



FY '10

(October 1, 2009 - September 30, 2010)

Oskaloosa Municipal Housing Agency
Annual Report

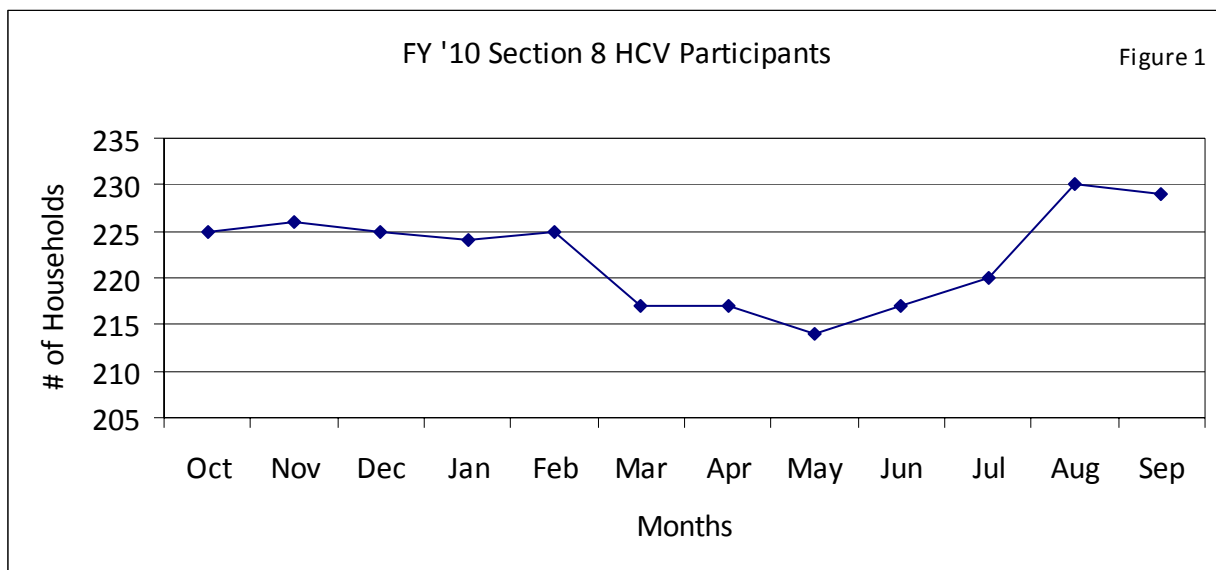
OMHA Fiscal Year 2010 Annual Report

Oskaloosa Municipal Housing Agency

The Oskaloosa Municipal Housing Agency (OMHA) administers the Section 8 Housing Choice Voucher rental assistance program for lower income residents of Oskaloosa. A board appointed by the Mayor with the advice and consent of the City Council governs the OMHA activities. Current OMHA Board members are Donald Patterson, Chair; Michael Collins, Vice Chair; Sandra Rowe, Secretary/Treasurer; Steve Brown; and Jenifer Rice. Meetings of the OMHA Board are typically held at noon on the first Tuesday of the month.

Section 8 Housing Choice Voucher Program

The Section 8 Housing Choice Voucher rent assistance program provides a baseline of assisting 230 households per month. The program requires the tenants to pay at least 30% of their income toward rent and utilities with the rent assistance program picking up the balance of those costs. All tenants are required to have their income reviewed and verified; their units inspected and meet the program's eligibility criteria at least annually. Currently, if income changes are reported to the office in a timely manner, an increase in income does not affect the tenant's portion of rent until their next annual review. The proposed change to the recent revision of the Administrative Plan would require the rent increase to occur as quickly as the following month. Reported decreases in income result in a recalculation of the tenant portion of rent for the following month. Reported income is compared to HUD's Enterprise Income Verification (EIV) system to detect fraud. Background information is obtained from the local police department and Iowa Courts Online. As seen in Figure 1, during FY '10 an average of 222 participants/month (96.7% occupancy) received rent assistance.



The OMHA maintains a waiting list for the rent assistance program. During FY '10 we have maintained an average of 103 families per month on the waiting list (Figure 2). The timeframe from application to being selected from the waiting list is approximately 6 months. Selecting applicants to be assisted are ranked in order by date and time with the following preferences: persons being displaced due to code enforcements, natural disaster or other government action; persons living in Mahaska County over persons outside of the county; single persons who are elderly, displaced, homeless or persons with disabilities over other single persons. The OMHA must also comply with HUD's regulation of not less than 75% of the families admitted to the program shall be extremely low income. Applicants are selected from the waiting list as the need exists to keep lease-ups at a maximum and remain within available funds. The housing authority receives a response from approximately 50% of the applicants selected from the waiting list and leases up approximately 25% of applicants that are selected.

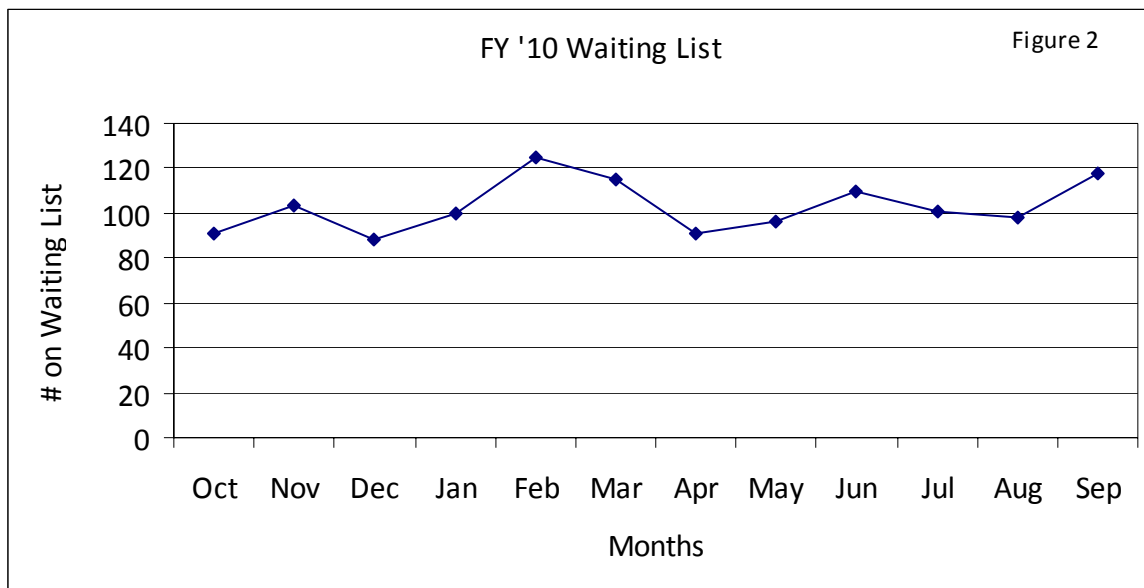
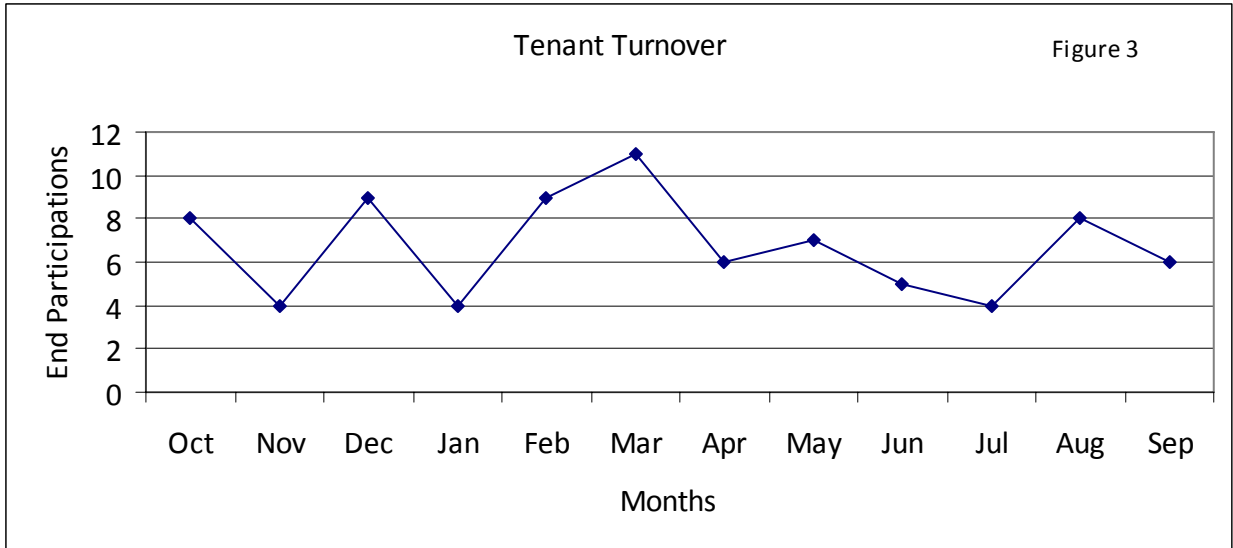


Figure 3 reflects an average turnover of 7 families per month, ending their participation in the program for various reasons (move-outs, termination, income exceeding limits, etc.). All participants that are terminated have the opportunity to request an informal hearing. The OMHA terminates an average of 2 families per month and approximately one-third request an informal hearing. Applicants that are residents of Oskaloosa that are issued a Voucher and participants that have fulfilled their initial one year lease have the opportunity to take their Voucher portable to any housing agency in the nation. These portable tenants are either absorbed by the receiving agency or are billed to the OMHA until they are able to be absorbed. The portability option can be expensive and time consuming depending upon where the tenant locates and whether or not they are absorbed. In addition to the turnovers, another 24 tenants ported out to other agencies.



The average assistance amount each month during FY '10 was \$276 (Figure 4). The Voucher program has a profound effect on the economy of the community with \$734,418 paid for Housing Assistance Payments (HAP) and utility reimbursements during this fiscal year. This amount is in excess of the budgeted calendar year funds in the amount of \$713,381 from the Department of Housing & Urban Development (HUD). The excess amount is funded from an accumulation of net restricted assets (NRA) that can only be used for HAP. The NRA serves as a cushion for over leasing and/or increased HAP payments and has also allowed us the ability to help additional families and increase the administrative fee earned. The assistance paid to each landlord is based upon a payment standard adopted annually from HUD's Fair Market Rent (FMR) for the area, a calculation of utility allowances adopted annually from HUD's utility model and local usage, and the tenant's income. The OMHA has a \$50 minimum rent figure used in the calculation of total tenant payment. This minimum rent does not mandate a \$50 minimum tenant portion. The program provides landlords their rent through an automatic deposit (ACH) which normally occurs before the 3rd and no later than the 6th of each month. This rent assistance allows the participants extra income for other needs.

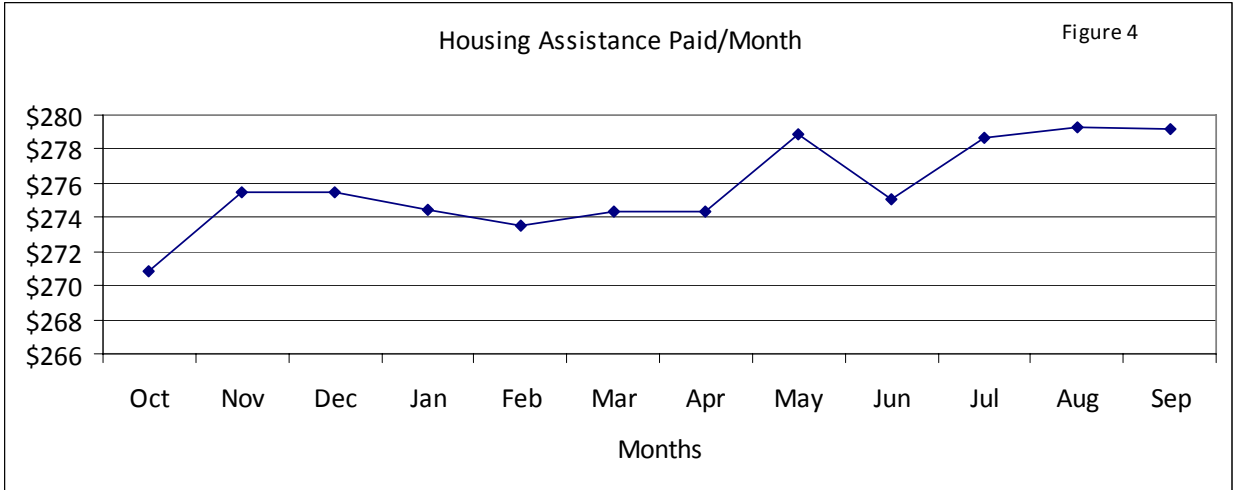
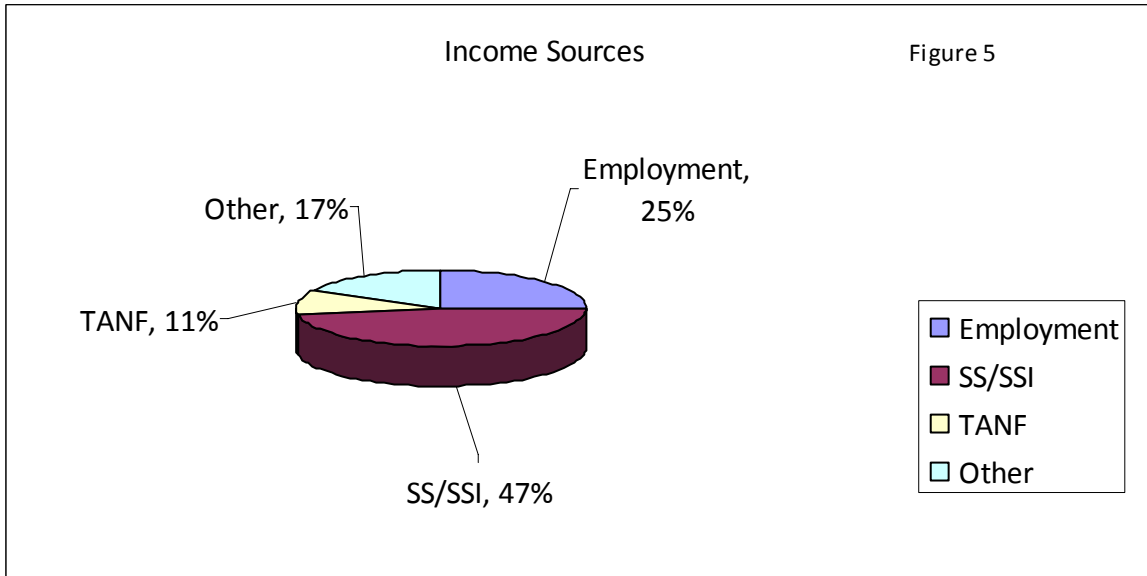


Figure 5 reflects that 25% of the Section 8 participants' income was from employment; 47% of the participants received their income from Social Security or other types of disability; 11% of the participants received their primary source of income from Temporary Assistance for Needy Families (TANF); and, 17% had income from other sources (child support, work study, etc.). The OMHA assists approximately 5 families with zero income. These families must currently report where they receive monies for food, clothing, utilities, etc. The proposed change to the Administrative Plan will require this reporting to be done on a monthly basis.



Landlords are required to maintain their properties to meet the Minimum Housing Quality Standards (HQS). This requires annual inspections of all properties and most of the time a second inspection to verify that the noted repairs have been made. While these standards are "minimum" as the name implies, we know from many years of experience that most of the dwelling units that are being rented through the Housing Choice Voucher program were constructed prior to 1950. This older housing stock accounts for a high failure rate on HQS inspections at lease-up, as well as during annual reviews. Our housing inspector inspects approximately 400 dwelling units in Oskaloosa each year.

OMHA Recap

The rent assistance program was able to assist an average of 222 households each month and has provided \$734,418 in income to Oskaloosa's landlords who help support our local economy. The assistance payments have allowed the participants to have an extra \$276/month to spend on other goods and services within the community that would have otherwise gone toward rent payments. The average number of household members receiving rent assistance through this program is 2.37 and the number of participant children under the age of 18 totals 232. As of 9/30/10, this program had a NRA balance of \$54,847 and an administrative reserve of \$30,710. The housing authority has been able to remain within the desired occupancy rate of 95-100% expending its total calendar year budget of HAP funds of \$713,381 along with a portion of the NRA. The OMHA has collected \$6,548 in fraud recovery payments during this fiscal year. Most of these payments are recouped from the State of Iowa Income Offset program. The OMHA staff and board are still in the process of reviewing the Administrative Plan and requesting input from HUD. The public hearing regarding the proposed changes is anticipated to be held at the February 1, 2011 board meeting.