



Housing Department

# Section 8 & Rental Assistance Program Overview

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# What is Section 8?

## Housing Department

- Housing Choice Voucher Program
  - > Commonly known as Section 8
  - > Goal of Section 8 is to ensure affordability and manage rent increases to protect tenants
  - > Provides rental assistance to very low-income households via rental subsidy
- Participants pay 30-40% of income toward rent AND utilities
  - > The “choice” in Housing Choice Voucher is that the participant can select a unit more expensive than the payment standard
  - > This is meant to open more opportunities for low-income households



# How does a low-income household access Section 8?

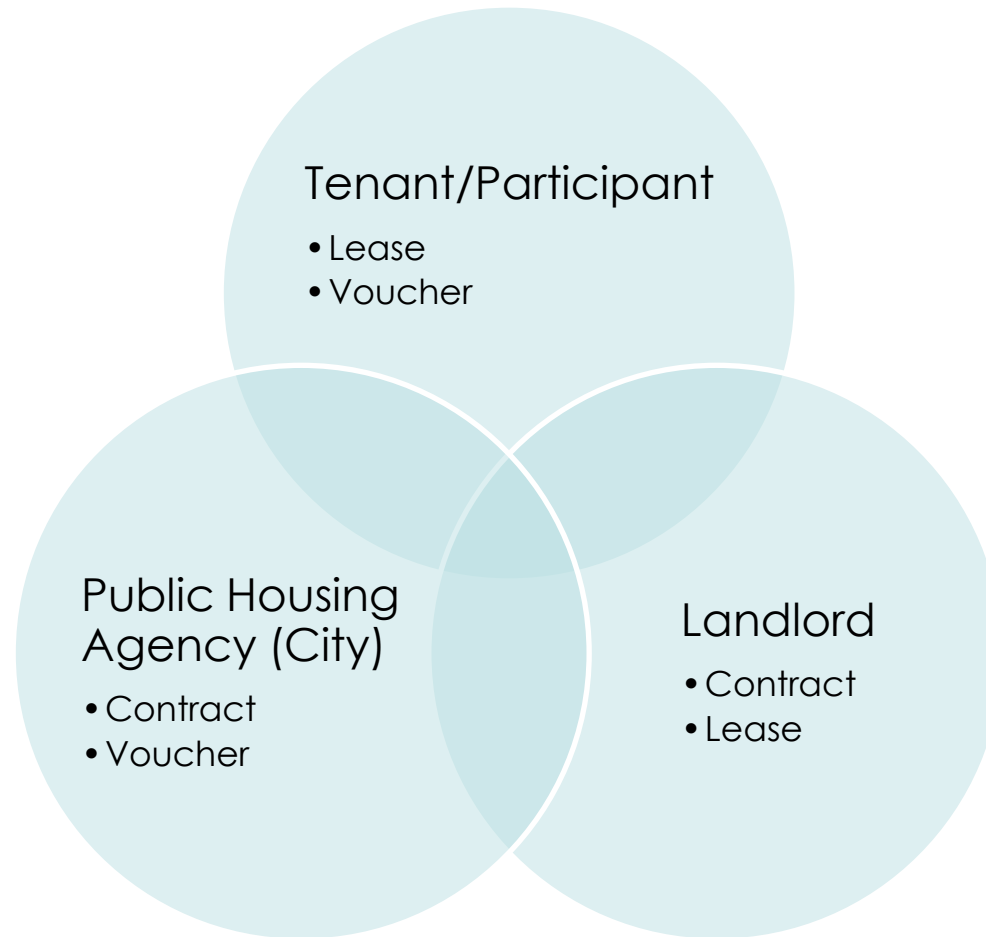
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- Need is much greater than availability
  - > Nationwide about 25% of eligible households are assisted (National Low Income Housing Coalition)
- Long waiting lists
  - > City of Pasadena received 28K applications for 7,500 spots on the waiting list
- Must apply during open enrollment period
  - > City of Pasadena takes applications every 5 years
- Local preferences
  - > More public housing agencies prioritize applicants who meets local preferences
    - Live or work, homeless, disability, veteran



# Relationship between parties

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# How is rent determined?

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- Payment standard
  - > Updated annually, \$2207 for 1 bedroom
- Tenant rent
  - > 30% of income minus payment standard equals Housing Assistance, tenant pays difference
- Contract rent
  - > Rent negotiated with landlord
  - > Can the tenant afford it? Is the rent reasonable?
- Rent reasonableness
  - > Is the rent at or below that of similar units?



# Rent Calculation Examples

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Bedroom size	1
Payment Standard (Set by HUD)*	\$2207
Tenant Monthly income	\$1000
30% of Tenant Income	\$300
Utility Allowance	\$75
Contract Rent (Set by Housing Dept w/Owner)	\$2000
*to calculate rental subsidy, HCV program uses lesser of payment standard or gross rent.	
Calculation	
Gross rent w/utilities	\$2075
Tenant Rent (Tenant Income \$300 – Utility Allowance \$75)	\$225
Housing Subsidy (Gross Rent \$2075 - Tenant Income \$300)	\$1775



# Rent Calculation Examples

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Bedroom size	1
Payment Standard (Set by HUD)	\$2207
Tenant Monthly income	\$1000
30% of Tenant Income	\$300
Utility Allowance	\$75
Contract Rent (Set by Housing Dept w/Owner)	\$2200
*to calculate rental subsidy, HCV program uses lesser of payment standard or gross rent.	
Calculation	
Payment Standard	\$2207
Housing Subsidy (Payment Standard \$2207 - Tenant Income \$300)	\$1907
Tenant Rent (Contract rent-Housing Subsidy)	\$293



# Section 8 contract rents & Payment Standards

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	<b>Average</b>	<b>Mean</b>	<b>Payment Standard</b>
<b>studio</b>	\$1493	\$1462	\$1955
<b>1 br</b>	\$1648	\$1700	\$2207
<b>2 br</b>	\$1795	\$1790	\$2798
<b>3br</b>	\$2324	\$2363	\$3589
<b>4 br</b>	\$2650	\$2250	\$3600





# What tenant protections does a S8 participant have?

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Some eviction & termination protections are built into the Section 8 program, such as:

- HQS/NSPIRE inspections
  - > Unit is inspected by Housing Dept prior to move-in, annually, and if there is a request (“special” or complaint inspection)
- Eviction generally must be for cause
  - > Non-payment of rent, lease violations
- Termination without cause requires 90-day notice, cannot occur in first year of contract
  - > S8 participant would be eligible to move and take the subsidy with them



# Other protections in California

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- AB1482-Tenant Protection Act
  - > Applies to Section 8-assisted units
  - > Limits rent increase to CPI+5%
  - > Just cause evictions



# Other rental assistance programs

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- Several other programs
  - > General for special needs populations, e.g. veterans, people with disabilities, experiencing homelessness
- Some are based on Section 8 model
  - > VASH, Mainstream vouchers
- Others are a little different
  - > Housing Opportunities for People with AIDS (HOPWA), CoC Rental Assistance
  - > Participants pay 30% of income for rent and utilities