

To the Mayor and Members of the City Council

January 14, 2020

Page 1 of 2



SUBJECT: TRANSFERABILITY OF HOUSING VOUCHERS

In response to questions raised during the December 3, 2019 meeting of the City Council’s Legislative and Intergovernmental Affairs Committee, we are providing you with the following information about housing voucher programs.

Is Arlington using all their vouchers?

Yes, Arlington is issuing the maximum number of vouchers its budget allows. The Arlington Housing Authority is in a very similar situation to Fort Worth Housing Solutions (FWHS) as both are experiencing a budget shortfall. Market rate rents have increased dramatically in the last few years. The money for vouchers received by housing authorities from the U.S. Department of Housing and Urban Development (HUD) does not actually cover the costs of all the allocated vouchers when costs dramatically increase, as we have experienced. A housing authority must allocate as many vouchers as possible with its budget provided by HUD without going over the number of vouchers allocated.

Is Arlington “sending vouchers back”?

No. Because funding is expended, there is nothing to send back. The Arlington Housing Authority does have situations where a client may have been awarded a voucher but, due to the competitive local rental market, these new voucher recipients may be unable to find a landlord that is willing to accept their voucher at a place where they want to live. Since HUD requires housing authorities to only give the tenant a limited amount of time to find a unit (for example, 30-60 days), if they cannot get an extension, the tenant has to turn the voucher back to the housing authority. This is consistent with what FWHS staff have described as the situation in the Fort Worth rental market: rents have increased dramatically, landlords have more options to fill vacancies due to population growth, and landlords may not want to accept a voucher. In these cases, the housing authority will award the voucher to the next client on the waiting list – who may be more successful in finding a unit due to timing, different locational preferences, better credit history, unit size needed, better rental history, etc. Ultimately, the voucher is used.

Can unused vouchers be reassigned to a different agency/jurisdiction?

No. HUD does not allow this. A housing authority’s service area for use of its vouchers is defined in its Annual Contributions Contract with HUD. The decision to move a voucher from one jurisdiction to another would be made by the tenant, rather than the housing authority that issued the voucher (unless the housing authority had a very broadly defined service area). Once the tenant has the voucher, they can decide to exercise their portability rights for that voucher – that is, they can move to another jurisdiction, and take their voucher with them (24 CFR Part 982.355). Each housing authority has the ability to set preferences on who can receive its vouchers, including geographic preferences.



To the Mayor and Members of the City Council

January 14, 2020

Page 2 of 2

SUBJECT: TRANSFERABILITY OF HOUSING VOUCHERS

Can we create a regional partnership via Tarrant County so Fort Worth and Arlington can work together?

Perhaps, but doing so would not be in each housing authority's best interest. The Board of the Arlington Housing Authority has established a preference that new applicants be Arlington residents or work in Arlington. Even if a housing authority had the ability to "give away" or "share" vouchers (which they do not), it would not generally be in a housing authority's best interest to share because each of them earn their administrative fee (overhead/operating costs) based on the utilization rate for their authorized vouchers, and there are additional costs to administering any vouchers that are "ported" to another jurisdiction. Tenants, however, can take their voucher and move to another jurisdiction. The receiving housing authority has the choice to absorb that voucher (meaning making it one of their own vouchers) or to bill the original housing authority. If a housing authority is full based on using all of its budget, it will likely invoice the original housing authority.

If a housing authority client moves from California to Arlington and Arlington is at capacity with vouchers, Arlington Housing Authority will pay that client's rent, but then it will bill the California housing authority. If the reverse happens, and an Arlington Housing Authority client moves to California, and the California housing authority is at capacity, it will bill Arlington. This creates a terrible situation for the local housing authority because California rent is so much higher than Arlington rent and this drives up the Arlington Housing Authority's per unit cost.

Fort Worth and Tarrant County housing authorities agree to allow their respective voucher holders to live anywhere in either of their jurisdictions. Arlington has historically not shared territories; however, Dallas is required as a result of a law suit settlement agreement to allow its tenants to live in any one of several North Texas counties, including Tarrant County.

Did Neighborhood Services staff report that we cannot swap or use another jurisdiction's vouchers?

Yes. Neighborhood Services staff did say that we cannot use "unused" vouchers from another housing authority. Additionally, because almost all regional housing authorities are at budget limits or close to shortfall because of escalating rents, it is unlikely that any surrounding jurisdictions have vouchers or budgets to swap.

If you have any questions about this information, please contact Victor Turner, Neighborhood Services Director, at 817-392-8187.

David Cooke
City Manager