



# **Section 8 Voucher Reform Act**

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# Bill Overview

- Number: H.R. 1851
- Status: Referred to the Senate Banking Committee
- Sponsor: Rep. Maxine Waters (D, CA)
- Next Step: Senate consideration
- PHADA strongly supports the bill



# HCV Program Inspections

- Biennial reinspections
- Start HAPs with minor HQS failures
- Permit initial occupancy with other inspections in the prior year



# HCV Program Inspections

- Quality Standards Enforcement
  - Expanded HQS failure
  - Withhold HAP payments
  - HAs use abated HAP to repair units
  - Forbid lease termination for nonpayment
  - HUD to recapture abated funds



# Section 8 Eligibility

- Excludes applicants lacking “acceptable identification”
  - A Social Security Card combined with a photo identification card or a Real ID Act identification
  - A United States passport or a passport issued by a foreign government
  - A United States Citizenship and Immigration Service (USCIS) photo identification card



# Income Reviews and Rent

- Interim recertifications at \$1,500 income change
- Triennial regular recertifications for fixed income households



# Income Reviews and Rent

- Annual Income
  - Prior year income adjusted for inflation
  - Earned income exclusion of up to \$1,000
  - Forbids “de minimus” noncompliance
  - Eliminates “imputed asset income”
  - Adds to student financial aid confusion



# Income Reviews and Rent

- Adjusted Income
  - Elder deduction: \$750 inflation adjusted
  - Dependent deduction: \$500 inflation adjusted
  - Medical deduction: For costs in excess of 10% of income



# Income Reviews and Rent

- Eligibility
  - Asset test: \$100,000
  - Discretionary continued occupancy means test
  - Targeting: At national poverty level where 30% of AMI is lower



# Income Reviews and Rent

- Alternative Rent Structures
  - Permits market rents, tiered rents or income based rents
  - Caps rents at current Brook Amendment limits
  - Not applicable to elderly households



# Voucher Renewal Funding

- Based on costs and vouchers in use
- Permits modest overleasing
- Provides lending 2% of future funding
- Recapture unused HAP funding for reallocation
- **USE YOUR MONEY!**



# Portability

- Requires absorption of incoming portable vouchers
- Recapture “assures” 12 months funding for year 1 absorptions
- First year implementation a question



# Administrative Fees

- Fees based on units under contract (QHWRA standard)
- Until a new fee schedule published, fees will be based on 2003 fees inflated



# Administrative Fees

- FSS Coordinators
  - New formula entitlement
  - Funding subject to proration and recapture
  - HUD required to develop FSS performance standards



# Administrative Fees

- FSS innovation incentive using 10% of administrative fee appropriations
- Homeownership downpayment alternative – 1 time grant of \$10,000 after 12 months months program participation



# Project Based Section 8

- Cap raised from 20% to 25% or 30%
- Income mixing flexibility – 25 units or 25% of units
- Overrules HUDs rent restriction in combination with LIHTCs
- Owners may operate a site based waiting list



# Project Based Section 8

- Permits project basing in cooperative housing
- Eliminates duplicative layering reviews and environmental impact assessments on existing structures



# Section 8 Odds and Ends

- Permits HA reports to credit reporting agencies
- Requires another voucher program assessment system
- Requires HUD to report to Congress on Section 8 rent burdens annually



# Section 8 Odds and Ends

- Changes requirements for areas on which to set FMRs
- Authorizes an additional 20,000 vouchers annually through 2012
- Imposes some restrictions on screening for admission to the program



# Housing Innovation Program

- Permanent authorization to replace Moving to Work (MTW)
- Allows for 60 HIP agencies (+36)
- Retains fungibility and 1937 Act requirements waivers: **EXCEPT**



# Housing Innovation Program

- 15 Retained Provisions: e.g.
  - Lease and Grievance
  - Resident Participation
  - Procedural Safeguards
  - Designated Housing
  - Portability



# Housing Innovation Program

- Rent reform requirements
  - Impact analysis
  - Resident consultation
- Annual Plan and Report requirements
  - Resident and public participation and comment
  - HUD approval



# Housing Innovation Program

- Evaluation
  - At least 4 required dimensions
  - 3 reports to Congress at 3, 5 and 10 years
- Appropriations
  - \$10 million for resident TA and \$15 million for evaluation



# HIP Light

- For fungibility only
- An additional 20 agencies
- One for one public housing replacement
- Right to occupy replacement units
- Comprehensive outreach plan



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