

## SECTION 8 HOUSING CHOICE VOUCHER PROGRAM

The Section 8 housing choice voucher program has long served as America's primary method of rental assistance. Funded by the U.S. Department of Housing and Urban Development and administered by local public housing authorities, the program provides subsidized rents for qualifying low-income families in private rental housing, including apartments.

### NMHC/NAA Viewpoint

The public-private Section 8 housing choice voucher program could be the nation's most effective affordable housing and community development tool. However, it is plagued with inefficiencies, onerous regulatory requirements and a flawed funding system. Lawmakers should address these issues to attract private housing providers' participation in the voluntary program.

This public-private partnership has the potential to be one of the most effective means of addressing our nation's affordable housing needs and supporting mixed-income communities. However, the program's potential success is limited by too many inefficient and duplicative requirements, which discourage private providers from accepting vouchers. These include a required three-way lease between the provider, resident and the public housing authority; repetitive unit inspections; resident eligibility certification; and other regulatory paperwork. Collectively, these make it more expensive for a private owner to rent to a Section 8 voucher holder.

The program has also been plagued with a flawed and volatile funding system that has undermined private sector confidence in the program. With Congress focused on austerity measures, insufficient funding is expected to be worse in the near-term budget cycles. Common-sense reforms that could help control costs, improve the program for both renters and property owners, and increase private housing participation include: (1) putting a reliable funding formula in place; (2) streamlining the property inspection process; (3) simplifying rent and income calculations; (4) reducing costly Limited English Proficiency (LEP) translation requirements; and (5) extending the contract term for project-based vouchers from 15 to 20 years.

It is also imperative for lawmakers to reinforce the voluntary nature of the program. Congress specifically made participation voluntary because of the regulatory burdens associated with it. However, state and federal governments are enacting laws that make it illegal for a private owner to refuse to rent to a Section 8 voucher holder. Recent examples include "source of income discrimination" provisions passed by a number of cities. While often well intentioned, such mandates are self-defeating because they greatly diminish private-market investment and reduce the supply of affordable housing.

