



HOUSTON

HOUSING AUTHORITY

Transforming Lives & Communities

2640 Fountain View Drive ■ Houston, Texas 77057 ■ 713.260.0500 P ■ 713.260.0547 TTY ■ www.housingforhouston.com

Houston Housing Authority's Financial Practices and Accountability Measures

January 15, 2025 – The Houston Housing Authority (HHA) is committed to addressing questions and concerns around organizational spending and clarify misinformation presented by recent media reports. To ensure transparency as the new leadership moves forward, HHA wants to provide clarity on how the organization's funding and budgeting works.

How HHA's Budget Works

HHA's budgeting is allocated into multiple business segments. These segments include the Housing Choice Voucher Program, the Public Housing Program, the other affordable housing program which includes a number of tax credit properties, the Central Office Cost Center, and a number of smaller programs including specific Grant programs. Each business segment is funded and administered separately under specific guidelines that are associated with each program. The Houston Housing Authority is a MTW agency which provides additional flexibility in the use of the funds available within certain programs. This additional flexibility is limited and is governed by the MTW plan which is a document that requires approval of HUD.

While there are many business segments at HHA, to address the ones in question, see below:

1. **Voucher Program Funding:** There are two primary sources of funds that are available for the operations of this business segment. One funding source is specifically for the voucher payments. These funds are generally limited to the rental assistance payments made to landlords for the voucher participants. As an MTW agency there is some flexibility available to HHA to use these funds for other expenditures so long as they are listed in the MTW plan and approved by HUD. It should be noted that HHA did not use any of these funds for any other expenses other than the voucher payments. There are a maximum number of vouchers available to be issued by HHA under this program. During 2024, the expenditures associated with these vouchers exceeded the HUD funding for these vouchers causing HHA to be in what is called a shortfall. HHA received some additional funding from HUD during the year and also contributed significant funds from other sources to maintain the ability to make the monthly payments for the active vouchers. Because of the shortfall situation restrictions were placed on the issuance of additional vouchers which meant that HHA was unable to utilize all of its available voucher allotment. No voucher funding received by HHA was utilized to cover any other expenses for any other program.
2. **Employee Compensation:** HHA employees are budgeted for depending on the area of agency operations they work in. Employees that directly work for the Voucher program



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are allocated to the Voucher Program. Employees that work on specific grants are allocated to the grants that they work on in accordance with the specific guidelines of the Grant program. Employees that do not work directly on specific programs are allocated to the Central Office Cost Center. Salaries and employee benefits are paid from funds earned by the various programs that HHA administers. The Voucher program earns a fee for each voucher that is utilized. These fees are paid to HHA by HUD under the administrative fee funding provision of the voucher program. The Central Office also earns fees which are funded by an allocation of the fees earned by other programs in accordance with the guidelines of those programs. Additional funds are available to the Central Office cost center from other business income.

3. **General and Administrative Expenses:** For every business segment operated by HHA there are expenses budgeted for administrative expenses. This expense category covers costs such as travel, meals, office expenses, and employee recognition events. These expense types are designated to cover the cost of doing business and are funded by either the direct administrative revenue earned by the program or grant or via the use of other business income. It is important to note that the funds received by HHA for the direct purpose of making voucher payments, grant payments or any other direct expenditure associated with a program to benefit direct recipients of HHA administered programs are not utilized to cover any of the general and administrative expenses.

So, did internal spending impact clients? No, the funds for client services and housing vouchers are entirely separate from those used for administrative purposes. No voucher funds were diverted, and HHA remains committed to its mission of assisting Houstonians in need.

Steps Toward Greater Accountability

Under the new, current leadership, HHA has implemented stricter financial oversight policies, including:

- Putting a policy in place to ensure stricter controls on credit cards and expenses.
- More oversight on the CEO's and leadership's spending.

HHA is committed to responsible business practices and focusing on its mission of serving the people of Houston.

For more information, contact media@housingforhouston.com.