

Future of Section 8 Voucher Program: First Webinar for Voucher Tenants

NATIONAL HOUSING LAW PROJECT
(NHLP)
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HOUSING JUSTICE

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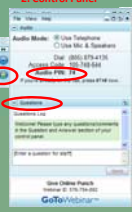
GoToWebinar Interface

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1. Viewer Window



2. Control Panel



Outline for Today

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- One hour 10 minutes presentation and 20 minutes for questions
- How did we get here?
 - What has HUD asked NHLP to do?
 - Work done to date
- Key elements of the voucher program
- Advantages of the voucher program
- Problems with the voucher program
- Next Steps

How Did We Get Here?

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- HUD asked NHLP to identify Section 8 voucher participants for conference call with senior HUD staff and meeting in Washington, D.C. with Shaun Donovan, Secretary of HUD
- Conference call with HUD is for voucher participants and their partners
- Meeting in Washington, DC will include
 - Voucher participants
 - Public housing residents
 - Project-based Section 8 residents

How Did We Get Here?

⑤

- Goal for HUD to obtain feedback on
 - Future of voucher program and HUD rental assistance programs
 - Ways to maintain voucher participants' voices as policy proposals move forward
 - Building an engaged and informed group of voucher participants with ongoing, meaningful participatory role in HUD policies and programs

Work Done to Date – *Public Housing Residents*

⑥

- Public housing residents identified and engaged
- Several conference calls/webinars to discuss issues
 - One with Senior HUD staff
- Meeting in Washington, DC with Secretary Donovan, January 20, 2010
 - Proposal to change how public housing is funded, including three issues important for voucher participants
 - Importance of having a choice of where residents may live; vouchers for public housing residents to move
 - Increase resident involvement in local policy decisions
 - Services needed by residents

Work Done to Date – *Voucher Participants*

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- NHP created and sent out questionnaire for Voucher participants
 - Received over 50 responses
 - More are expected
- NHP asked a few voucher participants and partners to serve on Steering Committee
 - Advise NHP on selection of voucher participants to attend HUD meeting
 - Advise NHP on how to prepare for HUD meeting

Purpose of the Voucher Program

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- Aiding low income families in obtaining a decent place to live and promoting economically mixed housing
- Mobility-ability to move and take subsidy with you
- Uses the private rental market
- Can be used to create affordable housing
 - Some PHAs use some of their vouchers as Project-Based Vouchers—Voucher tied to the unit, but if tenant wants to move she moves with a regular voucher
- It is the largest housing program: assists 2.2 million
- The program is growing and adding new families

How is the Voucher Program Funded

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- Every year HUD asks Congress to fund the program
- The amount that HUD asks for is based upon a formula and actual costs for the past 12 months
 - Congress has almost always fully funded the program or provided a bit more than is needed
- After Congress funds the program, HUD creates a budget for each public housing agency (PHA)
 - Number of vouchers used by the PHA in prior 12 months times the average costs for that PHA plus an inflation factor
- Each PHA has an authorized number of vouchers and it may not use more vouchers than authorized

How are Rents Set for Voucher Participants?

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- HUD annually publishes a Fair Market Rent (FMR) for every area in the country
- Each public housing agency (PHA) sets a payment standard
 - For each bedroom size
 - At a level that is at or close to the FMR, there are exceptions
- Payment standard is the maximum subsidy that a PHA will pay for a voucher unit
- PHA determines participants' income
- Participants' share of the rent is 30% of income
- If the rent charged by the landlord is more than the payment standard, the participant pays the difference

Example of How are Rents Set

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- Fair Market Rent (FMR) = \$900 for 2 bedroom unit
- PHA sets payment standard at \$900
- 30% of voucher participant's monthly income is \$360 (30% \$1200=\$360)
- If rent plus utilities for the unit is \$900
 - Participant pays \$360 and PHA pays \$540
- If rent plus utilities for the unit is \$950
 - Participant pays \$410 (\$360 plus \$50) and PHA pays \$540
- If rent plus utilities for the unit is \$850
 - Participant pays \$360 and PHA pays \$490 (\$540 minus \$50)

Key Elements – Admission to the Voucher Program

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- Family submits application to a Public Housing Agency when waiting list is open
 - Some lists are closed for years others are opened more frequently
- PHA places family on waiting list
 - Priority rules
- Family reaches top of waiting list

Key Elements – Admission to the Voucher Program

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- **Before the PHA gives the family a voucher the PHA**
 - Interviews family
 - Verifies income
 - Checks for past criminal activity
 - May conduct additional screening
 - Explains the rules of the voucher program
- **Issues a voucher based upon family size and local rules regarding number of individuals per bedroom.**

Key Elements – Finding a Home

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- **Family must find a home**
 - Owner must be willing to accept voucher
 - Home must pass inspection by the PHA
 - Owner must charge a reasonable rent
 - Rent must be affordable to the family
 - Cannot exceed 40 percent of income
- **Family must find a home within a 60-day (or perhaps more) search period**

Key Elements – Move-In

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- **Before move-in, family must**
 - Pay security deposit
 - Equal to one month of the full contract rent
 - Sign-up for utilities, if not included in the rent
 - Sign lease

Key Elements – Staying in a Home

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- Family may stay in their voucher assisted home until
 - The owner decides not to participate in the program
 - The owner evicts the voucher participant for good cause
 - The PHA terminates the contract because the conditions of the unit are substandard. There is a violation of the Housing Quality Standards (HQS) or other program rules
 - The voucher participant decides to move

Key Elements – Keeping a Voucher

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- Family may lose the voucher
 - Criminal activity
 - Violation of a voucher program rule
 - Lack of sufficient federal funding for the voucher program
 - If a family moves and cannot find a unit within the search period
 - If family becomes over income
- Family has a right to a hearing if voucher is terminated

Advantages of the Voucher Program

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- A voucher participant may use the voucher anywhere in the nation
- The rent subsidy for the family is based upon family income--tenant share of the rent may go down if the family income goes down or up if income goes up
- The program uses private landlords therefore the units are not identified as housing low-income families

Problems/Areas of Concern with the Program

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- Many of the problems or areas of concern are similar to the other federally assisted housing programs
- ✓ Check mark identifies some areas of concern that are unique to the voucher program

- Admission issues
 - Limited supply funds therefore a limited supply of vouchers
 - Waiting list problems

Problems/Areas of Concern With the Program

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- Rent issues
 - Rules on reporting income are complex
 - Rent goes up if a member of the family receives or earns more income
 - Utilities cost a lot and may make the housing expensive
 - ✓ Tenant share of rent may exceed 30 percent of income
 - Definition of family income complex and rigid
 - ✓ Public housing agency (PHA) cannot change the definition of income
 - ✓ Earned income disregard only available to disabled individuals of voucher family
 - ✓ Payment standard is too low

Problems/Areas of Concern With the Program

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- ✓ Ability to use a voucher
 - ✓ Hard to find a landlord willing to accept a voucher
 - Very difficult in "high opportunity neighborhood"
 - ✓ Easier to use voucher in certain neighborhoods and voucher tenants cluster in those neighborhoods creating a "voucher submarket."
 - Too many voucher holders in a neighborhood
 - May increase rents for non voucher holders
- ✓ Many public housing agencies (PHAs) provide very little assistance in finding a unit
- ✓ Most public housing agencies provide no mobility counseling

Problems/Areas of Concern With the Program

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- **✓ Moving issues**
 - **✓** Landlord may decide not to participate in program; Often too short a notice to move, therefore must move quickly
 - **✓** Expensive to move
 - **✓** PHA can terminate voucher if participant cannot find place to use it within search period
 - **✓** If a participant wants to move to an area served by another public housing agency (PHA) (referred to as portability) there are many barriers that the participant must over come
 - This portability issue will be discussed more in the next webinar

Resident Services and the Voucher Program

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- **Services for voucher participants**
 - Family Self-Sufficiency (FSS)
 - Best kept secrete, if a public housing agency has a FSS program it is often restricted to voucher tenants
 - **✓** Most PHAs do not provide or assist families to locate social services
- **✓ Mobility Counseling**
 - Very few public housing agencies provide it
 - This topic will be addressed in greater detail in the next webinar

Participation by Voucher Participants in decisions regarding the Program

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- **✓ Limited participation by voucher holders at the local level**
 - Little input given to PHAs on practices and policies
 - Difficult to get involved in the PHA Annual or 5 Year Plan Process
 - Few voucher holders are selected to be PHA resident commissioners
- **✓ Little or no participation at the national level**

Problems With the Voucher Program

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- What are the best features of the voucher program?
 - What issues have not been mentioned?
- Are there additional problems/areas of concern that you would like to discuss?

Next Steps

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- Thursday, January 28 – conference call
 - Policies that enable voucher tenants to live where they want,
 - to move anywhere in the country (portability), and
 - to live in “high opportunity neighborhoods”
 - What services could benefit voucher participants?
 - How best to get voucher participants involved in policy decisions?
- Wednesday, February 3 – conference call
 - Prepare for call with HUD senior staff

Next Steps

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- Tuesday, February 9 – conference call with HUD senior staff
- Wednesday, February 17 – conference call to follow-up
- Friday, February 19 – conference call to prepare for meeting in Washington, D.C.
- Friday, February 26 – conference call to prepare for meeting in Washington, D.C.
- Thursday, March 4 – conference call to prepare for meeting in Washington, D.C.

Next Steps

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- Monday, March 8 – pre-meeting in Washington, DC
- Tuesday, March 9 – meeting with Secretary Donovan, public housing residents, and project-based Section 8 residents in Washington, DC

Thank you for participating

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