

Housing and Urban Development (HUD) Explained

Housing Choice Vouchers

The Basics

The Housing Choice Voucher (HCV) program, commonly referred to as *Section 8*,¹ is the **single largest source of federal rental assistance**.

HCVs, *Project-Based Vouchers (PBV)* and *public housing* are overseen by HUD's Office of Public and Indian Housing (PIH). HUD, authorized by Congress through the Housing and Urban Development Act of 1965, administers these and most of the major publicly supported housing programs in the United States.

Eligibility

To receive assistance, an applicant must be income eligible.

General Eligibility and Targeting Requirements

A person is considered income eligible if they fall into one of several categories:

- These include being “very low-income,” being a low-income person that is “continuously assisted” and meeting criteria specified in the local public housing authority (PHA) administrative plan.
- At least 75% of people admitted to a PHA's HCV program must be extremely low-income. However, a PHA may admit a lower percent if given HUD approval for that PHA's fiscal year.²
- If an applicant is denied, the PHA must provide a brief statement explaining their decision and notify the applicant of how to request an informal review.

Preferences for Receipt of Voucher

PHAs may establish systems of local preferences to determine how they select for admission to the HCV program.³ Any such preferences must be detailed in the PHA administrative plan:

- Residency requirements are prohibited but PHAs may use a residency *preference*.
- PHAs may also adopt preferences for the following categories: working families, persons with disabilities, victims of domestic violence, and single persons who are elderly, displaced, and homeless.

¹ The program is authorized under Section 8 of the U.S. Housing Act of 1937 (42 U.S.C. 1437(f)(8)(o)).

Regulations for the program are at 24 CFR 982.

² 24 CFR 982.201(2)(ii)

³ 24 CFR 982.207,

Tenant Screening

PHAs are required to inform us that screening and selection responsibility rests with them. PHAs also may screen applicants for “family behavior or suitability for tenancy,” and may offer a landlord information that it has about a family such as tenancy history of family members.⁴

Rents and Payment Standards

A PHA cannot approve a lease until it determines that the rent to the landlord is reasonable.⁵ A PHA may redetermine rent reasonableness at any time at its discretion.⁶ HUD also publishes fair market rents (FMR) for each market rent area in the U.S.^{7,8}

Rent Reasonableness

Reasonableness must be determined:

- Before entering into a Housing Assistance Payment (HAP) contract;
- Before any increase in rent paid to a landlord;
- If there is a 10% or more reduction in fair market rent;
- If a PHA is directed to by HUD.⁹

Fair Market Rents

HUD has instituted a program to establish “Small Area Fair Market Rent (SAFMR)” in some geographies that more accurately set rents than the usual, larger Metropolitan Statistical Area used to set Fair Market Rent (FMR) levels. HUD has the authority¹⁰ to suspend a small area FMR designation or temporarily exempt a PHA in a small area FMR metro area from using small area FMRs in certain situations:

- A Presidentially declared disaster area resulting in the loss of a substantial number of housing units;
- A sudden influx of displaced households needing permanent housing; or
- Other events as determined by the Secretary.

PHAs may establish a payment standard amount for a unit that is between 90% and 110% of the published FMR or SAFMR. HUD has the sole discretion to approve a payment standard higher than

⁴ 24 CFR 982.307.

⁵ 24 CFR 982.507

⁶ Id.

⁷ 24 CFR 982.503(a)

⁸ The methodology for determining FMRs as well as small area FMRs are described in 24 CFR 888.113.

⁹ Id.

¹⁰ Under 24 CFR 888.113(4).

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the fair market rent area.¹¹ Insufficient payment standards can prevent tenants from accessing higher opportunity neighborhoods.

¹¹ 24 CFR 982.503(c)

Housing Quality Standards

Landlords must maintain a unit in accordance with set standards¹² which must be met before housing assistance can be paid on behalf of a family.

- PHAs are responsible for conducting an inspection before a tenant moves in and annually thereafter.
- PHAs can employ several remedies for breaches of the housing quality standards, including termination of the HAP contract or a termination, suspension, or reduction of housing assistance payments.¹³

Tenants Rights

Unlike tenants in the public housing program, HCV tenants have **no explicit right to organize**, and HUD provides no funding to support organizing activities for HCV tenants.

For HCV tenants, " the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause." ¹⁴

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¹² HUD outlines standards for housing under the HCV program at 24 CFR 982.401

¹³ 24 CFR 982.404

¹⁴ 42 USC 1437f(o)(7)(C).