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# The Evolution and Future of the Section 8 Program

By Don Tomlin

I have been a public housing authority administrator for 24 years. The Section 8 Existing Housing Rental Assistance Program, as it was referred to when I began, was in its infancy. Housing quality inspection protocol was very brief and many of the most basic program administration regulations had yet to be disseminated. Since then, many changes have come — some necessary and some not so well-advised.

The Section 8 program was, I am certain, originally conceived as a way to quickly and efficiently get housing assistance to people who needed it. It avoided the complexities and delays inherent in building new housing and provided an incentive for private landlords to house families they might not otherwise have considered. By today's standards, it was startlingly simple. Many local housing agencies administered the program for some time before all of the handbooks were written and distributed.

Over the years, we've seen many changes in the Section 8 program — some for political gain. The voucher program, for example, was one presidential administration's creation. It

incorporated some good provisions but left us with dual programs and double paperwork for a number of years.

Others have sought to use Section 8 to enforce housing codes and standards. Still others have attempted to use Section 8 to bring about social change through such items as portability requirements.

The most recent attempts at altering the Section 8 program, HANF and "flexible vouchers" are another administration's attempt to put its name on the program. HANF is apparently dead. The future of flexible vouchers remains in question. Either one would — or could — severely compromise the program.

Budgeting for the Section 8 program has always been a challenge. Its ultimate cost is never really clear because we do not know the amount of subsidy for which participants will qualify. To add to the uncertainty, funding and accounting systems for the program have changed repeatedly. First, LHAs had to be careful to issue only the number of each bedroom-sized certificate assigned to them. The requirement led to several separate waiting lists and limited ability to serve many otherwise qual-

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ified families. That changed and LHAs were allowed to issue any size certificate the families needed. But certificates still had to be accounted for according to the way they were shown on our annual contribution contracts by the size of the dwellings as determined by the number of bedrooms they contained. Again, this made tedious, time consuming calculations necessary and added to the overall cost of the program.

Reimbursement to LHAs for their expenses in administering the Section 8 program has never been based on any real cost analysis. Rather, it has been consistently based on some percentage of the cost of a month's rent in a given area, which varies wildly across the country. The fair market rent (FMR) for thousands of localities, cities, counties, etc. in the U.S. are determined each year with the two-bedroom FMR used as the basis for the administration fee. Whether the applicable FMR is \$370 (non-metro Alabama) or \$1,443 (Nantucket, R.I.), the housing authority administering a Section 8 program receives about 7 percent of that FMR each month for every voucher it has in use. This inequitable system results in higher than necessary administrative costs. Why should one housing authority receive over \$100 to do what another can or must do for \$26? Wages might be higher in some localities than others but it is hard to imagine that they would be four times higher.

Making Section 8 portable assistance was intended to allow families to move to areas with more opportunities for employment, freedom from crime, and generally a better quality of life. In some cases, those goals may have been attained.

However, in many non-metro jurisdictions, the portability option has merely provided an opportunity for people to get around the long waiting lists for assistance from their local LHAs. People come to the "hinterlands" to get vouchers. Then, as

quickly as allowed, they "port" back, often to the kind of high-crime, low-opportunity areas the portability option was intended to discourage residence in. Meanwhile, two housing authorities have devoted resources and effort to assisting the same family multiple times and have been compelled to leave other families unassisted altogether.

Another popular use of the portability option is to move closer to a friend or relative, while the availability of jobs and other opportunities is secondary, if it is considered at all.

The ploy described above is generally not an option for families with jobs or other responsibilities that compel them to remain in areas with long waiting lists. Most LHAs require voucher holders to reside in their jurisdictions for a year before exercising the portability option. Unless a family can move for a year to an LHA's jurisdiction where vouchers are available, they must instead wait until their names come to the top of their hometown waiting list.

The wait is prolonged if that hometown LHA has a policy of "absorbing" incoming portability families, as many do. By regulation, housing authorities are obliged to serve incoming ports ahead of everyone else. They may administer the voucher for the sending LHA and be reimbursed or, they may simply issue the incoming family one of their own vouchers and release the incoming voucher to the sending LHA. Most seem to prefer absorption, perhaps because it is simpler and more efficient. However, absorption takes away vouchers that would otherwise be issued to families who already are on the in-house waiting list.

Using portability to circumvent a waiting list often includes public housing occupancy during a mandatory residency year in the non-metro housing authority. During this time, the family lives in decent, safe, sani-

tary, and affordable housing, and is at liberty to remain there. Nonetheless, if they applied for a voucher at the same time they applied for public housing, as most do, they keep any special need, preference, or priority for being issued a voucher that they may have qualified for originally. Such applicants gain an advantage over all of the families who may be waiting for *any* sort of housing help. These applicants can get a voucher in the shortest possible time and then use it to go elsewhere (i.e. back where they originally lived). Before these families settle down, many will have received both public housing and Section 8 vouchers from two housing authorities. In each case, all of the paperwork will have been completed. A public housing unit will have been leased and re-leased, and all of

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the necessary maintenance that accompanies unit turnover will have been done. This is *not* an effective way to serve the maximum number of people with a limited resource.

As discussed above, it seems very doubtful that a study would show Section 8 portability to be a key factor in any significant number of participants finding economic independence as a result of portability. If we want people to move to areas with employment opportunities, we should simply provide more vouchers in those areas. As it stands, we are turning many small housing authorities into remote intake sites for a few larger ones.

Another component of the current version of the housing choice voucher program that misses the point is the homeownership option. This provision was, we were told, added to increase homeownership among lower-income households and to increase the ratio of homeowners versus renters in general. Three years after the homeownership component was added, few LHAs have had success in finding families who meet the criteria, and wanted to buy homes.

One big downfall of the program is it is only for first-time homeowners. However, a number of families do find themselves in danger of having their mortgages foreclosed because of illness, loss of a job, or other circumstances that reduce household income. Why do we have a program that purports to promote homeownership when we cannot help people keep the homes they have? For any hope of assistance from LHAs at all, these families must become renters, either in public housing or as voucher program participants. To add insult to injury, under the current rules these families will never be allowed to participate in the Section 8 home-

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ownership program because they were once homeowners (unless the family is broken up by something like a divorce).

If, as seems to be commonly believed, a higher homeownership rate can be the remedy for all manner of social and economic woes, it shouldn't matter whether we rescue a current homeowner or create a new one. Helping a family hold on to a house that they have already been paying for has the same, positive impact on the number of homeowners in the nation as trying to create new homeowners.

Allowing Section 8 program participants to lease from family members wasn't always prohibited. It was common for people to purchase rental housing specifically for elderly family members or their own grown offspring who had children of their own. Experience shows that in these situations: rents charged by the family member were usually very reasonable, the overall quality of the dwellings was high, and efforts to maintain that quality were generally much better than the norm. Also, since in many cases the rental unit was located very near the owner's home, the elderly parent/tenants or young grandchildren/tenants involved could receive needed care and attention from the owner/family member. The fact that it is still permissible for family members to rent

to family members to meet "special" accessibility needs suggests that there is not anything inherently illegal about these agreements. They should be permitted, and even encouraged as a way to promote family unity.

The effort to oversee housing in which Section 8 participant families live is a very expensive, labor intensive process. All manner of government programs make cash payments to needy people without the types of requirements that the Section 8 program has. No one goes to the grocery store with food stamp recipients to assure that they buy only the most nutritious foods. There are myriad codes and enforcement agencies for the purpose of promoting housing quality. If we don't involve ourselves in the housing selection process, then we should not be liable for problems associated with its quality. Let's assume that our voucher holders are adults and let them live where they choose to live.

It is increasingly doubtful whether our present-day rental assistance program really does the best, most cost-effective job of helping families afford suitable housing. The evolution from the simple Existing Housing Rental Assistance Program to the Housing Choice Voucher program of today has resulted in an overly complex creature that can't really serve us well. We should simply help folks pay for decent housing, owned or rented and not encumber that effort with too many other requirements. Let's allow common sense and fairness to dictate funding and regulations. Let's pay housing authorities fairly for the work they do to administer the program. And by all means, recognize that they have *earned* that money and let them do what they choose with it afterward. ■

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