



U.S. Department of Housing and Urban Development
New England Office of Regional Inspector General
for Audit, 1AGA
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MEMORANDUM FOR: Donna J. Ayala, Director, HUD Office of Public Housing,
New England Region, 1AGA

FROM: Barry L. Savill, Regional Inspector General, Office of Audit, 1AGA

SUBJECT: Review of the Portability Features of the Section 8 Housing Choice
Voucher Program – Revere, MA Housing Authority

INTRODUCTION

We completed our review of the administration of the portability features of the Section 8 Housing Choice Voucher Program by initial and receiving housing authorities at the Revere Housing Authority. The overall objective of our review was to determine whether initial and receiving Public Housing Authorities (PHAs) are administering the portability features of housing choice vouchers effectively and efficiently.

Based on our review, we determined that the Revere Housing Authority's Section 8 Management administers the portability features of the Housing Choice Voucher Program effectively and efficiently.

We appreciate the courtesies and assistance extended by the personnel of the Revere Housing Authorities during our review. Should you or your staff have any questions, please contact Cristine M. O'Rourke, Assistant Regional Inspector General for Audit or me at (617) 994-8380.

Background

The Revere Housing Authority (RHA) is located at 70 Cooledge Street, Revere, Massachusetts. As of December 1, 2002, the RHA administered 240 Section 8 vouchers, of which 142 were Portability-in vouchers from other housing authorities. The Executive Director is responsible for day-to-day operations of the housing authority. Our main contact point during the audit was the Section 8 Manager.

The Housing and Community Development Act of 1974 authorized the Section 8 certificate program, and the Housing and Community Development Act of 1987 authorized the Section rental “voucher” program. In October 1998, Congress passed housing reform legislation, including a full merger of the certificate and voucher programs. This legislation eliminated all differences, and required that the subsidy types merge into one Housing Choice Voucher Program. In May 1999, HUD published an interim rule providing for the complete merger of the certificate and voucher programs into the Housing Choice Voucher Program (HCVP). The interim rule was effective October 1, 1999, which is known as the merger date. An eligible family that has been issued a Housing Choice Voucher may use that voucher to lease a unit anywhere in the United States where a housing agency operates a HCVP. This feature of the program is referred to as “portability”.

When a HCVP participant decides to move outside the current housing authority’s jurisdiction, the current or “initial” public housing authority (PHA) is required to assist the family in locating the next or “receiving” PHA. The initial PHA forwards the HUD Form 50058 *Family Report* and other documents to the receiving PHA. The receiving PHA must issue a voucher to the family and assist them in locating housing. Furthermore, if the receiving PHA opts to conduct a new reexamination, the receiving PHA cannot delay issuing the family a voucher or otherwise delay the approval of a unit unless the re-certification is necessary to determine income eligibility.

If the program participant fails to locate approved housing before the voucher expires, the receiving PHA must notify the initial PHA that the voucher expired before a Housing Assistance Payment contract was signed. If the program participant locates approved housing before the voucher expires and a Housing Assistance Payment contract is signed with the landlord, the receiving PHA notifies the initial PHA that either:

1. The receiving PHA will not absorb the family and the initial PHA will be billed the monthly Housing Assistance Payment and applicable administrative fee. The voucher will be funded from the initial PHA’s Annual Contribution Contract; or
2. The receiving PHA will absorb the family, and the voucher will be funded from the receiving PHA’s Annual Contribution Contract.

The portability process is different in Massachusetts because of a Federal District Court decision (*Williams, et al. v. Hanover Housing Authority, et al.*, 871 F. Supp. 527 (D. Mass. 1994)). The Federal District Court ruled that the definition of a housing authority,

within Massachusetts General Law, confers jurisdiction over the *entire state* to all Massachusetts housing authorities. In Massachusetts, the initial PHA has the option of retaining the family in its program. However, as is the case elsewhere, the initial PHA in Massachusetts can never force the receiving PHA to absorb the family.

The objectives of our review were to determine whether the Revere Housing Authority (RHA) was administering the portability features of housing choice vouchers effectively and efficiently to ensure that:

- a. HUD is not reimbursing both the initial and receiving PHAs for cost of the same family.
- b. The initial and receiving PHA are not using separate Section 8 vouchers for the same family, thereby unnecessarily reducing the number of vouchers available to other needy families.
- c. Families terminated from the receiving PHA's Section 8 program are removed from the reimbursement roles of the initial PHA.

To accomplish the audit objectives, we:

- Reviewed the RHA's written policies and procedures related to the portability features of Section 8 Housing Choice Vouchers.
- Interviewed RHA staff concerning operating and accounting procedures used in handling portable vouchers and portability related Accounts Receivables.
- Determined the universe of Portability-in vouchers.
- Selected a random sample of 30 Portability-in vouchers from the Boston Housing Authority for our testing. Portability-in vouchers from the Boston Housing Authority were selected because 86 of the total 142 Revere Portability-in vouchers were from Boston.
- Reviewed the 30 vouchers selected to assure that the information relating to the Head of Household, Social Security Number, Housing Assistance Payment payments, Administrative Fee reimbursement, and the timing of payments were in agreement between the RHA and Boston Housing Authority.
- Interviewed RHA staff to obtain their operating procedures relating to year-end settlements.
- Reviewed the RHA's year-end settlement for March 31, 2002 to assure that Portability-in vouchers and the corresponding Administrative Fees, funded by the Boston Housing Authority, were not claimed by the Revere Housing Authority.

We conducted the audit between December 2002 and April 2003 and covered the period of April 2001 to September 2002. We conducted our audit in accordance with generally accepted government auditing standards.

Our review disclosed that the Revere Housing Authority effectively and efficiently administered the portability features of housing choice vouchers. We noted no instances in which HUD reimbursed both the initial and receiving PHAs for cost of the same family. In addition, we did not identify any instances in which the initial and receiving PHA were using separate Section 8 vouchers for the same family, thereby unnecessarily reducing the number of vouchers available to other needy families.