

Information Brief



Affordable Housing and the Section 8 Home Choice Voucher Program^{*}

When adults with disabilities want “their own place” (e.g., a manufactured home, a condominium, an apartment), they face the problem of coming up with the rent each month. These days, a studio or one-bedroom apartment can take nearly all of a person’s SSI and any earnings. This *Information Brief* provides an overview of affordable housing, with emphasis on using a federally funded program that helps with the monthly rent (and utilities). It is called the Section 8 Home Choice Voucher Program. Funds go to local public housing authorities from the U.S. Department of Housing and Urban Development (HUD), so that local Public Housing Authorities (PHAs) can provide housing subsidies for their low-income citizens.

Finding affordable housing

There are two principal ways of securing affordable housing:

- Signing up on the waiting list for a Section 8 voucher, knowing that sometime in the future one’s name will come to the top of the list and one will be offered a Section 8 voucher to be used within a reasonable period of time (e.g., 90 days); and
- Finding an affordable apartment on the open market, and applying to lease it.

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Some Section 8 subsidies (or, their equivalent) are “attached” to projects built to be (and to remain) affordable by low- and very low-income individuals and families. *Inclusionary zoning* practices, in many areas, have resulted in set aside apartments for households with low- and moderate-income.

What is the Section 8 program?

Section 8 is a rental assistance (or housing subsidy) program for low-income families. Working with Section 8 landlords who agree to accept Section 8 *vouchers* and abide by certain rules and regulations around the Section 8 program, a local public housing authority will subsidize the rent of those who are eligible for and sign-up for the program. The amount of the subsidy is the difference between the PHA’s *payment standard* and 30% of the subsidy-holder’s income. The *payment standard* is typically *fair market rent* (FMR), a figure arrived at by review of rents actually being paid, but can be slightly higher. With a *voucher*, the family may pay somewhat more than the *payment standard*, in which case they are also responsible for the difference between actual rent and the *payment standard*. The PHA may say, however, that the amount the subsidy-holder pays cannot exceed (for example) 40% of the person/family’s income. Most PHAs offer monthly trainings (or, information briefings) about their programs. These are a good place to start researching eligibility requirements, rules, optional programs, and opportunities in general.

Basic purpose?

The program’s purpose is to provide low-income families (including “families of one”) with safe, decent, and affordable housing.

Who is eligible?

Low-income families (including families of one) are eligible for housing subsidies. Family income limits vary with family size. The housing need is so great that in most jurisdictions there is a long waiting list for housing subsidies. Generally, an individual (family of one) will be put on the list for a one-bedroom unit. However, if the individual needs around-the-clock assistance, and his/her physician attests to that fact, the housing authority will authorize a two-bedroom unit for one person to accommodate an attendant. Let’s consider such an example. If the *fair market rent* payment standard for the two-bedroom apartment were \$900 per month (but the landlord charged \$950), and the income of the disabled person were \$800 per month, the renter would pay \$290 per month (30% of \$800, or \$240; plus the \$50 difference between actual rent and the payment standard),

and the housing authority would pay \$660 per month (or, \$900 minus \$240). The landlord would receive \$950, composed of \$660 from the PHA and \$290 from the Section 8 voucher holder.

Might I be able to get a subsidy quicker?

A family may be able to move up on the waiting list, if the family is in a category given certain preference. For example, individuals who are veterans or homeless may be able to move up. Sometimes, there are separate waiting lists for certain categories. For example, if a PHA has a set of *Mainstream Vouchers* for families with disabilities – depending on turnover – one may get a Section 8 voucher more quickly than the average family.

Aftercare vouchers are ones set-aside for persons with disabilities. Some housing authorities offer this optional service, and have *Aftercare coordinators*. Ask for the name, address, and telephone number of the nearest Aftercare coordinator in your area. Sometimes, use of *after-care* subsidies is a "fast-track" to getting assistance quicker in paying rent and utilities. People using aftercare vouchers typically must be associated with a specific program that has the voucher, and the people cannot drop services from the program any sooner than two years of service. In other words, to keep an aftercare voucher, the family must be attached to program services.

If the housing authority helps you (or your landlord) to rehabilitate the place you live, ask whether -- upon completion of the work – a Section 8 subsidy can be attached to your unit. A few years ago, a member of the North Bay Housing Coalition worked with a young woman who uses a wheelchair toward a plan wherein a group of friendly investors would acquire a place needing accessibility and other modifications; the young woman would move in; and work would begin immediately to modify *her home*. While inconvenient for a month or two, once the work would be completed (under a low-interest, moderate rehabilitation loan), a Section 8 subsidy would come with the unit, and she would have her rental assistance. This project did not come to fruition, because other opportunities presented themselves, but it is an option to keep in mind.

What about *shared living* arrangements?

Shared housing generally refers to two or more unrelated individuals sharing a common living space. The housing authority considers each person a family of one. Each person has a right to one bedroom within a larger living unit. Let's look at an example. If the approved *fair market* (and actual) *rent* for a three-

bedroom place were \$1,400 per month (including utilities), the rent charged each person would be \$467 per month. A person with SSI and other income of \$800 per month would pay \$240 (30% of \$800), and the housing authority would pay the difference of \$227 (\$467 minus \$240) for that individual. Across three individuals, the Section 8 subsidy would be \$681 (\$227 x 3). In other words, the three people would pay \$720 (\$240 x 3); and the housing authority would pay the other \$681 each month, for a total of \$1,400. This is one among several ways that *shared housing* is sometimes done.

Shared housing, as an option available for everyone on Section 8, is an optional program for PHAs. Many PHAs avoid offering this option to all of their clients for reasons of administrative cost (e.g., fixing responsibility when something is broken deliberately; not wanting to cover unpaid rent in one person moves out).

Some housing, if it makes sense as a *reasonable accommodation* because a member of the family has a disability, must be offered, even if shared housing is not offered to everyone. Indeed, *shared housing* is one of several so-called “special housing types” that are ways of making the Section 8 program available to individuals with disabilities who would otherwise be excluded. “Special housing types” include (1) Single-Room Occupancy (SROs), (2) use of Section 8 for underlying space rent (and, often, utilities) for a mobile home, and (3) other arrangements. A PHA may permit two people (one with a Section 8 subsidy, one without) to share, using one person’s voucher.

Shared housing is a way to make shelter more affordable. Certainly, if you find that sharing is in line with personal preferences and needs, and that (even with sharing) rent and utilities will be close to 50% of a person's income, it may make sense to work with your housing authority to enlist their support for what you wish to accomplish. Private parties (e.g., families) and non-profit entities (e.g., Innovative Housing of Marin) have sometimes helped housing authorities deal with the very real issues surrounding shared living arrangements (e.g., unpaid rent, taking care of damage, helping people be good renters).

Can Section 8 subsidies be used for *home ownership*?

Yes, under relatively new rules (September 2000) PHAs may elect to have Section 8 *vouchers* used for home ownership. Again, this is an optional program. PHAs that choose to participate in the Homeownership Program can allow: (1) eligible individuals and families to convert current Section 8 vouchers from rental supplements to mortgage payments, and (2) future eligible individuals and families to choose between mortgage subsidies and rental subsidies. HUD

anticipates that mortgage lenders will consider the Section 8 assistance when underwriting a loan. The homeownership option will assist families in two types of housing: (1) an owned unit, or (2) a cooperative unit. In some jurisdictions (e.g., a municipality or county) one needs to ask about the possibility, because it may not be advertised.

The final rule on homeownership released by HUD includes provisions that constitute *reasonable accommodations* for persons with disabilities. For example, the following rules do not apply to an elderly or disabled family: (1) a requirement that one or more adult members of a family are employed at least 30 hours per week when assistance begins; and (2) a mandatory time limit on the subsidy (15 or 10 years, depending on length of the mortgage). Furthermore, a national minimum (gross) income requirement (of adult family at time of commencement) that is equal to 2,000 hours of annual full-time work at the Federal minimum wage (which is \$10,300 per year, currently; \$5.15 x 2000) includes “welfare assistance or other payments based on need.” At least one percent of the purchase price is to come from the family's personal resources. And, the PHA must approve a live-in aide if needed as a reasonable accommodation, so that the program is readily accessible to and useable by persons with disabilities. *NOTE:* Courtesy of Jay Klein, a complete copy of the new Section 8 Homeownership Rule can be viewed and downloaded in both text and PDF formats from the *National Home of Your Own Alliance* website at: <http://alliance.unh.edu>. The U.S. Department of Housing and Urban Development website can be found at: www.hud.gov.

Where and when do you apply for Section 8?

Check in your telephone book, near the beginning, under **Government Pages**. If you live in a **city**, look first for a *Housing Authority* office there. If you don't find one, look for such an office within your **county**. Sometimes, you will find a joint housing authority, covering several municipalities and unincorporated areas. Call that office, and ask *when* and *where* you can sign up for Section 8. Also ask if they offer *vouchers*. Some large, older cities still have some of their own public housing (sometimes called “the projects”). Check out the possibilities.

With long waiting lists (often 3-5 years or more), some housing authorities accept new applications only once in awhile, with little advance notice. Ask if they will take your name and address and notify you directly. Ask where opportunities to apply will be announced (e.g., a section of your local newspaper). PHAs are required to notify their local citizens of open waiting lists, so watch your local newspaper and develop a network of folks who will know when signing up is possible. Tell the housing authority representative that you have a disability and

ask whether there is a way to access *after-care* vouchers. Once on the waiting list, be sure to notify your PHA of any change of address. Failure to respond to notices from the PHA will result in your name being removed from the waiting list.

Additional information

Section 8 Made Simple: Using the Housing Choice Voucher Program to Assist People with Disabilities (2nd edition, June 2003, 108 pages), by the Technical Assistance Collaborative, Inc., Boston, Massachusetts, provides an excellent overview. The document may be downloaded in PDF format from <http://www.tacinc.org/index/admin/index/uploads/docs/Sect8.2ndEd.pdf>