

# SEVRA TOOLKIT

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## THE SECTION 8 VOUCHER REFORM ACT (SEVRA): An Overview

Legislation to reform the “Section 8” Housing Choice Voucher program (H.R. 1851) passed the House in July 2007 by a strong bipartisan vote, 333-83. A companion to the Section 8 Voucher Reform Act (SEVRA) was introduced in March in the Senate as S. 2684, and may be considered by the Banking Committee in the next few months.

Housing Choice Vouchers are the nation’s leading source of low-income housing assistance, serving nearly two million households, including families with kids, the elderly, and people with disabilities. Ten years have passed since Congress has done a serious review of the voucher program to make sure it has kept up with changing needs. SEVRA will help the program continue to meet its mission of providing access to affordable housing to millions of Americans, while enhancing its effectiveness. Here are some highlights.

- **A comprehensive solution for voucher funding.** SEVRA establishes a clear funding policy to restore stability to a program that has experienced many financial ups and downs in recent years.
  - Consistent with the last two appropriations acts, it provides each agency with an **annual budget based on vouchers in use** and their average cost in the prior year. This ensures that every agency has enough funding to renew its vouchers, while not wasting scarce federal resources on vouchers that go unused.
  - SEVRA allows agencies to retain a modest level of **reserves** and provides agencies facing unexpected shortfalls with access to a **temporary advance**, to be repaid the following year. This flexibility ensures that sudden market shifts do not prevent agencies from keeping commitments to tenants and owners.
  - SEVRA reforms the financing of “**portability**” moves, so families can more easily exercise their right to move with a voucher and agencies can save burdensome paperwork and avoid cash-flow problems.
- **Simplified rent rules.** SEVRA simplifies the rules governing the calculation of rents in public housing, project-based Section 8 properties, and the voucher program. Tenants would still be required to pay 30 percent of their income, but the bill streamlines the process for determining incomes and deductions, to reduce burdens on housing agencies, tenants, and private owners of subsidized housing. Income of families on fixed incomes would only have to be recertified every 3 years.
- **Streamlining inspections and promoting affordable housing development.** SEVRA makes it easier for landlords to participate in the voucher program, by requiring inspections only every two years rather than every year, and by allowing families to move in right away if a property has been determined to meet other federal housing quality standards (such as for tax credit properties). SEVRA also facilitates the commitment of vouchers to private developers of affordable housing, through improvements to the project-based voucher option that also will make it easier to use with Low Income Housing Tax Credits.
- **Improving housing conditions and promoting family stability.** SEVRA encourages owners to repair defects and gives housing agencies new tools to ensure housing is safe, which will improve the housing stock and allow more families to stay in their homes. Families that have to move due to bad conditions are assured of sufficient time and assistance to succeed in using their voucher in a new home.
- **Enhancing cost-effectiveness.** SEVRA encourages housing agencies to make the best possible use of federal funds, by compensating them with administrative fees based on how many vouchers they actually lease. The bill also directs HUD to set Fair Market Rents for smaller communities, rather than vast metropolitan areas, to ensure that voucher payment standards accurately reflect local market conditions.

*The House-passed bill also includes provisions that expand while improving the "Moving to Work" demonstration, which allows agencies to experiment with waivers of program rules. An MTW expansion is expected to be added to the Senate bill as it moves through the legislative process.*

## THE SECTION 8 VOUCHER REFORM ACT (SEVRA) Strengthening the Public-Private Partnership

Legislation to reform the “Section 8” Housing Choice Voucher program (H.R. 1851) passed the House in July 2007 by a strong bipartisan vote, 333-83. A companion to the Section 8 Voucher Reform Act (SEVRA) was introduced in March in the Senate as S. 2684, and may be considered by the Banking Committee in the next few months.

Housing Choice Vouchers – now the nation’s leading source of low-income housing assistance – rely on a strong public-private partnership. Ten years have passed since Congress has done a serious review of the program to make sure it has kept up with changing needs in the private market. SEVRA will help the voucher program continue to meet its mission of providing access to affordable housing to millions of Americans, while enhancing the program’s reliability and effectiveness. Here are some highlights.

- **Stabilizing funding while safeguarding taxpayer dollars.** SEVRA establishes a clear funding policy to restore stability to a program that has experienced many financial ups and downs in recent years. Consistent with the last two appropriations acts, it provides each agency with an annual budget based on vouchers in use and their average cost in the prior year. This ensures that every agency has enough funding to renew its vouchers, while not wasting scarce federal resources on vouchers that are going unused. SEVRA also allows agencies to retain a modest level of reserves and provides agencies facing unexpected shortfalls with access to a temporary advance, to be repaid the following year. This flexibility ensures that sudden market shifts do not prevent agencies from keeping their commitments to tenants and owners. At the same time, agencies will remain subject to the discipline of an annual budget and a fixed appropriation, and will be compensated with administrative fees based on how many vouchers they are able to lease, which will help ensure that taxpayer dollars are well spent.
- **Encouraging greater private sector participation.** SEVRA makes it easier for landlords to participate in the voucher program, by requiring inspections only every two years rather than every year, and by allowing families to move in right away if a property has been determined to meet other federal housing quality standards (such as for tax credit properties). SEVRA also facilitates the commitment of vouchers to private developers of affordable housing, through improvements to the project-based voucher option.
- **Promoting homeownership and manufactured housing.** SEVRA would allow agencies to use vouchers to provide downpayment assistance of up to \$10,000 – a significant expansion of current law. Families could also use vouchers to help purchase a mobile home located on rented land.
- **Increasing administrative efficiency and cost-effectiveness.** SEVRA simplifies the rules governing the calculation of rents in the voucher program, as well as project-based Section 8 properties and public housing. Tenants would still be required to pay 30 percent of their income, but the bill would streamline the process for determining income and deductions, to reduce burdens on housing agencies, tenants, and private owners of subsidized housing. SEVRA also directs HUD to set Fair Market Rents for smaller communities, rather than vast metropolitan areas, to ensure that voucher payment standards accurately reflect local market conditions.
- **Encouraging work.** SEVRA creates a new “earnings disregard” for voucher holders, which will provide a greater incentive for them to seek and secure jobs. It also strengthens and improves the Family Self-Sufficiency program that many agencies offer to voucher holders.

*The House-passed bill also includes a significant expansion of the "Moving to Work" demonstration, which allows agencies to experiment with waivers of program rules. An MTW expansion is expected to be added to the Senate bill as it moves through the legislative process.*

## SECTION 8 VOUCHER REFORM ACT (SEVRA): Why We Need Action Now!

Legislation to reform the “Section 8” Housing Choice Voucher program passed the House in July 2007 by a strong bipartisan vote, 333-83. A companion to the Section 8 Voucher Reform Act (SEVRA) was introduced in March 2008 in the Senate, and the hope is that it will be considered by the Banking Committee in the next few months.

But to get the bill moving in the Senate, we need strong support from the housing community and other stakeholders across the country. The Senate was designed to be a “deliberative” body, which means it is slow. Any one Senator can throw a wrench in the works. Unless all 100 Senators agree that a bill should be voted on (i.e. unless there is “unanimous consent”), it can take *weeks* for a bill to get through the Senate, since there are multiple opportunities to filibuster. Very few bills make it through that way. The only way to get legislation through the Senate (other than must-pass or very top priority bills) is therefore to have a strong bipartisan support and consensus that the bill needs to be passed.

Here are three reasons why the Senate should act NOW to pass the SEVRA bill (first in the Banking Committee, and then by unanimous consent or by attaching SEVRA to another bill that is moving through the Senate):

- 1. Momentum is building, and would be lost if the Senate did not act.** The House passed SEVRA by a strong bipartisan vote last summer. If the Senate doesn't pass the bill before Congress adjourns this year, we will have to start from scratch in 2009, with a new President and new Congress who will have many competing priorities, and it could be hard to get back on the agenda. We need to seize the momentum we have now.
- 2. The voucher program needs to be updated.** It has been 10 years since Congress has taken a serious look at the voucher program laws. In the meantime, continued changes through the annual appropriations process have rocked the program. SEVRA would help put an end to the instability that has plagued the program in recent years, and get it back on sound footing so it can continue to meet its mission of making housing affordable for millions of Americans. In other areas, such as housing quality inspection and calculation of tenant rents, SEVRA would update and streamline rules that have been in place for decades.
- 3. The subprime crisis and the weakening economy make it more important than ever to have a strong rental housing market.** SEVRA would help shore up a program that provides homes to nearly two million American families. Many of them are working families that are struggling in this economy, and need the stability that the voucher program provides.

## SAMPLE LETTER TO YOUR SENATOR

The Honorable **[Name]**  
United States Senate  
Washington, D.C. 20510

Dear Senator **[Last Name]**,

We are writing as supporters of affordable housing in **[state]** to urge your support for S.2684, the Section 8 Voucher Reform Act of 2008. We strongly support this legislation, and urge you to add your name as a co-sponsor and *[for members of the Banking Committee, add: “vote for the bill when it is taken up by the Banking Committee”]; for off-committee Senators, add: “encourage the Banking Committee to act on it soon.”* A similar bill has already passed the House by a strong bipartisan vote of 333-83, and we hope the Senate will quickly follow suit.

S. 2684 makes a number of common-sense, good government reforms in the laws governing the Section 8 voucher program. First, it establishes a permanent voucher renewal funding formula that is directly tied to local conditions, which is a big improvement over the uneven policies that existed prior to 2007. (It also avoids the uncertainty that occurs when such an important policy is left to be made each year in the appropriations act, as has been the case in recent years.) This will provide housing agencies in our area with the stability and security they need to manage the voucher program properly and make the best use of federal funds. The bill also overhauls the financing of “portability” moves, which will make it easier for agencies to accommodate families who wish to exercise their right to move with a voucher.

Second, the bill streamlines the rules relating to rents in the voucher program as well as in public and other assisted housing. Currently, there are too many complicated calculations that must be made, which are administratively cumbersome and lack the proper incentives. The reforms in S.2684 will simplify the process substantially, while encouraging tenants to increase their work effort through the new earnings disregard.

Finally, the bill streamlines the housing inspection process in the voucher program, which will benefit housing agencies, property owners, and tenants alike, while still ensuring that reasonable quality standards are met.

Together, these reforms will make the voucher program run more efficiently and better serve the families with children, elderly, and people with disabilities in **[state]** and across the nation who struggle to cope with the high cost of housing.

*Advocates who are concerned about a big MTW expansion may want to add:* We understand that as the bill moves forward, an expansion of the Moving-to-Work demonstration is likely to be added. MTW is still untested in many ways and could have far-reaching implications if extended broadly. We hope that any MTW expansion will therefore be kept modest in size, and that it will be accompanied by adequate tenant protections and a requirement that any future demonstration projects be rigorously evaluated.

Again, we urge you to support this bill, and hope that you will feel free to call upon us for our expertise and counsel on these and other housing matters.

Sincerely,

## LETTER OF SUPPORT FROM MORE THAN 40 NATIONAL ORGANIZATIONS FOR THE HOUSE SEVRA BILL

July 12, 2007

Dear Chairman Frank and Ranking Member Bachus,

We are writing to lend our strong support for H.R. 1851, the Section 8 Voucher Reform Act of 2007 (SEVRA), which is scheduled to be debated in the House today. We represent a diverse array of constituencies — ranging from housing providers to tenants to apartment owners to membership organizations to religious leaders — who all agree that this is a very strong piece of legislation.

Simply put, SEVRA is a good government bill. It stabilizes the voucher program with a permanent funding policy, while simplifying the rules about how to calculate tenant rents and streamlining the housing inspection process. As a result, the voucher program will run more efficiently, tenants will be rewarded when they increase their work effort, and there will be less unnecessary paperwork for all parties involved — housing authorities, tenants, and property owners.

The voucher program is our nation's leading source of housing assistance for low-income people. It serves nearly two million families with children, elderly people, and people with disabilities. Making sure that it operates as effectively as possible is in their interest as well as in our national interest.

We give this bill our strong endorsement so it can continue through the legislative process and be enacted this year.

Sincerely,

AARP  
American Association of Homes and Services  
for the Aging (AAHSA)  
American Network of Community Options and  
Resources  
Association of Jewish Family & Children's  
Agencies (AJFCA)  
The Arc of the United States  
Center on Budget and Policy Priorities (CBPP)  
Coalition on Human Needs (CHN)  
Consortium for Citizens with Disabilities  
Housing Task Force  
Corporation for Supportive Housing (CSH)  
Easter Seals  
Enterprise Community Partners  
Housing Assistance Council (HAC)  
Institute of Real Estate Management  
Jewish Council for Public Affairs  
Lawyers Committee for Civil Rights Under Law  
Local Initiatives Support Corporation (LISC)

Lutheran Services in America  
National Advocacy Center of the Sisters of the  
Good Shepherd  
National Affordable Housing Management  
Association (NAHMA)  
National AIDS Housing Coalition  
National Alliance of HUD Tenants  
National Alliance on Mental Illness (NAMI)  
National Alliance to End Homelessness  
National Apartment Association  
National Association of Home Builders  
National Association of Housing Co-ops  
National Association of Realtors  
National Association of State Mental Health  
Program Directors  
National Coalition for Asian Pacific American  
Community Development  
National Council of State Housing Agencies  
(NCSHA)  
National Housing Conference

National Housing Trust  
National Law Center on Homelessness &  
Poverty  
National Leased Housing Association  
National Low Income Housing Coalition  
National Multi Housing Council  
National People's Action (NPA)  
National Training and Information Center  
(NTIC)  
NETWORK, a National Catholic Social Justice  
Lobby  
Poverty & Race Research Action Council  
(PRRAC)  
Presbyterian Church (USA) Washington Office  
Public Housing Authorities Directors  
Association (PHADA)  
Public Justice Center  
The United Methodist Church-General Board of  
Church and Society  
Travelers Aid International  
United Cerebral Palsy  
United Jewish Communities (UJC)

## **NATIONAL HOUSING CONFERENCES IN 2008**

*note: take place in Washington DC, unless otherwise indicated*

February 24-26	<b>National Low Income Housing Coalition (NLIHC)</b> Annual Policy Conference
March 3-5	<b>National Council of State Housing Agencies (NCSHA)</b> 2008 Legislative Conference
March 5-7	<b>National AIDS Housing Coalition</b> National Housing and HIV/AIDS Research Summit Baltimore, MD
March 9-11	<b>National Affordable Housing Management Association (NAHMA)</b> 2008 Winter Meeting - Legislative
March 13-14	<b>Council of Large Public Housing Authorities (CLPHA)</b> Spring 2008 Executive Directors' Meeting
March 18-19	<b>Council of State Community and Economic Development Agencies (COSCEA)</b> 2008 Legislative Training Conference
March 30-April 2	<b>National Association of Housing and Redevelopment Officials (NAHRO)</b> 2008 Legislative Conference
May 15-17	<b>National Coalition for Asian Pacific American Community Development (NCAAPACD)</b> Anaheim, CA
July 21-24	<b>National Council on Independent Living (NCIL)</b> 2008 Conference
September 7-9	<b>Public Housing Authorities Directors Association (PHADA)</b> 2008 Legislative Conference
December 3-5	<b>Housing Assistance Council (HAC)</b> National Rural Housing Conference 2008

State	Authorized Vouchers, Jan 2008	Average Vouchers In Use, Oct 2006 - Sept 2007 (FY07)*
Alabama	31,744	25,822
Alaska	4,216	4,048
Arizona	20,441	18,691
Arkansas	22,759	20,645
California	300,077	282,589
Colorado	28,510	27,532
Connecticut	36,505	31,227
Delaware	4,546	4,294
District of Columbia	12,272	10,411
Florida	94,901	84,072
Georgia	55,320	45,112
Hawaii	12,029	9,131
Idaho	6,602	6,249
Illinois	93,396	74,549
Indiana	37,827	32,355
Iowa	22,050	20,830
Kansas	12,052	10,954
Kentucky	32,938	31,676
Louisiana	42,107	22,355
Maine	12,443	11,980
Maryland	45,736	36,548
Massachusetts	72,663	69,099
Michigan	53,078	47,937
Minnesota	30,838	29,683
Mississippi	19,366	13,315
Missouri	41,712	37,971
Montana	5,784	5,293
Nebraska	11,529	10,828
Nevada	12,987	11,678
New Hampshire	8,987	8,744
New Jersey	67,029	59,038
New Mexico	14,137	12,418
New York	225,758	194,947
North Carolina	55,558	52,107
North Dakota	7,548	7,081
Ohio	89,699	84,533
Oklahoma	24,277	22,572
Oregon	31,456	30,645
Pennsylvania	83,852	73,841
Rhode Island	9,637	7,561
South Carolina	24,624	22,861
South Dakota	5,844	5,061
Tennessee	32,585	29,511
Texas	146,123	129,709
Utah	10,543	10,102
Vermont	5,692	5,534
Virginia	46,693	40,144
Washington	45,904	44,176
West Virginia	14,750	14,202
Wisconsin	28,511	25,454
Wyoming	2,206	2,072
Puerto Rico	31,394	25,951
Guam	2,515	2,509
Northern Marianas	363	321
Virgin Islands	1,469	1,225
<i>US States and DC</i>	<i>2,157,841</i>	<i>1,919,187</i>
<i>Territories</i>	<i>35,741</i>	<i>30,006</i>
<b>Total</b>	<b>2,193,582</b>	<b>1,949,193</b>

\* These figures are based on data reported by state and local housing agencies to HUD, without end-of-year corrections. It is important to note that voucher use increased over the 12-month period, and that HUD allocated some 28,000 additional vouchers to agencies during 2007. Excluding agencies with special funding agreements under the Moving to Work program and agencies hardest hit by the 2005 Gulf Coast hurricanes, voucher utilization increased from 89.4% in September 2006 to 92.1% in September 2007. The number of vouchers in use currently is likely to exceed these levels.