 60

4% 90 – 120



Approx. 10% - 15% Lease in Place

LOCAL
PERFORMANCE
METRICS

SUCCESS
AND
TURNOVER RATES



Success Rate

The rate issued vouchers lease-up
70% locally 60% nationally



Annual Turnover

11% locally 10% nationally



**Housing Assistance Payment Budget
Utilization**

98 – 104%

VOUCHER PROGRAM WAITING LIST

Waiting lists for all Flagstaff programs are OPEN

2506 – Total number on waiting list

890 – Number that identified residency preference

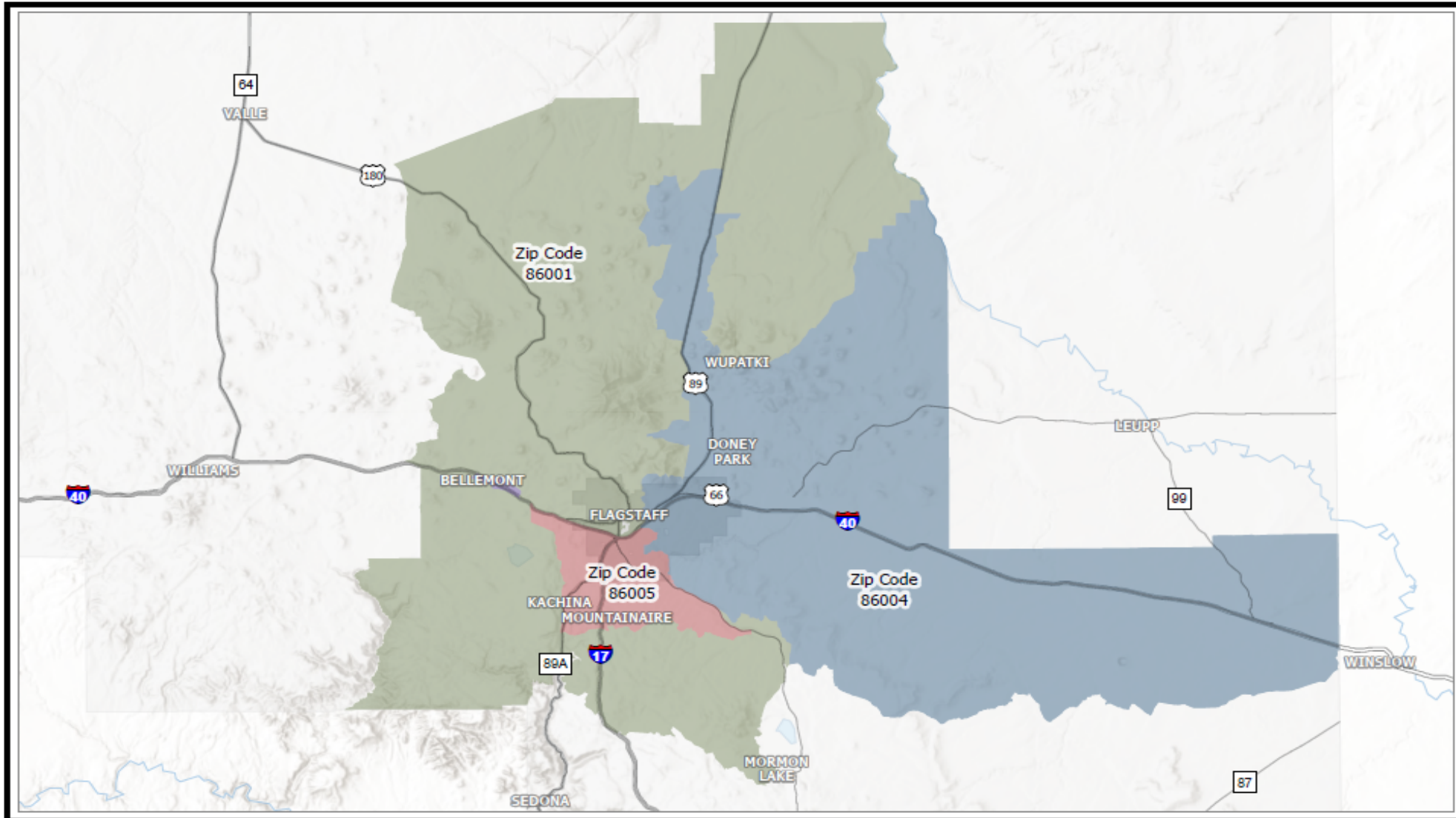
Average wait time to receive assistance varies

- Local Preference (except for Mainstream Vouchers)
- Voucher Program has an approx. wait time of 18-36 months or more

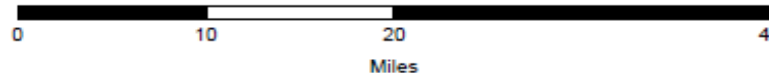
Current Service Area

Zip Codes
86001 -
86005

The area
where a
Voucher
Holder
can lease



Zip Codes 86001 - 86005



- Zip Codes
- 86001
 - 86004
 - 86005
 - 86015

City of Flagstaff maps and data are updated on a regular basis from data obtained from various sources. The City of Flagstaff endeavors to provide accurate information, but accuracy is not guaranteed. You are strongly encouraged to obtain any information you need for a business or legal transaction from a surveyor, engineer, title company, or other licensed professional as appropriate. Information is provided subject to the express condition that you knowingly waive any and all claims for damages against the City of Flagstaff relating to use of this information.

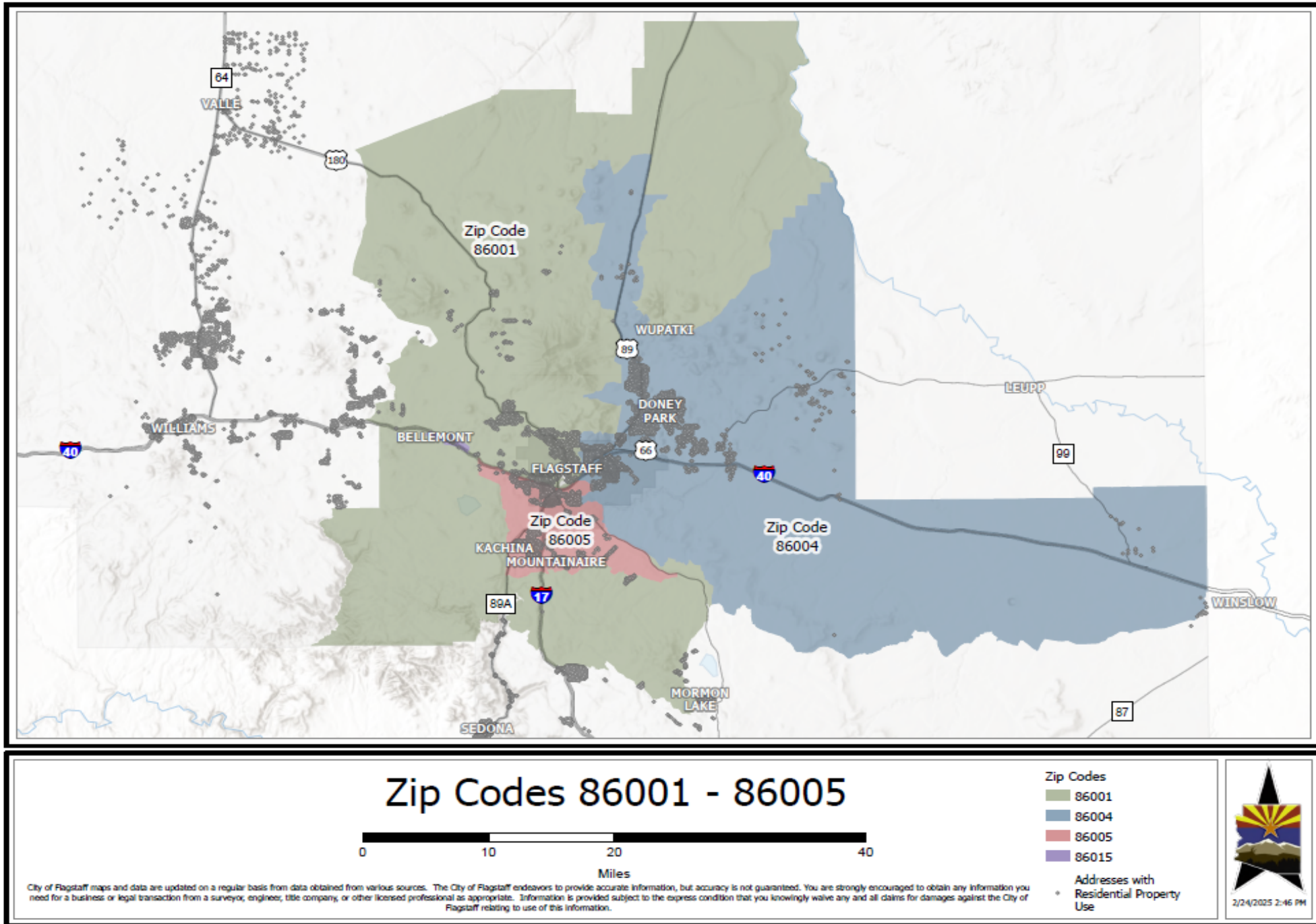


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Current Service Area

Zip Codes 86001 - 86005

The area where a Voucher Holder can lease



MULTIFAMILY NEW CONSTRUCTION IN FLAGSTAFF



712 Units Completed in 2024

600 market rate

112 affordable



564 Units Under Construction

321 market rate

243 affordable



1917 Units Approved for Development

January 2022 to Now

THE REQUEST

The City of Williams and HUD have requested that the City of Flagstaff accept the voluntary transfer of Williams's voucher program of 50 vouchers

WHY?

The City of Williams has concluded the HCV program is no longer independently viable in their community due to the decrease in available rental units and the limited administrative funding due to the program's relatively small size

CONTEXT

- ❖ In recent years, fewer than 25 of the 50 vouchers allocated to Williams have been able to be utilized
- ❖ Williams has determined the rental housing stock in the community is no longer sufficient to support the utilization of all 50 vouchers
- ❖ Like many other communities, Williams has seen a decrease in long-term rentals as units are shifted to more profitable short-term rentals.

CURRENT PROGRAM DYNAMICS

- ❖ No staff in place since September 2023
- ❖ 18-22 vouchers utilized (out of 50)
- ❖ Demographic data shows all voucher holders are extremely low-income except one household
- ❖ HAP has been paid by City of Williams
- ❖ No interim or annual certifications have been completed since September 2023
- ❖ All utilized vouchers are leased within Williams city limits

HOW DOES A TRANSFER WORK?

- ❖ Specific HUD required criteria
- ❖ Approval of transfer from both surrendering & receiving agency
- ❖ Approval from state & national headquarters of HUD
- ❖ **Protection of current voucher holders**
- ❖ Timing – July 1 effective date
- ❖ Preservation of leasing ability in both service areas – to become one service area
- ❖ Legal, legal, legal

HOW WILL THIS WORK?

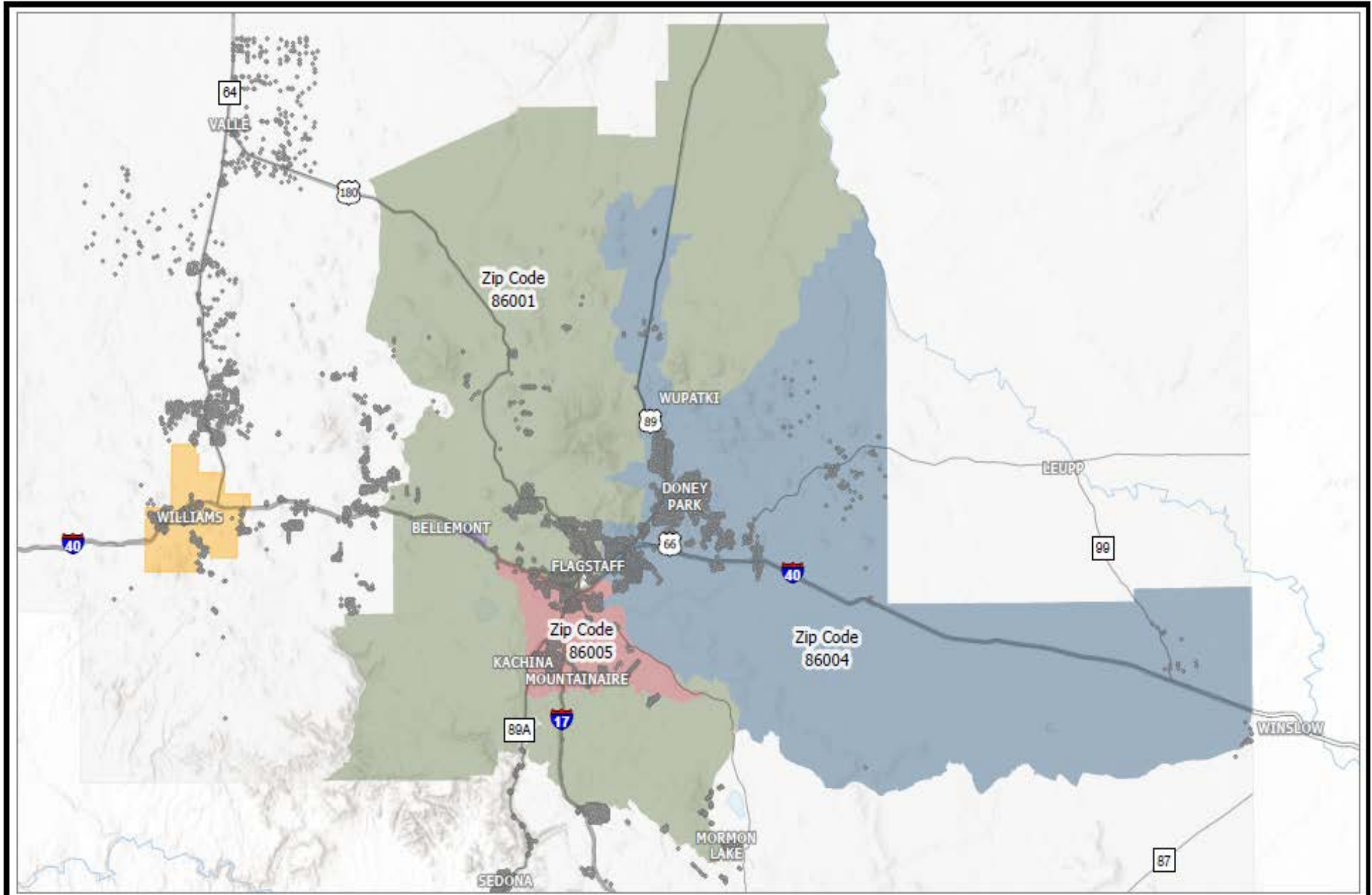
- ❖ 50 general purpose vouchers will be added to the CoF Voucher Program
- ❖ There will not be a “Williams” and a CoF program, only a CoF program with 50 additional vouchers
- ❖ Rental housing stock in Williams is extremely limited. It is unrealistic to anticipate a significant increase in vouchers being leased in Williams

HOW WILL THIS WORK?

- ❖ All currently leased vouchers stay that way – the only impact to Williams households is that they will now work with Flagstaff staff
- ❖ All unutilized vouchers can be issued to households on the waiting list
- ❖ All vouchers will be able to be leased up in our current service area and city limits of Williams

Proposed Service Area

Adds
Williams
City Limits



LET'S TALK ABOUT MONEY

- ❖ All voucher program funding from the City of Williams will transfer to CoF, including current and on-going funding, administration funding, HAP, restricted and unrestricted fund balances etc
- ❖ The addition of 50 vouchers, when fully utilized, will increase the voucher admin budget by approx. \$60,000 per year
- ❖ Financial analysis of the CoF Voucher Program shows a healthy budget

WHAT ABOUT OUR STAFF?

- ❖ Current staff said yes, and the addition of a staff member will make it doable
- ❖ The additional admin funding will augment the funding necessary for adding a position within the voucher program
- ❖ Voucher Program already administering limited VASH Vouchers in Williams

WHY WOULD WE DO IT?

- ❖ Increased resources in the community
- ❖ Increased service area for voucher holders to lease in
- ❖ Preserve housing resources in the area
- ❖ Program transfer / increasing service area will not require a daily staff presence in Williams
- ❖ City of Williams has agreed to provide furnished office space
- ❖ All significant risks will be mitigated, or transfer not accepted

CONDITIONS OF ACCEPTANCE

CoF / CFHA to be **held fully harmless**, both financially and programmatically

- ❖ Technical assistance provided by HUD for:
 - ❖ Financial matters associated with the program transfer,
 - ❖ Transfer of participant records, tenant screening, and leasing requirements
- ❖ Ability to add other contingencies if need be

HUD Phoenix field office director has provided a letter stating:

This letter is to confirm that the Phoenix Office of Public Housing (PXOPH) in our **request to HUD that the Flagstaff Housing Authority (FHA) be held harmless for the impacts of performance deficiencies and HUD liabilities sustained by the Williams Housing Authority (WHA)** upon receipt of the full FHA Board of Commissioners and the City Council's resolution approving the transfer of the Section 8 Housing Choice Voucher (HCV) program. Additionally, our office will **request initial technical assistance for a period of six months to one year from the date of the approved transfer from HUD to assist FHA staff with financial matters associated with the program transfer and the transfer of participant records, tenant screening and leasing requirements** prescribed in HUD regulations at 24 CFR 982.

HUD COMMITMENT (SO FAR) |

OTHER IMPORTANT INFO

- ❖ Williams Housing Authority Board / City Council has approved the transfer of the program
- ❖ Mutual agreement to hold joint meeting with current voucher holders and landlords to discuss the dynamics, answer questions, meet staff etc.
- ❖ Most, if not all, of the current voucher holders in Williams are informally aware of the potential transfer as our office has been getting calls for months from clients with questions.
- ❖ Staffing request has already been preemptively initiated

TIMELINE

- ❖ Conversation with Williams and HUD began May/June 2024
- ❖ Housing Authority Board Discussion – January 16, 2025
- ❖ City Council Work Session – February 25, 2025
- ❖ Housing Authority Board – First week of March
- ❖ City Council Consideration – March 18, 2025
- ❖ Documents to HUD – April 1, 2025

TIMELINE

- ❖ Documents to HUD – April 1, 2025
- ❖ HUD does what they do
- ❖ Transfer Date - July 1, 2025
- ❖ Once program transfer is approved and the finances are transferred, then outreach will commence, file transfer and clean up will take place

OPPORTUNITY
TO EXPAND
VOUCHER
PROGRAM
RESOURCES

Purpose of Presentation:

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*Staff is seeking feedback and
direction*

Opportunity to
Expand
Voucher
Program
Resources

QUESTIONS?

