

## **Recommendations to Improve the Section 8 Voucher Program**

Citizens' Housing and Planning Association  
February 6, 2007

The federal Housing Choice Voucher Program (Section 8) serves almost 70,000 households in Massachusetts. As Congress considers changing the funding mechanism and other provisions guiding this program, Citizens' Housing and Planning Association, through its Section 8 Committee, would like to offer the following suggestions to improve the overall functioning of the program so that it can serve more households and provide funding sufficient to achieve the program's goals. These proposals were developed in consultation with public housing authority directors and Section 8 program administrators, regional non-profit housing agencies, tenant advocates, legal services attorneys, non-profit developers, human services providers, government officials, and many others involved in using the Section 8 program in Massachusetts.

### Section 8 Funding Policy

- 1) The current snapshot data system used by HUD for determining funding is flawed. We support an "actual-cost" based funding system, as included in the FY2007 Joint Funding Resolution (H.J. Res 20). Funding should be based on an agency's leasing and per-voucher cost data for the most recent 12-month period for which data is available. If allocation of voucher funds is changed so that funds are prioritized based on performance, there must be an allowance for a period of funding stability so that well-managed PHAs who are now underutilized because of the flawed "snap shot" formula can get back on track.
- 2) PHAs should be allowed to retain 2% of their budget authority as a cushion after the first year, which could be used for temporary overleasing and other anticipated costs. This reserve would not be replenished by HUD, thus ensuring that agencies will closely monitor cost overruns.
- 3) Each agency should be allowed to provide vouchers to additional families above the Annual Contributions Contract limit if they are able to stay within their HUD-approved budget.
- 4) There should be full funding for tenant protection vouchers and one-for-one replacement of units.

### Payment Standards

- 1) 8(O)(1)(E) should be amended to require PHAs (rather than just HUD) to study and report on rent burdens and adjust payment standards within a basic range (up to 110% or FMR), if more than 40% of households pay more than 30% of income for rent.
- 2) HUD should be directed to use the American Community Survey data to establish Fair Market Rents and local adjustment factors beginning in 2008.
- 3) PHAs should not be allowed to set payment standards below 100% of HUD-set FMRs.

4) PHA's, at the local level, should be able to approve payment standards above 110% of FMR for reasonable accommodation.

5) To facilitate use of vouchers in tax credit units, local housing agencies should have flexibility in determine payment subsidy levels such that the use of vouchers is maximized.

#### Section 8 Administration and Fees

1) Administrative fees should be issued based upon vouchers leased.

2) PHAs need the ability to receive administrative fees for new vouchers issued. There should be a two-tier fee (issuing and leasing). For example, one suggestion is to allow a preliminary fee for successful vouchers.

3) Incentives are needed for the additional work PHAs have to do in order for families to have a good chance of using vouchers to move to low poverty/hard to house areas.

4) Hard to House fees need to be restored.

5) Restore fees for audits.

6) There should be a designated FSS administrative fee attached to vouchers.

#### FSS Program

1) For the FSS program, coordinator allotments should be based upon workable caseload, not just a minimum number of households. The number of coordinators needs to relate to the program size.

2) Participation in FSS should be permitted for families living in units assisted under the "old" Section 8 project-based and mod rehab programs, and Congress should provide funding for coordination.

#### Rents

1) We support the Section Eight Voucher Reform Act (SEVRA) policy of retaining the principle of income-based rents, but with simplified deductions, while retaining deductions for extremely high medical expenses.

2) We support the provisions in SEVRA regarding recertification every two or three years for all households on fixed income, and one year for unearned income. Interim certifications should only be processed if a tenant requests a change due to a reduction in their income.

3) Keep minimum rents the same.

## Income/Asset Rules and Targeting

### *Income Eligibility:*

- 1) Income eligibility guidelines should remain at 80% of adjusted median income for initial entry into the program. Current income targeting requirements should be retained.
  
- 2) When a participant's income reaches 80% of adjusted median income, tenant-based voucher housing assistance payments (HAP) should no longer be paid on the family's behalf. Participants should be allowed to remain on the program for up to six months following the last HAP payment (in case the family's income fell below 80% again).

### *Asset Limits:*

- 1) Asset limits for eligibility should reflect regional differences in adjusted median income (i.e., a \$100,000 limit in one part of the country may be too high in another part of the country). Local administrative plans should set limits on assets. This is a particularly relevant concern for elderly applicants.
  
- 2) Eligibility should exclude persons who own real property that can be used as a primary residence, excluding properties inaccessible to domestic violence victims and properties held temporarily as a result of a gift or inheritance.
  
- 3) Any rules regarding assets should be careful not to exclude the possibility of using Section 8 vouchers for homeownership.

## Moving to Work

Provided that the conditions described below are met, expand the number of Moving to Work agencies within reasonable limits, with the following provisions:

- 1) Goal setting and evaluation are both critical elements of the MTW program. Outcomes should be reported to all other PHAs so we can learn from the MTW experience. The evaluation mechanism must be comprehensive.
  
- 2) Extend the MTW program time period to approximately 7 years. Agencies need stability. The 3 year period currently in SEVRA is too short.
  
- 3) There should be explicit strengthening of tenant protections.
  
- 4) There should be more public participation in the planning process.

5) There should be an independent accreditation agency (not HUD), charged with determining whether MTW programs have met their goals.

### Resident Rights

#### *For regular vouchers:*

1) Require due process notice and PHA-level hearings, and any additional rights under state Administrative Procedures Acts, in voucher termination cases.

2) There is agreement with the concept of streamlining portability by mandating absorption of vouchers. Agencies that are either above their authorized cap or approaching the cap, and have vouchers that are issued but not yet leased, should not be mandated to absorb.

3) If a unit fails Housing Quality Standards (HQS) inspection, PHAs should first work to have the owner correct the conditions (for example, by abating the PHA share of rent). Termination of HAP contract should be the solution of last resort.

4) Prohibit retaliation for tenant organizing.

5) Prohibit landlord discrimination against Section 8 voucher holders.

#### *For enhanced vouchers:*

1) Clarify that an owner must accept enhanced vouchers for existing tenants, and that the owner can only evict in accordance with the lease.

2) Prohibit PHA screening of current tenants who are income-eligible for enhanced vouchers, if those tenants are currently in good standing.

3) Allow mortgage-only subsidy developments to be eligible for enhanced vouchers when the mortgage comes to an end.

4) When incomes of enhanced voucher tenants decrease, regular Housing Choice Voucher Program rent policies apply. Specifically, there is an obligation to adjust the tenant share in accordance with the decrease (regardless of the initial rent).

5) Extend the time period allowed under current law in which an overhoused family must either move to an appropriate sized unit within the development or move outside the development using a tenant based voucher. During that time period, the family may be transferred to a smaller unit within the development.

### Inspections

1) There should be minimum standards for inspections set by HUD. Given the great diversity of housing stock and tenants populations throughout the country, each PHA should use their annual public planning process to outline their provisions on inspections. Each agency should have latitude to design inspection standards that meet the needs of the real estate in their jurisdiction,

assuming that those standards meet the minimums established by HUD. Inspections should be done every two years, at a minimum.

2) Allow PHAs to decide as part of their administrative plan or annual PHA plan to use local Boards of Health certifications as approval to allow a tenant to move in, as long as these certifications meet minimum HUD standards.

3) Allow tenants to move into units that have been inspected within the last 30 days, as long as there has not been a tenancy during that time.

### Project Based Vouchers

Certain regulations have made it consistently difficult for PHAs nationwide to fully utilize their project-based voucher authority to develop long-term affordable housing. We would like to see the following changes to the program to make it easier to use these vouchers:

1) Eliminate subsidy layering review (SLR) and environmental reviews for all “existing” projects. Fast-track the SLR process for development projects by having the state or other non-HUD entity perform them.

2) Eliminate tax credit rent restrictions inserted in the October 13, 2005 final rule that was never publicly processed.

3) Either eliminate or revisit HUD’s requirement that HUD approve the use of project-based vouchers in elevator buildings with 5 or more floors that serve families with children.

4) Allow a 15 year initial HAP contract term, rather than 10 years.

5) Allow PHAs as part of their Annual PHA Plan public hearing process to determine the number of units per project that can be project-based, up to 20-25 unit maximum.

6) Allow use of project-based vouchers in co-ops.

7) Eliminate the requirement that PBV rents could be lowered under the various circumstances outlined in the final rule.

8) Eliminate the need for HUD to approve the use of project-based vouchers in PHA-owned housing.

9) Assure that PHAs are given utilization credit for committing vouchers prospectively, even if not under lease at time HUD measures leasing performance.