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CHAPTER 24

UTILIZATION

24.1 CHAPTER OVERVIEW

A PHA that has not leased 100 percent of the vouchers contracted in its ACC or has not spent 100 percent of the funds contracted under its ACC has not utilized all of the resources provided for its program. The program is “underutilized” and the PHA may be penalized through a lower SEMAP score, or through a recapture of some part of its voucher funding.

The failure of any PHA to use all of the funding contracted for the housing choice voucher program will always mean that a family in need of housing assistance it is not being helped.

When the Congress reviews requests for additional housing assistance funding and finds that funds it previously appropriated sit unused, members of Congress assume there either is no real need for housing assistance or an inability to deliver the funds to families in need. A Congressperson who draws either of these conclusions is likely to vote against additional funding for housing assistance.

HUD has a responsibility to Congress to ensure that the funds authorized for housing assistance are used to assist the maximum number of families.

24.2 MEASURING UTILIZATION

A PHA’s utilization is measured at the end of the PHA’s fiscal year. The percent of the contracted units that were leased during the fiscal year and the percent of the contracted funds spent during the year are both measured.

The percent of units leased is calculated by dividing the number of “unit months under lease” reported in the PHA’s year-end statement by 12 months and comparing the answer to the number of baseline units that had been under the ACC for 12 months or more at the year end.

“UNIT MONTHS UNDER LEASE”

“Unit months under lease” is a measure of each month any one unit is leased. If one household is leased in one unit for 12 months, that unit accounts for 12 unit months. If the PHA has 10 families under lease for 12 months, each of those families would account for 12 unit months. Twelve unit months times 10 units equals 120 unit months. (A unit month is counted only if the unit is under lease on the first day of the month.)

CALCULATING AVERAGE NUMBER OF UNITS UNDER LEASE

The PHA's year-end settlement statement (form HUD-52681, line 6) reports the total number of unit months under lease for all participants in the PHA's program. When that number is divided by 12 months, the result is the average number of units under lease for the year. Two participants, each under lease for six months, would be reported to look like one unit under lease for one year.

$6 \text{ unit months} + 6 \text{ unit months} = 12 \text{ units months} \div 12 \text{ months} = \text{one unit under lease for one year}$

If the PHA has reported 1183 unit months for the year, the average number of units under lease in each month is $1183 \div 12$ or 98.58.

Utilization of contracted funds (annual budget authority) is the percent of funds contracted for one year that have been expended for housing assistance payments or earned as fees by the PHA.

When calculating the utilization of units or contracted funds, units and associated funds awarded for litigation are excluded. Budget authority and associated units for a funding increment effective less than a year at the end of the PHA fiscal year are also excluded.

24.3 UTILIZATION STANDARDS

HUD expects a high performing PHA to maintain an average utilization rate at or above 98 percent.

A PHA achieving a standard level of performance is expected to maintain its utilization at 95 percent or above. Utilization below 95 percent will result in a failing score on SEMAP Indicator 13, Lease-up. An agency with utilization below 95 percent cannot receive new unit allocations and cannot be rated as a high performer under SEMAP.

The administrative fee reserve at a PHA with a lease-up rate below 90 percent is frozen until utilization improves.

If a PHA's utilization rate falls below 90 percent of the units contacted and annual budget authority, the agency risks losing a portion of its funding at the time renewal funding decisions are made. HUD will issue the PHA a warning. The warning will require the PHA to increase leasing to 95 percent of contracted units by the time of its second budget submission after receiving the warning. If the PHA fails to meet the required goal, its unexpended annual budget authority will become subject to reallocation.

24.4 ANALYZING AND ADDRESSING THE CAUSES OF LOW UTILIZATION

Often a low utilization rate is related to the tightness of the local housing market. Too often, however, PHA staff assumes that a tight housing market establishes an insurmountable hurdle and fails to consider a leasing strategy to overcome specific tight market problems. To develop a

good strategy, the PHA must collect and analyze information to determine the specific issues that contribute to low leasing rates.

Turnover

One of the most frequent management deficiencies in the voucher program is a simple failure to maintain statistics and plan program activities using projections based on historical data. Monitoring program turnover and issuing vouchers in anticipation of what will happen instead of in reaction to what has already happened is one of the simplest and most effective techniques for maintaining high utilization.

If ten families leave the program every month, the PHA will need to issue enough vouchers to ensure that ten families will execute new leases each month. If the PHA has data showing that turnover is always twice as high during the warm months, the agency will need to prepare for that turnover. Ideally, the PHA will issue vouchers far enough in advance that the searching families will have time to find units and execute leases by the time turnover occurs.

Turnover Data: Average Turnover by Month												
	Jan	Feb	March	April	May	June	July	Aug	Sept	Oct	Nov	Dec
Year 1	10	9	10	12	14	20	22	20	26	14	8	6
Year 2	11	10	10	14	16	24	19	14	26	12	9	6
Year 3	13	9	12	11	16	15	23	22	28	15	9	7
Average	11	9	11	12	15	20	21	19	27	14	9	6

A PHA that maintains monthly turnover data for a period of years should give greatest emphasis to the current year's experience but will also be able to see patterns and developing changes. In the chart above, the PHA is not only able to predict the number of leases that will terminate each month, it may also be able to see the beginning of an increase in turnover. The PHA should use this information to decide how many and when vouchers should be issued.

Response Rate from Waiting List Applicants

Often it is difficult for PHA staff to accurately estimate the number of applicants that will respond when invited to attend a certification interview. On every waiting list there are some people who will not show up for the interview. The PHA that fails to acknowledge and prepare for this fact will lose important time in completing the steps required to improve leasing.

Maintaining an up-to-date waiting list is the most obvious and most important effort in addressing the rate of applicant response. A waiting list that has not been recently updated will include people who have moved away, died, or found other solutions to their housing needs. Chapter 4 describes approaches to maintaining an active waiting list.

A PHA needs information on the recent response rate from applicants on its current waiting list. Statistics on the number of families interviewed and determined ineligible, the number of eligible families that fail to show when invited to a briefing, and some indication of family income (even

though unverified) will enable the PHA to determine the number of families to be invited to assure compliance with the 75 percent targeting requirements for admission of extremely low income families. With this data, and information on success rates, which are discussed below, the PHA can make two important determinations: (1) whether or not there are enough applicants on the waiting list to fill current leasing requirements; and (2) how many families should be called from the list for each round of interviews and briefings.

ESTIMATING APPLICANTS NEEDED TO COMPLETE LEASE UP			
The following chart illustrates that a PHA that needs to lease 10 units will need to call 25 families from the waiting list if its recent response and success rates are as shown below.			
Activity	Number of Applicants	X Response /Success Rates	= Number Responding
Applicants Scheduled	33	60%	20
Interviewed	20	94%	19
Eligible	19	95%	18
Briefed	18	75%	14
Submit RFTA	14	70%	10
Successful Leases			10

Voucher Success Rates

The term “success rate” refers to the percent of families receiving housing choice vouchers that succeed in finding suitable units and become program participants. Collecting and monitoring success rates are essential program administration activities, yet, at present, almost no widely available computer software collects success rate data.

To calculate the success rate, the number of vouchers issued during the period that are still pending is subtracted from the total number of vouchers issued during the period. The answer includes all of the families that have leased units and all families that were issued vouchers during the period whose vouchers expired before they found a unit. Then, the number of families that leased units is divided by the vouchers issued less any of those vouchers pending. Only families new to the program, not program participants moving to new units, are counted.

$$\frac{\text{Units Leased}}{\text{Total vouchers issued less vouchers still pending}} = \text{Success Rate}$$

In the following table, of the ten vouchers that have been issued, three families hold pending vouchers and five families have leased units.

$$\frac{5 \text{ units leased}}{10 \text{ vouchers issued less 3 vouchers still pending}} = \frac{5}{7} = 71\%$$

VOUCHER SUCCESS DATA AVAILABLE ON AUGUST 16					
Name	Issue Date	Voucher Expiration Date	Lease Date	Successful	Not Successful
1. Sally Samuels	May 1	July 29	June 1	x	
2. Miranda Lopez	May 1	July 29	June 1	x	
3. John Washington	May 1	July 29	-		x
4. Lynn Cowan	May 15	Aug 13	-		x
5. Nina Mick	May 15	Aug 13	July 1	x	
6. Naomi Childs	May 15	Aug 13	Aug 1	x	
7. Matikka Mednick	June 1	Aug 29			
8. Terrance Wood	June 1	Aug 29			
9. George Mason	June 1	Aug 29	Aug 15	x	
10. Isaac Weld	June 1	Aug 29			
Totals				4	2

The calculation may also be made to show the percent of families that are successful within specified search times. With a relatively simple data collection system, a PHA may track the percent of families that are successful after a 60-day search, those that are successful after a 90-day search, and those that are successful with 120 days searching. When the success rate within specified time periods is measured, all vouchers that have resulted in successful leases within the specified time are included even if the lease was also included in the measure for a shorter time frame.

In the following table, leases executed within the first 60 days of the search time are counted in the 60-day measure, the 90-day measure and the 120-day measure.

VOUCHER SUCCESS RATES BY SEARCH TIME						
Name	Issue Date	Lease Date within 60 Days	Lease Date within 90 Days	Lease Date within 120 Days	Successful	Not Successful
1. Pamela Page	May 1	June 1	x	x	x	
2. Roger Sands	May 1	June 1	x	x	x	
3. Jean Jackson	May 1			Aug 5	x	
4. Camilla Friend	May 15			Sept 1	x	
5. Alexis Jones	May 15	July 1	x	x	x	
6. Wendell Willets	May 15		Aug 1	x	x	
7. Carmen Bishop	June 1	Aug 15	x		x	
8. Brenda Mack	June 1					x
Totals	8	4	5	7	7	1

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In this example, the PHA is experiencing a 50 percent success rate within the first 60 days of issuance (4 leases ÷ 8 vouchers issued = 50). After 90 days, the success rate is up to 62.5 percent (5 leases ÷ 8 vouchers issued = 62.5 percent) and at 120 days, the success rate is at 87.5 percent (7 leases ÷ 8 vouchers issued = 87.5 percent).

Calculating the success rate is important primarily because it informs staff how many families must be issued vouchers before the PHA can expect to lease all units not currently under a HAP contract. If the PHA expects a 50 percent success rate, it will issue twice the number of vouchers for every lease it will need to execute.

Staffing Required for Lease Up

A PHA that attempts to improve utilization with inadequate staff is likely to fail. The staffing level required for a specific lease up goal can be estimated if the PHA has calculated its response and success rates as described above.

ESTIMATING STAFFING LEVELS REQUIRED

Let us assume we have a voucher program of 4,500 units that experiences a 10 percent turnover of units each year. The average monthly leasing goal to replace departing participants would be 37.5.

$$4,500 \text{ units} \times 10\% \text{ divided by } 12 \text{ months} = 37.5$$

We have routinely tracked our waiting list response and voucher success rates and, with that data, we are able to estimate that we will need to call 100 applicants from the waiting list each month based on the following expectations.

Activity	Number of Applicants	X Response /Success Rates	= Number Responding
Applicants Scheduled	100	60%	60
Interviewed	60	94%	56.4
Eligible	56.4	95%	53.6
Briefed	53.6	75%	40.2
Submit RFTA	40.2	70%	37.5
Successful Leases			37.5

With this information, we can estimate the staffing level required to maintain 100 percent utilization.

A. Interviews			
1.	Total appointments required	60	
2.	Hours required for each appointment (40 min/inter + 60 min/verification process + 20 min/rent calculation + 30 min/schedule/reschedule briefing)	2.5	
3.	Total hours required for interviews (A1xA2)	150	
4.	Hours available per staff member per month*	113*	
5.	Total interviewing staff members required (A3÷A4)		1.33

*Hours available per staff member based on 75 percent of annual full time equivalent hours (2080 hours) divided by 12 months.

B. Briefing/Issuance			
1.	Total applicants to be briefed	56.4	
2.	Applicants per session	30	
3.	Number of sessions required (B1 – B2)	1.9	
4.	Hours required per session	2.0	
5.	Hours required for all sessions	4.0	
6.	Hours required for phone calls (5 minutes per applicant briefed, B1)	4.7	
7.	Total time required (B5 + B6)	8.7	
8.	Hours available per staff member each month*	113*	
9.	Total briefing staff members required (B7 – B8)		0.08

C. Processing Requests for Tenancy Approval			
1.	Total RFTAs submitted	40.2	
2.	Hours needed to process one RFTA (.3 hr x C1)	0.3	
3.	Hours needed to process all RFTAs (C1 x C2)	13.3	
4.	Hours for follow-up processing, extensions (.25 hr x C1)	10.0	
5.	Hours required to complete processing (C3 + C4)	23.3	
6.	Hours available per staff member each month*	113*	
7.	Total staff required to process RFTAs		0.21

D. Leasing			
1.	Total new HAP contracts to complete	37.5	
2.	Hours required to complete each HAP contracts and file	1.5	
3.	Hours required to complete all HAP contracts and files (D1 x D2)	40.0	
4.	Hours available per staff member each month*	113*	
5.	Total staff required for leasing activities		0.35

Total staff required for leasing activities (excluding inspections staff)		1.97
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This analysis illustrates a calculation of staffing levels required to lease units as participants leave the program,. In addition to this on-going leasing activity, a PHA may periodically receive new allocations and must analyze the staffing level required to fully lease up under the terms of its leasing schedule.

Leasing schedules usually allow only 12 months to complete leasing of new allocations. Before applying for new voucher funding, a PHA should analyze staffing needs and determine how many units it can realistically lease in the time allotted.

When a PHA has a significant number of units to lease up, the PHA should consider the cost of increasing staff as an investment required to earn the administrative fees that are not earned until units are under a HAP contract. Most business managers understand that it is necessary to spend

money to make money; an investment in labor is required before any income will be realized. However, in the public sector and in the voucher program in particular, managers often believe they must wait until the income has been earned before there will be money to pay the staff. This approach may be less cost effective than hiring staff in advance in an effort to get units leased more quickly.

Over-issuance

Data on success rates are used to determine how many vouchers a PHA must issue to get the number of leases needed for full lease up.

If the PHA's success rate data are accurate and up-to-date, the data can be used as the basis of a decision to issue more vouchers than the PHA could actually afford to subsidize. The practice of issuing more vouchers than a PHA can afford is called over-issuing.

It is possible, of course, that the projection made using success rate data can be different from what actually happens. More families than anticipated may find units and the PHA may become over-leased; that is to say, the PHA may execute more HAP contracts than the number of units it can afford to subsidize. However, bear in mind that program utilization is measured as an annual average. This means that a PHA may be over-leased some months and under-leased other months.

When a PHA becomes over-leased, it stops issuing vouchers and waits until enough participants leave the program to reestablish financial stability in the program budget.

High performing PHAs that routinely maintain a utilization rate at 98 percent or above may find themselves over-leased off and on throughout any year. If the PHA has been carefully monitoring its housing choice voucher program, it will know when it is about to exceed full leasing and will stop issuing new vouchers even before leasing climbs over 100 percent. As other families leave the program, the leasing rate will fall back to an affordable level. With careful resource management, the PHA's yearly expenditures will not exceed its available budget authority.

Chapter 20 describes the circumstances in which the PHA is permitted to use funds in its ACC program reserve account to cover expenses exceeding its annual budget authority or units beyond those contracted for the PHA.

24.5 TECHNIQUES FOR IMPROVING UTILIZATION

Search Assistance to Voucher Holders

Occasionally, in very soft housing markets, a PHA can issue vouchers and expect most families to find suitable units without additional assistance. In some instances, PHAs have achieved full lease up using over-issuance as the only tool for improving utilization. However, the process of pulling families from the waiting list, certifying their eligibility, conducting a briefing, and

issuing a voucher is very expensive. In most instances, helping families that have received vouchers improve their success in searching is a more cost effective approach to increasing success rates than merely over-issuing.

Many PHAs provide information to families about available apartments by maintaining lists of vacant units. In tight housing markets, providing a list of landlords interested in the voucher program may be more effective, since in hot real estate markets, vacant units often are rented before information about them can be dispersed.

Direct staff contact to follow up on searchers' progress is one of the most cost-effective ways to increase success rates. Many PHAs argue they do not have staff time available for monthly telephone calls to searchers; perhaps, they have not stopped to compare the cost of providing this basic search assistance with certifying and briefing additional families.

Other approaches to assisting searches, however, may take funds beyond what a PHA can support with its administrative fees. In some locations, PHAs have established partnerships with community and other non-profit agencies to increase services available to searchers. In some instances, local partners have provided direct services to families; in others, the PHA has received funds available through Temporary Assistance to Needy Families (TANF), the Department of Labor (DOL) or other governmental or private sources.

READY TO RENT PROGRAM

Using state grant funds, a PHA has established a program for voucher holders which provides training in the responsibilities of tenancy in addition to credit counseling and repair activities. Graduates are "guaranteed" to potential landlords against potential damage or rent loss for six months. Funds in the state grant are available to pay landlords for losses—if any are experienced.

With these additional funds, PHAs have provided counseling to families in resolving family issues, improving housing search techniques, and identifying neighborhoods that may best serve the family's needs. Counseling funds have also been used to help families understand their credit problems and improve their credit standing to make them more attractive to landlords. Some have helped with strategies to explain negative credit reports to prospective landlords and identify what happened and what the family has done or is doing to correct the problem.

PHAs and their partners have also assisted families in making appointments with landlords and have provided transportation to the families or even escorted them to inspect units.

One of the most effective uses of local grants has been the establishment of funds to help families with moving costs. Such funds may be used to help families with security and utility deposits or with actual moving costs.

Extended Search Time

PHAs must give all voucher holders a minimum of 60 days search time. There is, however, no limit on how much longer a PHA may allow a family to search for housing. There are differing opinions on what length of search time is effective in promoting family success in leasing.

Some PHAs limit search time to 60 days, permitting extensions only for extenuating circumstances documented by the family. Especially in soft housing markets, some PHAs argue that families will work harder if they are given a short and specific deadline.

Other PHAs provide an initial search time of 60 days but permit automatic extensions to any family that asks prior to the voucher expiration date. These PHAs hold that requiring the family to return to request the extension maintains some pressure on the family to work at searching.

Agencies considering a request for HUD approval of a success rate payment standard based on the 50th percentile fair market rent (FMR) to improve success rates are required to have permitted automatic extensions to at least 90 days to qualify for the success rate payment standard . (See Chapter 7.)

MONITORING SUCCESS WITH EXTENDED SEARCH TIME

PHA's using longer search times may want to maintain data on searches to know how useful the extended search times are in improving success rates and to have knowledge of the potential financial liability from pending vouchers.

An aged vouchers pending report will provide a picture of the remaining potential liability.

Data on the average search times of successful families will increase understanding of the usefulness of longer search periods.

Many PHAs give 120 days up front and provide extensions to large families and those needing accommodations for a person with disabilities or an elderly person. Some PHAs place no limit on the search time. Whatever the PHA's policy, it is important to monitor how long it takes families to lease.

Payment Standards

Generally, when the housing market becomes tight, rents go up. Often, this happens quickly and it may require an alert staff to be ready to make changes before leasing levels fall.

Adequacy of the PHA's payment standard and the FMR on which the payment standard is based is an obvious element influencing families' success in locating suitable units. A PHA is required to analyze the adequacy of its payment standard once each year and make necessary changes. If

the success rate falls between the annual review of the payment standard, the PHA may want to re-check the adequacy of its payment standards against evidence of current market rents.

Good approaches to reviewing the adequacy of the payment standard are:

- Calculate the percent of program participants paying more than 30 percent and more than 40 percent of income for rent. To clearly understand the relationship of the payment standard to local rents it will be important to review participant rents by geographical area.
- Compare the payment standard for each bedroom size to the average gross rents paid by current program participants. If the market has just started to go up, it may be informative to look at rents for units leased within the past year separately.
- Compare the payment standard for each bedroom size and building type to the average rent reasonableness data for each neighborhood. Review the range of rents reported by the rent reasonableness database to determine if the average rent is in fact representative.
- Gather data from local real estate and/or news organizations, including internet-based information sources on recent changes in the rental market.
- Maintain and review data on the number of requests for tenancy approval that have been denied because the family's initial rent burden would have exceeded 40 percent of monthly adjusted income.

Review the Range of Rent Reasonableness Data

In the example below the payment standard is four dollars below the average two bedroom rent in the rent reasonableness data. A review of the range of rent reasonableness data, however, demonstrates that one extremely low figure appears to have distorted the data and a family may have difficulty funding a unit for less than \$700.

Payment Standard	Average Rent 2-bedroom Garden Style	Range of Rents 2-bedroom Garden Style
\$750	\$754	810
		780
		762
		760
		660

If the PHA's payment standard is lower than 110 percent of the FMR and available data suggests that an increase is warranted, an increase within the PHA's range of discretion (90-110 percent of the FMR) may be appropriate. The PHA's board of commissioners or other governing body must formally adopt a change in the payment standard.

If the payment standard is already at 110 percent of the FMR, the PHA may request an exception payment standard from HUD or may request authorization to use a payment standard based on the 50th percentile FMR. (See Chapter 7.)

Limitation on Initial Rent Burden

When payment standards are too low, families may have limited success in locating units as a result of the 40 percent of adjusted income limitation on the initial rent burden. This rule (described in Chapter 7) prohibits a family from paying more than 40 percent of its monthly adjusted income for rent when it first signs a lease for a unit under the voucher program.

It may be useful for a PHA to develop a system to log the number of requests for tenancy approval submitted for units which are subsequently rejected because of the initial rent burden limitation. An increase in such rejections would be a clear and early sign of changes to market rents in the community, and would alert the PHA to review the adequacy of its payment standards.

Landlord Outreach

Frequently, the enthusiasm of property owners for the housing choice voucher program fluctuates with the strength of the rental market. Owners who advertise their interest in families with housing assistance when the market is soft may become much more reluctant when there are plenty of renters looking for vacancies at any price.

The PHA that expects to maintain strong utilization rates through periods of economic growth will need to treat landlords as important partners in the program.

Probably the most important effort in maintaining the interest of landlords is the PHA's success in serving landlords with efficient, market-oriented business practices.

The cardinal rule to successful PHA-landlord relationships is timely HAP payments. Like all rent, the HAP payment is due and payable on the first of each month. Property owners need rental income to cover mortgage payments and the costs of maintaining the property. One late payment will catch the attention and remain in the memory of even the largest landlord. Consistent timeliness from one year to the next will form the basis of the landlord's willingness to work with the PHA to find resolutions when differences arise.

The second most important area of PHA performance and perhaps the area where PHAs have the most difficulty succeeding is inspections. In a tight housing market, high performing owners are able to turn an apartment over in 24 hours when an HQS inspection is not required. When PHA staff fail to acknowledge the unassisted renter as its

OWNER-ORIENTED BUSINESS PRACTICES

- *On-time HAP checks*
- *Fast turnaround on all inspection activities*
- *User-friendly telephone systems*
- *Fast response to owner complaints*

competition and respond appropriately, owners may not find patience for the PHA inspection process.

HUD rules require PHAs with programs smaller than 1,250 vouchers to complete an initial inspection within 15 days of receiving the request for tenancy approval and encourages larger agencies to strive for similar performance. While PHA staff may find the 15 day standard a challenging one, owners with the choice of another tenant ready to move in immediately will see 15 days of lost rental income.

In addition to speed, consistency is also important. Nothing can be more frustrating to an owner than finding that inspectors from the same office make different calls on identical conditions. Beyond that, consistency in standards may result in educating the owner and helping him or her know what conditions must be repaired before the next initial or annual inspection. The owner's ability, with an understanding of HQS standards, to prepare a unit to pass the HQS inspection at the inspector's first visit will serve the needs of both the owner and the PHA.

A landlord's experience with annual inspections will also contribute to his interest or disinterest in subsequent voucher program leases. Consistency and responsiveness are essential. Any additional effort to serve the needs of the landlord is worth considering.

Special efforts to decrease the amount of the landlord's time invested in voucher program procedures may make the program more appealing to landlords. Some housing agencies arrange for the owner and tenant to sign the lease and the HAP contract in the unit at the time of the initial inspection if the unit passes the initial inspection. Some schedule all of the annual inspections in a building at one time. A strongly recommended practice is to eliminate local requirements for owner signatures at the time of the annual inspection or the annual reexamination. There are no HUD rules requiring landlord signatures in the annual renewal cycle.

Landlords also appreciate PHA assistance in dealing with problem tenants. Without ever appearing to "take sides", the PHA can often help by meeting with the landlord and tenant together and impartially reviewing the obligations of each and the consequences of violating those obligations.

Improving the landlord's ability to contact an inspector or get the answer to a question can have a significant impact on the landlord's enthusiasm for the program. In a busy voucher program, an inspector's telephone answering machine may fill up with messages in the time it takes to retrieve the accumulated messages. In many situations, better landlord service can be provided by either an ombudsperson or supervisor responding to landlord calls if that person has the knowledge and the authority to solve the landlord's problem. In the absence of an ombudsperson, a clerk who can make changes to an inspector's schedule, find the answer to a technical question or take a detailed message may be more helpful than a machine. In every case, however, making staff accountable for responsiveness to landlords is essential.

General, on-going communication with landlords is also helpful to maintaining their enthusiasm for the program and can be accomplished with a newsletter or flyer stuffed in the envelope with the HAP check. The newsletter can educate landlords about program requirements, inform landlords about changes in the program and provide helpful hints including property maintenance information not specifically related to the program.

The PHA option to screen housing choice voucher program applicants may be used to better serve landlords. There are, however, potential pitfalls in this practice and the PHA must be cautious in implementing screening procedures being particularly careful not to promise more service than it can truly deliver. A PHA that decides to conduct screening beyond drugs and violent criminal activity will be wisest to:

- Specify the screening activities the PHA will perform and those the landlord will be expected to perform; and
- Provide only information on the sources contacted and the specific information received, not the PHA's judgment as to the meaning or value of responses received.

When the PHA has done a good job of keeping current landlords happy, it will have greater success at recruiting additional landlords.

One PHA has established an advisory board of landlords with experience in the PHA's housing choice voucher program. Landlords on the advisory board participate in briefings for potential landlords, assist the PHA in recruiting new landlords and may assist in resolving program or processing issues with other program landlords.

Landlord briefings (information meetings about the housing choice voucher program) are a tried and true approach to getting the attention of potential landlords. Participation by PHA representatives as speakers at meetings of real estate groups is another beneficial activity. Many PHAs have become members of local property owners organizations.

LANDLORD OUTREACH

- Landlord briefings
- Landlord advisory group
- Newsletters
- Meetings with real estate groups
- Use of PHA web site to provide explanations of program information
- City-wide landlord advisory groups
- Incentives for landlord participation
 - "Holding fee" for time required to bring unit to HQS compliance
 - Gift certificate for new landlord participation
- Tenancy education program
- Credit counseling and repair program

One message, delivered at briefings and in newsletters that has been successful in attracting landlords' attention is a suggestion that the landlord can eliminate the cost of advertising vacant units. For good units in a strong market, if the landlord informs the PHA of a vacancy, the PHA can assure the landlord of its ability to refer tenants.

A number of PHAs have developed special incentives to encourage the participation of new landlords. Some have used either administrative fee reserves or grant money to cover "holding fees" offered to landlords in place of rent until an initial inspection and lease up activities can be completed. Other PHAs have similar funds for grants to landlords after an initial inspection for expenditures required to comply with HQS when HQS exceeds local code.

PHAs have also used gift certificates to local restaurants as an incentive for new landlord participation and for current landlords who bring a new landlord to the program. Staff at one PHA was surprised that this approach worked so well and was relatively inexpensive. Staff reported, "If you feed them, they will come."

Housing Supply

In a tight housing market, prices rise and the number of affordable units within the reach of the payment standard declines. In addition to increasing the payment standards, PHAs can work to increase the supply of housing available to voucher holders using several approaches.

Contracting with owners under the project based voucher program is one good way to assure there are units available for voucher families. A PHA may contract up to 20 percent of the total units in its allocation for project based assistance. The contract commits the units to the program—and the associated housing assistance payments to the landlord—for a period of ten years.

PHA staff may also work with local government to develop expanded housing supply using resources through the Community Development Block Grant (CDBG) program, the HOME program, and through use of local tax credits to encourage housing development.

24.6 SEMAP INDICATOR 13, LEASE-UP

SEMAP measures utilization by dividing the average number of units leased through the year by the number of units under contract.

The average number of units leased is derived from information in the Year-End Settlement Statement (YES, form HUD-52681). Line 6 of the YES reports the total number of unit months under lease during the year. To determine the average number of units leased, divide the total number of unit months leased by 12.

$$\frac{\text{Average number of units leased}}{\text{Number of units under ACC}} = \text{Percent of contract units leased}$$

The number of units under contract is the baseline number of units, plus any new allocations since December 31, 1999, less units allocated for litigation or on schedule relocation. The number of units under contract also excludes units obligated during the last PHA fiscal year.

Indicator 13 is one of the three indicators HUD has identified as particularly important by assigning them 20 points. To receive all 20 points for Indicator 13, a PHA must have a utilization rate of 98 percent or better.

To receive 15 points, a PHA must lease 95 percent of its units. A PHA with a utilization rate below 95 percent will receive no points for Indicator 13. A PHA with a utilization rate below 95 percent will not be identified as a high performer regardless of its overall score and will not be eligible to receive new unit allocations.