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**HOUSING VOUCHER PORTABILITY IN ALAMEDA COUNTY:
A CASELOAD OF CLIENTS AND COST PRESSURES**

By

Helen Oliver

May 2005

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UNIVERSITY OF CALIFORNIA, BERKELEY

Housing Voucher Portability in Alameda County: A Caseload Analysis of Clients and Cost Pressures

Prepared for
The Housing Authority of the
County of Alameda (HACA)

By
Helen Oliver
May 2005

The author conducted this study as part of the program of professional education at the Goldman School of Public Policy, University of California at Berkeley. This paper is submitted in partial fulfillment of the course requirements for the Master of Public Policy degree. The judgments and conclusions are solely those of the author, and are not necessarily endorsed by the Goldman School of Public Policy, by the University of California or by any other agency.

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Executive Summary

The portability of Section 8 housing vouchers between Oakland and suburban Alameda County expands the housing choices of voucher recipients, but it also creates excess costs for the housing authorities that administer the program. The Housing Authority for the County of Alameda (HACA) estimates that portables from the Oakland Housing Authority (OHA) cost 50 percent more than the administrative fee they bring in and 26 percent more than regular vouchers. HACA's total estimated shortfall is \$382,000 per year. OHA is spending 20 percent more on housing assistance payments for its portables in suburban Alameda County than it is for its voucher recipients that remain in Oakland. Across-the-board budget cuts at the federal level have made all these costs less affordable.

In the context of these cost pressures, this report uses administrative data from HACA to compare the personal and housing characteristics of OHA portables to those of local, non-portable HACA clients. Key findings from this analysis include:

- Local HACA households are slightly larger on average than OHA portable households. This difference reflects a higher proportion of households with six or more members, but otherwise the distribution of household sizes is similar for both groups.
- OHA portables and local HACA households have similar numbers and ages of children.
- Local HACA households are more likely to include two or more adults, which in turn implies that they have more potential workers in the home.
- About half of households in *both* groups include one working, wage-earning member, and OHA portables earn more per year and per capita than local HACA clients.
- Local HACA clients have higher average annual incomes, because they receive higher welfare payments and more social security.
- Higher child care expenses account for comparatively lower adjusted incomes for some OHA portable households.
- OHA portables are more likely to rent a three bedroom (vs. two bedroom) unit than their household size would predict.
- OHA portables do not live in more expensive cities or zip codes than their local HACA counterparts.
- OHA portables rent more expensive units, on average, than local HACA clients. Larger units account for most of this difference, but a preference for single family detached homes and a premium for moving to a new and unfamiliar area also contribute.
- Average total HAP is higher for OHA portables than for local HACA clients, and for recent program entrants this difference stems more from higher rents than lower incomes.

This report also evaluates two proposals for alternative administration of portable vouchers that would mitigate the burden of the program. Either option would involve a negotiated agreement between HACA and OHA. The options are:

- 1) Allowing OHA to perform some voucher administration functions within HACA's jurisdiction, and
- 2) Transferring voucher authority between jurisdictions on an annual basis.

After considering the budgetary, political, and human impacts of each proposal, this report recommends that HACA pursue shared administration of portable vouchers. By eliminating the cost of billing OHA for housing assistance, this alternative would free up significant administrative funds for both housing authorities. However, the potential for confusion and inefficient voucher processing remains high. To minimize these risks, HACA should invest resources up front to:

- Accurately estimate the cost of each administrative task to each housing authority.
- Clearly define each housing authority's role and responsibilities for each task.
- Develop procedures for sharing a case as it progresses, i.e. with subsequent moves.
- Estimate the excess costs of sharing administration for a single client.
- Create informational materials to explain the shared system to tenants and landlords.

I. Introduction

The Housing Authority for the County of Alameda (HACA) currently administers approximately 6500 housing vouchers under the Housing Choice Voucher Program, commonly known as “Section 8.” Over 1000 of these vouchers serve clients who originally received them from a different Public Housing Authority (PHA), but who moved into HACA’s jurisdiction under a provision called “portability.” For those portable clients who moved from the city of Oakland—965 in April 2005—HACA “bills” the Oakland Housing Authority (OHA) for their housing subsidy costs. Billing for portables allows HACA to reserve its own allocated housing assistance funds for local clients, but it also creates a disproportionate administrative burden on the agency. Portable vouchers are more expensive to administer than regular vouchers, and changes to the program’s funding formula over the last several years have left HACA with little leeway in its budget to accommodate this expense.

In response to these budget pressures, HACA has begun to explore alternative strategies for managing its portable caseload in a cost-effective manner. It engages in ongoing discussions with OHA about the different challenges portability poses to each agency and how they can best address them. HACA commissioned this study to inform its decision-making through in-depth analysis of its administrative data on voucher-recipients.

This report considers the administrative and housing assistance costs of portability as it currently operates between HACA and OHA, and it evaluates how HACA would fare under two particular reform scenarios: allowing OHA to perform some voucher administration functions within HACA’s jurisdiction, and transferring voucher authority between jurisdictions. It also assesses the effects of each scenario on the voucher-holders themselves, both portables and non-portables (HACA “locals”). An analysis of administrative data on the HACA caseload (both locals and OHA portables) reveals that the two groups of clients have similar demographic characteristics, but OHA portables rent more expensive housing units and have lower incomes (but higher earnings) than their local HACA counterparts.

The remainder of this report is organized as follows. The next section provides background information on Alameda County, the voucher program, and portability procedures. It also summarizes the current costs of portability for both HACA and OHA. Section 3 explains the scope of the study, the key data source, and the criteria that guide the evaluation. Section 4 uses the administrative data to compare the characteristics of OHA portables and local HACA clients. Section 5 assesses the two reform options, using the results of the administrative data analysis and other sources. Section 6 offers conclusions from the data analysis and makes recommendations to HACA on portability reform.

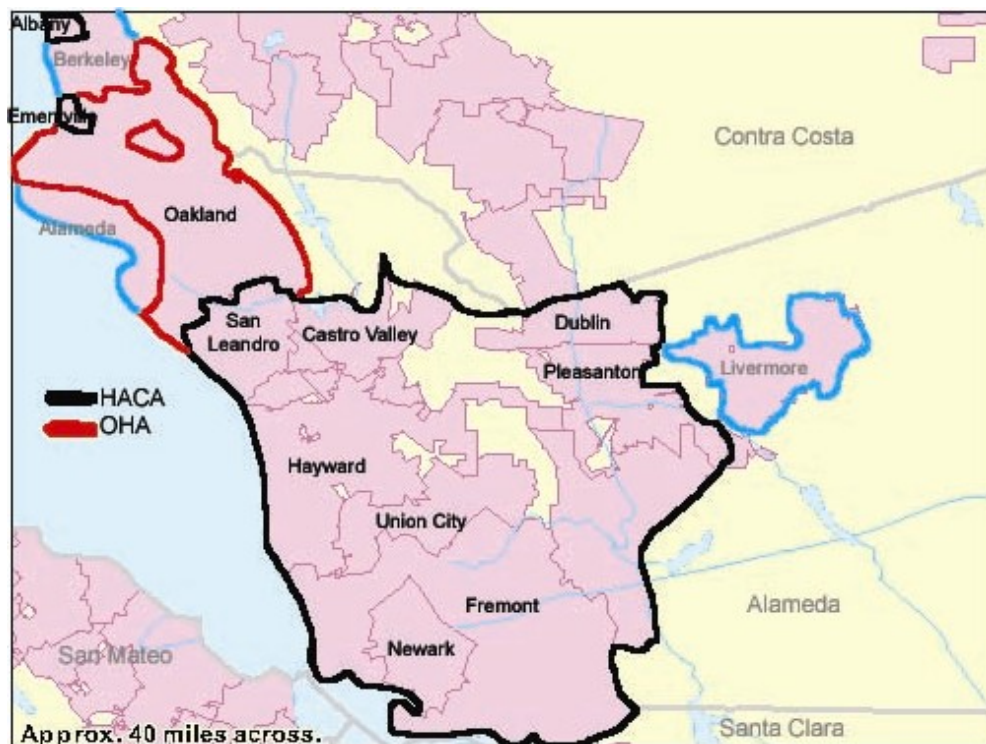
II. Housing Assistance and Voucher Portability in Alameda County: Challenges and Opportunities

HACA has one of the highest proportions of incoming portable vouchers in the country.¹ In particular, the volume of voucher-holders who move from “inner-city” Oakland to “suburban” Alameda County sets the County apart from most metropolitan regions and even other parts of the San Francisco Bay Area. Therefore, although the problems portability creates for HACA are not unique, they have a much greater impact on HACA’s budgetary bottom line than for other PHAs. After profiling the communities HACA and OHA serve and the relationship between the two housing authorities, this section describes the features of the Section 8 voucher program and current portability regulations. This section concludes with a summary of the specific challenges that portability creates for both HACA and OHA.

Alameda County Profile

Alameda County has nearly 1.5 million residents. Oakland is its largest city, with an estimated population of 411,600 in 2004.² Approximately 829,000 people, or 55 percent of the county’s population, live in the parts of the county under HACA’s jurisdiction. This area covers the entire county except for the cities of Oakland, Berkeley, Alameda, Livermore (which all have their own housing authorities) and the unincorporated eastern fringes of the county (which is not covered by a housing authority but has a very small population). Figure 1 shows the county with PHA boundaries outlined.

Figure 1: Map of Alameda County and PHA Jurisdictions



¹ HACA’s caseload of billed portables (approximately 1100) makes up 2.5 percent of *all* billed portable vouchers in the country. In comparison, its total voucher allocation of 5456 is .29 percent of vouchers nationally, a nearly 10-fold difference.

² State of California, Department of Finance, *E-1 City/County Population Estimates, with Annual Percent Change, January 1, 2003 and 2004*. Sacramento, California, May 2004.

To begin to understand why Section 8 voucher holders might move from Oakland to suburban Alameda County, Table 1 highlights the demographic, economic, and housing characteristics of Alameda County residents and compares the profile of HACA's jurisdiction to that of Oakland.

Oakland and suburban Alameda County have similar gender and age profiles. Over one-third of Oakland residents are black, compared to only 7 percent of those in HACA's jurisdiction, but suburban Alameda County is still racially diverse—nearly half of its residents are non-white. Asians are the largest racial minority in the county, and about one-fifth of the population is Hispanic. Suburban Alameda has a slightly higher proportion of residents who are foreign born.

Residents of suburban Alameda County have more education and are more likely to be employed than those in Oakland. As a result, median household income in Oakland is \$15,000 less than in the County as whole. Oakland residents are twice as likely to receive public assistance or have income under the poverty level.

Households in suburban Alameda County consist of more families with children under 18 than those in Oakland. On the other hand, women head a higher proportion of Oakland households, and elderly residents living alone are slightly more common in Oakland. Oakland also has a much higher percentage of renter-occupied housing units than in the suburban parts of the county.

This comparison reveals that Oakland residents are, on average, more disadvantaged than those in suburban

Alameda County. In addition, the unemployment rate is higher and job growth has been weaker in the city than in the suburbs. Oakland Unified School District has the second lowest test scores of the major districts in the county. Table 2 summarizes these characteristics.

Table 1: Profile of Alameda County Residents, 2000

	Alameda County	HACA only	Oakland
Total Population	1,443,741	795,910	399,484
% of county		55%	28%
Sex			
Male	49%	50%	48%
Female	51%	50%	52%
Age			
Under 18	25%	26%	25%
Over 62	12%	12%	12%
Median	34.5	NA	33.3
Race/Ethnicity/Nationality			
White	49%	52%	31%
Black	15%	7%	36%
Asian/Pacific Islander	21%	25%	16%
Other	10%	10%	12%
More than one race	6%	6%	5%
Hispanic	19%	20%	22%
Foreign Born	27%	30%	27%
Education			
Less than high school	18%	16%	26%
High School diploma	19%	21%	18%
Some College	28%	30%	25%
College degree or more	35%	33%	31%
Employment and Income			
In labor force	65%	66%	62%
Employed	62%	63%	56%
Median household income	\$55,946	NA	\$40,055
Have earnings	84%	86%	80%
Receive public assistance	4%	3%	8%
Individuals in poverty	11%	6%	19%
Household Information			
Number of Households	523,366	271,272	150,790
Families	65%	73%	57%
Families with children under 18	33%	37%	29%
Female householder	13%	11%	18%
Householder living alone, over 65	7%	7%	9%
Average household size	2.71	NA	2.6
Housing Information			
Single Family Detached	54%	60%	45%
1-3 Rooms	30%	30%	40%
4-5 Rooms	33%	33%	33%
6 + Rooms	37%	37%	27%
Renter-occupied units	45%	37%	59%

Source: U.S. Census, 2000

Table 2: Jobs and Schools in Alameda County

	Alameda County	HACA only	Oakland
Unemployment rate	6.0%	4.9%	9.1%
Job Growth 1998-2002	9.2%	NA	7.3%
----- % of schools ranking			
School Districts	Enrollment	6-10 on API	
Oakland Unified	50,437	15%	
Fremont Unified	31,844	88%	
Hayward Unified	24,014	9%	
Pleasanton Unified	14,039	93%	
New Haven Unified	13,303	75%	
San Lorenzo Unified	11,547	40%	
San Leandro Unified	8,653	31%	
Castro Valley Unified	8,391	80%	
Newark Unified	7,421	36%	
Dublin Unified	4,483	88%	
Albany City Unified	3,314	83%	

Sources: California Employment Development Department, County Business Patterns, Ed-Data

HACA and OHA

HACA's primary housing assistance activity is the administration of Section 8 vouchers, although it also manages several small public housing projects and has some contracts with private building owners for subsidized housing (project-based Section 8). HACA has 5456 authorized vouchers, and in April 2005 it billed the Oakland Housing Authority for 965 and the Alameda City Housing Authority for 140. OHA is much larger housing authority, with 10,998 authorized vouchers and 3,158 project-based units in 80 developments.³ About 10 percent of its voucher-recipients exercise portability and rent a unit in suburban Alameda County or elsewhere.⁴

Prior research has identified several key factors that facilitate portability in Alameda County.⁵ First, the housing authorities have a good relationship with one another, at both the executive and staff levels. This relationship makes it easier for them to work through the costs and administrative hassles of portability. Second, the racial and ethnic diversity of the East Bay make suburban resistance to urban portables less of a problem than in other metropolitan areas. Third, neighborhood attachments and the psychological boundaries between cities and suburbs tend to be weaker in the West than in the East and Midwest.

Why Are Vouchers Portable?

Voucher holders have had a statutory right to move with their voucher throughout the country since 1998. Currently, the only restrictions on portability are that the new location must have a PHA to administer the voucher and PHAs may require new voucher recipients to wait a year before moving. Between 1987 and 1998, voucher holders and participants in the related certificate program were permitted to move within their metropolitan area and later within their state.⁶ There are an estimated 44,000 portable vouchers that are retained by one PHA but administered by another (about 2.4% of the 1.86 million vouchers in use nationally).⁷ The cumulative total of voucher recipients who moved with portability is higher, because this

³ U.S. Department of Housing and Urban Development, Public Housing Authority (HA) Profiles. Available at <http://www.hud.gov/offices/pih/systems/pic/haprofiles/index.cfm>

⁴ David Varady and Carole C. Walker, "Using Housing Vouchers to Move to the Suburbs: The Alameda County, California, Experience," *Urban Affairs Review*, 39:2, November 2003.

⁵ Ibid.

⁶ National Low Income Housing Coalition, "Briefing Paper: Portability," Prepared for the National Housing Voucher Summit, February 2005. Available at <http://www.nlihc.org/news/summit/index.html>

⁷ Ibid.

figure does not include families whose voucher was “absorbed” by the receiving PHA’s program. As noted above, however, Alameda County is unusual in the high number of portable vouchers as a percentage of the total caseload.

Arguments in favor of voucher portability come from both liberal and conservative perspectives.⁸ They are largely the same as the rationale for the voucher program as whole, with key emphasis on the fact that PHA jurisdiction boundaries are somewhat artificial and thus should not limit clients’ abilities to benefit from the program. Specifically, portability allows voucher-recipients to:

- Move closer to *family and social networks* without jeopardizing housing assistance.
- Move closer to a *specific job* or an area with better *job opportunities*. Portability thus reduces the barrier of commuting to *economic self-sufficiency*.
- Move to neighborhoods with *better schools* and *less crime*, which are presumed to be more plentiful outside of urban PHAs.
- Move to neighborhoods that are more *racially and economically diverse* than otherwise.

These last arguments are inextricably intertwined with the notion that the *deconcentration* of poverty and *mobility* of voucher-holders from high-poverty to lower-poverty neighborhoods will improve the socioeconomic circumstances of these families beyond simply improving their housing options. However, evidence on this point is mixed. Early studies found that families who moved from the city to the suburbs had increased adult employment and youth high school graduation rates compared to families that stayed in the city.⁹ Later, more controlled studies found no significant effect of movement on earnings, receipt of other public assistance, or individual educational performance, at least in the intermediate term.¹⁰ However, movers did feel safer and happier in their new neighborhoods, and they exhibited some improvements on mental and physical health measures. Girls generally performed better in their new neighborhoods, but boys reported more behavioral problems and run-ins with the law.

Moreover, the existence of portability does not guarantee that voucher-holders will move to “better” neighborhoods outside their original jurisdiction, if they choose to move at all. Even in Alameda County, a 1999 study showed that 59 percent of urban voucher recipients rented in place, 29 percent moved within the city, and only 10 percent moved to the suburbs.¹¹ The reasons participants gave for moving or not moving were diverse, and surprisingly similar between groups—voucher-holders wanted decent quality affordable housing, safe neighborhoods, convenience, and family or friends in the area.¹² Still, half of those who moved to suburban parts of the County cited problems with their original neighborhood or asserted that the suburbs were “a better place to live.” This same study, as well as others nationwide, found that suburban-bound movers did choose areas with higher incomes, more racial and ethnic diversity, and better economic opportunities than those who moved locally.

These findings suggest that the most compelling argument for portability is *choice*. The fact that some voucher recipients seek and find neighborhoods outside their original jurisdiction that they prefer and can offer them opportunities not available otherwise implies that to restrict portability would make them worse off. Moreover, some recipients report appreciating the existence of portability, even if they do not use it.¹³ The challenge for housing authorities is how to balance the benefit of choice and the potential for economic improvement with the reality of severe resource constraints.

⁸ Republicans introduced portability in the 1980s, but it expanded under pressure from more liberal housing advocates.

⁹ James E. Rosenbaum, “Black Pioneers—Do Their Moves to the Suburbs Increase Economic Opportunity for Mothers and Children,” *Housing Policy Debate*, 2:4, 1991.

¹⁰ Larry Orr, et al, “Moving to Opportunity Interim Impacts Evaluation,” Washington, DC: U.S. Department of Housing and Urban Development, 2003.

¹¹ Varady and Walker, 2003a.

¹² *Ibid.* Since voucher-holders do not need to cite a reason to exercise portability, these studies are the only insight researchers have as to whether voucher-holders behave as expected.

¹³ David P Varady and Carole C. Walker, “Using Housing Vouchers to Move to the Suburbs: How Do Families Fare,” *Housing Policy Debate*, 14:3, 2003.

Portability Rules and Cost Pressures

Appendix A provides a detailed explanation of the current Section 8 voucher program and the portability process. The following definitions and facts are central to the analysis in this report:

General Voucher Rules

- Voucher recipients can rent any available unit, as long it meets PHA quality standards and the rent is comparable to that charged to unassisted tenants and to similar units in the neighborhood.
- A family's household size determines the number of bedrooms covered by the voucher, although it may rent an apartment of a different size (smaller or larger).
- Voucher holders generally pay 30 percent of their adjusted family income in rent. This amount is called the *Tenant Portion*
- The *Housing Assistance Payment (HAP)* is the payment the PHA makes to the landlord on behalf of a tenant with a voucher. The PHA contracts with the landlord directly. HAP is the difference between the unit rent and the Tenant Portion, unless the unit rent exceeds the payment standard.
- The *Payment Standard* is the maximum HAP for a given unit size. PHAs set payment standards as a function of the HUD-determined Fair Market Rent (FMR). Within broad limits, PHAs can adjust payment standards at will to contain costs or allow broader access to the housing market.
- If the unit rent exceeds the payment standard, the tenant pays the balance. A tenant's total monthly payment on rent cannot exceed 40 percent of adjusted income, so a tenant cannot move into a unit that would exceed this threshold.

PHA Budgets

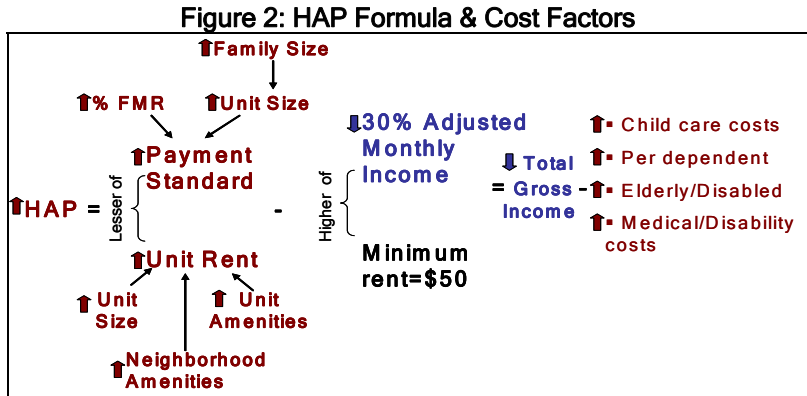
- A PHA's annual Section 8 budget allocation from HUD has two separate components: *HAP* and *Administration*.
- The HAP budget is based on the actual expenditure on vouchers in the previous year. The Administration budget is based on a per-unit administrative fee that is unique to each PHA.
- In 2005, both budgets are fixed with no reserves to accommodate increases in subsidy or administrative costs.

Portability

- Tenants who wish to move to a unit outside of the jurisdiction of the PHA that issued their voucher need only to alert the PHAs and look for a unit. If they move, they are exercising portability, or "porting."
- The *Initial PHA* is the PHA that issues the voucher.
- The *Receiving PHA* is the PHA that has jurisdiction in the area to which the tenant moves.
- The receiving PHA may *bill* the initial PHA for the HAP costs of the portable voucher. The initial PHA then remits to the receiving PHA the HAP amount plus 80 percent of the administrative fee it receives for the voucher.
- The receiving PHA may instead *absorb* the portable voucher into its own program. The receiving PHA pays the HAP and the voucher is thereafter part of the receiving PHAs regular caseload.
- If the receiving PHA decides to bill, the initial PHA has no control over the HAP costs it must pay. The receiving PHA approves the unit and its payment standards apply, not the payment standards of the initial PHA.

Cost Pressures

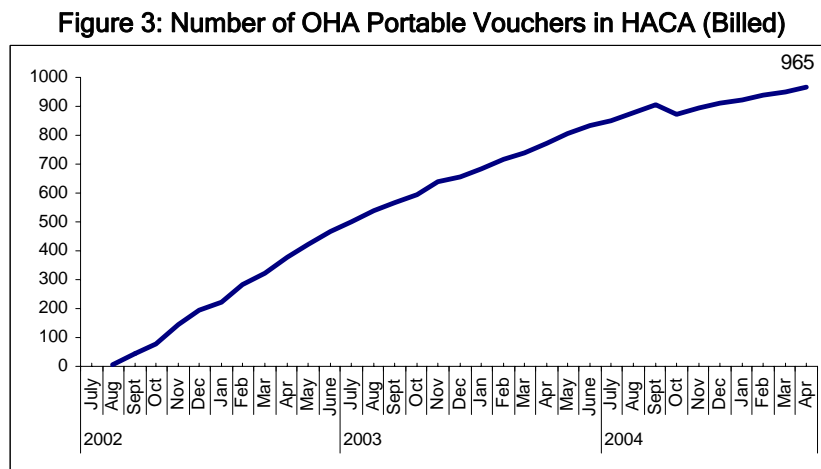
- HAP costs depend on housing market conditions, client characteristics, and unit qualities. Figure 2 illustrates the factors that determine HAP. HAP goes up when factors with up-arrows *increase*, and when factors with down-arrows *decrease*. See Appendix A for further discussion of these costs pressures.



- For the initial PHA, HAP costs will be higher for portables than non-portables if the receiving PHA has higher rents than the initial PHA.
- For the receiving PHA, portables cost more in administrative time than the fee the PHA receives (80% of the initial PHA's administrative fee). The excess cost is due to time spent on billing and HUD reporting, in addition to regular voucher administration, for a reduced fee.
- Absorbing a portable eliminates the extra administrative burden, but it reduces the funding available for families on the local PHA waiting list.
- To manage costs, PHAs can lower payment standards, deny portability moves, or terminate vouchers (as long as the termination is non-discriminatory). PHAs cannot choose clients based on family size, income, or unit rent.

The Costs of OHA-HACA Portability

HACA began billing OHA for its portable vouchers in August 2002, and the number of OHA portables under HACA's administration has grown steadily ever since. Figure 3 illustrates this trend. In recent months, the growth rate has been 1-2 percent per month, and it shows no signs of stopping.¹⁴



¹⁴ The dip in October 2004 was due to a one time "swap" of portable vouchers, via absorption.

Table 3 summarizes the current costs of housing assistance for OHA voucher-holders who move (“port”) to HACA and the administrative burden of portability on HACA.

Table 3: Monthly Cost of Portability from OHA to HACA¹⁵

	Total Cost	Average Cost	% over OHA average	% over HACA average
HAP for OHA Portables	\$1,143,565	\$1,185	20%	15%
			% over fee received	% over reg. HACA fee
Administrative Costs, HACA	\$92,503	\$86.69	50%	26%

Clearly, portability is costly to both OHA and HACA. HACA estimates that portables from Oakland cost 50 percent more than the administrative fee they bring in and 26 percent more than regular vouchers. In addition to the excess costs associated with billing and HUD reporting, portability makes the HACA workload unpredictable because its staff must serve portables (answer questions, inspect units, calculate payments, and make contracts with landlords) whenever they come in, unlike standard recertifications that usually occur once a month. HACA’s total estimated shortfall is \$382,000 per year.

OHA is spending 20 percent more on HAP for its portables in suburban Alameda County than it is for its voucher recipients that remain in Oakland. Across-the-board budget cuts at the federal level have made these payments less affordable, despite the fact that the annual HAP allocation is based on actual expenditures—including the expensive portables—in the prior year.

The over \$1.1 million OHA spends in HACA’s jurisdiction represents 11 percent of OHA’s HAP budget. Some OHA staff and board members are unhappy that the money is leaving Oakland.¹⁶ Without an increase in resources, the movement of housing dollars from the inner city to the suburbs is an inherent consequence of allowing voucher-holders the choice to leave. For Oakland policy makers, this disinvestment is a major political issue.

¹⁵ Data from HACA and OHA budgets.

¹⁶ OHA Budget; Ophelia Basgal, April 27, 2005.

III. Framework for Analysis

In this context of budgetary and political pressure on portability, HACA is exploring agreements with OHA that would reduce the administrative burden of the program. This report examines two proposed alternatives for administering portability between the two housing authorities:

- 1) Allowing OHA to perform some voucher administration functions within HACA's jurisdiction, and
- 2) Transferring voucher authority between jurisdictions on an annual basis.

This section defines the scope of the analysis, describes the major data sources used, and describes the criteria the guide the evaluation.

Scope

This report does not consider the costs of, the human impacts of, or changes to HACA's administration of portables from PHAs other than Oakland. This restriction is because the volume of OHA portables dwarfs the number from other jurisdictions, and so reducing the costs of portability from Oakland would have the largest effect. Also, HACA is unlikely to reconsider its policy of absorbing as many portables as possible from jurisdictions that send a small number of families. In evaluating potential arrangements with OHA, the analysis holds constant the existing system of handling other portables.

Data

Primary data for this study comes from HACA's administrative records. Specifically, all data were originally collected on the HUD-50058 Family Report, which HACA submits to HUD on a regular basis.¹⁷ The analysis dataset covers 6986 clients who received voucher assistance between July 2002 and December 2004. These data include information on demographic characteristics, family size, income, income sources, unit characteristics and rents, and HAP amounts. Of these 6986 clients, 1052 are portables from OHA, 5419 are HACA locals who either received their original voucher from HACA or were absorbed by HACA prior to the study period, and 608 are portables from other jurisdictions. For the purposes of this analysis, this last group is excluded. Appendix C contains a complete description of the data source, procedures and assumptions used to clean and analyze the data, and the limitations of this approach.

Additional data for this study comes from HACA and OHA financial and program records.

Criteria

Five main criteria guide the evaluation of the two proposed models for reforming portability between OHA and HACA. A preferred change to the current system should:

- 1) *Minimize the cost of voucher assistance (HAP) for HACA.* Currently HACA pays no HAP on behalf of portables from Oakland. Any changes to this arrangement would place added pressure on HACA's HAP budget. Increased HAP expenses would force HACA to make cuts elsewhere.
- 2) *Minimize administrative expenses and complexity.* Since administrative costs and hassles are driving HACA to seek alternatives, a negotiated agreement should improve the situation. Preferred changes would be relatively easy to implement and would minimize the likelihood of excess costs or opportunities for abuse in the administration of the program.

¹⁷ This data source tracks program and personal information for all clients receiving federal housing assistance, and HUD publishes basic statistics from these data. However, it does not make detailed analysis or data files public. Therefore, very little research has been done with these data to date.

- 3) *Maximize the benefits of portability for clients that exercise this option.* To the extent that portability has benefits for clients beyond those offered by standard vouchers, these benefits should be preserved. Specific benefits considered include:
 - a. Freedom to move anywhere for any reason (maximum choice).
 - b. Ability to move out of neighborhoods with a high concentration of poverty.
 - c. Improved economic opportunities and circumstances.
- 4) *Minimize the adverse effects on the non-portable caseload.* Any diversion of resources toward portability will decrease the amount of HAP available to non-portable clients. Efforts to preserve portability do not decrease the need for housing assistance in the original community, so this diversion should be minimal.
- 5) *Be acceptable to OHA.* OHA must agree to any alternative that can be implemented. Therefore, it must also
 - a. Minimize excess HAP for OHA.
 - b. Minimize excess OHA administrative expenses and hassle.
 - c. Minimize political opposition.

IV. Characteristics and Costs of OHA Portables

This section assesses differences and similarities between HACA's regular caseload and the portable clients for whom it bills OHA for housing assistance. The analysis in this section focuses on only those clients, portable and local, who entered the voucher program in July 2002 or later and were still under HACA's administration in December 2004. Since HACA began billing OHA for portables in August 2002, restricting the study period for both groups makes them comparable in terms of length of time on assistance. In addition, future program entrants are likely to be more similar to those who entered in the recent rather than distant past, so focusing on the limited study period gives HACA better information on how the caseload may behave in the future. Appendix D contains tables on all clients in the caseload as of December 2004, as well as supplementary analyses.

Key findings from this analysis include:

- Local HACA households are slightly larger on average than OHA portable households. This difference reflects a higher proportion of households with six or more members, but otherwise the distribution of household sizes is similar for both groups.
- OHA portables and local HACA households have similar numbers and ages of children.
- Local HACA households are more likely to include two or more adults, which in turn implies that they have more potential workers in the home.
- About half of households in *both* groups include one working, wage-earning member, and OHA portables earn more per year and per capita than local HACA clients.
- Local HACA clients have higher average annual incomes, because they receive higher welfare payments and more social security.
- Higher child care expenses account for comparatively lower adjusted incomes for some OHA portable households.
- OHA portables are more likely to rent a three bedroom (vs. two bedroom) unit than their household size would predict.
- OHA portables do not live in more expensive cities or zip codes than their local HACA counterparts.
- OHA portables rent more expensive units, on average, than local HACA clients. Larger units account for most of this difference, but a preference for single family detached homes and a premium for moving to a new and unfamiliar area also contribute.
- Average total HAP is higher for OHA portables than for local HACA clients, and for recent program entrants this difference stems more from higher rents than lower incomes.

Client Demographics

Table 4 summarizes the basic demographic characteristics of OHA portables and local HACA clients.

Local HACA clients are significantly more likely to be elderly or disabled than the portables from Oakland.¹⁸ This finding reflects the fact that elderly and disabled voucher-holders are less likely to exercise portability, because they are comfortable in their homes, unable to conduct an extensive housing search, etc.¹⁹ Since elderly and disabled clients have different housing needs and income prospects than the general population, and these clients make up a small proportion of the portable caseload, the remaining data analysis focuses on non-elderly, non-disabled voucher-holders.

Even excluding elderly households, the heads of portable OHA families are younger than those of HACA locals. Among recent entrants, the mean difference in age is just over one year. The age differential probably reflects the self-selection of younger OHA clients into portability.

Although female-headed households dominate the entire voucher-holding population, local HACA households have a relatively large proportion of male householders. This pattern is consistent with the higher percentage of immigrants and Asian households in the caseload, since these groups in general have a lower proportion of single-parent, female-headed families.²⁰

Table 4: Demographic Characteristics of Household Heads

All clients receiving assistance in December 2004 and admitted July 2002 or later

	OHA Billed	HACA Local
Aged and Disabled		
Elderly HH Head	5%	20%
Disabled HH Head	20%	32%
<i>Non-Elderly, Non-Disabled</i>		
Age of HH head		
Median	31	34
Mean	33.4	34.6
Sex of HH head		
Female	91%	81%
Male	9%	19%
Citizenship		
Non-citizen	4%	9%

Figure 4: Racial Composition of HACA Caseload

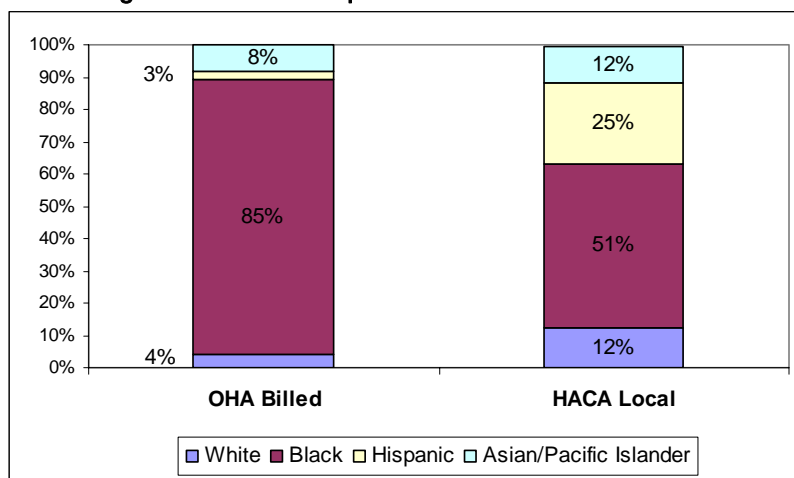


Figure 4 displays the racial composition of the two groups. Portables from Oakland are much more likely to be African American than local HACA clients. Whereas 85 percent of OHA portables are black, African Americans make up around half of the local HACA caseload. For the most part, the differences in the racial composition of the groups of voucher recipients reflects the differences in the general population of Oakland compared to suburban Alameda County. However, Hispanics are underrepresented among OHA portables, because they are underrepresented in the OHA caseload as whole.²¹

¹⁸ Formal significance tests are reported in Appendix D.

¹⁹ David P. Varady and Carole C. Walker, "Case Study of Section 8 Rental Vouchers and Rental Certificates in Alameda County, California." U.S. Department of Housing and Urban Development, 2000.

²⁰ U.S. Census, 2000.

²¹ Oakland Housing Authority, PHA Plans: 5 Year Plan for Fiscal Years 2003-2004 Progress Statement.

Family Size and Composition

On average, local HACA clients have larger families than OHA portables, although this difference is small among clients who entered the program in July 2002 or later (Table 5).

Table 5: Family Size and Composition

	OHA Billed	HACA Local
Number in household		
Median	3	3
Mean	3.35	3.45
Number of Children		
Any	91%	88%
Median	2	2
Mean	2.09	2.03
Number of Adults		
1	80%	64%
2	16%	31%

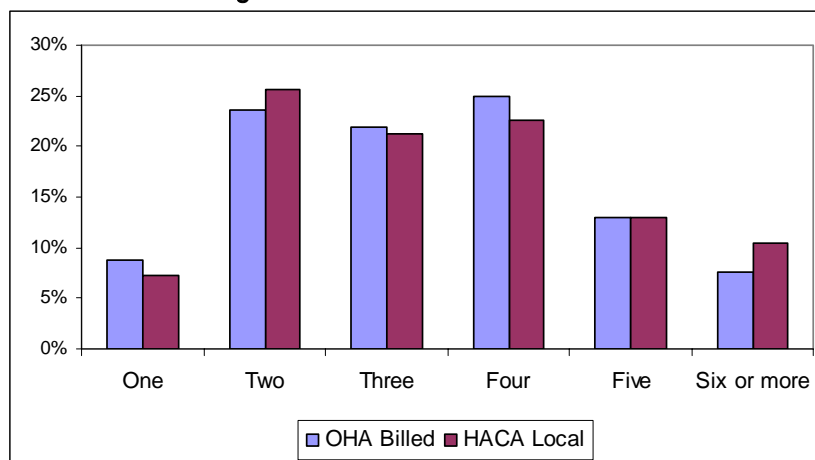
In particular, local HACA households are more likely to consist of six or more members. The prevalence of large HACA households may be due to the higher percentage of Asian and Latino families, as well as more recent immigrants, all of whom tend to have larger households. Overall, however, the distribution of household sizes in the two groups is very similar, as Figure 5 shows.

The distribution of the number of children in the household is essentially the same in the two groups. OHA portables are slightly more likely to have at least one child in the household, but the average number of children is comparable.²² About 9 out of 10 voucher households in both groups include a child under age 18.

Finally, OHA portable households are much less likely than HACA local households to have more than one adult. This

statistic suggests that local HACA households include more two-parent families, and it is consistent with the finding that a higher proportion of HACA household heads are male.

Figure 5: Distribution of Household Sizes

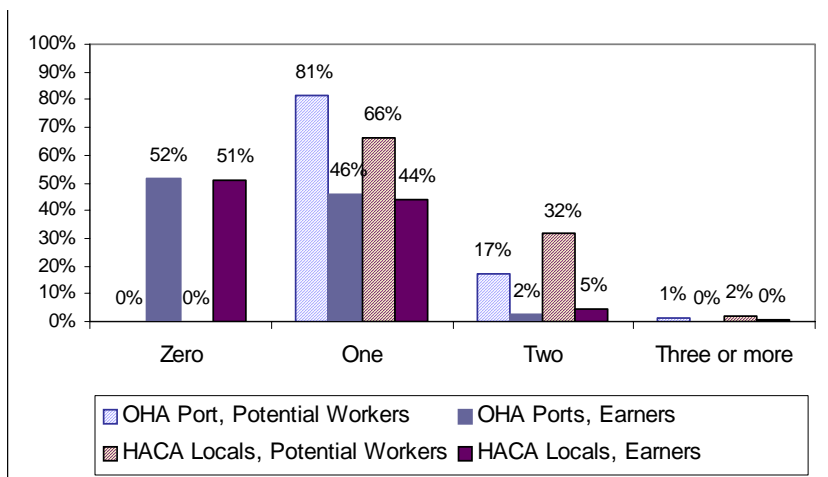


Work Status

Figure 6 shows that OHA portables have fewer potential workers in the household but just as many earners as local HACA clients. Potential workers include the household head, spouse, co-head, and any other adult in the household except a foster adult or a live-in aid. Not surprisingly, the number of potential workers in a household correlates closely with the total number of adults it has. By this measure, OHA portables are half as likely as HACA locals to have more than one potential worker in the household (17 percent versus 32 percent).

²² The age and gender distribution of the children is also similar in the two groups. Appendix D contains this analysis.

Figure 6: Work Potential and Work Status



Despite this difference in work potential, the actual number of earners per household is about the same for both groups. Just over half of households have no earners at all and almost all of the working families have only one working member. This similarity implies that OHA portables are just as successful as local HACA clients at finding work, despite child care and other barriers that fall disproportionately on single-parent families.

Income and Sources

Nearly all of both OHA portables and local HACA families have some income in the household, although a slightly higher percentage of OHA portables under the 30% AMI targeting threshold do not have any income. Since the percentage of households above 30% AMI is the same for both groups (and both percentages are close to the statutory target), there is no evidence that higher (or lower) income OHA clients are more likely to port.

The two groups are also equally likely to have any earnings or welfare, although extremely low income HACA locals are more likely to receive welfare. HACA locals also receive social security or SSI at a higher rate, even though households with an elderly or disabled head have already been excluded from this figure.

Median gross income for OHA portables who entered the program in July 2002 or later is \$11,470, compared to \$13,062 for HACA locals. However, the extra income for HACA locals comes from

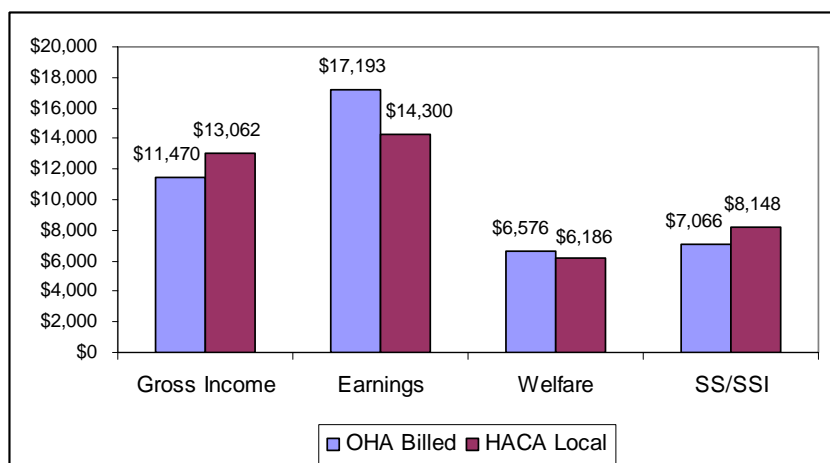
unearned sources. Figure 7 displays the median earnings, welfare payment, and social security payment for those households that receive each type of income. The median OHA portable with earnings earns \$2,893 more than the median HACA local, and average earnings per employed household member differs by \$1,730.²³

Table 6: Income and Sources

	OHA Billed	HACA Local
Income		
Have Any Income	97%	98%
Above 30% AMI	22%	23%
<30% AMI, Any Income	96%	98%
Earnings		
Have Any Earnings	48%	49%
<30% AMI, Any Earnings	35%	37%
Welfare		
Have Welfare	45%	45%
<30% AMI, Any Welfare	55%	58%
Social Security		
Have SS/SSI	12%	16%
<30% AMI, Any Social Security	12%	15%

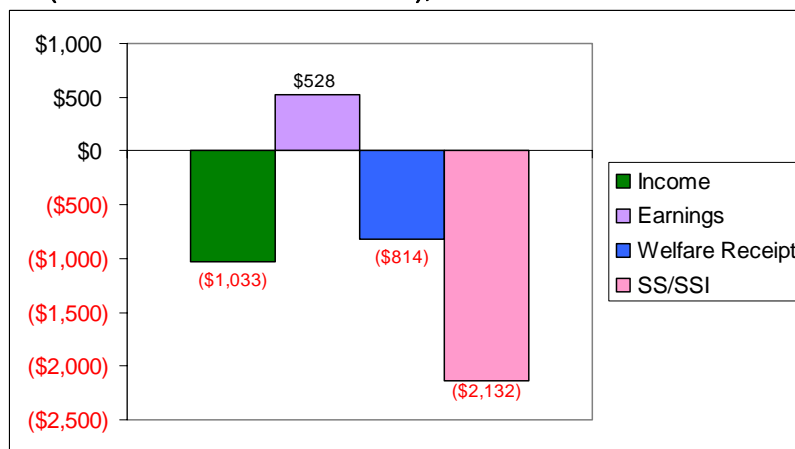
²³ The difference in average earnings is not statistically significant (p=.17), but it is substantial enough that it should not be ignored.

Figure 7: Median Income and Sources



The difference in income sources persists for households with income under 30% AMI. Figure 8 illustrates the difference in the average income and source receipt for these households.²⁴ Extremely low income HACA locals rely even more heavily on welfare and social security.

Figure 8: Difference in Average Income and Sources (OHA Portables - HACA Locals), Households under 30% AMI



For all clients in the December 2004 caseload (regardless of admission date), the difference in income and earnings between the two groups is even greater. The income gap is over \$2000 (\$1,632 for those under 30% AMI), and HACA locals are more likely to have any earnings. However, HACA locals still earn significantly less on average--\$2,548 for all earners and \$1,822 for earners in households under 30% AMI. Comparing recent entrants to the full sample suggests that longer term participants are not necessarily more likely to find better paying jobs and go off public assistance, although caseload income dynamics cannot be fully tested with these data.²⁵ Appendix D contains complete income tables for the entire population.

The strong earnings performance of OHA portables could mean that many are moving to HACA because they have jobs in the area, or it could be that employed OHA families are more likely to want to leave rough inner-city neighborhoods or find good schools for their children. Without comparable administrative data from OHA it is impossible to tell if the OHA clients who stayed in Oakland are more similar (demographically and economically) to the OHA portables or the HACA locals. However, given the relative disadvantage of Oakland residents on the whole, it is not unreasonable to assume that the relatively high earnings of the OHA portables sets them apart from their non-portable peers.

For HACA, the implications of this finding are mixed. The fact that OHA portables are just as or more self-reliant than HACA locals is good for both the stability of the clients and the neighborhoods to which they move. On the other hand, portables still have lower incomes overall, and this differential contributes to their higher average HAP. Although HACA does not currently pay HAP for portables, it could start paying under alternative future scenarios therefore the income characteristics of this group are important.

²⁴ All differences are statistically significant except for earnings.

²⁵ Recent local HACA entrants could be different from the earlier caseload because most entered through a special program (e.g. Family Unification Program) rather than off the waitlist based on regular preferences.

Unfortunately, the 50058 data does not speak to the causes of higher earnings/lower welfare & social security receipt, and more research is needed in this area.

Adjusted Income

Differences in income allowances create an even larger gap in adjusted (versus gross) income between OHA portables and HACA locals, but only for those with incomes over 30% AMI. Over the entire income range, OHA portables take on average \$158 more in allowances than local HACA clients. However, among extremely low income households only, this difference disappears (Table 7).

Table 7: Adjusted Income and Allowances

	OHA Billed	HACA Local	Difference
Adjusted Income			
Median	\$10,399	\$12,256	(\$1,857)
<30% AMI	\$7,968	\$9,108	(\$1,140)
Mean	\$13,755	\$15,046	(\$1,291)
<30% AMI	\$9,533	\$10,563	(\$1,030)
Allowances			
Any	89%	91%	
Median Total	\$960	\$960	\$0
Mean Total	\$1,520	\$1,362	\$158
<30% AMI	\$1,084	\$1,093	(\$8)
Medical/Disability Expenses	0%	0%	
Elderly/Disabled Allowance	1%	3%	
Dependents	89%	90%	
Child Care Expenses	10%	8%	
<30% AMI	3%	1%	

The most likely explanation for this phenomenon is differences in child care expenses. OHA portables are more likely to have an allowance for child care expenses, but the percentage of households in both groups with a child care allowance drops significantly for households under 30% AMI. These patterns are consistent with the fact that more portable households have only a single adult (thus they need child care to work), and extremely low income households are less likely to pay for child care because they either receive subsidized care or have an informal, no-cost arrangement.²⁶

The dependent allowance is by far the most common allowance for households in both groups. Since this analysis excludes elderly and disabled household heads, nearly all of those household that take an allowance take the dependent allowance. The median number of dependents is two, so the median allowance is \$960 (\$480 x2).

Aside from the difference in child care expenses, this examination of allowances confirms that the observed differences in adjusted income between OHA portables and local HACA clients do not stem from the adjustment process. Rather, the relative amount of earned and unearned income drives the gap in adjusted income, which in turn contributes to differences in tenant rent and HAP obligations.

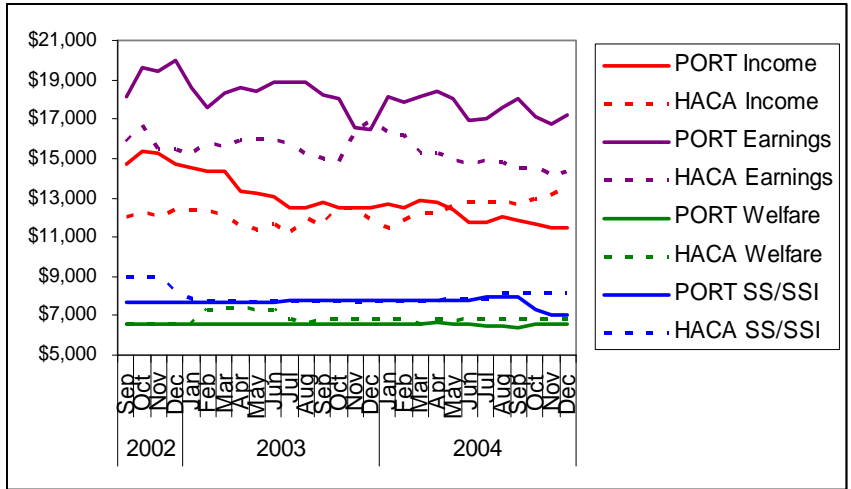
Change over Time

Income dynamics over the study period are difficult to disentangle. Figure 9 shows the trend in median income, earnings, welfare, and social security from September 2002 to December 2004, for those who entered the program in July 2002 or later.²⁷ Median income declines steadily for OHA portables over the period, while the median income of local HACA households rises slightly. Earnings for portables are inconsistent, but on average they neither rise nor fall. Social security receipt for portables decreases sharply after September 2004, and this drop may explain the decrease in total income in the last few months of the study period.

²⁶ Margaret O'Brien-Strain, Laura Moye, and Freya Sonenstein, "Arranging and Paying for Child Care," PPIC, December 2003.

²⁷ All dollar figures are nominal.

Figure 9: Trends in Median Income and Sources



A year-over-year comparison of the entire caseload (regardless of admission date) reveals that average total income increased slightly for those portable households receiving assistance in both December 2003 and December 2004 (not shown). However, welfare and social security receipt drove this increase rather than wage raises. Specifically, more OHA portables entered welfare and social security than left those programs, thus increasing the average receipt. For those on welfare in both periods, however, mean

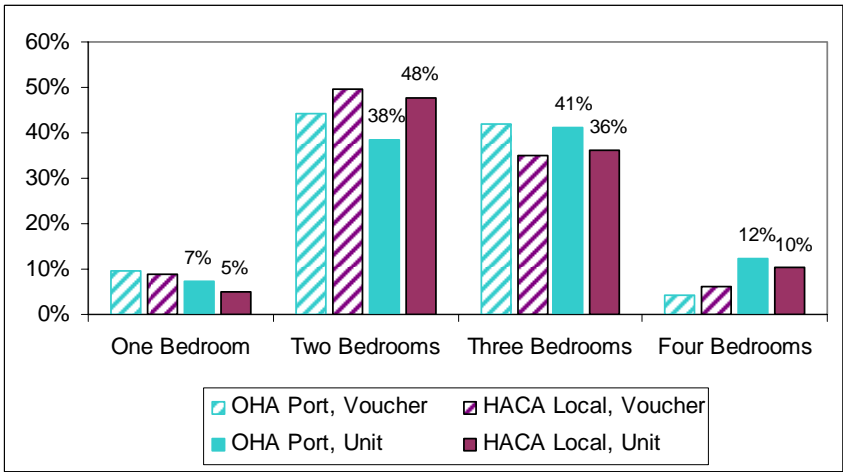
welfare receipt decreased. Moreover, none of the changes over time for portables are significantly different from the changes over time for non-portables, so these observed dynamics are likely the result of secular changes to the caseload rather than being specific to the portable population.

In sum, there is some evidence that OHA portables declined economically over the study period, but uncertainty surrounds this assessment. More information on welfare and SSI patterns in the county, as well as a closer look at the available administrative data, is necessary before stronger conclusions can be made.

Unit Size and Location

OHA portables are more likely to occupy three-bedroom units (48% vs. 38%) and less likely to occupy two-bedroom units (36% vs. 41%) than their local HACA counterparts (Figure 10).

Figure 10: Unit Size and Voucher Size



The difference in the unit size breakdown is striking, because the household composition and the number of children are similar between the two groups. Moreover, the percentage of 2- and 3-member households (who should receive a 2 bedroom voucher) and the percentage of 4- and 5- member households (who should receive a 3 bedroom voucher) are the same for the two groups (46% each). Although OHA portables are slightly more likely to be living in a unit that exceeds their voucher allocation (Table 8), the distribution of unit sizes largely reflects the distribution of voucher sizes.

Table 8: Unit Size and Voucher Size

	OHA Billed	HACA Local
Bedrooms in Unit		
Median	3.0	2.0
Mean	2.6	2.5
Bedrooms on Voucher		
Median	2.0	2.0
Mean	2.4	2.4
Unit Bedrooms vs. Voucher Bedrooms		
Smaller	1%	2%
Same	81%	82%
Larger	18%	15%

One possible explanation for the observed difference in two- and three-bedroom vouchers and occupancy is that until recently, OHA offered three bedroom vouchers to families with one boy and one girl. In contrast, HACA offers one bedroom for every two children, regardless of gender. OHA families who entered HACA expecting a three bedroom voucher may have chosen to rent a unit larger than their voucher allocation (thus the three percentage point difference in this phenomenon) or requested special accommodation for a larger voucher (thus the prevalence of three bedroom vouchers as well).

OHA portables tend to move to relatively inexpensive cities and areas within suburban Alameda County. Two thirds live in one of the five cities with the lowest payment standards (95% FMR), a slightly higher percentage than for local HACA clients. Conversely, they are less likely to live in a city with a 105% FMR payment standard (Figure 11).

Figure 11: Unit in Low Rent vs. High Rent City

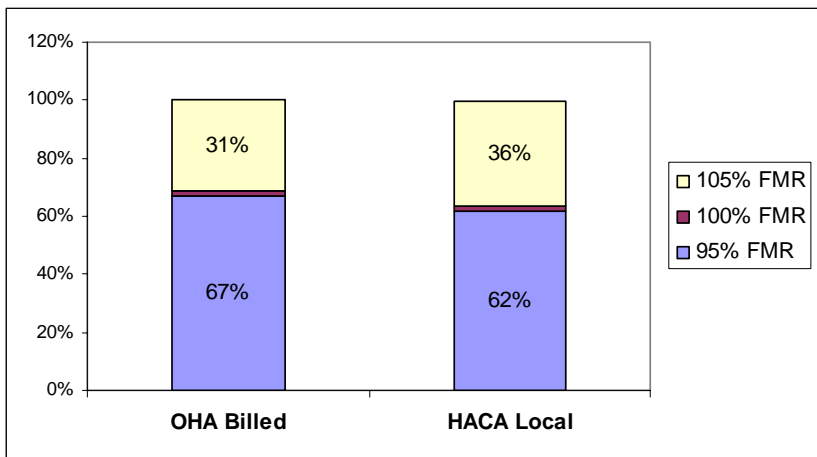


Table 9 lists the top 10 zip codes where OHA portables live. Most of these zip codes had median rent less than the county average in 2000. Most HACA locals also live in relatively low rent areas, but nearly one-third live in a zip code with above-average rents.

Table 9: Top 10 Zip Codes for OHA Portables

Zip Code	City	OHA Billed	HACA Local	2000 Median Rent
94578	San Leandro	15%	7%	\$838
94544	Hayward	11%	14%	\$907
94541	Hayward	10%	18%	\$865
94577	San Leandro	9%	4%	\$844
94560	Newark	8%	6%	\$1,093
94538	Fremont	8%	7%	\$1,206
94587	Union City	7%	9%	\$1,091
94536	Fremont	7%	9%	\$1,149
94555	Fremont	4%	5%	n.a.
94545	Hayward	4%	1%	\$1,036
<i>High Rent Zip Code</i>		24%	31%	>\$1,100

These results imply that OHA portables do not choose more expensive neighborhoods than their local HACA counterparts, although analysis at the census-tract level is needed to confirm this finding.²⁸

²⁸ OHA portables could still be choosing neighborhoods that are more expensive than their original neighborhoods in Oakland. Due to missing data and time constraints, this report does not include an analysis of movement patterns.

Unit Rent

On average, OHA portables rent units that cost \$54 more per month than local HACA clients' units.²⁹ The mean rent for OHA portables in the December 2004 caseload who entered the program in July 2002 or later is \$1,614, the rent for HACA locals is \$1,560, and the average rent across both groups is \$1,593. Regression analysis helps isolate the determinants of unit rent for the caseload as a whole, as well as the factors that cause the rent differential.

Table 10 summarizes the effect of various housing characteristics on rent.³⁰ Unit size, structure type, structure age, and unit location (zip code) all significantly influence a unit's rental rate. For example, holding other housing features constant, a two-bedroom unit costs \$178 more per month than a one-bedroom unit, and a three-bedroom costs \$528 more than a one-bedroom. Since OHA portables are more likely to rent a three-bedroom than local HACA clients, the difference in unit size is likely a major reason that OHA portable rents are higher.

Table 10: Housing Characteristics and Rent

Variable	Estimate
<i>OHA Portable</i>	\$ 23
2 BR unit	\$ 178
3 BR unit	\$ 528
4 BR unit	\$ 780
5 BR unit	\$ 791
Single Family Detached	\$ 205
Townhouse	\$ (8)
Year unit built	\$ 2
Zip code dummies	mostly sig

OHA portables also have slightly higher rates of renting single family detached homes, but they also tend to rent older units (not shown). These effects work in opposite directions. More importantly, a unit's zip code is also strongly correlated with its rent, but OHA portables tend to live in less expensive zip codes than HACA locals. Therefore, unit location does not help explain OHA portables' observed higher rents.

After controlling for all the housing characteristics available in the data, OHA portables pay an extra \$23 per month that cannot be explained by these variables.³¹ To test if this difference is due to other personal characteristics of the two groups, the next step in the analysis is to predict the rent for each client based on housing characteristics alone and then compare the predicted to the actual value. A regression of clients' personal characteristics against this rent "premium" isolates the effect of the personal characteristics. In fact, personal characteristics do not explain much of the variation in rental prices (Table 11).

Table 11: Personal Characteristics and Rent

Variable	Estimate
<i>OHA Portable</i>	\$ 21.18
Monthly Income (\$100)	\$ 2.14
HH head is Black	\$ (9.46)
HH head is Hispanic	\$ 25.37
HH head is Asian/Pacific Islander	\$ (74.79)
Age of HH head	\$ 0.71
Sex of HH head	\$ 3.65

An increase in monthly income of \$100 is associated with a \$2.14 increase in monthly rent. Asians pay less rent than their other housing characteristics would predict, but the other demographic variables are insignificant. The unexplained effect of being an OHA portable is \$21. This portability premium decreases to \$20 when earnings is considered instead of income, because OHA ports have higher average incomes.

A portability premium of \$20-\$23 is 1.5 percent of the overall average rent for the caseload. This premium is

consistent with portables moving to a new place and being less familiar with the housing market in suburban Alameda County.³² Therefore, this analysis suggests that larger units are the most likely cause of higher rents for OHA portables, followed by structure type and earnings. The demographic differences between the two populations do not make much difference, although OHA ports are slightly less likely to be Asian. Finally, many OHA portables pay slightly more rent simply because they move to the area.

²⁹ "Rent" in this analysis is actually the "gross rent," which includes a HACA-determined utility allowance that varies based on unit size, structure type, and location.

³⁰ Full regression results are in Appendix D. An explanation of the methodology is in Appendix C.

³¹ This portability factor is marginally significant—p=.11.

³² Indicators of unit-to-unit movement in the 50058 data are unreliable, so this analysis cannot control for length of unit stay explicitly.

Housing Assistance Payments

The combination of higher unit rents and lower adjusted incomes cause OHA portables to require higher HAP than local HACA clients. Table 12 summarizes the components of HAP and the differences in these components between the two groups.

Table 12: HAP and Components

	OHA Billed	HACA Local	Difference	Percent of Diff.
Mean HAP and Components				
Total HAP=	\$1,251	\$1,168	\$83	
Applicable max HAP -	\$1,597	\$1,546	\$51	61%
TTP	\$346	\$378	(\$32)	-39%
Gross rent of unit	\$1,614	\$1,560	\$54	
Payment Standard	\$1,751	\$1,724	\$27	
Unit rent > payment standard	23%	23%		

HAP for OHA portables who entered HACA's jurisdiction in July 2002 or later averages \$83 per month more than HAP for HACA locals who entered during the same period.³³ Thirty-two dollars of this difference, or 39 percent, results from OHA portables having lower tenant payments (TTP), which are usually set at 30 percent of adjusted monthly income.³⁴ This figure is consistent with the finding that adjusted income for portables is \$1,291 per year less than for HACA locals ($.30 \times 1291 / 12 = \$32$).

The remaining \$51 difference in HAP, or 61 percent, can be attributed to the higher rents of units that OHA portables occupy. The "maximum HAP" that HACA/OHA will pay on behalf of a family is either the gross rent of their unit or the payment standard that applies to their voucher, whichever is lower. Less than one-quarter of households in both groups choose units that cost more than the payment standard, so the difference in maximum HAP is close to the difference in gross rent (\$54).

By comparison, the average difference in the payment standard is only \$27. Since the payment standard is the same for all households of a given size in a given city, this figure reflects the differences between the two groups on these dimensions. It is consistent with the fact that portables hold more 3 bedroom vouchers, and the fact that portables choose less expensive cities on average makes the gap smaller than it would be otherwise. The fact that the payment standard gap is less than the rent gap indicates that additional factors determine differences in unit rent, and this finding is consistent with the results of the regression analysis above.³⁵

In sum, decomposition of HAP into its constituent parts reveals that higher unit rents account for more of the observed difference between OHA portables and local HACA households than do lower adjusted incomes. Larger units account for a large portion, but not all, of this difference in unit rents.³⁶

Change over Time

Mean HAP for OHA portables increased two percent between December 2003 and December 2004. This rate is about 1.75 times annual inflation. HAP for local HACA clients decreased one percent during this

³³ The numbers in the table and the text do not exactly match the HACA program numbers in Table 3 because the administrative data sample is not an exact representation of the current voucher caseload (see Appendix C for a discussion of the differences). However, the relationships among the variables and the differences between the two groups are still statistically valid.

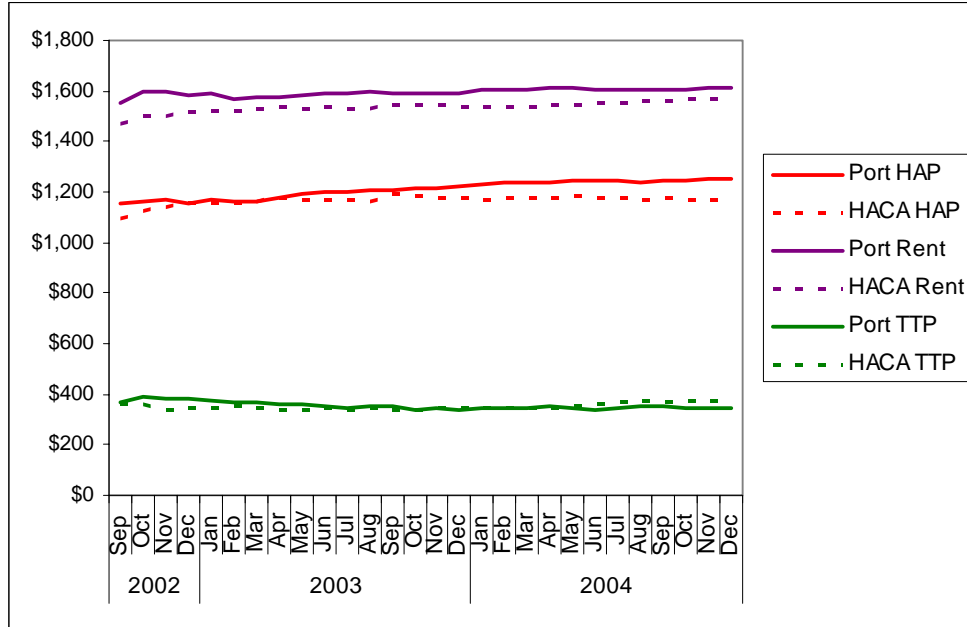
³⁴ 90 percent of the caseload has a TTP of 30% of AGI, and the remaining 10 percent owes the minimum rent of \$50 per month. The total family portion of unit rent will be more than the TTP if the family chooses a unit that is more expensive than the payment standard, but this choice does not affect the expenses of the PHA.

³⁵ The \$27 difference between the rent gap and the payment standard gap (the rent gap is double the payment standard gap) makes the effects of unit and personal characteristics other than size and location appear larger than the regression results indicate. The payment standard comparison is a rough measure of unit rent determinants, and the regression analysis is more sophisticated.

³⁶ For the entire caseload regardless of admission date, the relative importance of rent and income to the average HAP amount is reversed. Lower TTP accounts for 61 percent of the difference in HAP, while higher rents account for 39 percent. This finding is consistent with the fact that the income gap between the two groups is much higher over the entire caseload than in the restricted sample. See Appendix D for full tables.

period. Unit rent for both groups was steady during the period, but TTP for HACA locals increased 10 percent. This difference reflects an increase in (mostly unearned) income for HACA locals. Further research is needed to determine if specific components of rent or income are driving these trends, and how such changes might affect HAP in the future.

Figure 12: Trends in Average HAP and Components



V. Two Options for a New HACA-OHA Portability Agreement

In response to the cost pressures described above, HACA is actively exploring two types of portability agreements that could relieve them of some of the administrative burden of OHA portable vouchers. This section describes the alternative agreements and evaluates their potential to meet the five criteria outlined in Section 3.

Alternative 1: OHA Partially Administers Vouchers in HACA's Jurisdiction

Under the first option, OHA would partially administer its portable vouchers in HACA's jurisdiction. Although the exact division of labor is up for negotiation, OHA would definitely perform the following tasks:

- Contract with landlords for HAP payments. *HACA would no longer make payments to landlords and bill OHA for the cost.*
- Conduct the initial income examination and certification of eligibility.
- Keep administrative records and report family data to HUD.

Although OHA would pay the HAP directly rather than through HACA, OHA would use HACA's payment standards to determine the maximum HAP. HACA would continue to do the following:

- Determine that the rent is reasonable
- Inspect the unit for safety and program compliance
- Annual income reexaminations, possibly

In exchange for these services, OHA would pay HACA a fee. Unit inspections cost about \$60 each, and income reexaminations cost approximately \$183.³⁷ Table 13 summarizes the expense of these services, assuming that the portable caseload averages 1050 vouchers.³⁸

Table 13: Estimated Cost of Reimbursed Services

	\$ per service	# per year	# of portables	Total Cost
Unit Inspections	\$60	1.5	1050	\$94,500
Annual Reexaminations	\$183	1	1050	\$192,150

This division of labor allows each housing authority to concentrate on its areas of localized knowledge. The greatest benefit to HACA is not having to make monthly HAP payments for portables or to bill OHA. Expenses related to billing are the largest excess cost of portability, so HACA would be in a much better position to cover its costs without it. HACA would retain the administrative functions it can simply do better than OHA in suburban Alameda County, particularly rent reasonableness determinations and unit inspections. OHA is not familiar with the rental market outside its jurisdiction, so it would be less able to make accurate determinations of rent reasonableness. Moreover, OHA staff would spend extra resources driving all around the county for inspections and determinations.³⁹ With income determinations the optimal division of labor is less obvious. OHA would do the initial examinations because it must certify a family as eligible when it comes off the waitlist. The client is also familiar with the staff and procedures at OHA. For later reexaminations, it may be more convenient for clients to make appointments at HACA's offices in Hayward. However, clients may be confused by the multiple authorities handling their voucher.

Potential confusion is the main disadvantage of this alternative. In addition to potential client confusion, landlords with multiple Section 8 tenants may be confused and inconvenienced by having contracts with

³⁷ HACA estimates.

³⁸ At an annual growth rate of 1-2 percent a month, the OHA portable caseload will reach 1,050 in September 2005.

³⁹ Basolo 2003 confirms that full cross-jurisdictional administration works best when the neighborhoods clients move to are clustered and close to the border, which is not the case in Alameda County.

two PHAs. Moreover, it will take time to work out the details of shared responsibility between HACA and OHA staff.

Effect on HAP Costs: This option would have no effect on HACA's HAP budget, because OHA would continue to pay the voucher assistance for portable families.

Effect on Administration: This option would remove the cost and hassle of billing, saving HACA approximately \$380,000 a year in excess portability-related work. As long as the fee for service it negotiates with OHA meets the cost estimates above, this system would not create substantial unreimbursed administrative expenses. Therefore, this alternative would relieve the detrimental impact portability currently has on the HACA administrative budget. However, it would likely create some administrative hassles of its own, for example having to coordinate with OHA each time a tenant moves within Alameda County. Since these costs would be periodic rather than monthly, however, an agreement for shared administration of portable vouchers is still likely to be a net benefit for HACA voucher administrators.

Effect on Portable Clients: This alternative would not restrict the locational choices of OHA portable clients, as long as OHA continues to use HACA's payment standards to determine maximum HAP. However, it may create confusion for clients as to which PHA to go to for which services.

Effect on Non-Portable Clients: Non-portable clients in Oakland and suburban Alameda County would not be affected by this change to the portability system, because it does not redistribute resources from one group to another.

Effect on OHA: This system would not affect OHA's HAP payments because it would still use HACA's payment standards. OHA would also take on additional administrative responsibilities and expenses under this alternative, both by contracting with additional landlords and by paying HACA for the services it provides. OHA currently pays \$57.57 per month to HACA for portables (80% of its full administrative fee), which sums to \$725,382 per year for 1050 vouchers. As long as OHA expenses for HAP contracts, data reporting, additional initial income examinations, and miscellaneous administration do not exceed \$438,700, OHA can pay HACA for unit inspections and annual reexaminations and still save money. This figure translates to almost \$35 per month. This system would not change the current dynamics of people and money leaving Oakland.

Summary

Sharing portable voucher administration would save HACA at least \$300,000 per year and could be cost-neutral for OHA. It would have no negative impact on the housing opportunities of voucher clients, although it could lead to confusion over which PHA to contact for which services. The biggest risk of this alternative is that sharing administrative responsibilities can be complicated, and excess costs associated with coordinating between the two housing authorities could be higher than expected.

Alternative 2: OHA Transfers Vouchers to HACA, Annual Adjustments

In contrast to shared administration, HACA could assume complete responsibility for OHA's portable vouchers. This alternative would require HUD to officially transfer the appropriate voucher authorization from OHA to HACA. HACA would then receive an increase in its HAP and administrative budget allocations according to the normal procedures for funding vouchers. HUD would have to approve this transfer, but it has already indicated its willingness to do so.

Under this system, voucher holders would initiate portability as they do now, and HACA would perform all the administrative functions it currently does. However, HACA would not bill OHA because it would receive funding for the vouchers directly from HUD. If a client moved back to Oakland or ported to another PHA, OHA would re-assume responsibility for the client. HACA and OHA would track the net movement of clients between the jurisdictions throughout the year, and at the end of the fiscal year they

would settle their accounts—HACA would pay OHA for any portables that left its jurisdiction during the year, and OHA would pay HACA for new portables.

Effect on HAP Costs: Under this scenario, HACA is responsible for the HAP payments of OHA portables, but it should receive additional funding (from HUD and OHA) commensurate with the additional costs. However, since HAP costs have increased more quickly for portables than non-portables in recent months, assuming this caseload would put additional pressure on the HAP budget. Moreover, if HUD continues to cut funding across the board, assuming OHA's portables means that HACA now has nearly 20 percent more vouchers to juggle. Further analysis is needed to determine the reasons for the difference in HAP growth, and whether HACA can take any actions to minimize it.

This system could also create temporary budget problems if incoming portables use up most of the voucher allocation before adjudication time. For example, at an average HAP cost of \$1,251 per voucher, the total HAP cost of the current portable caseload is \$1,207,215. If the number of portables increases at a rate of 1 percent per month and the average HAP stays constant, total HAP in May 2006 will be \$1,440,569. If OHA transferred a HAP allocation of \$1,207,215 based on current costs, HACA would be \$233,354 short by the end of the year.⁴⁰ This would make them unable to fund 187 vouchers in the last month, unless the allocation transfer for the next year occurred in advance. This discrepancy would be larger if the growth in portability or HAP were greater.

Effect on Administration: Once the voucher transition is complete, OHA portables under this alternative would require the same administrative expenditures as local HACA clients. This shift would result in \$380,000 in annual costs savings for HACA (the current portable shortfall). This option would incur some transition costs, both initially and at the annual adjudication. However, these periods would be limited. If HACA could not afford to assume all the incoming portable vouchers before adjudication, it would have to bill for the excess, and if this result occurred frequently it would reduce the administrative savings of this option.

Effect on Portable Clients: This alternative does not significantly affect the choices of portable clients, as long as OHA does not limit portability between adjudication periods.

Effect on Non-Portable Clients: Although this alternative does not necessarily reduce the resources available for non-portable clients, it has that potential. If HACA cannot cover its increases HAP costs due to portables then it will have to reign in expenses for the entire caseload. Moreover, HACA may have to agree to transfer some of its voucher allocation to OHA, regardless of voucher flows, and this would reduce funding available for HACA locals.

Effect on OHA: This option relieves OHA of the excess HAP burden of its portables. As long as its remaining allocation is sufficient to pay for its remaining vouchers (i.e., the allocation transfer is proportional to real costs), then this alternative is good for OHA's HAP budget. On the other hand, it will also lose the 20 percent of its administrative fee that it currently receives for portables, and this loss will likely force the housing authority to lay off administrative staff. This action will be unpopular. In addition, this alternative highlights the transfer of resources from the city to the suburbs, even though the *actual* net transfer is approximately the same as under the current system. For this reason, OHA might pressure HACA to trade some of its own vouchers even though portability from HACA to OHA is minimal.

Summary

This alternative would lead to internal administration of almost all portable vouchers, and this outcome is appealing. However, the risk involved with assuming responsibility for significantly more HAP counter-balances this option's administrative simplicity. In addition, OHA's resistance to giving up its budget allocation may be difficult to overcome.

⁴⁰ In reality these transfers would occur in June at the end of the fiscal year, but this analysis uses current costs for convenience.

Comparison of Alternatives

The direct administrative effect of both alternatives is to reduce the administrative cost of portability by the amount of the current shortfall--\$380,000. However, sharing administrative functions is more likely than a voucher transfer to create additional, unbudgeted administrative hassles. Uncertainty about the HAP implications of a voucher transfer make this option more risky overall. OHA is likely to prefer the less drastic measure, unless sharing administration turns out to be more expensive for them administratively.

VI. Conclusions and Recommendations

Given the risk of HAP growth and OHA's expected resistance to a large-scale voucher transfer, HACA should pursue a financially feasible arrangement for sharing administrative responsibilities and expenses between the two housing authorities. By eliminating the cost of billing, this alternative would free up significant funds that both HACA and OHA could allocate to the administrative procedures that this system would require. However, the potential for confusion and inefficient voucher processing remains high with shared administration. To minimize these risks, HACA should invest resources up front to:

- Accurately estimate the cost of each administrative task to each housing authority.
- Clearly define each housing authority's role and responsibilities for each task.
- Develop procedures for sharing a case as it progresses, i.e. with subsequent moves.
- Estimate the excess costs of sharing administration for a single client.
- Create informational materials to explain the shared system to tenants and landlords.

Fortunately for voucher recipients, neither reform proposal under consideration is expected to significantly impact the cash value of their voucher or their choice of housing location. Therefore, OHA clients who port to HACA in the near future should exhibit similar personal characteristics and housing choices as those analyzed in this report. The relatively high earnings profile of OHA ports suggests that portability facilitates economic well-being among those who move, but the neighborhood and unit patterns of these portables confirms that their choices are diverse.

Appendix A: Voucher and Portability Background

Key Features of Current Voucher Program

The current laws and regulations that govern Section 8 Housing Choice Vouchers have been in place since 1998, although the program has been evolving since 1974. This section outlines the key features that shape HACA's current budget situation and decision-making environment.

Eligibility

- Families or single individuals with income under 80 percent of the median income of the geographic area (AMI).
- 75 percent of a PHA's vouchers must go to families with income under 30 percent AMI. (*targeting* of extremely low income)
- A family need not live in a PHA's jurisdiction to apply for a voucher from that PHA.

Waiting List

- A PHA may operate a waiting list when demand for vouchers exceeds supply. It may close its waiting list when it has insufficient funds available to assist all applicants on the waiting list over a reasonable period of time, usually 12 to 24 months. When there is especially high demand, the PHA may hold a lottery for waiting list spots each time it opens its list.
- A family may place itself on the waiting list by self reporting its income, household size, and other preferential characteristics, but the PHA must verify all this information before it offers the family a voucher.
- A PHA may adopt preferences to order its waiting list. HACA gives preference to displaced persons, the elderly and disabled, families (more than one non-elderly individual), residents of its jurisdiction, veterans, and people who are working or in school.
- HACA last opened its waiting list in 2001 and selected 3,500 households from a lottery of over 12,700 entries.⁴¹ However it has not issued a new voucher to a waitlisted family since 2002, and it does not expect to hold a new waiting list lottery in the next several years.⁴²

Unit Selection

- A family has a fixed period of time of at least 60 days after receiving a voucher to find a unit that meets the PHA's standards and has a landlord willing to rent.
- A family's household size determines the number of bedrooms covered by the voucher, although it can rent an apartment of a different size (smaller or larger) as long as it is not overcrowded and is the rent reasonable according to PHA standards.
- The PHA inspects the unit before approving it to insure that it meets basic quality standards.

Rent Determination

- Tenants generally pay 30 percent of their adjusted family income in rent, and the PHA pays the difference between this amount and the unit rent or the PHA's payment standard, whichever is lower. The PHA's portion is called the Housing Assistance Payment (HAP).
- The payment standard is the maximum HAP for a unit of a given size.
- Payment standards are usually 90 to 110 percent of the HUD-determined Fair Market Rents (FMRs) for the area, which are approximately the cost of units at the 40th percentile of the local market.
- If the unit rent exceeds the payment standard, the tenant pays the balance, although the total tenant payment may not exceed 40 percent of adjusted income for the first contract on a unit.
- The PHA must make sure that the landlord's rent is comparable to that charged to unassisted tenants and to similar units in the neighborhood.
- The PHA enters into a contact with the landlord to pay the HAP directly.

PHA Budget

- A PHA's annual Section 8 budget allocation from HUD has two separate components: *HAP* and *Administration*. HACA's budget is split 93% HAP - 7% administration.

⁴¹ <http://www.haca.net/waitlist.html>

⁴² Ophelia Basgal, March 29, 2005.

- In 2005, both budgets are fixed with no reserves to accommodate increases in subsidy or administrative costs.
- For the last two years, HUD has used the PHA's actual HAP expenditures for the months of May - July to calculate its annual allocation. In 2005, the calculated amount was pro-rated (downward) to stay within the HUD budget allocation.⁴³
- Each PHA also has a maximum number of unit-months available to lease, although recent funding shortages have minimized the threat of over-leasing.
- Prior to 2005, PHAs received a total administrative fee equal to a flat rate per unit times the number of unit-months leased. Unit fees varied across PHAs and were roughly proportional to the market rents in the area.
- In 2005, PHAs received a lump sum administrative allocation that was inflated from the prior year's total funding but not based on the number of vouchers actually used.

Cost Pressures

These features of the voucher program influence the housing assistance payments and administrative expenses the PHA incurs. In particular, housing market conditions, client characteristics, and unit qualities determine HAP. First, unit rents for voucher recipients are likely to increase as local market rents rise. In addition, an increase in the Fair Market Rent (FMR) will increase the payment standard, unless the PHA decides to lower the percent of FMR it covers. Second, larger families require larger units, which cost more and have higher payment standards. Additional qualities that affect the rent, and thus the HAP, of an individual unit include its structure type (house vs. apartment), neighborhood safety and convenience, and unit maintenance. For a given unit rent or payment standard, the HAP is higher for lower income clients since the PHA pays the balance between the unit rent/payment standard and 30 percent of adjusted income.

Fair housing laws constrain the ways in which PHAs can respond to these forces. Current regulations allow PHAs to adjust the payment standards (within the allowed FMR range), but they cannot choose clients based on family size, income, or unit rent. If they do not have enough HAP available to serve the vouchers that have been issued, they must terminate contracts using legally defensible criteria (e.g. "last in, first out"). Despite these protections, PHAs clearly have the *incentive* to control HAP costs through client or unit screening if they can do so within the law or if the laws themselves are loosened.

Administrative costs for a voucher include: eligibility determination, income verification, and recertification at least once annually; initial and annual inspection of the unit to insure quality standards; entering into contract with a landlord and making payments monthly; reporting required information to HUD; and billing other PHAs for portable vouchers if applicable.

Additional Rules and Costs for Portability

HUD's current regulations and determinations on portability are intended to facilitate interactions between the two PHAs involved in a portability move and to make the process as seamless as possible for the tenants. They address past problems, but portability remains unavoidably more cumbersome for all parties involved than a normal voucher. Both the PHA that issues the voucher—the "initial" PHA—and the PHA to which the voucher-holder moves—the "receiving" PHA—make several important choices about how to manage the administrative and housing assistance costs of the portable voucher.

⁴³ Prior to 2003, HAP funding was based on the number of vouchers each PHA was authorized to use and was not tied to actual utilization or expense. The number of authorized vouchers was in turn determined by historical allocations and incremental increases in voucher authorizations. No incremental increases have been approved for the past several years, except for some special circumstances. The shift in budget determination from authorized to utilized vouchers was a significant change in the funding formula for the voucher program.

The Tenant's Perspective

From a tenant's perspective, using a voucher outside of the jurisdiction of the PHA that issued the voucher is virtually identical to using it within the PHA's boundaries. When the family first receives its voucher, the PHA must inform the family of its right to portability as part of its initial information session. If it decides to move, it must inform its original PHA of its intent and it must contact the PHA in its desired location. From this point on, the family only has contact with the receiving PHA. The receiving PHA approves its unit and HAP amount, and it conducts all subsequent reexaminations for income eligibility. The family only contacts the initial PHA if it decides to move back.

The Receiving PHA's Decision: To Bill or Absorb

When a receiving PHA receives notice that voucher holder is moving in, it has two choices for how to handle the costs of housing assistance for that family. It can choose to "absorb" the family into its regular case load, in which case it pays the HAP for the family and the family is counted against its leasing limit. It has no further contact with the initial PHA. Alternatively, it can choose to bill the initial PHA for the cost of the family's HAP. In this case, the receiving PHA pays the HAP to the landlord but the initial PHA remits the same amount to the receiving PHA. The initial PHA also pays the receiving PHA 80% of its per-unit administrative fee, retaining 20% of the fee because the family is counted against the initial PHA's voucher allocation.⁴⁴ This split accounts for the fact that the receiving PHA does most of the administration for the voucher, but the initial PHA also expends administrative resources when remitting payment, etc. The initial PHA also conducts an initial income examination to verify eligibility.

The receiving PHA's choice to absorb or bill for its incoming portables depends on several factors. Billing allows the receiving PHA to reserve its HAP allocation for its own, local clients. However, the PHA loses money on the administrative side because it receives only 80 percent of the administrative fee but actually spends more administrative time per portable client than per local client.⁴⁵ This cost plus the administrative headache of coordinating with multiple PHAs make billing relatively unattractive for clients coming from small or distant PHAs. Absorbing portables eliminates this hassle, but it also reduces the amount of HAP available to assist local clients. Tight budget circumstances limit the ability of PHAs to absorb portables. An additional challenge of the current portability procedure is that it makes the receiving PHA's workload unpredictable—it must serve portables (answer questions, inspect units, calculate payments, and make contracts with landlords) whenever they come in, unlike standard recertifications that usually occur once a month. This unpredictability occurs regardless of whether the PHA bills or absorbs.

The Initial PHA's Decision: How to Manage HAP Costs

The receiving PHA's choice to absorb or bill also affects the budget of the initial PHA. If the receiving PHA bills, the initial PHA has no control over the amount of HAP it owes. If housing costs in the receiving jurisdiction are generally higher, than the HAP is likely to be higher for portables because higher-cost housing is more common in the new jurisdiction than in the old. Moreover, the receiving PHA uses its own payment standards to determine the maximum HAP. Therefore, if these payment standards are higher than in the initial PHA (reflexive of higher average housing costs), the effect of clients choosing more expensive units is greater. On the other hand, housing in the receiving PHA could be less expensive, in which case portability has no negative impact on the initial PHA's HAP budget. If the

⁴⁴ Since there is no per-unit fee in 2005, PHAs have been directed to use the 2004 fee to calculate the 80/20 split of administrative funding.

⁴⁵ HUD has more reporting requirements for portable vouchers, plus the PHAs must spend time coordinating payments to each other. In addition, if the initial PHA's administrative fee is lower than the receiving PHA's fee (usually if the voucher-holder moves from a low cost to a high cost area) then the reimbursement is that much less than adequate. Per-unit administrative fees are generally comparable within metropolitan areas.

receiving PHA absorbs the portable client, the initial PHA is now free to assist another family with those funds.⁴⁶

Despite a lack of systematic research on this topic, there is a widespread perception that portables are usually more expensive for initial PHAs than non-portables. This perception reflects the assumption that housing in receiving jurisdictions is more expensive due to cleaner neighborhoods, better schools, more convenient locations, or simply nicer units. Over the last few years, HACA payment standards have mostly been higher than OHA's, but since June 2004 payment standards for the least expensive cities in the county have been lower.⁴⁷

As a result of the perceived and real excess expense of portable vouchers, HUD recently gave PHAs authority to deny portability moves due to insufficient funding.⁴⁸ This determination adds restrictions on portability to the list of legally acceptable methods of controlling HAP costs.

The administrative impact of portability on the initial PHA is minimal because the receiving PHA administers the voucher. Although the initial PHA must remit payment if billed and it must report to HUD on its portability movers, the 20% of the administrative fee it receives generally covers these costs.

⁴⁶ Although this outcome is in most respects preferable for initial PHAs, the HUD budget formula that ties funding to voucher utilization makes unexpected absorption problematic, especially in May-July. If the initial PHA does not re-lease these vouchers immediately, the following year's budget will be based on low lease counts and the PHA is unlikely to recover the shortfall.

⁴⁷ See Appendix B for a full comparison of HACA and OHA regulations that affect portability.

⁴⁸ HUD Notice PIH 2005-9: Public Housing Agency (PHA) Flexibility to Manage the Housing Choice Voucher Program in 2005, February 25, 2005.

Appendix B: HACA and OHA Voucher Standards

Table B1: HACA and OHA Income Limits, 2004 and 2005

Household Size	30% AMI (Extremely Low)	50% AMI (Very Low)	80% AMI (Low)
1	\$17,400	\$29,000	\$46,350
2	\$19,850	\$33,100	\$53,000
3	\$22,350	\$37,250	\$59,600
4	\$24,850	\$41,400	\$66,250
5	\$26,850	\$44,700	\$71,550
6	\$28,800	\$48,000	\$79,850
7	\$30,800	\$51,350	\$82,150
8	\$32,800	\$54,650	\$87,450

Table B2: HACA Payment Standards, Effective June 1, 2004

City	% FMR	1 BR	2 BR	3 BR	4 BR	5 BR
Albany	100%	\$1,132	\$1,420	\$1,947	\$2,325	\$2,674
Castro Valley	95%	\$1,075	\$1,349	\$1,850	\$2,209	\$2,540
Dublin	105%	\$1,189	\$1,476	\$2,044	\$2,441	\$2,808
Emeryville	100%	\$1,132	\$1,420	\$1,947	\$2,325	\$2,674
Fremont	105%	\$1,189	\$1,476	\$2,044	\$2,441	\$2,808
Hayward	95%	\$1,075	\$1,349	\$1,850	\$2,209	\$2,540
Newark	105%	\$1,189	\$1,476	\$2,044	\$2,441	\$2,808
Pleasanton	105%	\$1,189	\$1,476	\$2,044	\$2,441	\$2,808
San Leandro	95%	\$1,075	\$1,349	\$1,850	\$2,209	\$2,540
San Lorenzo	95%	\$1,075	\$1,349	\$1,850	\$2,209	\$2,540
Union City	95%	\$1,075	\$1,349	\$1,850	\$2,209	\$2,540

Table B3: OHA Payment Standards, Effective October 1, 2001

1 BR	2 BR	3 BR	4 BR	5 BR
\$1,090	\$1,367	\$1,874	\$2,238	\$2,574

Subsidy Standards (Voucher Unit Size):

HACA and OHA after March 2005: One bedroom to the Head of Household (and their spouse/significant other) and one additional bedroom for every two remaining household members regardless of the age, sex, or relationship of these other family members.

OHA before March 2005: One bedroom to the Head of Household (and their spouse/significant other) and one additional bedroom for every two remaining household members of the same sex.

Appendix C: Technical Appendix

HUD-50058

The HUD-50058 data used in this analysis contain detailed information on client characteristics and the calculations PHAs make in determining Housing Assistance Payments and tenant rents. PHAs are required to submit a 50058 Family Report every time they take a “reportable action” with respect to a client, and at least once a year for annual income reexamination. Therefore, these data are a rich source for micro-level analysis of a PHA’s caseload, and they can be used to track clients over time.

However, the structure of the data and the complexities of HUD’s reporting requirements make analysis of these data somewhat cumbersome. This appendix describes the challenges of using this administrative data source for research purposes, the assumptions this author made in response to them, and the implications of these assumptions on this study’s results.

Data Structure and Reporting Rules

The raw 50058 data has a unique record for each time HACA submits a 50058 form to HUD. Each submittal includes a *type of action code* that lists the reason data is being submitted and an *effective date of action* that list the date on which the action applies. These two pieces of information, plus a unique household identifier that makes it possible to link multiple 50058 submissions to a single household, allow researchers to determine a given client’s circumstances at a given time.

However, this data structure requires that even “snapshot” profiles of the caseload in a given month must be inferred rather than tabulated directly. A given month’s caseload includes *the most recent record for each household*. In other words, any record that has an effective date of action before the given month and the next record for that household has an effective date after that month is in the caseload for the month. Therefore, the accuracy of these profiles (and longitudinal analysis that links these profiles over time) depends on the effective date of action. In particular:

- Data for this study include all HUD-50058 records for the Section 8 voucher program in HACA’s database from July 2002 to December 2004. The beginning of the study period is the start of the 2002-2003 fiscal year, and it is convenient because HACA began billing OHA for portables in August 2002. As a result of the data structure, however, *the study has no data on households receiving assistance at the beginning of the period until they have a recorded action during the study period*. Therefore, “client counts” for the first 12 months of the study period are low, and analysis of these data must consider the implications of the missing information.
- The effective date of action is not necessarily the same as the date on which the data were collected and entered into the computer. In most cases the effective date is within a month of the data collection date—i.e. all the income recertifications in a given month are effective on the same day—and this is not a problem. However, sometimes HACA submits records with effective dates more than a year prior to submittal, and there is no simple algorithm to determine whether the data contained in that record was really correct on the effective date. Although the net impact of these retroactive effective dates is unknown, it is likely that some data that appear to apply to months early in the study period actually apply to later months, thus reducing the accuracy of analysis over time.
- If there are delays between when an action occurs and when HACA submits a 50058, then the prior record will appear in the data to apply for more months than it should. This problem seems particularly frequent with program exits (end participation and portability move-out). It is the best explanation for the fact that the December 2004 caseload count is 6986 according to the 50058 data, but HACA only administered 6507 vouchers in that month (5456 authorized local vouchers plus 1051 portables from Oakland and Alameda City).

Table C1 defines the 15 action codes in the HUD-50058 data.

Table C1: HUD-50058 Action Codes

Number	Name	Description
1	New Admission	Client signs its first lease with a Section 8 voucher, even if entering under portability
2	Annual Reexamination	Regularly scheduled annual reexamination of family income and circumstances
3	Interim Examination	Examination requested by the tenant, not at the regularly scheduled time
4	Portability Move-in	Client moves into the jurisdiction under portability, as long as not new admission
5	Portability Move-out	Client exits the jurisdiction via portability
6	End Participation	Client discontinues participation in the program
7	Other Change of Unit	A client moves, but not at the same time as an annual or interim examination
8	FSS/WtW Addendum Only	Not applicable
9	Annual Reexamination Searching	The family is between units at the time an annual reexamination is due
10	Issuance of Voucher	The PHA issues a voucher and the family begins to search for housing
11	Expiration of Voucher	The family fails to lease a unit and the voucher expires
12	Flat Rate Annual Update	Not applicable
13	Annual HQS Inspection	Not applicable
14	Historical Adjustment	Captures information about status at admission for clients for whom code=1 was never recorded
15	Void	Not applicable

Some of the fields on the 50058 form are associated with certain action codes, so not all action codes contain all data. Specifically, information on household demographics, unit characteristics, household income, and HAP/tenant rent calculations are on codes 1, 2, 3, 4, 7, 9, and 14. Information on the client's background at admission, including zip code of prior residence, is only on codes 1, 10, and 14. Codes 5, 6, 10, and 11 only include basic information on the household and the action date.

In theory, the action codes themselves yield useful information about a client's case. For example, income and rent characteristics from a code 4 should reflect a client's circumstances when she first moves under portability. However, HUD's requirements for when and how the codes are reported makes them less useful. For example, the receiving PHA (HACA) cannot report a portability move-in (code 4) until the initial PHA (OHA) reports a portability move-out (code 5). This requirement causes delays in recording this crucial transaction. HUD also rejects submissions if they do not meet requirements.

Efforts to conform to HUD's rules, plus human error, make it extremely difficult to interpret a client's case history based on the action codes and the effective dates of action. One specific problem is that multiple records with the same or different action codes sometimes have the same effective date of action. Each of these records may have different household, income, and rent information. There is no simple algorithm to determine which record correctly reflects what happened on that date, or if different pieces of the data on each code are correct.

Eliminating Records

With no clear guidelines on how to handle duplicate and multiple records, this study follows simple data cleaning rules. These rules certainly eliminate correct records and retain incorrect records, but as long as clients with duplicate/multiple records do not have different characteristics from those whose data is already "clean," then this process should not affect the analytical results. The steps in this process are:

- 1) Sort the data by household identifier and effective date of action so that the data reflects the approximate timeline for each household
- 2) Save background data (such as zip code at admission) from action codes 1, 10, and 14 for those households that have these codes.
- 3) Save exit data from codes 5, 6, and 11. Assume that exits that occur prior to the last record for a household are errors and delete (i.e. a household has a code 6, but several months later it has an annual reexamination and there is no indication that it left and reentered the program). If a client's last record during the study period is an exit code, then save the client's exit date and do not include her in caseload calculations after this month. Delete all records with action codes 5, 6, and 11.
- 4) Save the date of voucher issuance from action code 10 if available, but eliminate code 10s that appear to have been entered erroneously (i.e. code 10 followed immediately by code 11). Delete all action code 10 records.
- 5) Delete all records with action codes 7, 9, and 14. Although these codes may contain correct income and unit information, eliminating them reduces the complexity of the data.
- 6) For households that still have multiple records for a single effective date of action, delete all records except for the last record actually entered into the computer. The last entered record has the largest value of the sequential data counter. This step assumes that if multiple records reflect corrections to the data, the most recent entry is most likely to be correct.

This process reduces a dataset with 33067 observations to a dataset with 22999 observations and 7887 households. The effective date of action determines which records "count" in each month. No analysis is done on the specific action codes—i.e. differentiating between an annual reexamination and an interim reexamination—because the data cleaning process eliminates instances of those codes with little consideration of which are really "correct."

Defining OHA Portables and HACA Locals

The 50058 data include three fields that directly relate to portability and three additional fields that contain portability-related information. These fields are:

- *Did family move into your PHA jurisdiction under portability?* Over 40 percent of the records in the data extract have a "yes" value for this field. However, many of these households entered HACA well before the study period.
- *Cost billed per month (put 0 if absorbed)* This value includes HAP plus the administrative fee. A zero value for this field is an imperfect signal of absorption.
- *PHA code billed* This field distinguishes portables from OHA from other portables
- *Action code=4 (Portability move-in)* Due to the data cleaning issues and process described above, this study does not use this code for analytical purposes.
- *ClientID begins with P.* HACA uses an internal ClientID number that begins with 'P' when a client is a portable billed to another PHA. However, this ClientID changes frequently and appears unreliable.
- *Zip code before admission.* This field indicates mobility if it reports an Oakland zip code, but it does not necessarily indicate portability. People can live in Oakland and apply for the HACA waiting list, so if they receive a voucher directly from HACA they are not portable. A comparison of voucher-holders in HACA's jurisdiction who lived in Oakland prior to admission to those who lived in suburban Alameda County (regardless of portability) would supplement this analysis. Another issue with this data field is that 50058 only records it when a client first enters the program (code=1, New Admission). Therefore, this information is missing for most clients who entered prior to the study period and some who entered after.

In addition to the 50058, a different HACA database provided a list of portables that HACA absorbed during the study period. This information helped define the portability categories because indications of absorption in the 50058 are weak.

Ultimately, five portability categories were defined. Table C2 describes the categories and the number of households in each. The analysis completed for this study compares households in category 1 to those in category 5 only. All other households are eliminated.

Table C2: Portability Categories

Category	Description	Number	Percent
1	“PHA code billed”=OHA and the household has not been absorbed	1153	15%
2	“PHA code billed”=OHA and the household was absorbed during the study period	67	1%
3	Household was absorbed from OHA, but never billed OHA	92	1%
4	Billed to or absorbed from another PHA, but not OHA	730	9%
5	All other households—neither billing or absorption is observed during the study period. However, some households may have entered under portability originally.	5845	74%

Defining Time Frames

Most of the analysis of the 50058 data in this study focuses on two time frames: All clients in the dataset in December 2004, and the subset of those clients who entered the program during the study period (July 2002 or later). Table C3 summarizes the number of clients in each relevant portability category during each time frame.

Table C3: Time Frames

<i>All clients receiving assistance in December 2004</i>			<i>Clients receiving assistance in December 2004 who entered July 2002 or later</i>		
	Number	Percent		Number	Percent
All	6986		All	1395	
OHA Billed	1052	15%	OHA Billed	548	39%
HACA Local	5419	78%	HACA Local	494	35%
Other	608	9%	Other	353	25%

1) *All clients receiving assistance in December 2004*

This population represents the entire “current” caseload HACA administers. The original data extract has records through January 2005, but analyzing December 2004 gives a one month cushion for data corrections. Comparisons between OHA portables and non-portables reveal differences in the caseload, but they do not control for the length of time the clients have been receiving housing vouchers.

As noted above, incomplete reporting of client exits makes the current caseload appear larger than it is—6986 versus 6507 clients in total, 1052 versus 911 OHA portables. However, as long as clients who have left HACA but are still in the data do not have fundamentally different characteristics from the rest of the caseload, the cross-tabular comparisons of portables and non-portables are still valid.

2) *Clients receiving assistance in December 2004 who entered the program in July 2002 or later*

Restricting the sample to only those clients who entered the voucher program during the study period allows for a cleaner comparison of portables and non-portables because it removes the fact that HACA clients overall have been on the program longer. The field “date of admission to the program” is used to determine whether a client falls into this timeframe or not. However, use of this variable to split the data raises several questions:

- a. The restricted sample contains just over half the number of OHA portables as the full sample. However, *all* the OHA billed portables in these data should have entered HACA

after August 2002 when HACA resumed billing OHA. The observed split is correct only if the admission date carries over from OHA's records.

- b. If the admission date does not carry over from OHA's records, there is an additional problem in that OHA portables could have first received their voucher long before July 2002 but show up in this restricted sample because they ported to HACA after July 2002. In this case, the two comparison groups are not as clean as they should be—using admission date to define the time frame results in newer HACA clients being compared to potentially older OHA clients.
- c. The number of HACA locals in the post-July 2002 sample is also potentially misleading, since HACA stopped issuing vouchers to people on its waiting list in 2002. Most of the new HACA vouchers were issued between July and September 2002, before waiting list issuance stopped. New vouchers since then are all special vouchers (e.g. family reunification), so they may be expected to have different characteristics from truly “regular” HACA voucher-holders. However, to eliminate them would further reduce the sample size of the comparison group.

Statistics

All comparisons in this report were tested for statistically significant differences between OHA Portables and HACA Locals. Frequency tables were tested for independence using chi-squared tests. Differences in means and some specific frequencies were tested using t-tests. The tables in Appendix D contain the following indicators of significance:

- * = $p < .1$
- ** = $p < .05$
- *** = $p < .01$
- **** = $p < .001$

To analyze the determinants of unit rent, two regression models were used. In the single regression model, rent was regressed against a variety of housing and personal characteristics, plus a dummy variable for whether a not a client was a portable. This model estimates the effect of each characteristic directly on rent. A variety of specifications were tested to gauge the effect of different measures of unit location, income/earnings, and demographic characteristics. The general equation is:

$$RENT = \alpha + \beta_1 PORTDUMMY + \beta_2 STRUCTUREINFO + \beta_3 LOCATIONDUMMIES + B_4 INCOME + B_5 RACEDUMMIES + B_6 OTHERDEMOGRAPHICS + \varepsilon$$

The second model is a two equation model. The first equation estimates the effect of housing characteristics on rent—personal characteristics, including a portability dummy, are excluded. The coefficients of this equation are used to predict the rent for each client according to housing characteristics alone. The rent premium is the difference between the actual rent and the predicted rent. On the assumption that this rent premium is due to personal characteristics not reflected in the housing choice, the rent premium is regressed against a series of personal characteristics, including the portability dummy. The coefficients are the amount that households pay extra due to their personal characteristics, including being a portable. In sum, the steps are:

- 1) $RENT = \alpha + \beta_1 STRUCTUREINFO + \beta_2 LOCATIONDUMMIES + \varepsilon$
- 2) $PREDICTEDRENT_i = \alpha + \beta_1 (STRUCTUREINFO_i) + \beta_2 (LOCATIONDUMMIES_i)$
- 3) $RENTPREMIUM_i = RENT_i - PREDICTEDRENT_i$
- 4) $RENTPREMIUM = \kappa + \lambda_1 INCOME + \lambda_2 RACEDUMMIES + \lambda_3 OTHERDEMOGRAPHICS + \lambda_4 PORTDUMMY + \gamma$

Appendix D: Complete Data Tables

Table D1: Client Demographics

<i>All clients receiving assistance in December 2004</i>				<i>All clients receiving assistance in December 2004 and admitted July 2002 or later</i>			
	OHA Billed	HACA Local	Sig.		OHA Billed	HACA Local	Sig.
Aged and Disabled				Aged and Disabled			
Elderly HH Head	5%	22%	****	Elderly HH Head	5%	20%	****
Disabled HH Head	21%	37%	****	Disabled HH Head	20%	32%	****
<i>Non-Elderly, Non-Disabled</i>				<i>Non-Elderly, Non-Disabled</i>			
Age of HH head				Age of HH head			
Median	32.5	39		Median	31	34	
Mean	33.9	39.2	****	Mean	33.4	34.6	*
Sex of HH head				Sex of HH head			
Female	92%	81%		Female	91%	81%	
Male	8%	19%	****	Male	9%	19%	****
Race of HH Head				Race of HH Head			
White	3%	14%		White	4%	12%	
Black	85%	46%		Black	85%	51%	
Hispanic	3%	25%		Hispanic	3%	25%	
Asian/Pacific Islander	8%	14%		Asian/Pacific Islander	8%	12%	
Native Am.	0%	0%		Native Am.	0%	0%	
Citizenship				Citizenship			
Non-citizen	3%	4%		Non-citizen	4%	9%	***

Table D2: Family Size and Composition

<i>All people receiving assistance in December 2004</i>				<i>In December 2004 and admitted July 2002 or later</i>			
	OHA Billed	HACA Local	Sig.		OHA Billed	HACA Local	Sig.
Number in household				Number in household			
One	8%	7%	**	One	9%	7%	
Two	24%	23%		Two	24%	26%	
Three	22%	22%		Three	22%	21%	
Four	25%	21%		Four	25%	23%	
Five	13%	13%		Five	13%	13%	
Six or more	8%	13%		Six or more	8%	10%	
Median	3	3		Median	3	3	
Mean	3.39	3.58	***	Mean	3.35	3.45	
Number of Children				Number of Children			
0	10%	16%		0	9%	12%	
1	27%	27%		1	28%	28%	
2	24%	25%		2	23%	26%	
3	24%	19%		3	25%	21%	
4 or more	15%	14%		4 or more	13%	14%	
Median	2	2		Median	2	2	
Mean	2.12	1.96	***	Mean	2.09	2.03	
Presence of Children in Age Group:				Presence of Children in Age Group:			
Age 0-5	46%	32%	****	Age 0-5	51%	47%	
Age 6-12	61%	53%	****	Age 6-12	61%	53%	**
Age 13-17	43%	50%	****	Age 13-17	38%	36%	
Teenage boys	24%	31%	****	Teenage boys	21%	22%	
Number of Adults				Number of Adults			
1	78%	55%		1	80%	64%	
2	18%	32%		2	16%	31%	
3 or more	4%	13%		3 or more	4%	5%	
Median	1	1		Median	1	1	
Mean	1.26	1.62	****	Mean	1.25	1.41	****

Table D3: Income and Sources, all Income Levels

<i>All people receiving assistance in December 2004</i>					<i>In December 2004 and admitted July 2002 or later</i>				
	OHA Billed	HACA Local	Difference	Sig.		OHA Billed	HACA Local	Difference	Sig.
Income					Income				
Have Income	96%	98%		**	Have Income	97%	98%		
Median Gross	\$12,295	\$15,097	(\$2,802)		Median Gross	\$11,470	\$13,062	(\$1,592)	
Mean Gross	\$15,650	\$17,765	(\$2,115)	****	Mean Gross	\$15,258	\$16,386	(\$1,128)	
Median Adjusted	\$11,104	\$13,826	(\$2,722)		Median Adjusted	\$10,399	\$12,256	(\$1,857)	
Mean Adjusted	\$14,181	\$16,445	(\$2,264)	****	Mean Adjusted	\$13,755	\$15,046	(\$1,291)	*
Per Capita	\$5,277	\$5,888	(\$611)	****	Per Capita	\$5,162	\$5,586	(\$424)	
Per income receiver	\$13,831	\$14,076	(\$245)		Per income receiver	\$13,560	\$13,399	\$161	
Per earner	\$21,652	\$21,081	\$572		Per earner	\$21,466	\$21,126	\$340	
Above 50% AMI	3%	6%		***	Above 50% AMI	3%	4%		
Above 30% AMI	22%	26%		**	Above 30% AMI	22%	23%		
Wages					Wages				
Have Wages	49%	58%		****	Have Wages	48%	49%		
Median	\$16,640	\$13,520	\$3,120		Median	\$17,193	\$14,300	\$2,893	
Mean	\$18,079	\$16,147	\$1,932	***	Mean	\$18,072	\$16,641	\$1,431	
Per earner	\$17,926	\$15,378	\$2,548	****	Per earner	\$17,911	\$16,182	\$1,730	
Welfare					Welfare				
Have Welfare	45%	43%			Have Welfare	45%	45%		
Median	\$6,576	\$6,720	(\$144)		Median	\$6,576	\$6,186	\$390	
Mean	\$5,495	\$5,883	(\$388)	*	Mean	\$5,395	\$6,268	(\$873)	**
Social Security					Social Security				
Have SS/SSI	14%	18%		***	Have SS/SSI	12%	16%		*
Median	\$7,848	\$8,148	(\$300)		Median	\$7,066	\$8,148	(\$1,082)	
Mean	\$6,600	\$7,617	(\$1,017)	***	Mean	\$6,103	\$8,382	(\$2,278)	***

Table D4: Income and Sources, Income < 30% AMI

<i>All people receiving assistance in December 2004</i>					<i>In December 2004 and admitted July 2002 or later</i>				
	OHA Billed	HACA Local	Difference	Sig.		OHA Billed	HACA Local	Difference	Sig.
Income					Income				
Have Income	95%	97%		*	Have Income	96%	98%		
Median Gross	\$9,816	\$11,448	(\$1,632)		Median Gross	\$9,152	\$10,296	(\$1,144)	
Mean Gross	\$11,005	\$12,218	(\$1,213)	****	Mean Gross	\$10,594	\$11,627	(\$1,033)	**
Median Adjusted	\$8,628	\$10,121	(\$1,493)		Median Adjusted	\$7,968	\$9,108	(\$1,140)	
Mean Adjusted	\$9,911	\$11,107	(\$1,196)	****	Mean Adjusted	\$9,533	\$10,563	(\$1,030)	**
Per Capita	\$3,620	\$3,713	(\$93)		Per Capita	\$3,568	\$3,691	(\$123)	
Per income receiver	\$9,863	\$9,713	\$150		Per income receiver	\$9,497	\$9,861	(\$364)	
Per earner	\$14,197	\$14,358	(\$162)		Per earner	\$14,032	\$15,108	(\$1,077)	
Wages					Wages				
Have Wages	35%	45%		****	Have Wages	35%	37%		
Median	\$10,543	\$9,920	\$623		Median	\$10,621	\$10,404	\$217	
Mean	\$11,135	\$9,959	\$1,176	****	Mean	\$11,334	\$10,806	\$528	
Per earner	\$11,024	\$9,202	\$1,822	****	Per earner	\$11,176	\$10,632	\$544	
Welfare					Welfare				
Have Welfare	56%	55%			Have Welfare	55%	58%		
Median	\$6,816	\$6,774	\$42		Median	\$6,605	\$6,816	(\$211)	
Mean	\$5,526	\$5,881	(\$355)	*	Mean	\$5,447	\$6,261	(\$814)	**
Social Security					Social Security				
Have SS/SSI	14%	18%		**	Have SS/SSI	12%	15%		
Median	\$8,148	\$8,148	\$0		Median	\$7,333	\$8,148	(\$816)	
Mean	\$6,681	\$7,713	(\$1,032)	***	Mean	\$6,251	\$8,383	(\$2,132)	***

Table D5: Work Potential and Work Status

<i>All people receiving assistance in December 2004</i>				<i>In December 2004 and admitted July 2002 or later</i>			
	OHA Billed	HACA Local	Sig.		OHA Billed	HACA Local	Sig.
Potential workers			****	Potential workers			****
One	80%	60%		One	81%	66%	
Two	18%	34%		Two	17%	32%	
Three or more	2%	6%		Three or more	1%	2%	
Median	1	1		Median	1	1	
Mean	1.2	1.5	****	Mean	1.2	1.4	****
Earners			****	Earners			
0	51%	42%		0	52%	51%	
1	47%	49%		1	46%	44%	
2	2%	8%		2	2%	5%	
3 or more	0%	1%		3 or more	0%	0%	
Median	0	1		Median	0	0	
Mean	0.51	0.68	****	Mean	0.51	0.55	

Table D6: Adjusted Income Allowances

<i>All people receiving assistance in December 2004</i>					<i>In December 2004 and admitted July 2002 or later</i>				
	OHA Billed	HACA Local	Difference	Sig.		OHA Billed	HACA Local	Difference	Sig.
Allowances					Allowances				
Any	89%	89%			Any	89%	91%		
Median Total	\$960	\$960	\$0		Median Total	\$960	\$960	\$0	
Mean Total	\$1,490	\$1,340	\$150	****	Mean Total	\$1,520	\$1,362	\$158	****
<30% AMI	\$1,122	\$1,130	(\$9)		<30% AMI	\$1,084	\$1,093	(\$8)	
Med./Disab. Exp.	0%	0%			Med./Disab. Exp.	0%	0%		
Eld./Disab. Allow.	1%	5%		****	Eld./Disab. Allow.	1%	3%		***
Dependents	89%	88%			Dependents	89%	90%		
Child Care Expenses	9%	7%		***	Child Care Expenses	10%	8%		*
<30% AMI	3%	1%			<30% AMI	3%	1%		

Table D7: Structure Characteristics

<i>All people receiving assistance in December 2004</i>				<i>In December 2004 and admitted July 2002 or later</i>			
	OHA Billed	HACA Local	Sig.		OHA Billed	HACA Local	Sig.
Structure Type				Structure Type			**
Single Family Detached	43%	41%		Single Family Detached	43%	39%	
Townhouse or Semi-Detached	22%	21%		Townhouse or Semi-Detached	24%	20%	
Low rise building	35%	37%		Low rise building	34%	41%	
Year Built			**	Year Built			
Pre-1945	3%	3%		Pre-1945	3%	2%	
1945-1969	43%	39%		1945-1969	42%	40%	
1970-1990	45%	50%		1970-1990	48%	51%	
Post 1990	6%	7%		Post 1990	5%	6%	
Mean	1971	1973	***	Mean	1971	1974	**

Table D8: Unit Size

<i>All people receiving assistance in December 2004</i>				<i>In December 2004 and admitted July 2002 or later</i>			
	OHA Billed	HACA Local	Sig.		OHA Billed	HACA Local	Sig.
Bedrooms in Unit				Bedrooms in Unit			
0	0%	0%		0	0%	0%	
1	7%	5%		1	7%	5%	
2	39%	43%	*	2	38%	48%	**
3	40%	37%	*	3	41%	36%	
4	13%	15%		4	12%	10%	
5	1%	1%		5	0%	0%	
Median	3.0	3.0		Median	3.0	2.0	
Mean	2.6	2.6		Mean	2.6	2.5	
Bedrooms on Voucher				Bedrooms on Voucher			
0	0%	0%		0	0%	0%	
1	8%	8%		1	9%	9%	
2	46%	49%		2	44%	50%	
3	40%	34%	**	3	42%	35%	
4	5%	8%		4	4%	6%	
5	0%	0%		5	0%	0%	
Median	2.0	2.0		Median	2.0	2.0	
Mean	2.4	2.4		Mean	2.4	2.4	
Unit Bedrooms vs. Voucher Bedrooms				Unit Bedrooms vs. Voucher Bedrooms			
Smaller	1%	2%		Smaller	1%	2%	
Same	79%	78%		Same	81%	82%	
Larger	20%	20%		Larger	18%	15%	

Table D9: Area Housing Costs

Zip Code	City	2000 Median Rent	In December 2004			In Dec. '04, Entered July 2002 +		
			OHA Billed	HACA Local	Sig.	OHA Billed	HACA Local	Sig.
94578	San Leandro	\$838	15%	9%	****	15%	7%	***
94544	Hayward	\$907	12%	15%	**	11%	14%	
94541	Hayward	\$865	13%	14%		10%	18%	***
94577	San Leandro	\$844	9%	5%	****	9%	4%	**
94560	Newark	\$1,093	6%	5%		8%	6%	
94538	Fremont	\$1,206	7%	8%	*	8%	7%	
94587	Union City	\$1,091	8%	13%	****	7%	9%	
94536	Fremont	\$1,149	6%	7%		7%	9%	
94555	Fremont	n.a.	4%	6%	**	4%	5%	
94545	Hayward	\$1,036	5%	3%		4%	1%	**
94546	Hayward	\$965	3%	2%		3%	3%	
94579	San Leandro	\$944	3%	2%	**	3%	2%	
94580	San Lorenzo	\$933	3%	2%		2%	4%	
94608	Emeryville	\$745	2%	2%		2%	1%	
94539	Fremont	\$1,315	1%	2%		2%	2%	
94568	Pleasanton	\$1,356	2%	2%		2%	5%	**
94542	Hayward	\$1,111	1%	1%		1%	1%	
94566	Pleasanton	\$1,101	0%	2%	***	0%	1%	
94588	Pleasanton	\$1,364	1%	1%		0%	1%	
94552	Castro Valley	\$1,204	0%	0%		0%	0%	
94586	Sunol	\$1,330	0%	0%		0%	0%	
94706	Albany	\$963	0%	0%		0%	1%	**
City/Neighborhood Costs								
	95% FMR		71%	66%	***	67%	62%	
	100% FMR		2%	2%		2%	2%	
	105% FMR		27%	32%	***	31%	36%	
	High Rent Zipcode		22%	28%	***	24%	31%	**

Table D10: Single Equation Rent Regression

Variable	Label	Parameter		Parameter		Parameter		Parameter		Parameter	
		Estimate	Pr > t	Estimate	Pr > t	Estimate	Pr > t	Estimate	Pr > t	Estimate	Pr > t
Intercept	Intercept	-1984.12	0.04	-2035.92	0.04	-2168.22	0.03	-2242.83	0.01	-2224.04	0.02
portgroup1	Portable or not	36.95	0.01	22.53	0.11	23.23	0.13	27.05	0.05	22.89	0.13
bedroom2	2BR unit	179.73	<.0001	178.49	<.0001	171.20	<.0001	94.63	0.00	172.94	<.0001
bedroom3	3BR unit	530.24	<.0001	528.04	<.0001	518.19	<.0001	327.76	<.0001	518.71	<.0001
bedroom4	4BR unit	775.45	<.0001	779.97	<.0001	772.16	<.0001	502.05	<.0001	772.75	<.0001
bedroom5	5BR unit	833.36	<.0001	790.60	<.0001	820.02	<.0001	467.15	0.00	823.79	<.0001
sfd	Single Family Detached	206.45	<.0001	204.61	<.0001	206.34	<.0001	197.28	<.0001	205.80	<.0001
townhouse	Townhouse or Semi-Detached	-23.01	0.22	-8.23	0.66	-7.32	0.69	-3.07	0.86	-7.35	0.69
yearbuilt	Year unit was built	1.62	0.00	1.59	0.00	1.62	0.00	1.59	0.00	1.63	0.00
FMR95	City is FMR95	-147.20	0.00								
FMR105	City is FMR105	18.56	0.71								
zip94536	Zip dummies--omitted category is Union City which had mid-range rents in 2000			163.53	<.0001	169.34	<.0001	172.10	<.0001	170.94	<.0001
zip94538		119.43	0.00	128.84	0.00	135.19	<.0001	129.93	0.00		
zip94539		152.60	0.00	147.35	0.01	152.13	0.00	148.35	0.01		
zip94541		-61.73	0.04	-48.28	0.11	-47.35	0.09	-48.53	0.11		
zip94542		7.59	0.91	9.28	0.89	-4.81	0.94	13.63	0.85		
zip94544		-101.55	0.00	-93.54	0.00	-82.52	0.00	-91.72	0.00		
zip94545		-42.58	0.35	-34.17	0.45	-50.11	0.23	-32.37	0.47		
zip94546		-52.74	0.24	-40.87	0.36	-31.34	0.45	-42.43	0.34		
zip94555		106.66	0.01	100.96	0.01	116.21	0.00	99.88	0.01		
zip94560		199.83	<.0001	203.19	<.0001	221.24	<.0001	202.54	<.0001		
zip94566		12.08	0.91	23.09	0.82	119.44	0.21	24.80	0.81		
zip94568		50.76	0.26	44.08	0.33	75.63	0.07	43.67	0.33		
zip94577		-14.14	0.69	-0.39	0.99	-4.96	0.88	0.05	1.00		
zip94578		31.84	0.32	40.79	0.20	37.00	0.21	42.48	0.18		
zip94579		1.22	0.98	28.51	0.56	30.65	0.50	30.34	0.54		
zip94580		99.98	0.03	106.19	0.02	122.97	0.00	109.06	0.02		
zip94586	-11.38	0.95	-40.69	0.82	116.89	0.47	-49.81	0.78			
zip94588	-5.94	0.95	-1.40	0.99	50.36	0.60	-5.19	0.96			
zip94608	131.05	0.03	136.23	0.02	145.59	0.01	138.13	0.02			
zip94706	129.69	0.21	139.60	0.18	128.91	0.18	147.92	0.16			
anninc_tot	Total annual income			0.00	0.00	0.00	0.05	0.00	0.00		
anninc_adj	Adjusted annual income										
inc_anywage0	Earned income, 0 if no earnings										
black	HH head is Black			-15.23	0.51	25.25	0.24	-11.29	0.64		
hisp	HH head is Hispanic/			31.10	0.32	33.09	0.25	28.15	0.37		
asianother	HH head is Asian, Pacislander, or Native Am.			-77.04	0.01	-69.47	0.01	-79.12	0.01		
headage	Age of HH head							0.78	0.35		
sex	Sex of HH head							5.04	0.82		
twopotwork	Two or more potential workers							0.79	0.97		
numhh	Total number in household							70.87	<.0001		

Table D11: Housing Characteristics Regression, Y=Rent

Variable	Parameter	
	Estimate	Pr > t
Intercept	-1968.45	0.05
bedroom2 2BR unit	175.60	<.0001
bedroom3 3BR unit	527.87	<.0001
bedroom4 4BR unit	780.87	<.0001
bedroom5 5BR unit	787.87	<.0001
sfd Single Family Detached	204.31	<.0001
townhouse Townhouse or Semi-Detached	-6.04	0.75
yearbuilt Year unit was built	1.56	0.00
zip94536 Zip dummies--omitted category is Union	163.54	<.0001
zip94538 which had mid-range rents in 2000	121.01	0.00
zip94539	152.10	0.00
zip94541	-63.51	0.04
zip94542	9.73	0.89
zip94544	-101.51	0.00
zip94545	-35.17	0.44
zip94546	-50.89	0.26
zip94555	106.59	0.01
zip94560	202.86	<.0001
zip94566	6.49	0.95
zip94568	46.45	0.30
zip94577	-8.84	0.80
zip94578	37.66	0.24
zip94579	4.96	0.92
zip94580	97.70	0.04
zip94586	-20.91	0.91
zip94588	-18.02	0.86
zip94608	137.20	0.02
zip94706	119.22	0.25

Table D12: Personal Characteristics Regression, Y=Rent Premium

Variable	Parameter		Parameter		Parameter	
	Estimate	Pr > t	Estimate	Pr > t	Estimate	Pr > t
Intercept	-79.96	0.12	-102.86	0.08	-97.40	0.10
anninc_tot Total annual income	0.00	0.00	0.00	0.00		
anninc_adj Adjusted annual income						
inc_anyway Earned income, 0 if no earnings					0.00	0.06
black HH head is Black	-12.91	0.55	-9.46	0.67	-11.39	0.62
hisp HH head is Hispanic/	28.13	0.34	25.37	0.40	28.95	0.34
asianother HH head is Asian, Pac. Islander	-72.37	0.01	-74.79	0.01	-81.22	0.00
headage Age of HH head			0.71	0.37	0.93	0.25
sex Sex of HH head			3.65	0.86	4.75	0.82
twopotwork Two or more potential workers					6.35	0.72
numhh Total number in household						
portgroup1 Portable or not	21.75	0.13	21.18	0.14	19.82	0.17

Table D13: HAP and Components

<i>All people receiving assistance in December 2004</i>					<i>In December 2004 and admitted July 2002 or later</i>				
	OHA Billed	HACA Local	Difference	Sig.		OHA Billed	HACA Local	Difference	Sig.
Unit rent > payment standard					Unit rent > payment standard				
Yes	23%	20%		**	Yes	23%	23%		
No	77%	80%			No	77%	77%		
TTP Calculation					TTP Calculation				
30% monthly adj inc	92%	92%			30% monthly adj inc	91%	90%		
Min rent=\$50	8%	8%			Min rent=\$50	9%	10%		
MEAN HAP AND COMPONENTS					MEAN HAP AND COMPONENTS				
Total HAP=	\$1,237	\$1,144	\$93	****	Total HAP=	\$1,251	\$1,168	\$83	**
Applicable max HAP -	\$1,593	\$1,557	\$36	**	Applicable max HAP -	\$1,597	\$1,546	\$51	*
TTP	\$357	\$414	(\$57)	****	TTP	\$346	\$378	(\$32)	*
Gross rent of unit	\$1,613	\$1,578	\$35	**	Gross rent of unit	\$1,614	\$1,560	\$54	*
Payment Standard	\$1,748	\$1,764	(\$16)		Payment Standard	\$1,751	\$1,724	\$27	

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