

Memorandum

TO: Section 8 Housing Choice Voucher Participants and Landlords
FROM: Ilah O. Honson, Executive Director
DATE: March 6, 2013
Re: Sequestration (Automatic Spending Cuts to the U.S. Federal Budget)

As you may have heard, the Federal Government entered sequestration on March 1, 2013. You may be asking yourself, what does sequestration have to do with my participation in the Section 8 Housing Choice Voucher Program? The answer is, a lot.

The funding that we receive for housing assistance payments (HAP) to landlords for our Section 8 HCV participants comes from the Federal Government, through the Department of Housing and Urban Development (HUD). As an agency of the Federal Government, HUD will be impacted by the across the board cuts that sequestration is calling for. As yet, there has been no clear indication from HUD as to what our funding may be, but it is anticipated to be a 5.1% decrease in funding to our program.

We anticipate that funding information will be available by March 27, 2013. In accordance with our Section 8 Administrative Plan, if our funding falls below the HAP funding we received in February 2013, we may have to terminate participants from the Section 8 HCV program. The plan dictates that the last person/household placed into housing, regardless of how long a person/household has been a participant, would lose their voucher funding. If we have to remove participants from the program in order to operate within our funding, it is our intention to place those participants back on the Section 8 program as soon as funds are available.

Based upon the information that we have been able to find, the cuts from sequestration are likely to last the 2013 budget year. If we are forced to terminate participants from the HCV program, we anticipate those terminations will be effective May 1, 2013. If terminations are required, we will contact the individual participants and their landlords by letter.

If after reading this memo you find that you are upset with the potential loss of assistance under this program, we suggest that you contact Senators Levin and Stabenow and Congressmen Benishek. Let the decision makers in Congress know what effects sequestration could have upon you as a participant and landlord in the Section 8 Housing Choice Voucher Program.