



U.S. Department of Housing and Urban Development  
Office of Policy Development and Research



# **Study on Section 8 Voucher Success Rates**

## **Volume II: Qualitative Study of Five Rural Areas**

Final Report

April 2001

Visit PD&R's Web Site

**[www.huduser.org](http://www.huduser.org)**

to find this report and other sponsored by

HUD's Office of Policy Development and Research (PD&R).

Other services of HUD USER, PD&R's Research Information Service, include listservs; special interest, bimonthly publications (best practices, significant studies from other sources); access to public use databases; hotline 1-800-245-2691 for help accessing the information you need.

# **Study on Section 8 Voucher Success Rates**

## **Volume II: Qualitative Study of Five Rural Areas**

### **Final Report**

*Prepared for:*

U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

*Prepared by:*

Linda Pistilli

Abt Associates Inc.  
4800 Montgomery Lane, Suite 600  
Bethesda, MD 20814

April 2001

The contents of this report are the views of the contractor, and do not necessarily reflect the views or policies of the U.S. Department of Housing and Urban Development or the U.S. Government.

## **Foreword**

This report is Volume II of a two volume report on Section 8 success rates. The success rate is defined as the percentage of families provided vouchers who lease a unit meeting the program requirements within the allotted amount of time.

Volume II is a qualitative study of success rates in rural areas. The purpose of this study is to explore Section 8 success rates and the factors that affect success rates in rural areas through in-depth qualitative research at five rural public housing authorities. The report is based on field work conducted between May and August, 2000. The rural study was not intended to feed into or re-validate the conclusions drawn from the larger quantitative study (Volume I report) regarding the relationships between household demographics, market tightness, and program success in metropolitan areas. Although these factors were considered, this study focused on identifying and examining the unique factors that affect voucher holders in rural areas.

Volume I is a quantitative study of success rates in metropolitan areas. The purpose of the study is to estimate the national success rate for voucher holders in metropolitan areas and to explore the factors that affect chances for success (e.g., market tightness, voucher holder characteristics, and housing authority policies and procedures). This study is based on a sample of over 2,600 voucher holders who were issued vouchers in the spring and summer of 2000. The vouchers were issued by 48 Public Housing Authorities who operated in metropolitan areas of the lower 48 states and had at least 800 voucher slots.

# Table of Contents

---

## Chapter 1

<b>Introduction</b> .....	<b>1</b>
Study Objectives.....	2
Study Design .....	3
Data Collection.....	4
Report Structure.....	5

## Chapter 2

### **South Central Alabama Regional Housing Authority (SCARHA)**

<b>Troy, Alabama</b> .....	<b>6</b>
Demographics, Housing, and Economic Conditions.....	6
The Section 8 Program .....	7
Characteristics of Voucher Recipients .....	9
Participant Views.....	10
Factors Affecting Voucher Success Rates.....	12

## Chapter 3

### **Southern Iowa Regional Housing Authority (SIRHA)**

<b>Creston, Iowa</b> .....	<b>13</b>
Demographics, Housing, and Economic Conditions.....	13
The Section 8 Program .....	14
Characteristics of Voucher Recipients .....	15
Participant Views.....	16
Factors Affecting Voucher Success Rates.....	18

## Chapter 4 .....

### **Opportunities, Inc.**

#### **Contract Administrator for the Montana Department of Commerce**

<b>Great Falls, Montana</b> .....	<b>19</b>
Demographic, Housing, and Economic Conditions .....	19
The Section 8 Program .....	20
Characteristics of Voucher Recipients .....	22
Participant Views.....	22
Factors Affecting Voucher Success Rates.....	24

## Chapter 5

### **Bradford – Tioga County Housing Authorities**

<b>Blossburg, Pennsylvania</b> .....	<b>25</b>
Demographics, Housing, and Economic Conditions.....	25
The Section 8 Program .....	26
Characteristics of Voucher Recipients .....	27
Participant Views.....	27
Factors affecting Success Rates.....	28

**Chapter 6**

**Del Rio Housing Authority**

**Del Rio, Texas..... 30**

- Demographics, Housing, and Economic Conditions..... 30
- The Section 8 Program..... 31
- Characteristics of Voucher Recipients ..... 32
- Participant Views..... 33
- Factors Affecting Voucher Success Rates..... 33

**Chapter 7**

**Summary..... 35**

- Market Factors..... 35
- Demand for Assisted Housing..... 41
- Leasing in place..... 43
- Demographic Factors..... 44
- PHA Policies ..... 46

**Appendix I - Data Collection Instruments**

**Appendix II - Summary Tables Based on Applicant File Review**

# Chapter 1

## Introduction

This report presents the findings of a study of Section 8 voucher success rates in five (mostly non-metropolitan) rural areas, based on field work conducted between May and August, 2000. This largely qualitative study of how the voucher program is working in these few rural areas compliments the larger quantitative study of Section 8 success rates and their relationship to housing market factors in metropolitan areas. It is one of only a handful of studies conducted over the years to address the implementation of the Section 8 program in non-metropolitan areas.<sup>1</sup> While less ambitious in scope than the larger quantitative project, this study of rural voucher success rates brings a new and much-needed dimension to discussions of how to improve participant success rates in a broad range of markets.

Rural areas make up a small but significant percentage of the nation's Section 8 voucher inventory. In addition to serving smaller numbers of households, rural housing authorities are generally believed to operate in a different housing market context from their metropolitan counterparts and to face distinct challenges to achieving Section 8 success. Issues related to housing quality, affordability, proximity, and the availability of rental units can present particular difficulties to rural voucher holders seeking to lease housing under the Section 8 program. Furthermore, the conventional wisdom has been that rural areas, like large cities, are generally facing a growing shortage of affordable housing as rents have outpaced incomes and the older affordable housing stock has not been replaced. Although the most recent findings suggest that housing needs are worse in central cities and suburbs than in rural areas, rural families are generally believed to be facing increasingly long waiting times to obtain a Section 8 voucher and increasingly long housing search times once they do so.<sup>2</sup>

The findings presented in this report, based on the experiences of a limited sample of recent voucher recipients in five rural locations, tell a different story. Success rates for voucher holders in these areas vary widely. Waiting lists, however, tend to be consistently shorter than expected, and waiting times for Section 8 assistance shorter. The mean (average) wait time for the applicants whose files were reviewed was 414 days across all sites. This figure generally includes the time required to verify income and family information provided by the applicant prior to the issuance of the voucher. Waiting times for applicants at the site level ranged from a low of five days in South Central Alabama to a high of 1268 days (approximately 3.5 years) in Great Falls. It should be further noted that these were applicants who received vouchers during FY 2000. All sites reported a progressive decline in the number of applicants continuing into FY 2001, and shorter waits for current applicants. Turnover among program participants, according to many PHAs, is also high. As a result, rural housing authorities are working harder to maintain acceptable levels of program utilization. Data on waiting times, leasing success, and program utilization for each of the PHAs participating in the study are shown in Table 1, below.

<sup>1</sup> Rural and non-metropolitan are used interchangeably in this report, although according to OMB definitions not all rural areas are non-metropolitan and not all non-metropolitan areas are rural.

<sup>2</sup> "A Study of the Section 8 Voucher and Certificate program: Impact of Fair Market Rent Changes in Non-Metropolitan Areas," Housing Assistance Council, 1997; "Waiting in Vain: An Update on America's Rental Housing Crisis," U.S. Department of Housing and Urban Development, 2000.



---

**Table 1****Waitlist Duration, Voucher Success and Utilization Rates**

Locality	Waiting Period	Voucher Success Rates <sup>3</sup>	Voucher Utilization
South Central Alabama	< 1 month	60%	85%
Southern Iowa	1.5 months	35%	101%
Great Falls, Montana	3.5 years	80%	96%
Bradford Co. Pennsylvania	15 months <sup>4</sup>	70%	97%
Tioga Co. Pennsylvania	2 months <sup>4</sup>	70%	90%
Del Rio, Texas	6 months	96%	95%

Sources: PHA records (2000).

---

Detailed data on voucher leasing success based on the applicant file reviews can be found in Appendix II, Table 1.

One possible implication of these findings is that the current allocation of Section 8 vouchers to some rural PHAs, together with the availability of public housing and HUD-assisted housing developments in these areas, may be sufficient to meet rural demand for long-term housing assistance. The availability of mobile home purchase for low-income rural families, particularly those with access to land on which a mobile home can be set up, may also be providing affordable housing opportunities for families who would otherwise be seeking housing assistance. Nevertheless, the number of families applying for assistance but dropping out before they lease a unit, and the number of families that lease a unit but leave the program after receiving assistance for only a short time, suggests that rural families may need a reliable source of short-term housing assistance to get them through periodic episodes of housing need. Although the small number of study sites and the manner in which they were chosen make generalizations tentative, the divergence of these conclusions from the conventional wisdom highlights the need for further research into the factors that affect the Section 8 in rural areas nationwide.

## Study Objectives

The purpose of this study was to explore Section 8 success rates and the factors that affect success rates in rural areas through in-depth qualitative research at five rural public housing authorities. The rural study was not intended to feed into or to re-validate the conclusions drawn from the larger quantitative study regarding the relationships between household demographics, market tightness, and program success in metropolitan areas. Although these factors were considered, this study focused on identifying and examining the unique factors that affect voucher holders in rural areas.

---

<sup>3</sup> These figures on voucher success rates are based on document reviews at the site, and include, where possible, outcomes for all families receiving vouchers during the preceeding fiscal year. We believe these data are more reliable than estimates based on sample applicant files, because of the small sample size. The data in Appendix II are taken from the applicant file reviews.

<sup>4</sup> Estimate, based on information received from the PHA regarding the two lists. The aggregated wait time for the two counties was 11 months.

Further, the study did not attempt to conduct an exhaustive review of rural success rates. Rather, the objective was to use the detailed information gathered at each site to begin to develop hypotheses about how tenant demographics, program policies, and housing market conditions influence Section 8 success rates in rural areas. Following these guidelines, the data collection activities of the site visitors and project team focused on gathering as much information as possible on local perceptions of the challenges that face rural PHAs and voucher holders in achieving high success rates and on local attempts to overcome the perceived barriers to Section 8 success. Whenever possible, however, the site visitor tried to collect information that was comparable across study sites and to identify common trends and problems. In this way, although the findings of the study are not representative of rural PHAs nationwide, they do highlight shared experiences among the sites that might hold true in a larger number of rural contexts.

## Study Design

Five rural PHAs were selected to participate in the study of rural voucher success rates. The five study sites were selected from a pool of rural PHAs identified by HUD as operating in non-metropolitan areas, and as having sufficiently large Section 8 programs to have issued at least 25 vouchers in the past year. We believed that the requirement for a minimum stock of 400 vouchers was necessary in order to ensure the agencies had enough recent experience to draw on in discussing the leasing process to make a significant contribution to the study. We recognize however that the resulting focus on larger rural PHAs produced no data on the leasing experience of small rural PHAs, which may be quite different.

From this initial pool, a short list of qualifying sites was compiled. In making the final selection, three criteria were used: region, housing agency type, and race/ethnicity of the population served. Five regions – Northeast, Southeast, Midwest, Northwest, and Southwest – were identified. Within these regions, we looked for a range of local, regional, and state PHAs. Finally, we tried to select sites that we believed would represent the diversity of racial and ethnic groups that were served by the Section 8 program nationwide. This process resulted in the selection of five sites:

- South Central Alabama Regional Housing Authority, Troy, Alabama  
(Southeast region, regional PHA, client population 75 percent African-American)
- Southern Iowa Regional Housing Authority, Creston, Iowa  
(Midwest region, regional PHA, client population 95 percent white, non-minority)
- Opportunities, Inc., contract administrator for the Montana Department of Commerce, Great Falls, Montana  
(Northwest region, State housing agency, client population 25 percent Native American<sup>5</sup>)
- Bradford and Tioga County Housing Authorities, Blossburg, Pennsylvania

---

<sup>5</sup> No Indian Housing Authorities were included in the selection pool because their Section 8 programs have been de-regulated and consequently their problems and issues may be very different from those of other rural programs.

(Northeast region, two-county PHA, client population 100 percent white, non-minority)

- Del Rio Housing Authority, Del Rio, Texas  
(Southwest region, small town PHA, client population 88 percent white Hispanic)

Coincidentally, after selecting the sites, we found that none had received FY1999 Welfare to Work vouchers, or any other new incremental funding. Accordingly, all leasing data included in this report represent the authorities' utilization of previously funded, and—for the most part—non-targeted vouchers.

Given that the study sites were handpicked to provide geographic balance and a variety of types of PHAs rather than chosen with a probability sample design, the study cannot make statistical inferences about the population of rural voucher holders. Even if the five sites were chosen using a probability selection method, the sample size is too small to achieve reliable national estimates for rural areas. Nevertheless, by emphasizing the commonalities among the five sites as well as the areas in which they show differences attributable to region or program type, this study provides new insight into success rates and the factors that affect success rates in rural areas.

## Data Collection

In order to ensure that consistent data was gathered across the five study sites, the site visitor and project team followed a set of standard data collection procedures at each site. The bulk of the data collection took place through two-day visits to each of the sites. Prior to each site visit, the site visitor requested the agency's Section 8 Administrative Plan and any other documents relating to PHA policies and procedures in order to optimize productivity during the time on site.

Once on site, the site visitor collected three principal types of data:

- **Information on voucher holders:** Demographic, housing search, and outcome data on approximately 25 voucher holders was collected by the site visitor using a standard form created by Abt Associates. This information was collected directly from records in the applicant file. Data on voucher issuance, housing search, and outcomes was also collected from the PHAs' automated and/or manual records and reports, although there was greater variability among the five sites in the completeness and level of detail in the available data. The complete list of data fields for the file reviews is presented in Appendix I, Exhibit 1.
- **Information from PHA staff:** During the site visit, the visitor interviewed program staff to gain an understanding of the PHA's policies and procedures, and to discuss the issues and problems related to seeking housing in rural areas. In addition to PHA policies and procedures, the visitor also discussed other factors affecting success rates, including: the tightness of the housing market and quality of the housing stock; voucher holders' knowledge of the housing market; shortage of smaller units and/or special needs' housing; limited owner receptiveness to Section 8; and absence of public transportation. PHA staff were asked about other PHA policies and procedures they believe are associated with helping rural voucher holders successfully lease units under the program. The visitor also discussed the forms of

housing search assistance provided by the PHA and the other sources from which program participants get information about available units. The discussion guide for PHA staff is presented in Appendix I, Exhibit 2.

- **Focus Groups with Section 8 Recipients:** At three of the five sites, the site visitor conducted small focus groups with program participants who had recently been successful in leasing units under the Section 8 program. The size of the focus groups ranged from 3 to 8 participants. The focus groups enabled the visitor to obtain first-hand information on the process of finding Section 8 housing in a rural market. The focus group participants were also asked for their perceptions of the factors that affected their ability to lease up in the Section 8 program (including those discussed with PHA staff), and how they believe that they were helped, or might have been helped, to deal with them. The focus group guide is shown in Appendix I, Exhibit 3.
- **Additional Interviews:** At two of the sites, program participants were scheduled to participate in focus groups, but did not appear as scheduled. After the site visit was completed, each of the sites provided a listing of families who had received vouchers during the study period, and participants were selected at random from each list to be interviewed by telephone. Seven interviews were subsequently conducted with participants from the South Central Alabama program, and two from the Del Rio program. The interview questions were the same as those in the focus group guide.

## Report Structure

The following five chapters present detailed case studies for each of the study sites. In addition to providing current data on success rates in each of the study sites, the individual case studies explore how factors such as household characteristics, PHA policies and practices, and local market conditions influence the success—or lack of success—of households seeking to lease housing under the Section 8 program. The case studies also report on the strategies that rural voucher holders used to obtain housing and the steps that the PHAs have taken to improve success rates in their jurisdictions.

The final chapter of the report draws upon common findings at each of the study sites to present a set of preliminary hypotheses about Section 8 voucher success rates and the factors that affect success rates in rural areas. The chapter concludes with a summary of the steps that PHAs have taken to improve success rates for Section 8 voucher holders, our own observations regarding additional program needs in the areas we visited, and some recommendations from PHA staff regarding actions that HUD could take to improve voucher holders' success rates.

Appendix I contains copies of the data collection instruments used in this study. Appendix II contains summary tables based on the review of 17 to 27 applicant files at each of the five study sites.

## **Chapter 2**

# **South Central Alabama Regional Housing Authority (SCARHA)**

## **Troy, Alabama**

SCARHA is a non-metropolitan regional housing authority serving five predominantly rural counties (Bullock, Crenshaw, Lowndes, Macon, and Pike) in south central Alabama. The housing authority is located outside Troy, the county seat of Pike County and the home of Troy State University, about 50 miles south of Montgomery. The housing authority has 652 voucher units. It also administers a public housing program.

### **Demographics, Housing, and Economic Conditions**

Demographically, the area served by SCARHA is mixed. The two easternmost counties—Macon and Bullock—are predominantly African-American. Macon County is the home of Tuskegee University, a prominent historically black university. The remaining three counties have a somewhat higher percentage of white families. Except for a small recent in-migration of Mexican workers in Union Springs, (Bullock Co.), there are no other substantial minority populations in the area.

Despite its location slightly off the beaten path, times are good for the residents of south central Alabama, particularly in and around Pike County, where the majority of SCAHRA's program participants live. (Generally Lowndes and Macon counties, the most rural in the area, have benefited least from the recent economic upswing.) The region's traditional agricultural base still provides employment opportunities in farming, food processing, and shipping. In addition, manufacturing jobs are available in plastics, steel fabrication, and lead smelting. Sigorsky Helicopters has opened a plant in Pike county. The two universities provide employment, and there are good job opportunities in the service sector. According to sources in the housing authority, the unemployment rate in the area is as low as it has ever been, and anyone who really wants a job can get one. We found, however, that only 20 percent of the families we studied that received vouchers during the preceding year, had income from employment, the lowest percentage in any of the five study areas. This suggests that working families here may be less likely to apply for housing assistance, even though they may be eligible.

According to SCAHRA staff, good quality rental housing is in adequate supply in most areas of their jurisdiction. Macon County is the exception, in part because there is little rental housing outside Tuskegee, and in part because students from the university there are willing to share units and pay higher rents than families can pay. The majority of the housing assisted through the Section 8 program is single family housing, either manufactured housing or conventional ("stick") construction. Apartments, when they are used, are most often located in apartment buildings or complexes, less often in single-family conversions. Two and three bedroom units are the most widely available. One bedroom units, and units with four or more bedrooms, are hard to find. Finding housing for families with special needs is generally not a problem. There are very few persons with physical disabilities in

the voucher program who require accessible or modified units. This is attributable, at least in part, to the relatively large number of accessible HUD-subsidized elderly developments in the area. The program does provide housing to a large number of persons with mental or developmental disabilities, but they do not generally require special units. Although testing for elevated blood lead levels is done by the local health service, there has never been a child with an elevated blood lead level in the program, so the problem of finding and testing a lead-free unit has not come up.

Rents for decent rental units are generally affordable to families with Section 8 assistance. FMRs have been adequate in most areas, with the exception of Pike County, where the FMR was finally increased this year to reflect rising prices in the housing market. Owners are, for the most part, open to participating in the program, and will usually agree to make minor repairs and/or lower rents to comply with program requirements. It is not unusual for owners themselves to refer applicant families that have fallen behind in paying their rent. Many owners will also agree to accept security deposits for new families in installments, although the situation does not arise as often as it otherwise might because of the number of welfare agencies, social service agencies, and churches that provide help to families with security and utility deposits.

## **The Section 8 Program**

As the local economy and the local housing market have improved, the demand for assisted housing has decreased. Section 8 waiting lists, which are kept by county and tied to a sub-allocation of units for each county<sup>6</sup>, are short to non-existent. The applicants' time on the waiting list reflects, for the most part, the time required to verify applicant information before the voucher is issued. Macon County was, at the time of the site visit, the only one of the five counties that had a waiting list, and the wait there was approximately twelve months. Since the site visit, underutilized units from Pike County have been reallocated to Macon, and the wait for vouchers in Macon has been reduced there, as elsewhere, to the time required to determine the applicants' eligibility.

Part of the decline in demand is probably attributable to the fact that many families entering or returning to the workforce can afford decent housing without assistance. However, for families working at the lowest-paying jobs, SCAHRA staff believes that although the need for assistance is clearly there, the subsidy calculation formula limits the utility of the program in meeting the participants' needs. The TTP, the base amount a family is required to pay monthly toward the cost of rent and utilities, is calculated on the family's gross income. (If the unit cost for rent and utilities exceeds the payment standard, the family will pay more.) Families on welfare actually receive this gross income in full, with no deductions for federal, state, and local taxes. Further, the cash value of food stamps and medical insurance is not counted as income. The paychecks of working families, on the other hand, are reduced by deductions for federal, state, and local taxes, Social Security taxes, and Medicare, but their TTP is still calculated on their gross income. The resulting subsidy is consequently of less benefit to them, and may not justify the effort required to qualify for the subsidy and/or find an owner willing to participate.

---

<sup>6</sup> SCAHRA indicates on its periodic applications to HUD for additional incremental units the number of units proposed for use in each of the five counties it serves. All units are funded through the same Annual Contributions Contract, however, and SCARHA has the ability to reallocate units among the sub-recipients if necessary.

SCARHA has no selection preferences, and is not turning away higher income families to achieve the required 75 percent targeting to extremely low income families. It has, however, implemented a screening policy consistent with HUD's One-Strike rule. Staff believe that the decline in program demand has been further exacerbated by this policy. Local criminal background checks are run on all adult members of applicant households. If a possible match is found, the family member must be fingerprinted and a full history run. Staff estimates that as many as 10 percent of its program applicants are determined ineligible through this process. In addition to those families determined ineligible, there are others who do not apply knowing or believing that they will be found ineligible.

SCARHA's response to declining demand for Section 8 assistance has generally been to increase program outreach and to compress processing time for determining eligibility and approving units. The agency has publicized the availability of assistance via local newspapers and cooperating social service agencies. Traveling Section 8 coordinators go from site to site in each of the counties accepting applications and conducting one-on-one participant briefings. The voucher is issued as soon as verification of eligibility and screening for criminal history are complete.

Voucher recipients are given a listing of available units at the time they apply for voucher assistance. Many families that receive vouchers, however (and all of the families in our study group) choose to lease in place. There was no way of determining from the information in the applicant file how long these families had been living in their "in place" units. Certainly some families may have been living in these units for some time. Discussions with staff suggested, however, that other families who needed to find new rental units may have found the units first and then applied for Section 8 assistance—a search strategy that would work well enough in an area with no waiting list. Other possible explanations for the high percentage of leases in place include a shortage of alternatives, which was inconsistent with the PHA's description of the local assisted and unassisted housing markets, and lack of transportation, which would limit the families' housing search. Staff rejected the latter hypothesis, noting that although public transportation is generally poor to nonexistent, most families had cars and elderly persons generally had family members and/or people they can hire to transport them.

The typical time between families' receipt of the voucher and their submission of a Request for Lease Approval is approximately 7 days. (For complete data on the intervals between key activities at SCAHRA, and comparisons with the other sites, see Appendix 2, Table 2.) Units are inspected as soon as possible after (or occasionally before) the request for lease approval is received. The median time lapsed between the authority's receipt of the RLA and the first inspection was seven days.<sup>7</sup> Complete data on the intervals between various program activities at each of the five study sites can be found in Appendix II, Table 2. The housing authority uses HUD's HQS, and requires window screens and a storm/screen door in conformance with local standards. Also in response to local standards, SCAHRA has obtained a waiver from HUD to allow the use of unvented space heaters in non-sleeping rooms. Only 9 percent of the units inspected by SCAHRA pass on the first inspection, significantly fewer than our other study sites. The repairs needed are usually minor, however, and are done quickly. Seventy-three percent of the units pass on the second inspection, which is generally done within a week of the first.

SCAHRA's payment is 100 percent of the published Fair Market Rent in each of the counties. Generally, staff believes that is adequate for participants to find good quality units in the market. The

---

<sup>7</sup> Because of the small sample size, the median, rather than the mean, has been used here, as elsewhere, to avoid the disproportionate effect of outliers.

only area in which a low FMR had been a problem was Pike County, which has only recently been increased to an appropriate level by HUD. Ninety-three percent of the rents requested are at or below the payment standard, and 50 percent of SCAHRA's voucher holders lease units that are larger than the voucher size they were issued. If necessary, staff will help negotiate a reasonable rent with the owner.

Housing authority staff reports that the majority of the owners in the area are working people who build (or transport) rental homes on their property or buy rental properties to supplement their income. Very few area realtors do rentals. As a result, most families learn about available units by word of mouth, although SCAHRA posts available units on its bulletin board, and advises voucher holders to look in local newspapers. Most owners in the area are familiar with the program, which has been operating in the area since 1980, and most are willing to accept Section 8. Some owners, however, balk at leasing to families with a lot of children.

SCAHRA has an extremely liberal policy regarding extensions. Voucher recipients that do not lease within 120 days are kept on the authority's records as "certificates outstanding" for an indefinite period of time. If the applicant subsequently finds and submits a unit, the authority's policy is that the family's income will be updated and a new voucher issued.

Despite SCAHRA's efforts, program utilization is down. Utilization rates, which for the first eighteen years of the program's operation were consistently maintained at 90 to 100 percent, have dropped to 85 percent in the last year or two. Families that do qualify for assisted housing can generally choose between Section 8, public housing—which has a comparably high vacancy rate—and the numerous HUD-insured developments and Low-Income Housing Tax Credit projects scattered throughout the area. The SCAHRA Executive Director describes the assisted housing market in the area as "saturated."

(Another local PHA within SCAHRA's jurisdiction, the Troy Housing Authority, has taken the ultimate step toward reducing underutilization by voluntarily returning underutilized budget authority to HUD. In August 2000, the Troy HA voluntarily turned back budget authority for 75 unutilized units to HUD. These voluntary givebacks are currently being encouraged by HUD as a way for HUD to reallocate scarce resources and to improve its own overall utilization rate for the housing choice voucher program. For the housing authority, it will cause an immediate improvement in utilization rates for the remaining units, avoid the possibility of a freeze on the agency's administrative fee reserves, and reduce the likelihood that the HA is competing with its own public housing for eligible tenants.)

## **Characteristics of Voucher Recipients**

A review of applicant folders for 20 families receiving Section 8 vouchers during the preceding year was conducted on site. The following is a summary of the demographic and income characteristics of these applicant families. (See Appendix II, Table 3 for more family information, and a comparison with families at the other study sites.) The families represent approximately 5 percent of the 378 families receiving SCAHRA vouchers between May, 1999 and April, 2000.



Seventy-five percent of the families receiving vouchers were Black/African American; the remaining 25 percent were white. There were no other minorities. Although Mexican families have started moving into at least one area within the HA's jurisdiction, none have applied for housing assistance. HA staff noted, however, that single working Mexican immigrants frequently pay exorbitant rents for individual rooms in what would otherwise be single family manufactured home units. When they are able finally to bring their families here, they apparently move into standard rental housing without Section 8 assistance.

Ninety-five percent of the families studied were extremely low income families – at or below 30 percent of the median income for the area. The median in the five-county area covered by SCAHRA is \$29,600 income for a two-person household, and \$33,400 for a three-person household. The average household size in the study group was 2.6 persons, and the average income was \$4181, or about 13 percent of the area median.

None of the families in the sample were headed by an elderly person, although 15 percent had a family member who was a person with disabilities. Ninety percent of the households had children, and the average number of children in these households was 1.7. None of the heads of household had a spouse present.

Twenty percent of the applicant families had income from work, the smallest percentage of any of our study sites. More common sources of income were TANF (35 percent), and child support (30 percent). Twenty percent had income from Social Security and/or SSI.

## **Participant Views**

Although no focus group was held at this site, seven heads of household who had received vouchers from SCARHA during the period July, 1999-June, 2000 were interviewed by telephone in March, 2001. Five of the seven had successfully leased units – generally soon after they received their vouchers. Two had recently updated their initial eligibility information and were still looking.

### **Pre-Voucher Housing**

Six of the seven participants interviewed were single mothers with children. The seventh was a single, non-elderly woman with self-described physical and mental limitations. At the time of their applications, four participants were living with their parents, two were living in units where they subsequently leased in place, and one was staying with a friend. Two had been on the program before: Andrea gave up her first voucher when she got a “good job” – which she has since lost – and Lisa moved out of an assisted unit when the owner failed to make repairs, bought a mobile home, but lost it when her child had a protracted illness. It is probably worth noting that the two prior participants were the two who leased in place, although neither leased the unit in which she had previously received assistance. Denise had been living with her husband in the Daytona Beach, Florida MSA. When they separated, she found that the waiting list for voucher assistance was too long in Daytona Beach, so she returned to Alabama and stayed with a friend until she received her voucher. Denise's friend subsequently purchased a mobile home, set it up close to her own home, and leased it to Denise with voucher assistance.

All but one of the participants reported that they had received their vouchers within a month or two of their application. The one exception was Wanda, an applicant from Macon County, who reported that she had waited almost a year.

### **Housing Search**

Most of the successful participants started their housing search before they applied for voucher assistance, and knew where they wanted to live by the time they were determined eligible. These participants reported that the voucher briefing had included information about looking for housing, and about help available through the housing authority, but that they had not paid much attention because they already knew where they wanted to live.

Most participants reported that their housing search had been confined to a relatively small area, near where they were living at the time they applied for assistance, close to family or friends. Wanda, for example, leased a mobile home that was, she reported, the only available unit in her hometown – population 451. (She noted, however, that it was in a different neighborhood and a twenty minute drive from her mother’s house.) Three of the seven families did not own a car. Several participants who did not have cars cited the importance of living within walking distance of stores, and/or near people who would give them rides when necessary.

All five of the successful participants and one of the two unsuccessful voucher holders reported that word of mouth was the best source of information about available units. Some also mentioned driving around to see what was available. Sherry, who leased an apartment in a newly-constructed building owned by a firm that leases other Section 8 units in nearby towns, emphasized the importance of the “grapevine” in finding out what’s going on in a small town. Only a few of the interviewees had used newspapers in their housing search, and none had called local real estate firms: most indicated that they thought these would not have been of much help in their small local real estate markets. None – including the two voucher holders who had not yet found units—had sought help from the housing authority, or were aware of the extent, if any, of their unit listings.

All of the successful voucher holders reported that they leased the first unit for which they submitted a Request for Lease Approval. Most of the units required only minor repairs, if any. Participants reported that rents the owners had initially requested were approved, although none knew what process the housing authority had used to determine that the rents were reasonable. Two participants, including one of the two that leased in place, reported that owners had not collected security deposits: others reported no difficulty in coming up with the deposit required.

### **Obstacles Encountered**

Interviews with the two unsuccessful voucher holders provided some insight into the obstacles that prevented them from leasing. Kay, a single mother with one child who currently lives with her mother, reported that owners she approached had been reluctant to lease to her because she had no source of income. She related that she had filed for child support, but that it had not come through yet. She was not eligible to receive TANF or SSI, and was getting by with help from her parents. Her parents had attended the briefing with her, and had helped her in her housing search, but owners were nonetheless reluctant to lease to her until she had a steady source of income.

Sally, a single woman with disabilities who also lives with her mother, has had a voucher since March, 2000, and is in fact uncertain whether it has expired or not. She is still searching for housing, however, and identifies her obstacles as the shortage of one-bedroom units in the immediate area of her home and church, and her lack of transportation to look for units. Nevertheless, she cited “driving around and getting phone numbers” as her most-used technique for house-hunting, followed by checking for units posted on the SCARHA bulletin board – all of which were too big. She related that she had attended a briefing session where she was told how the program worked, but she is not certain what SCARHA’s payment standard is for a one-bedroom unit and so she’s just looking for “something cheap.” She has not sought further assistance from SCARHA or any other local organizations in finding a unit.

## **Factors Affecting Voucher Success Rates**

The success rate for the applicant families whose files were reviewed was 45 percent (9 out of 20). However, a SCARHA report listing all families receiving vouchers during the study period who were currently under lease or had vouchers outstanding<sup>8</sup> indicated that the overall success rate was significantly higher: 226 out of 378 families, or 60 percent of all families receiving vouchers, leased over a one year period. The discrepancy between these figures is probably attributable to the relatively small sample size.

Nevertheless, the success rate still appears somewhat low in relation to what the housing authority believes to be an adequate amount of eligible housing on the market. Staff attributed the inability of unsuccessful families to lease a unit primarily to a lack of effort on the part of the voucher holders, noting that families who did not lease generally just dropped off the PHA’s radar screen rather than coming in to request additional assistance or extensions from the PHA. They also acknowledged that some families were unwilling to move to areas that were any distance from family members or other support systems, and that there might be a shortage of decent, affordable housing in some of these smaller local housing markets, even though units were generally available in most areas of their jurisdiction. In this regard, it might have been useful to compare success rates across the jurisdiction, but that analysis could not be done easily from SCAHRA’s data, and our own sample size was far too small. Staff also had observed a “revolving door” effect. In the absence of a waiting list, families applied when a crisis arose, got vouchers, and stopped looking once the crisis had passed, knowing—or supposing—that another voucher would be available when needed. (The HA’s practice of allowing vouchers to be used indefinitely probably adds to this effect.) In that respect, it is interesting to note that the two applicants who had not yet leased may have wanted to move to a place of their own, but did not describe their current housing situation as a crisis.

Interestingly, staff believed that race played no part in who succeeded and who did not. They reported that area owners are willing to lease to anyone who can pay the rent. However, while noting that all families can or should be able to find housing in some part of their jurisdiction, they did allow as how many families still chose to live among people like themselves.

---

<sup>8</sup> Because of the lack of demand for vouchers, SCARHA does not take any formal action to terminate a voucher after 120 days. If the voucher holder returns with a Request for Approval of Tenancy after 120 days, income is re-verified and a new voucher issued.

# Chapter 3

## Southern Iowa Regional Housing Authority (SIRHA)

### Creston, Iowa

SIRHA is a non-metropolitan regional housing authority serving 13 rural counties in southern Iowa and one metropolitan suburb of Council Bluffs. It administers 937 voucher units – the largest number in any of our program sites. SIRHA’s jurisdiction extends over 6200 square miles. The counties served are:

Adair	Fremont	Ringgold
Adams	Mills	Taylor
Cass	Montgomery	Union
Clarke	Page	
Decatur	Pottawattamie	

SIRHA has its central offices in Creston, the county seat of Union County, and operates outreach offices in community centers and other public buildings in each of the remaining 12 counties in its jurisdiction. The offices are open one or two days per month, and are used to take applications, conduct applicant briefings, and do participant reexaminations. The community centers provide space, refer applicants to the housing authority, and take messages for SIRHA staff.

### Demographics, Housing, and Economic Conditions

The area served by SIRHA is overwhelmingly white. Staff reported that there were some Hispanics, and a very few African-Americans, in the thirteen-county area. Our sample of Section 8 applicants consisted of 26 white families and one Native American.

The job market in the area is reported to be strong. While the area has traditionally been, and continues to be, predominantly agricultural, there are an increasing number of manufacturing and service jobs. Casinos in Osceola (Clarke County) provide some jobs. There are some colleges in the area, notably Graceland College in Lamoni and Iowa Western University in Clarinda. There are more job opportunities in or near the larger towns, and rents are correspondingly higher in those areas. Almost half of the study families had some income from employment.

The majority of the housing in SIRHA’s jurisdiction is owner-occupied. Rental opportunities are less plentiful, although there is some rental housing in all areas. The rental housing market is tightest in Clarke County, where casino jobs have brought more renters to the area and made it difficult (and more expensive) for local families to stay. Generally, there is more rental housing in the towns than in more rural areas. Single-family housing is the preferred rental housing type, followed by apartment complexes and apartment conversions. Large units (four or more bedrooms) are in the shortest supply.

Housing quality is not a major issue in the area. Generally, the rental housing stock is in good condition, and meets housing quality standards with minor repairs, if any. Rents are generally affordable to families with section 8 assistance, and SIRHA has so far not found it necessary to increase the Payment Standard above 100 percent of the published Fair Market Rent.

## The Section 8 Program

SIRHA’s Section 8 program has worked very hard to maintain a high utilization rate (101 percent) despite a high turnover rate for participant families (48 percent) and a low success rate for applicant families (Seventy percent of the study families leased, but housing authority data on issuances and lease-ups over the preceding six months indicates that only 112 of the 371, or 35 percent, of all families who received a voucher actually leased.)

SIRHA maintains a single waiting list for applicants from all areas within its jurisdiction, and applicants who receive vouchers are able to lease units anywhere in SIRHA’s jurisdiction without the use of portability. Despite extensive outreach through its outreach centers and its network of community and social service agencies, the waiting list for Section 8 vouchers is very short. Families applying now will wait no more than 2 to 4 months to receive their vouchers—little more than the amount of time it takes to complete their application and verify their eligibility. SIRHA has no local preferences other than a mandatory “preference” for households with extremely low incomes,<sup>9</sup> and does not do any criminal history screening beyond an informal “check-in” with the local community center. Applicant families can generally receive their voucher as soon as their income verification process is complete.

Applicant families receiving vouchers receive group briefings covering all aspects of program participation, listings of participating owners and available units (including units recently vacated by Section 8 participants), and maps showing the location of rental units in the area. They are also advised that information about future openings will be available at the outreach centers. They are advised to look in local newspapers, and in the shoppers’ guides available at stores throughout the area as well. Finally, SIRHA will provide personal assistance to families that experience difficulties in their housing search, primarily making phone calls to participating owners on the family’s behalf. These efforts notwithstanding, staff is of the opinion that word of mouth is the primary source of applicants’ information about available rental housing.

SIRHA uses a payment standard that is 100 percent of the published Fair Market Rents in its multiple jurisdictions. Based on our review of participant files, it appears that that requested rents for 76 percent of the units proposed were at or below the payment standard. One additional rent was lowered to the payment standard, suggesting that the PHA is actively involved in reviewing and negotiating rents.

---

<sup>9</sup> The Quality Housing and Work Responsibility Act of 1998 requires that 75 percent of the families admitted to the housing choice voucher program each year be extremely low income—at or below 30 percent of the area median. SIRHA has adopted the strategy of using extremely low income as a preference to meet this requirement.

SIRHA does not generally approve the use of special housing types—congregate housing, group homes, shared housing, cooperative housing, and single room occupancy units—but will approve them if necessary as a reasonable accommodation for families with disabilities. So far, the need to do so has not presented itself.

SIRHA staff recognized that transportation can be a problem for some families who are searching for housing, although here, as in other rural areas we visited, most families had cars, or access to cars. Transportation is also provided by the Southern Iowa Trolley, a state-funded paratransit service that operates a network of small busses serving much of SIRHA’s jurisdiction.

Staff also indicated that rental units are somewhat difficult to find. Analysis of our data nevertheless suggested that the search time for voucher holders who succeed in leasing a unit is relatively short – the median time elapsed between issuance of the voucher and the authority’s receipt of the Request for Lease Approval was only 7 days. The median has been used here to allow for the disproportionate impact of one family that apparently submitted a request for lease approval before the voucher was issued, but the number remains low because of the high percentage of successful families leased in place.

The housing that is available to voucher holders appears to be in good condition. Units are inspected for compliance with HQS only: SIRHA uses no local code items. Seventy-four percent of the units submitted by voucher holders pass on the first inspection. Seventeen percent fail the first inspection but pass on reinspection, which is generally done within a week of the first inspection. Most required repairs are minor, and can be repaired quickly. Only 9 percent of the units submitted never pass inspection, presumably because owners are unwilling to make the necessary repairs.

Generally, local owner acceptance of the program is good. SIRHA staff reported that many newspaper listings include the notation “Will HUD,” meaning that the owner will accept Section 8. Occasionally, a listing will state “No HUD.” Generally, these are poor-quality units that will not pass HQS. SIRHA has developed an owners’ information packet that describes the operation of the Section 8 program, and otherwise makes an effort to keep owners informed of program changes.

Despite all of these positive indicators—available housing, adequate housing quality, reasonable rents, and owner participation—the success rate for voucher holders in this area is extremely low (35 percent). SIRHA staff attributes the high dropout rate to families that receive vouchers but do not persevere in looking for units because of changes in their family or employment circumstances. In this respect, it is interesting to note that SIRHA also has an extremely high turnover rate for Section 8 participants (48 percent per year), suggesting that whatever factors are responsible for the low success rate may also affect the tenure of participants who have been successful in finding and leasing assisted units.

## **Characteristics of Voucher Recipients**

Applicant folders for 27 families receiving Section 8 vouchers during the preceding year were reviewed on site. Complete data for these families, and for families at the other four sites, is found in Appendix II, Table 3. The following summarizes the demographic and income characteristics of

these applicant families. The families represent less than one percent of the families receiving SIHRA vouchers during this period.<sup>10</sup>

Ninety-five percent of the families receiving vouchers were white, and 5 percent (1 family) was Native American. There were no other minorities. This generally reflects both the broader population of SIRHA's Section 8 participants,<sup>11</sup> and the southern Iowa population at large.

The median household size among SIRHA applicants was 2.4 persons, the smallest of all the sites studied. Seventy percent of these families studied were extremely low income families. The median income for 2 to 3 person households in the majority of the areas covered by SIRHA's Section 8 program is \$36,000 to \$40,000 (the figure was slightly higher for Pottawattamie County, near Council Bluffs). Among the families in our study, the average income was \$8622, or about 22 percent of the area median.

Four families in the sample (15 percent) were headed by an elderly person, and 20 percent had a family member who was a person with disabilities. Fifty-nine percent of the households had children, and the average number of children in these households was 2.1. Three households (11 percent) had a spouse present.

Forty-eight percent of the applicant families had income from work. Other sources of income were Social Security/SSI (30 percent), TANF (22 percent), and child support (15 percent).

## Participant Views

Seven program participants—5 tenants, one voucher holder, and one landlord<sup>12</sup>—agreed to participate in a focus group and discuss their experiences finding units to lease with Section 8 assistance. The following is a brief summary of their remarks.

### Reasons for applying

Charlene,<sup>13</sup> a married woman with three young sons, had been living with her terminally ill father until he died, at which time she and her family had to move. Helen, a single mother with a young

---

<sup>10</sup> Our assumptions regarding the number of file reviews necessary to support any conclusions about applicant families was based on past experience in metropolitan areas suggesting that a 10 percent annual turnover rate and a 75 percent success rate were to be expected. Because SIRHA's turnover rates and failure rates were so much higher, the targeted sample represents a much lower percentage of participating families.

<sup>11</sup> Actually, Native Americans may be somewhat overrepresented in the sample, as SIRHA data shows only three Native American households currently participating in the program.

<sup>12</sup> The landlord was currently leasing a manufactured home unit to her mother through the Section 8 program. She had intended to purchase a second manufactured home for her daughter and grandchildren, who had been victims of domestic violence, but was informed shortly before our site visit that this was prohibited under the new Relative Rule. The landlord and her daughter were eager to participate in the group, and hoped that our report would discuss the hardship that the rule places on participants in rural areas.

<sup>13</sup> The names of all focus group participants have been changed to protect their privacy.

son, wanted to move nearer to her family, and was forced to take a lower paying job. Josie and Grant, an elderly farm couple, needed a place to live after Grant's declining health forced them to give up their live-in jobs at an area motel. Tina, mother of three, moved out of public housing to reunite with her estranged husband and be closer to his job. Barbara, mother of three and victim of domestic violence, wanted to move nearer to her family and away from her abusive spouse.

All members of the group except for Barbara had leased units with Section 8 assistance prior to our visit. None had a significant wait between the time they applied and the time they received their vouchers.

### **Search process**

Participants acknowledged that they had received basic information about looking for housing from SIRHA, but all agreed that the best source of information was word of mouth. One participant had heard at work about a unit that was for sale, and with the help of her employer made contact with the owner and convinced him to rent the unit to her. Other sources mentioned were newspapers (classified ads), realtors, and apartment managers. Also, a local radio feature, the Trading Post, broadcasts units for rent at 8:35 AM and 5:35 PM.

All members of the group reported that they had made a few phone calls in their housing search, but had actually looked at only one unit. Most of the units passed on the first inspection; the rest required only minor repairs (switchplate covers, cracked windows, smoke detectors, pressure relief valve). One participant reported that, within her first month in residence, the unit had been the subject of a quality control inspection, and that this repeat inspection had been stressful for her and for the landlord.

### **Problems encountered**

Several participants mentioned that some owners were resistant to leasing to SIRHA (Section 8) families, either because they didn't want to deal with a lot of "red tape" or because they had had a bad experience with a previous SIRHA tenant. One reported seeing a sign that said "No Pets, No Smoking, No SIRHA." Another added that she thought that there might be some stigma attached to receiving Section 8 assistance, but thought it was unjustified. She believed that people on the program were "no lower on the social scale, they were just going through hard times." Another added that she, and other participants she knew in the FSS program, were working hard to get an education and move up the social ladder, and that there should be no stigma attached to that.

Others mentioned that some owners were generally unwilling to lease to families with children, especially single-parent families with children, and that voucher holders had to work to convince them that they would be responsible about taking care of any damage done by their children, such as broken window glass or holes in the walls. All participants agreed that larger units (with four or more bedrooms) and one-bedroom units, were hard to find in most areas.

Barbara related her problems finding an owner willing to lease a large unit to a single mom with three boys, and her inability under the relative rule to rent a unit from her mom. Her mother said that she is anxious to help, but cannot afford to buy another manufactured home without some assistance from SIRHA. Barbara and her mother, and all of the other participants, felt that the relative rule was unfair, and its application inappropriate in a rural setting. One member of the group pointed out that



the Midwest is known for “families helping families,” and that the program should encourage, rather than prohibit, this kind of help.

## **Factors Affecting Voucher Success Rates**

Although the success rate for the families studied was 70 percent, an actual count of the success rates for 317 families receiving vouchers between during the preceding 6 months was 35 percent. The latter figure is consistent with information received from staff, with data maintained by SIRHA for earlier periods. The discrepancy between the sample data and the actual rate is probably attributable to the small size of the sample.

Fifty-eight percent of the study families that were successful leased in place. The remaining 42 percent leased units within SIRHA’s jurisdiction. No one in the study made a portability move to another jurisdiction, although the participant briefing included required information about the families’ right to use its housing assistance anywhere in the United States where there is a tenant-based voucher program.

Generally, it appeared that the quality of the units submitted for inclusion in the program was not a problem. Seventy-four percent of the units submitted were approved on the first inspection. Seventeen percent failed the first inspection but were reinspected and approved within a week or less. The average interval between the initial inspection and approval of the unit was 2.6 days.

Further, it appeared that affordability was not a problem. Problems with affordability can occur when the rent for a unit exceeds the payment standard approved for the family (the payment standard used in the HAP calculation being the lower of the voucher size or the actual unit size). Despite the fact that that 94 percent of the units leased were as large (61 percent) or larger (33 percent) than the size of the voucher issued to the family, 76 percent of the requested rents and 81 percent of the approved rents were at or below the family’s payment standard.

Of those families in the study that did not lease up, half (50 percent, or 4 families) never submitted a Request for Lease Approval. Two families submitted requests for units that did not pass the initial inspection and were never reinspected. One family submitted a request for a unit with a rent that was initially determined unreasonable, and not subsequently reduced. The reason for the remaining unit not going to lease was not clear from the applicant file.

SIRHA staff generally attributed the inability of families to lease up under the program to lower motivation and/or a lack of persistence among families who did not lease up. It should be noted that this is a PHA that prides itself on its ability to find units for families who request their assistance, so a family’s not availing itself of that assistance may understandably be interpreted by the PHA as indication of low motivation. What they do in fact know about the families who are unsuccessful in finding and leasing units is that most often they receive their voucher and are never heard from again. The high number of families who do not lease up, in combination with the high turnover rate among participating families (who also leave with no notice or explanation to the housing authority), and the short waiting list for housing assistance suggests, however, that either the need for housing assistance may be more sporadic for these families, or that there may be more housing options available to low-income renters in the area.

# **Chapter 4**

## **Opportunities, Inc.**

### **Contract Administrator for the Montana Department of Commerce**

#### **Great Falls, Montana**

The Montana Department of Commerce (MDOC) operates a statewide Section 8 program throughout the predominantly rural state of Montana. The program is administered locally by 10 agents across the state. The agent for Sub-state Planning District 5, which includes Cascade, Choteau, Glacier, Pondera, Teton, and Toole Counties is Opportunities, Inc., a community action agency located in Great Falls, Montana. Choteau, Glacier, Pondera, Teton, and Toole Counties are non-metropolitan. Great Falls, and surrounding Cascade County, are designated metropolitan, the 6th smallest metropolitan area (out of 273) in the United States and the third lowest in population density. The state program provides funding for 621 Section 8 tenant-based units in Great Falls and the balance of Planning District 5. There is also a Great Falls Housing Authority, which administers 450 units of public housing and 200 Section 8 units.

Opportunities, Inc. has been operating as a Community Action Program (CAP) agency for over 35 years. In addition to its administration of the Section 8 voucher and moderate rehabilitation programs, the agency operates a wide range of housing and social service programs, including emergency cash assistance, food, and shelter; Headstart; HUD-assisted homeless programs; the Low Income Energy Assistance Program (LIEHP); and weatherization.

### **Demographic, Housing, and Economic Conditions**

The racial and ethnic make-up of the Great Falls and the surrounding area mirrors that of the rest of Montana. Ninety-three percent of the population is white, 4.3 percent is Native American, 2.0 percent is Hispanic, and 1.6 percent is African American. A large portion of Glacier County is given over to the Blackfeet Indian Reservation, which operates its own Section 8 program for families on the tribal rolls.

Great Falls enjoyed an economic boom during the first part of the twentieth century in connection with mining operations in Great Falls and the industrialization of farming in the surrounding area. The economy boomed again after World War II, with the establishment of Malmstrom Air Force Base. Since then, the closing of the Anaconda/Arco refinery and the downsizing of railroad activities in the area have resulted in a population that peaked in the 1970s and has remained fairly stable from the 1970s to the present.<sup>14</sup> The area surrounding Great Falls has remained extremely rural, and has very little in the way of population, housing (sales or rental), and jobs.

---

<sup>14</sup> Source: U.S. Census and Montana Department of Labor and Industry, cited in *Great Falls Community Profile*, <http://www.city-of-great-falls.com>.

The job market in Great Falls is highly concentrated in a few areas: the service sector (27 percent), retail sales (24 percent), federal, state, and local governments (14 percent), and the military (11.5 percent).<sup>15</sup> Service sector jobs, the fastest growing area of the labor market, and retail sales jobs tend to be among the lowest paid, and offer little in the way of benefits, job security and/or advancement.

The demand for Section 8 housing assistance was far higher in Great Falls and its surrounding counties than in the other rural study areas. The voucher waiting list was the longest in any of the areas studied, and required applicants to wait 2 to 3 years to receive their vouchers. In at least half of the other areas, by comparison, applicants could expect to receive a voucher as soon as their eligibility was verified. The list includes applicants from all areas of Opportunities Inc.'s jurisdiction,<sup>16</sup> but the majority of the applicants and the overwhelming majority of OI's assisted units are in Great Falls/Cascade County. OI staff reports that this is because the overwhelming majority of rental units in the jurisdiction are also located in Great Falls/Cascade County.

OI staff describes the housing market as relatively tight with respect to availability, but they note that there are more rental opportunities in Spring and Fall. Single family units – equally divided between manufactured homes and conventional “stick” construction – are the most common, and most preferred, housing type. Other housing types typically leased under the program include two- and four-plexes and “high-rise” two-story multifamily rental units. Rents are not generally high, but several staff members felt that owners tended to go up on rents if they knew that the family had a voucher, and/or to lower the rent to attract unassisted tenants. Discrimination against Native American renters, who make up almost a quarter of OI's Section 8 participants, was believed to be widespread, but was difficult to prove.

## The Section 8 Program

OI's Section 8 program is the largest of the state's programs. Utilization is in the “high performer” category, at 96+ percent, and turnover is relatively low. During the twelve months preceding the site visit, 44 vouchers were issued, and 35 families (80 percent) succeeded in leasing a unit. (The success rate from the applicant file review was 84 percent, also high.) Over the course of a year, there are usually a few port-ins, and some units are transferred over from the Blackfeet Housing Authority, which does not continue to administer Section 8 assistance for assisted families that no longer include a tribal member.

The program is governed by the Montana Department of Commerce Section 8 Administrative Plan. Applications are open continuously, and application may be made in person at any of MDOC's local agencies or by mail. The statewide waiting list is maintained centrally at MDOC's offices in Helena, although separate lists are maintained by local agent/suballocation area. Applicants are placed on the list for the suballocation area in which they reside, and no applicant can be placed on more than one area list. Allocations of units among local agents are made at the State level, based on demand.

---

<sup>15</sup> *Ibid.*

<sup>16</sup> Because Opportunities Inc. is the largest of MDOC's local agents, applications from outside the State of Montana are also placed on the Great Falls waiting list. There are not many applications from outside the state.

Under the State’s Administrative Plan, there are no applicant selection preferences, and applicants are not screened for criminal history, although they are asked to self-certify with respect to their history of violent or drug-related criminal activity.

Applicants are briefed in group briefing sessions, and receive briefing packets and listings of available units. Voucher holders are further advised to look in local newspapers, the *Consumers Press*, and to consult realtors with access to the local Multiple Listing Service, which includes rentals. One-on-one assistance is available for families that are having difficulty finding a unit. Several local non-profits serving persons with disabilities—including New Directions, the Easter Seal Society, and the Golden Triangle—provide housing search assistance to families with a disabled member.

The payment standard across the various counties in OI’s jurisdiction is 90 to 98 percent of the published FMR, which MDOC believes is adequate for the area. To maximize the range of housing opportunities available to participating families, MDOC allows participants to use all of HUD’s “special housing types”: congregate housing, group homes, shared housing, cooperative housing, and manufactured home rental space housing. Vouchers are initially issued for 60 days, but can be extended for up to 60 additional days if the family can document that they have been looking for a unit.

Housing quality is an issue for voucher holders, particularly in more rural parts of OI’s jurisdiction. Older housing in most of the rural areas served by OI is “not worth a nickel.” Housing in town, and in Cascade County, generally meets HQS with few if any repairs. OI uses HUD’s HQS, and requires locks, handrails, and hard-wired smoke detectors consistent with local housing codes. Some OI staff expressed a desire for stronger HQS standards, suggesting that owners should, for example, be required to paint assisted units regularly. Staff felt that a number of units admitted to the program were marginal, but that the program regulations gave them no backing to turn the units down.

Finding accessible units for program participants with disabilities is a big problem. Owners are reluctant to make required modifications, and OI staff do not believe that the payment standard currently used provides sufficient incentives for owners to provide reasonable accommodation. Local staff appear to be somewhat familiar with the provision of the merger rule that allows PHAs to set a higher payment standard to provide reasonable accommodation – such as ramps and grab bars, for example – for a person with disabilities, but they did not report any direct experience in its application: the decision to permit the use of a higher payment standard for reasonable accommodation is apparently made at the State office level. Staff also expressed the opinion that families including a person with disabilities that do succeed in finding accessible units are “held hostage” in their modified units because of the scarcity of such units across the rental market.

Lead paint has not been a big issue in Great Falls, although staff report that there is an unusually high number of children with elevated blood lead levels in East Helena (70 miles south of Great Falls, outside OI’s jurisdiction), where there is a lead smelting plant. Children entering OI’s Headstart program are tested for lead, and the Great Falls/Cascade County schools also do lead screening. Where lead hazards have been found, owners have generally been willing to mitigate. Staff had no opinion as to how the new Section 8 requirements for lead paint treatment and clearance will affect families looking for units.

Most units leased, both in town and in more rural areas, are on municipal water systems, so OI does not require water testing as part of its HQS process.

Vouchers are initially issued for 60 days, and The MDOC administrative plan requires voucher holders to contact IO at least twice during that time to inform the agency about their efforts in locating a unit. MDOC also has a fairly strict policy regarding extensions. Vouchers are extended only if the applicant can verify extenuating circumstances, that they have made every effort to find a unit, and there is a reasonable possibility that the extension will result in an approvable lease. Of the 22 families that submitted requests for lease approval, only three submitted their requests after 60 days.

## **Characteristics of Voucher Recipients**

Of the 25 applicant folders reviewed, 65 percent were white and 35 percent were Native American. One family reported Hispanic ethnicity. The percentage of Native American applicants for Section 8 assistance appears high with respect to their representation in the population as a whole. For complete data on applicant demographics, see Appendix II, Table 3.

The median household size among OI applicants was 2.8 persons, the largest of all the sites studied. Seventy-six percent of the families studied were extremely low income families. The median income for 2 to 3 person households in the majority of the areas covered by OI's Section 8 program is \$32,000 to \$36,000. Among the families in our study, the average income was \$8078, or approximately 24 percent of the area median.

Only one family in the sample was headed by an elderly person. Twenty-four percent had a family member who was a person with disabilities: this figure is high in comparison with most of the other sites, owing, perhaps—at least in part—to the CAP agency's historic links to local organizations providing advocacy and services for persons with disabilities. Seventy-two percent of the households had children, and the average number of children in these households was 2.1. Twenty percent of the heads of household had a spouse present.

Forty-eight percent of the applicant families had income from work. Other sources of income were Social Security/SSI (36 percent), child support (8 percent), and TANF (4 percent).

## **Participant Views**

Three program participants agreed to take part in a focus group discussion of their recent experience leasing a unit with a Section 8 voucher. Alice is a Native American woman with a Caucasian husband and two small children. Woody is an older white man with a young wife and child. Sharon is a single woman with a disability, whose daughter, herself a mother of two, is also a Section 8 program participant.

### **Applying for assistance**

Alice, her husband, and her son originally applied for housing assistance in 1991, and waited six years to get into a two-bedroom mod rehab unit. When her daughter was born, she and her family moved into a larger, unassisted on their own, but were unable to keep up with the rent. She has since rented another (unassisted) 2-bedroom unit, received a voucher, and is trying to lease in place until

she can find a larger unit. Woody applied for assistance in another jurisdiction, and had a relatively short wait until he got his voucher. He was able to make a portability move into Great Falls immediately, as there are no restrictions on moves between the state programs. Sharon has been living in an (unassisted) trailer park, but has received a voucher and is looking for a unit that will be easier for her to maintain.

### **Housing search**

Because her husband works during the day, Alice is the primary person involved in the housing search. She has been looking for over a month, and has looked at 10 to 12 units. When she calls to inquire about the units, she is told that they are available, but when she shows up to look at the units she is told that the units have been rented, or that the owner is afraid they won't pass HQS. She believes, and other focus group participants agreed, that this is because she is a Native American, and landlords in Great Falls would rather rent to Caucasians. She was able to rent the unit in which she is presently living by taking along her Caucasian mother-in-law. She has never made a complaint to a fair housing group or agency because she is too busy looking for a place to live. Alice now believes that the best strategy for success in the voucher program is to find a unit first, lease it on your own, and then go "on HUD" when the landlord already knows you are a good tenant.

Woody had no trouble finding a unit. He has used the newspapers, the *Consumer Press*, and "For Rent" signs to find units, and looked at a few units before he found one that he wanted. He tried to avoid looking in the high rent areas. Woody was on his way to see one unit, and stopped to ask directions from a man mowing his lawn. The man also had a unit to rent, and Woody rented it.

Sharon has called at least 20 to 25 landlords, but has yet to find a unit and is requesting an extension. She says that one-bedroom units are hard to find, and some owners are reluctant to put their units "on HUD."

All three had and used cars in their housing search.

### **What they want**

Alice is looking for a three-bedroom unit, preferably a single-family house. She is particularly anxious to find a unit within the boundaries of the school her son attends. Woody was just looking for a decent place in Great Falls, but found a number of units, including a few units advertised as "already on HUD" that were in terrible condition. Woody says that there are good units out there, but that "you really have to look."

Sharon has a pet parrot, and is looking for a unit that accepts pets. She reports that this is very difficult in Great Falls. She told us about the problem her daughter is having finding a Section 8 unit that will allow dogs, even though the doctor has recommended that she have a companion dog for her granddaughter to help her through a recent loss. What Sharon really wants is a home of her own, where she can do what she wants. She would very much like to participate in something like the FSS program so that she could save up for a home, but she cannot work because of her disability. She would like to see Opportunities Inc. take advantage of the Section 8 homeownership program when it is available.

## Factors Affecting Voucher Success Rates

Based on OI's data on families receiving vouchers over the last 12 months, the success rate for voucher holders is 80 percent, not far from the 84 percent rate in our sample. Three of the four families in our sample that did not lease up never submitted a Request for Lease Approval. The fourth submitted a Request, but for some reason the unit was never inspected.

Generally speaking, OI staff believed that motivation and a "mentality of succeeding" made the difference between families that succeeded in leasing units under the program and families that were unable to find units to lease. Several staff members felt that the families that were unable to find housing had not looked, and that no one who really looked went 120 days without finding a unit. They did acknowledge that the families most likely to have a hard time were large families requiring units with four or more bedrooms, single persons requiring one-bedroom units, families with a poor rental payment history, and families that required modifications to the unit to permit the use of wheelchairs. On a more positive note, staff observed that, in one respect at least, the poorest families in the program were the most marketable because OI paid all or most of the rent and the landlord did not have to worry about collecting the tenant share.

OI staff also believed that discrimination against Native American renters, who make up a sizeable percentage of their program, contributed to some families' inability to lease. Unfortunately, it was beyond the scope of our study to determine whether Native American families had a lower lease-up rate than Caucasian families.

Staff further acknowledged that there was some owner resistance to accepting the program, in part due to the (perceived) amount of paperwork required, and in part due to their perception of Section 8 tenants. Staff noted that many Montana landlords are unaccustomed to using a written lease, and more frequently have oral lease agreements and month-to-month tenancies. In an effort to overcome landlord resistance, OI has accelerated its scheduling of initial unit inspections. MDOC has set the contract effective date as the date of the approved inspection, pro-rates payments for the first month, and sends the owner written confirmation when the unit has been entered into the payment system.

Finally, staff cited the Relative Rule as a barrier to housing some households, since in so many rural areas everyone is related. The rule prohibits voucher participants from leasing units owned by the parent, child, grandparent, grandchild, sister, or brother of any member of the family. Staff believes that this is particularly difficult for Native Americans because of the broad way their culture defines the family. Staff reported that renting relative-owned units is particularly common among households consisting of a single person with a developmental disability, for whom family members are traditionally a primary housing resource. Fortunately, the rule allows OI to make exceptions to the rule as reasonable accommodation for a family with a member who is a person with disabilities.

# **Chapter 5**

## **Bradford – Tioga County Housing Authorities**

### **Blossburg, Pennsylvania**

The Bradford County Housing Authority, Tioga County Housing Authority, and Tioga County Redevelopment Authority are jointly administered out of the authorities' main offices in Blossburg, Pennsylvania. Bradford and Tioga Counties are extremely rural non-metropolitan counties located in the "northern tier" of central Pennsylvania, just below the New York state line, in the Appalachian Mountain Range. At one time, the area was a major coal mining and lumbering center, but in this century those activities have declined. The combined area of the two counties is 4000 square miles. The nearest cities providing employment opportunities for local residents are Elmira and Corning, New York.

The authorities provide a range of housing, community, and economic development services to communities and residents of both counties. The authorities own and operate 910 subsidized housing units on 20 project sites, and administer a 465-unit Section 8 voucher program: 210 in Tioga County and 255 in Bradford County.

### **Demographics, Housing, and Economic Conditions**

The permanent population of Bradford and Tioga Counties is overwhelmingly white, although there are some African-Americans, Asians, and Hispanics, primarily connected with Mansfield University in Tioga County. The population in this area peaked in the 1890s, and has since declined as once-thriving coal and lumber industries have declined.

Dairy farming is the area's main industry. Hay and corn are also farmed. There is some manufacturing activity in the immediate area, and more manufacturing jobs within commuting distance, especially in and around Corning, New York. Finally, there are employment opportunities in the utility and service sectors, and at two local colleges: Mansfield University, and the North Campus of Williamsport Community College. The unemployment rate is nevertheless high – approximately 8 percent overall, and higher in the northern area of the counties. Although young people are moving out of Bradford-Tioga, the area is popular with retirees from "the flatlands," who come because the area is extremely scenic and the cost of living is low.

There is a scarcity of affordable decent housing throughout the area. Most of the area's housing was built prior to 1950, and much of it is in deteriorated condition. Several localities have recently moved to adopt building and housing codes, but enforcement is still spotty. There are a large number of mobile home parks in the area, and the quality of housing they afford varies widely. An estimated 35 percent of the Section 8 participants live in mobile homes, not a few in mobile homes provided by the Federal government during the floods that ripped through the area in 1972.



## The Section 8 Program

The Bradford and Tioga Housing Authorities have separate allocations of Section 8 subsidies and separate ACCs for the two counties—255 units for Bradford County and 210 for Tioga County. At the time of the site visit, program utilization was 97 percent in Bradford County and only 90 percent in Tioga County. The housing authority maintains separate Section 8 waiting lists for the two counties. Because of the differences in utilization, the waiting list for Bradford County is 12 to 18 months long and the waiting list for Tioga County is 0 to 3 months long. HA staff believe that the lower demand for Section 8 in Tioga County is due a number of factors: a significantly smaller population (41,657 in Tioga County, as compared with 62,146 in Bradford County), a larger number of public and assisted housing units in Tioga County (470 units vs. 440 in Bradford), both absolutely and in relation to their population, and higher turnover (approximately 40 percent) in Tioga County, where the population is generally younger and more transient.

Because the program is well established in the community, the housing authority does not believe it is necessary to advertise. In addition to families that come to them directly, the authority regularly receives referrals from local welfare and social service agencies. Neither housing authority has local applicant selection preferences or residency preferences. Each requires, however, that non-residents who apply live in the issuing county for twelve months before making a portability move.

The Tioga and Bradford Housing Authorities each issued approximately 80 vouchers last year. These were all turnover units: like the other study areas, Bradford-Tioga received no new funding in FY 2000. Voucher holders received a one-on-one briefing, and were given a listing of participating landlords in the area. The families were also advised to check listings in the *Wellsboro/Mansfield Gazette* and the *Penny Saver*.

The Bradford/Tioga housing authority has adopted payment standards that are 110 percent of the published Fair Market Rents. Staff believes this is necessary because of the dramatic increase in area rents. The increase is attributed to two factors: higher property taxes and/or widespread property reassessments, and investor-owners who want returns comparable to those they receive in the rapidly-inflating stock market. The HAs have negotiated aggressively with owners to lower rents for program participants, and have been successful in most areas. The exception is Mansfield, where groups of students pay top dollar for apartments and landlords are consequently unwilling to negotiate lower rents.

The median interval between the issuance of the voucher and the submission of the Request for Lease Approval was 3 days for Bradford/Tioga, the shortest of all of the sites. In part this can be attributed to a relatively high number of families leasing in place (55 percent), and in part to the practice, observed here and elsewhere, of allowing families to begin their housing search prior to completion of the eligibility verification and the formal issuance of the voucher.

The housing authority uses HUD's Housing Quality Standards, and requires testing and certification of water not provided by a municipal water system. They do not require testing for septic systems unless there is an obvious problem. The staff is concerned about the effect that the new lead paint rule will have on the voucher program. They believe that there will be considerable landlord resistance, and that it will be harder for families to find housing. They note that most of the owners in Bradford and Tioga counties area do their own repairs, and only use contractors for electrical and

furnace work. Neither the owners or the contractors are qualified to do abatement, and there are no certified lead paint specialists in the area.

## **Characteristics of Voucher Recipients**

All of the families reviewed in the course of the study were white. This is consistent with MTCS data for the two programs, which shows a total of one African-American family receiving assistance in Bradford County (and none in Tioga County), and with demographic data for the area as a whole. (See Appendix II, Table 3 for more demographic information, and a comparison with families at the other study sites.)

The median household size among Bradford/Tioga applicants was 2.8 persons. Sixty-seven percent of the families studied were extremely low income families. The median income for 2 to 3 person households in the two-county area is \$30,600 to \$34,400. Among the families in our study, the average income was \$8999, or about 28 percent of the area median.

Two families in the sample (8 percent) were headed by an elderly person, and 33 percent had a family member who was a person with disabilities – the highest percentage across all study sites. Sixty-seven percent of the households had children, and the average number of children in these households was 2.1. Twenty-nine percent of the heads of household had a spouse present, a high percentage compared with our other sites.

Half the families studied (50 percent) had income from work. Other sources of income were Social Security/SSI (42 percent), TANF (38 percent), and child support (25 percent).

## **Participant Views**

The housing authority scheduled appointments for several program participants who had agreed to participate in a focus group discussing their experiences leasing housing with Section 8 assistance. One showed up on time, and agreed to be interviewed; two others came in during the course of the site visit and were also interviewed individually.

The first to be interviewed was Carolyn, a 70-year-old woman who had been on the program for 7 years. Prior to entering the program, she lived in an apartment in the county seat, where she worked. When she became ill and was unable to work, she applied for Section 8 assistance. She told the housing authority she wanted to lease in place, primarily because she had no car and her downtown location was convenient for shopping. She is happy with her apartment, and likes her neighbors, so she never looked for another unit. (She noted that all of her friends who had gone on the program had leased in place as well.) When the unit was first inspected, the housing authority required, and the owner provided, steps leading to the back porch. The owner readily agreed to accept Section 8, although she does not know whether he has other tenants on the program.

Joanne, a single mother of 2, has been on the Section 8 program twice. The first time, she was still living with her husband. They applied for Section 8 and waited 6 to 8 months to receive their voucher. In the interim, they moved to a new apartment and when their name came up they were able

to convince the owner to let them lease in place. From her own experience, and from other program participants she has talked to, she knows that lots of owners won't rent to Section 8 families. She believes that they may be concerned about the inspection process. She would expect that the promise of guaranteed rent would offset that concern, and thinks that voucher holders should stress that aspect of the program when they talk to owners.

Joanne's second experience with Section 8 occurred when she separated from her husband and lost the benefit of a second income. She and her children were living in a single-family house into which they had put a great deal of "sweat equity." The owner was agreeable to placing the unit on the program because she had been a good tenant. Joanne reported that when she was looking for rental units, she relied primarily on the *Penny Saver*, a local advertising paper, and on word of mouth. She noted that, unless the family has a car, transportation is a big problem. There are no cabs in the area, and public busses only run three times a day.

Rose was happy to be interviewed, because she had come to Blossburg on the bus and couldn't get back to her home in a neighboring town until the bus got back. Rose is a mother of 4, and was in the process of separating from her husband and signing her first Section 8 lease. She has been living in her present unit since 1997, and the landlord has agreed to participate in the program so that she and the children can stay. She is happy with her location in town because it is convenient for her and for her children, who feel less isolated in town. Rose believes that the best strategy for Section 8 homeseekers is to find a unit before you receive your voucher and let the landlord get to know you. Rose describes the housing market in her area as very tight. There is emergency housing, but families need a referral from a caseworker to get in. There is also public housing in her town, but families who live there are stigmatized, there are too many rules, and she does not feel it is a good environment for children.

## **Factors Affecting Success Rates**

The success rates for families in the study group was 83 percent, somewhat higher than estimates by housing authority staff. From the data available, it was not possible to come up with a better figure for the success rates of families over the last 12 months.

Staff advised us that that housing availability is a major problem. The supply of decent rental housing is, quite simply, shrinking, and there is very little new rental construction. One bedroom and four or more bedroom units are the hardest to find. Compliance with Housing Quality Standards does not appear to have been a major problem. Forty-two percent of the units submitted passed HQS on the first inspection, and an additional 47 percent passed on the second inspection. The average interval between the initial inspection and the approval of the unit was 8.3 days. However, as staff observed, some of the units approved are not especially attractive, albeit in compliance with minimum standards. The housing authority is reluctant to raise standards beyond the minimum because it will effectively deny assistance to the neediest people.

At first glance, affordability did not appear to be a problem. Ninety percent of the rents proposed—and approved—were at or below the payment standard. Authority staff believe, however, that families simply stay away from high-end units because they realize that they can't afford them. Staff pointed out that the area suffered a substantial decrease in its FMRs in 1993, when HUD

dropped the standard from 45 percent to 40 percent of the area median, and they believe that the program has never fully recovered. The payment standards available under current FMRs are simply not adequate to give current program participants access to higher quality units in the market, or to support the development of rental units by even non-profit developers. (A mod rehab SRO unit in development at the time of the FMR reduction required HUD's approval of exception rents to go to construction, received lower subsidies than anticipated at the time the proposal was approved, and continues to be plagued by financial difficulties.)

With respect to family characteristics that affect the success of applicant families, staff noted that there are two kinds of families that have a particularly difficult time leasing or retaining housing under the program. The first is very young families, who have a hard time finding owners willing to rent to them because they have no tenant history or a poor tenant history. Harder yet are households consisting of one or more persons with disabilities, particularly mentally handicapped/mentally retarded (MH/MR) households. These households frequently receive assistance from their families or from social service agencies when they apply, but do not receive the continuing assistance they need to complete the application process, find a unit, and maintain both the unit and their ongoing eligibility for assistance. In many instances, these same family members and caseworkers blame the housing authority when the applicant or participant falls through the cracks. Because owners anticipate problems in leasing to MH/MR households, the units that they do lease tend to be the lowest quality units with the highest rents.

# **Chapter 6**

## **Del Rio Housing Authority**

### **Del Rio, Texas**

The Del Rio Housing Authority (DRHA) is a local housing authority serving the (still) non-metropolitan city of Del Rio and an area that extends five miles beyond the city limits. The city is located along the Rio Grande, directly on the Mexican border, about 150 miles south of San Antonio. Laughlin Air Force Base is located just outside Del Rio, and a number of families associated with the base live in town. The town also has its share of “winter Texans,” retired families that live in the North in warm weather and are drawn to Del Rio in the winter because it is warm and prices in the area are reasonable. DRHA has been funded for 625 Section 8 voucher units.

### **Demographics, Housing, and Economic Conditions**

The economy in Del Rio is booming, in no small part because of the opening of US market to Mexican goods under the North American Free Trade Agreement (NAFTA). While goods are produced, and provide manufacturing jobs, in Mexico, the goods are warehoused in and shipped out of Del Rio. Consequently, there has been an economic explosion since NAFTA was signed, with growing activity in warehousing, trucking, commercial and residential construction, services, fast food, medical clinics, and putt-putt golf. In addition to the continuing presence of the winter Texans, there is also some growth in outdoor/recreational tourism based on the city’s proximity to Lake Amistad, the third largest manmade lake in the country.

Generally, the rental housing market is strong. The population is expanding rapidly, and there has been growth in both the homeownership and rental sectors. Apartment and single family construction in the private sector is booming. The presence of the Air Force Base is seen as insurance that a substantial amount of new construction will remain as rental, because military families for the most part are temporary residents of Del Rio and consequently are not interested in purchasing. Overall, the addition of large numbers of new units to the rental market has made a substantial improvement in the quality of Del Rio’s rental stock.

The Del Rio Housing Authority has also been extensively involved in the development of new assisted housing. Currently, the agency owns or operates 1400 units under 8 different programs. In addition to its public housing developments, the agency is a partner in three non-profit housing development corporations that are leveraging public and private funds to develop assisted housing and ensure that Del Rio’s housing boom extends to low- and moderate- income families. DRHA also manages Rotary Village, a new non-profit apartment complex sponsored by the Rotary Club, which is located next door to the authority’s offices, and has recently formed a team of local business volunteers to pull together a plan for Rotary Village II.

During the time period covered by the study, there were, however, major fluctuations in the housing market in Del Rio. At the beginning of the year, violent floods damaged or destroyed hundreds of homes in Del Rio. Both renter and homeowner households were displaced: renters had to move, and

homeowners were forced to move into rental housing until their insurance money came through and they were able to purchase or rebuild housing. The Federal Emergency Management Agency (FEMA) brought in 137 trailers which were made available to displaced residents through the housing authority (half are now slated to be sold, the other half to be leased by the housing authority). In the short term, the housing market tightened considerably. As the displaced families were able to return to or replace their homes, however, rental opportunities opened up, and Section 8 families were able to take advantage of more and better rental housing units.

## **The Section 8 Program**

The Del Rio Housing Authority has 507 units of Section 8 tenant-based assistance and 50 units of Moderate Rehabilitation. In the interest of assisting the maximum number of families through its tenant-based program, the authority has set its Section 8 payment standards at the minimum allowable—90 percent of the published FMR for the area—and has imposed the highest minimum rent allowable—\$50. As a result, DRHA expects to be able assist 50 additional families during the coming fiscal year. To date, it does not appear that this strategy of spreading assistance as thinly as possible has adversely affected voucher participants' success in leasing units. Based on the families studied, the success rate for voucher holders was only 77 percent, but a review of voucher issuances and leaseings for the period August, 1999 through July, 2000 revealed that 138 out of 143 (96 percent) of the families receiving vouchers had leased. It is possible that, when asked to provide some applicant files for families that did not lease up, the accommodating staff provided the files of most (four of the five) families that did not lease up in the preceding year.

Applications for the voucher program are taken on a continuous basis at the authority's administrative offices, where a single waiting list is maintained. The waiting list for Section 8 vouchers is relatively short. The earliest non-preference applicants still on the list applied in February, 2000. The DRHA voluntarily continues its use of the (formerly mandatory federal) need-based preferences: living in substandard housing, paying more than 50 percent of income for rent, or involuntarily displaced. Locally applied verification standards do not appear, however, to exclude many families that qualify on the basis of income. Applicants who are asked to move out of their family home by their mothers, for example, are apparently considered involuntarily displaced. Based on our review of participant files, it appears that these young mothers forming new households make up a substantial percentage of DRHA's new admissions. The housing authority has not retained a priority for elderly and/or disabled singles over other singles, but has not extensively publicized the change in federal policy. Staff reports that the number of non-elderly single applicants has not increased, and speculate that potentially eligible applicants may not know that they could qualify.

The housing authority does not screen Section 8 applicants for suitability as tenants, but does provide information about former tenancies to prospective landlords as required by regulation. The authority has a very strict one-strike policy on drug activity for public housing and Section 8 tenants alike. The staff informed that the policy is somewhat more liberal with respect to other crimes, and the housing authority is more willing to consider individual circumstances in non-drug cases..

DRHA also mandates community service for public housing and Section 8 tenants alike. The agency supports a wide range of community and social service programs, and there is no shortage of

volunteer opportunities. Families who do not put in their required hours during the course of the year will not be recertified at the time of their annual reexamination.

The housing authority provides listings of available units to participants, but generally little other assistance with their housing search. Nevertheless, participants seem to be able to locate units: the success rate is high, and 100 percent of the families moved to new units when they received their vouchers. The majority of families in the study qualified for the “displaced” preference, generally because they were doubled up with family or friends. Staff suggested that much of the doubling up may have occurred after the flood, when rental units were scarce and the rents were temporarily elevated.

For unit inspections, DRHA uses a combination of HUD’s Housing Quality standards and local building codes, and requires that the front door have a keyless deadbolt in addition to the lock (the latter so that families can get out of the unit in the event of fire). The inspector also advises landlords about making cosmetic improvements to the properties.

DRHA is apparently very successful negotiating rents on behalf of its participants. For all (3) of the proposed units with rents exceeding the payment standard, the owners ultimately agreed to lower the rents to the payment standard, presumably so that participants would not be required to pay more than the TTP. And although a third of the units proposed failed the first inspection, all were brought into compliance within a week or less. In the entire study group, no unit proposed for inclusion in the program was rejected on the basis of HQS, affordability, or rent reasonableness.

## **Characteristics of Voucher Recipients**

DRHA serves a population that is primarily Hispanic. Eighty-eight percent of the families studied were headed by persons of Hispanic ethnicity, and 100 percent were white. MTCS data for Section 8 participants in Del Rio is consistent with our data: one percent of the families reported are African – American, the balance are white Hispanics. (See Appendix II, Table 3 for more family information, and a comparison with families at the other study sites.)

The median household size for applicants in Del Rio was 2.6 persons. Ninety-four percent of the families studied were extremely low income families. The median income for 2 to 3 person households in Val Verde County, where Del Rio is located, is \$27,800 to \$31,200. Among the families in our study, the average income was \$5,317, or about 18 percent of the area median.

Three families in the sample (18 percent) were headed by an elderly person, and 6 percent had a family member who was a person with disabilities – the lowest percentage across all study sites. The median age of the head of household in the study group was 37.2 years. Sixty-five percent of the households had children, and the average number of children in these households was 1.8. Twenty-four percent of the heads of household had a spouse present, also a high percentage compared with our other sites.

Forty-one percent of the applicant families had income from work. Other sources of income were Social Security/SSI (29 percent), child support (24 percent), and TANF (38 percent).

## **Participant Views**

Several program participants were scheduled to be in the DRHA offices during the site visit, and had agreed to take part in a focus group. None kept their appointments, and the one participant who did come in was severely hearing impaired and needed a sign language interpreter, which was not available. Consequently, no participants were interviewed on site.

Subsequent to the site visit, however, a number of families who received their vouchers in FY2000 were selected at random and contacted by telephone. Two were ultimately interviewed, both of whom had been successful in leasing a unit.

The first, Margarita, related that she had picked up the application, and about three weeks later the housing authority accepted the house she was living in. It belongs to her mother, but the housing authority made an exception [to the relative rule] because it is handicapped accessible (ramps, bathroom, and a monitor in case of emergencies). Margarita is disabled with Multiple Sclerosis. The CBA Program from Human Services helped build the ramp and make the necessary improvements.

The house is next door to her mother's, and her mother helps her. Margarita can't drive, so her mother helps her to get around. Sometimes her mother makes food, and she can come over if Margarita falls down or has an accident, as well. The rent from the house is her mother's only source of income.

Margarita applied for Section 8 assistance because of a change in her income. She has been widowed for 10 years, and received income from Social Security following her husband's death. Her son left to go to college (Texas A&M), and now the money is being used to pay his tuition instead. She told the interviewer "If I hadn't gotten the voucher, I don't know what I would have done."

The second participant, Teresa, related that she went to the PHA office only once, to fill out the application. Two months after she applied, she had a unit. The PHA helped her look for her apartment by giving her listings. After that, she drove around to different apartments on her own, and finally chose the one she wanted, a nice two bedroom unit.

Teresa lived in her Section 8 apartment for seven months. She is no longer living in that unit or receiving Section 8 assistance. Although she moved out of her family's house to occupy the unit with her son, Teresa has since moved back. The apartment was very far away from her mother's house, and very far from her job—"Even though it's a small town, it was way out there!" When her mother became ill, she decided to move back home to take care of her.

## **Factors Affecting Voucher Success Rates**

DRHA had the highest success rate of all the study sites. Interestingly, although participants at other sites had high rates of leasing in place (an average of 43 percent across all sites), Del Rio had no leases in place. As discussed earlier, the majority of applicants were families displaced either directly by the flood or indirectly when they were asked to leave by family or friends with whom they had doubled up after the flood. Accordingly, they had no recourse but to find new units.



The interval between the families' receipt of the voucher and their submission of a request for lease approval was longer than any of the other sites (median was 14 days), but short enough to suggest that some searching may have been done in advance of receiving the voucher. The shortness of the waiting list would support this strategy, as families could reasonably expect to find a unit and then apply and receive a voucher in a reasonably short period of time.

Staff attributes the fact that some families do not lease primarily to a lack of sustained effort. In some instances, staff knows that the heads of applicant households have a change in their living situation, particularly in relation to their families or their boyfriends, and stop looking for housing. In many instances, however, the family does not follow up with the housing authority, the voucher expires, and no one knows why the family did not lease up. Similarly, the Section 8 program has a high relatively high turnover rate, but many families leave without notifying DRHA, and the authority does not know the family is gone until the owner returns the HAP check.

In converting from the Certificate program, staff had some concerns that the absence of guarantees against tenant damages and unpaid rent would adversely affect the applicants' ability to lease a unit. DRHA has no funds to assist families with security deposits, and does not know of any agencies that do. However, staff reports that most landlords are willing to let new families pay their security deposit in installments. When extremely low income families qualify for utility allowance payments (negative rents), the payments are made directly to the utility companies on the families' behalf.

# Chapter 7

## Summary

Success rates for Section 8 voucher holders varied dramatically across the five sites studied. Based on the small sample of individual tenant files we reviewed, success rates ranged from a high of 84 percent in Great Falls to a low of 45 percent in South Central Alabama. Complete data on participant success rates, based on the review of 113 applicant files, can be found in Appendix II, Table 1.

To double-check these results, we also calculated success rates for each site based on the PHAs' records of vouchers issued and leased during the preceding 12 months. Complete data was available for four of the five sites,<sup>17</sup> and partial data for the fifth site,<sup>18</sup> allowing us to calculate what we believe are more reliable figures for leasing success at each of the sites. These figures changed the rankings of the five PHAs to the following:

<b>PHA</b>	<b>Success Rate</b>
Del Rio Housing Authority	96 percent
Great Falls/Opportunities, Inc.	80 percent
Bradford/Tioga	70 percent
South Central Alabama Regional HA	60 percent
Southern Iowa Regional HA	35 percent

The following sections summarize the factors we identified as contributing to the success, or lack of success, of voucher holders in finding and leasing units under the program. We conclude with a summary of the steps that PHAs have taken to improve success rates for voucher holders, our own observations regarding additional program needs in the areas we visited, and some recommendations from PHA staff regarding actions that HUD could take to improve voucher holders' success rates.

### Market Factors

Our primary intention in this study was to develop a better understanding of the dynamics of rural housing markets and the ways in which they affect the success of Section 8 voucher holders in rural areas. We came away with the strong impression that there have been some significant changes in the rural markets that affect rural voucher holders, and those impressions are for the most part supported by available data on rural housing market characteristics.

---

<sup>17</sup> SIRHA's data was for the six months prior to the study.

<sup>18</sup> Because Bradford/Tioga data was incomplete, this figure is an estimate based on the data available.

## Housing Quality

Low housing quality, for example, has long been held to be a major problem in rural housing markets. However, in all of the areas we studied, rental units submitted for PHA approval either passed HQS on the initial inspection or required only minor repairs. Admittedly, several PHAs expressed concern that they were “required” under HQS to approve units that met minimum standards, even if the units were not as attractive as other units in the market.<sup>19</sup> Still, this is a far cry from the stereotype of widespread substandard rural housing conditions and a large number of rural units lacking basic systems.

## Housing Availability

Housing availability, on the other hand, still appears to be a problem for Section 8 voucher holders in many of the rural areas we studied. According to 1990 census figures, 32 percent of the total housing units nationwide were rental units. Only two of the areas studied, however, were close to the national average: Great Falls, with 31 percent of its housing stock in rental status, and Del Rio with 34 percent. Both of these areas include military bases, which may account for their relatively higher number of rental units. In the remaining sites, rental housing constituted a far smaller percentage (20 percent to 26 percent) of the housing stock.

**Table 2**

### Housing Market Characteristics, 1990<sup>a</sup>

	South Central Alabama Regional HA	Southern Iowa Regional HA	MDOC/ Opport. Inc. (MT)	Tioga/ Bradford HA (PA)	Del Rio HA (TX)	National Average
Total Housing Units	36,512	85,813	48,225	45,260	10,743	102,263,678
Percent Rental	26%	26%	31%	20%	34%	32%
Age of Housing Stock						
Built 1960-1990	70%	36%	49%	58%	64%	59%
Built 1940-1960	18%	15%	29%	8%	24%	23%
Built pre-1940	12%	49%	22%	34%	12%	18%
Total	100%	100%	100%	100%	100%	100%
Size of Rental Units						
0-Bedroom	1%	3%	6%	3%	3%	5%
1-Bedroom	20%	30%	25%	26%	27%	31%
2-Bedroom	46%	40%	38%	37%	39%	41%
3+ Bedroom	33%	27%	31%	34%	31%	23%
Total	100%	100%	100%	100%	100%	100%

<sup>a</sup> Data are weighted averages of all of the counties in the housing authority’s jurisdiction.

Sources: U.S. Census Bureau.

<sup>19</sup> Actually, PHAs have the ability to adopt higher acceptability standards within their jurisdictions, based on local codes or standards. The authorities’ concerns in this area point to a need for HUD to provide enhanced training and technical assistance in the use of higher standards and rent incentives to owners to improve the quality of units leased.

South Central Alabama and Del Rio reportedly had experienced substantial increases in the construction of new rental housing units, and these PHAs were less concerned than the others about the availability of rental housing. Del Rio, which benefited from both a higher percentage of rental units initially and a higher level of rental housing unit construction had the highest success rate for Section 8 voucher holders—96 percent of the families that received vouchers during the preceding year were successful in leasing units under the program. The lowest success rate was SIRHA, which had 26 percent of its housing stock in rental status in 1990 and reported little new rental housing construction.

### **Degree of Ruralness**

In an attempt compare the “ruralness” of the five sites, and to determine whether there appeared to be any correlation between the ruralness of the site and other data from the study, we pulled census data on the five sites, determined the population and area (in square miles) of the PHAs’ jurisdictions, and calculated the number of persons per square mile.<sup>20</sup> Using the number of persons per square mile as a proxy for ruralness – the most rural areas having the fewest people per square mile – the five-county area covered by Opportunities, Inc. in Great Falls, Montana was determined to be the most rural, and the two-county Bradford/Tioga area in Pennsylvania the least rural. Figures for all five sites at the county and jurisdictional level are presented in Table 3, below. For further comparison, the name and population of the largest city (or town) in the locality is also provided.

Overall, there did not appear to be any strong correlation between the degree of ruralness and data regarding the success of voucher holders at each of the five sites.

---

<sup>20</sup> The *State and Metropolitan Area Data Book* provides data on the number of persons per square mile for 306 metropolitan areas. The least rural metropolitan area is Jersey City, New Jersey, which has 11,808.4 persons per square mile. The most rural is Flagstaff, Arizona, which has 5.4. The population density of the Washington DC PMSA is 707.0 persons per square mile.

**Table 3****Population Density by County**

State	County	Population	Area (Sq Mile)	Persons per Sq Mile	MSA	Largest City	Population
Alabama	Bullock	11343	625	18.1			
	Crenshaw	13619	610	22.3			
	Lowndes	13029	718	18.1			
	Macon	22993	611	37.7		Tuskegee	11511
	Pike	28469	671	42.4		Troy	13937
	Average	89453	3235	27.65			
Iowa	Adair	8066	569	14.2			
	Adams	4405	424	10.4			
	Cass	14512	564	25.7		Atlantic	7357
	Clarke	8273	431	19.2			
	Decatur	8319	532	15.6			
	Fremont	7706	511	15.1			
	Mills	14705	437	33.7			
	Montgomery	11707	424	27.6		Red Oak	6157
	Page	17139	535	32			
	Pottawattamie*	29060	954	30.5	Omaha MSA	Council Bluffs	57365
	Ringgold	5361	538	10			
	Taylor	7025	534	13.2			
	Union	12611	424	29.7		Creston	7617
Average	148889	6877	21.65				
Montana	Cascade	78282	2698	29	Great Falls MSA	Great Falls	56340
	Chouteau	5066	3973	1.3			
	Glacier	12603	2995	4.2			
	Pondera	6244	1625	3.8			
	Teton	6432	2273	2.8			
	Toole	1638	1911	2.4			
	Average	110265	15475	7.13			
Pennsylvania	Bradford	62146	1151	54		Sayre	5558
	Tioga	41657	1134	36.7		Blossburg	1531
	Average	103803	2285	45.43			
Texas	Val Verde	44188	3171	13.9		Del Rio	35728

\*excluding Council Bluffs

Source: 1990 Census

**Proximity**

One factor that was mentioned by staff at two sites—Bradford/Tioga and South Central Alabama—as adversely affecting voucher holders’ ability to compete for available rental units was proximity to colleges and universities. Because single college students typically banded together to rent housing units at what—for them—was a relatively low per-person cost, the rents that they were able to pay for rental units, particularly larger rental units, exceeded the amounts that families—especially low-

income families—could pay. Other researchers have observed similar effects where families are competing for rental units with seasonal vacation rentals.<sup>21</sup>

Two sites—Great Falls and Del Rio—also mentioned the effect of proximity to military bases as a factor affecting local rental markets, but seemed to think that the presence of military personnel had a positive effect on the rental market overall, stimulating the production of high-quality rental housing. The PHAs’ perceptions of the impact of military personnel and the impact of students may also differ, at least in part, because they believe that military families with children (who do not typically contribute to the rent), rather than groups of single persons, are more likely to rent housing off the military base.

### **Manufactured Housing**

One development that is having a significant impact on rural housing for low-income families is the increasingly widespread use of manufactured housing in rural areas. These are generally not the “trailers” of a few decades ago, but large modern units that are comparable to conventional “stick” housing for quality, comfort, and amenities. All of the sites reported that manufactured homes were utilized by program participants, and several reported that they accounted for half or more of their single-family rentals. Generally staff indicated that the manufactured homes that were available as rental units were not the newest or the highest quality manufactured homes on the market, but that there was a broad range of rental manufactured units available both on private lots and in manufactured home parks, which themselves varied widely in quality.<sup>22</sup> One reason frequently mentioned by PHA staff for the favorable comparison with older “stick” rental units was that the manufactured units were of more recent construction and did not contain obsolete plumbing and wiring or lead-based paint.

The increasing use of manufactured housing in rural areas seems to be related not only to the preference many families have for single-family detached housing and the affordability of manufactured units, but also to the opportunities that manufactured units present for homeownership. The purchase of manufactured housing appears to be within the reach of many relatively low-income families, and several sites (and one program participant) reported families leaving the program to purchase manufactured homes. The highways in many of these rural areas are lined with manufactured home sales lots which advertised new units that can be purchased by families for little more than the cost of a car payment. Even when the cost of utilities is added on, it appears that households at the upper end of the low-income range with a steady source of income, especially those with access to land on which a manufactured home can be installed—can purchase a home of their own in these areas at a cost comparable to the cost of renting a unit with voucher assistance. The risk to these households is that an interruption in their income stream, or an unexpected expense, will result in a default on their loan—like Lisa, the Alabama voucher holder who lost her trailer when her child became ill. However, it would appear that use of the voucher homeownership program to support the purchase of manufactured housing in these areas has great potential to provide stable, low-cost housing for rural families.

---

<sup>21</sup> *Draft*, “Tenant-Based Section 8 in Rural Areas: Case Studies of Factors Affecting Successful Utilization,” Housing Assistance Council, 2000.

<sup>22</sup> No sites reported participants using the Section 8 assistance for pad rentals only.

## Affordability

Affordability of available rental units did not appear to be a problem for Section 8 voucher holders in most of the areas studied. Under PHRA, local housing authorities are required to establish payment standards between 90 percent and 110 percent of the published Fair Market Rent(s) for their jurisdictions. Payment standards set by the PHAs studied are as follows:

Del Rio Housing Authority	90 percent
Great Falls/Opportunities Inc.	90-98 percent
SCARHA	100 percent
SIRHA	100 percent
Bradford/Tioga Housing Authority	110 percent

Of 94 requests for lease approval submitted across all sites, only 12 exceeded local payment standards. Three rents were subsequently lowered to a figure at or below the payment standard. Eight were approved at rents that, while exceeding the payment standard, were affordable to families with a total tenant rent less than 40 percent of the family's monthly income. Only one—a unit larger than the size for which the voucher was issued—did not go to lease.

It is possible, of course, that Section 8 voucher holders confined their search to the less expensive areas of the housing market and that higher payment standards would have given them access to more and/or higher quality units. This point was argued strongly by Bradford/Tioga Housing Authority staff, who believe that the two HUD FMR reductions affecting their own (and other) rural areas—the first in 1993, changing the methodology for determining non-metropolitan FMRs, and the second in 1995, lowering the FMR to the fortieth, rather than the forty-fifth percentile—have made it extremely difficult for voucher holders to find good quality units in the area.

## Discrimination

Discrimination was not identified by any of the study sites as a major obstacle to voucher holders leasing units under the program. Nevertheless, there was an undercurrent at several sites that suggested that some families found it more difficult to find a unit to lease because of owner prejudices that might or might not rise to the level of illegal discrimination. Several sites, for example, mentioned the leasing difficulties experienced by very large families. In part, this difficulty appeared to be the result of a dearth of large units in the rental market. In part, however, it resulted from owners showing a preference for smaller families. If an owner were to refuse to lease appropriately-sized units to families with children, it would be clearly—and illegally—discriminatory. If, on the other hand, the same owner consistently chose families with fewer rather than more children to occupy available units, there would not be the same clear breach of the law.

Owners refusing to lease to Native American families, as we heard in Montana, or to persons with disabilities as in Pennsylvania, are clearly in violation of the law. PHAs are required to discuss federal, state, and local fair housing laws at the participant briefing, to provide voucher holders with housing discrimination complaint forms, and to assist them in filing complaints if they believe that they have been victims of discrimination. Generally, however, housing authorities are more focused on short-term goals—helping families to find housing now—than on the long-term goal of ending discriminatory practices. Nevertheless, PHAs should be sensitive to the issues facing voucher holders

in their localities, and work with local agencies and organizations—including HUD—to level the playing field for all voucher holders.

## Demand for Assisted Housing

To our surprise, demand for Section 8 vouchers, and for assisted housing in general, appeared to be down, both in relation to earlier studies of rural housing demand and to the PHAs' descriptions of their own experience over the preceding several years.

In part, this was attributed by PHA staff to increases in the number of working families and a corresponding reduction in need for housing assistance. All of the areas have seen increases in employment rates related both to improvements in the economy in general and to the impact of welfare reform, which has pushed former welfare families into the job market. It is possible, however, that families working at the lowest paying jobs may still need assistance to pay for decent housing. If these families are not applying, it may be necessary to look for other reasons that they do not apply. The gap between wages earned by a full-time minimum wage earner and the amount needed to rent housing in each of the study areas is illustrated in Table 4.

**Table 4**

### Housing Affordability, 2000

	South Central Alabama Regional HA	Southern Iowa Regional HA	MDOC/ Opport. Inc. (MT)	Tioga/ Bradford HA (PA)	Del Rio HA (TX)
Extremely Low Income Limit for a Family of Four (30% of AMI) <sup>a</sup>	\$11,150	\$13,600	\$12,000	\$11,450	\$10,400
Annual income of a full-time min. wage worker (at \$5.15/hour) <sup>b</sup>	\$10,712	\$10,712	\$10,712	\$10,712	\$10,712
Two-Bedroom FMR, by County					
Lowest in Region	\$347 (Bullock)	\$414 (Adair)	\$500 (Great Falls MSA)	\$431 (Tioga)	\$430 (Val Verde)
Highest in Region	\$407 (Pike)	\$421 (Mills)		\$444 (Brad.)	
Rent burden for a family at the extremely low income cutoff					
At 100% of lowest 2BR FMR	37%	37%	50%	45%	50%
At 100% of highest 2BR FMR	44%	37%	n/a	47%	n/a
Rent burden for a family with one full-time minimum wage earner					
At 100% of lowest 2BR FMR	39%	46%	56%	48%	48%
At 100% of highest 2BR FMR	46%	47%	n/a	50%	n/a

<sup>a</sup> Although median family income varies by county, all of the above housing authorities, with the exception of Opportunities Inc., use a non-metropolitan state average to determine the 30% income limit. Opportunities Inc. uses the median family income for the Great Falls MSA.

<sup>b</sup> Calculated assuming a 40-hour work week, 52 weeks per year.

Sources: HUD User, Year 2000 Income Limits and 2000 FMRs by County.



The reduction in the number of Section 8 applicants was also attributed by some PHAs to increases in the availability of other assisted housing options for low-income families. These options included public housing, which has also experienced a reduced demand in several of these areas, HUD-assisted and FmHA projects, and various rental and sales programs operated locally by non-profit agencies.

There is some evidence that housing assistance in rural areas may be adequately funded, at least in comparison to urban and suburban areas. In 1970, 30.4 percent of the total US population lived in non-metropolitan areas. In 1974, Congress passed a requirement that not less than 20 nor more than 25 percent of assisted housing program funds be allocated to counties and other jurisdictions located outside of metropolitan areas (Section 213 (d) of the Housing and Community Development Act of 1974). This non-metropolitan set-aside was applied to program allocations beginning in FY 1976, and remained in effect until its elimination by the Quality Housing and Work Responsibility Act of 1998. During this period, the non-metropolitan population steadily declined, both in absolute numbers and as a percentage of the U.S. population. Even when population figures are adjusted to exclude changes resulting from the ongoing incorporation of non-metropolitan areas into larger metropolitan areas, they show almost 34 million fewer people were living in non-metropolitan areas by 1998, and they represented only 21.4 percent of the total population.<sup>23</sup>

HUD did a study of the impact of the non-metropolitan set aside requirement for Congress in 1984, with the following findings:

- Improvements in the physical quality of housing in non-metropolitan areas had outpaced housing improvements in metro areas (although the physical quality of housing in non-metro areas remained a greater problem than in metro areas).
- Composite measures of housing need in non-metropolitan areas showed that the non-metropolitan share of total US housing need had declined since 1976. However, in 1984 the non-metropolitan share of total US housing need still fell within or just above the 20 to 25 percent range of the non-metropolitan set aside.<sup>24</sup>

More recently, however, HUD's worst case needs reports have indicated that non-metropolitan needs are lower than metro needs, although no work has been done linking this to the set aside requirement. The March 2000 Worst Case Needs Housing Report to Congress (based on 1997 data) found that very low income families in the suburbs have a greater likelihood of having worst case needs than those who live in cities or outside metro areas. At the same time, suburban households are least likely to receive housing assistance.<sup>25</sup>

---

<sup>23</sup> "Metropolitan Areas: Concepts, Components, and Population," U.S. Census Bureau, Statistical Abstract of the United States, 1999.

<sup>24</sup> "Report to Congress on the Impact of the 20 to 25 Percent Non-Metro Set-Aside Requirement," Keith Rasey, US Department of Housing and Urban Development, December 1984.

<sup>25</sup> *Rental Housing Assistance – The Worsening Crisis: A Report to Congress on Worst Case Housing Needs*, Office of Policy Development and research, US Department of Housing and Urban Development, March 2000. Worst case needs are defined as paying more than half the household's income, or living in severely substandard housing.

Also in the late 1990s, a HUD report found that the largest cities and PHAs (those with 10,000-29,999 vouchers) had the longest waiting lists and the longest wait times, and that those wait times had risen by 50 percent between 1996 and 1998.<sup>26</sup> During this period, in contrast, four of the five housing authorities in our study experienced a decline in applications, and a reduction in wait times. Opportunities Inc., the one housing agency in our study that continued to have a high demand relative to the number of vouchers available, is technically a metropolitan area, and may not have benefited from the same levels of funding for various assisted housing programs that were available to non-metropolitan areas in the study group.

In addition to an apparent reduction in need for housing assistance, there also appears to be some change in the nature of applicants' need for Section 8 housing assistance. In most of the areas studied, the applicants' need for housing assistance appeared to be episodic rather than chronic. Families applied for housing assistance when they experienced changes in their living situation—changes or loss of employment, health problems, marriage and divorce, domestic discord or abuse, the illness or death of elderly parents. There did not appear to be the same level of chronic, unmet need for housing assistance that characterized these programs five or ten years ago. Not only were waiting lists for the Section 8 program generally short, but among families that were admitted to the program turnover was high. Three sites—SCAHRA, SIRHA, and Tioga (but not Bradford)—reported that they had short waiting lists, high turnover, and were struggling, with varying degrees of success, to maintain acceptable rates of program utilization.

The phenomena of short waiting lists and high turnover are, we believe, reflections of the more episodic, and short term, need for housing assistance in these rural areas. As there are few, if any, resources for short-term housing assistance available in the study areas, families in need are forced to cycle through existing programs. While our unspoken expectation is that families who qualify for housing assistance will continue to require housing assistance for a relatively long, uninterrupted period of time, the reality in these areas may be quite different. This “revolving door effect” may help to explain the otherwise inexplicably high number of families the sites reported who voluntarily gave up their voucher-assisted or public housing units, as well as families who, in the opinion of the housing authorities, did not lease units because they “just stopped looking.” It also points to a possible need—not for less funding, but for more flexible funding that can be used to provide immediate assistance to families with housing emergencies.

## Leasing in place

One interesting finding of the study was the relatively high number of families that leased in place. In the early days of the Section 8 program, typically 50 percent of new program participants nationwide leased in place.<sup>27</sup> Since then, however, the percentage of families leasing in place has declined to

---

<sup>26</sup> “Waiting in Vain: An Update on America’s Rental Housing Crisis,” U.S. Department of Housing and Urban Development, 2000.

<sup>27</sup> Margaret Drury, Olsen Lee, Michael Springer, and Lorene Yap. *Lower Income Housing Assistance Program (Section 8): Nationwide Evaluation of the Existing Housing Program*, US Department of Housing and Urban Development, November 1978.

about 30 percent nationwide, as more Section 8 families use the program to form new households.<sup>28</sup> However, in our sites 43 percent of all successful renters studied, and 65 percent of successful renters in three of the sites—SCAHRA, SIRHA, and Bradford/Tioga—leased in place. On the one hand, it is possible that these families were satisfied with their housing but were unable for some reason to continue paying the rent without assistance. This surmise is consistent with what we have previously described as the episodic need for housing assistance in these areas in particular, and with the information provided by families that participated in our focus groups.

On the other hand, it is also possible that families leased in place because there was no other rental housing available to them. In this scenario, in-place leasing could be the housing of last resort in tight rental markets. To test this notion, we looked for a difference between the time elapsed between the families' receipt of the voucher and the submission to the PHA of the request for lease approval. We speculated that if the time were shorter for in-place families, it was likely that they made a conscious decision to remain in place. If the time were as long or longer for the families that leased in place as for the families that leased new units, it was likely that they had looked for other housing but were unable to find anything. What we found was that the average interval for families that leased new units was 10 days—the same as for in-place families, but hardly long enough for the conclusion of an exhaustive housing search (see Appendix II, Table 3). Accordingly, we did not feel that any conclusions could be drawn.

The Del Rio Housing Authority had a significantly lower rate of leasing in place than any of the other sites—in fact, it had no in-place leases at all. Unlike the other sites studied, Del Rio maintained its use of the formerly federal need-based preferences. All of the applicants studied were admitted on the basis of their preference status. Fourteen of the seventeen—82 percent—claimed involuntary displacement. Review of the applicant files showed that in most instances these families were being asked to leave the households of family members. While some of these vouchers may have been used to eliminate doubling-up that occurred during and after a flood, the majority appeared to have been used to form new households. This trend over time toward greater use of voucher assistance to form new households is in fact more typical of larger metropolitan areas than it is of smaller rural areas. What Del Rio had in common with its other rural counterparts, however, was an overall lower demand for Section 8 assistance as reflected in the absence of a waiting list even among non-preference applicants.

## Demographic Factors

Demographic data on applicant families was taken from the housing authorities' applicant files. Highlights of the family characteristics at each of the sites appear in earlier chapters (for full data, see Appendix II, Table 3). The data referenced in this chapter has been aggregated across all the sites and is based on the full sample of 113 applicant families from all regions of the country. Accordingly, we have used this pooled sample with caution. We did not aggregate data across sites, or calculate differences in success rates within sites. Because of the lack of diversity within the study sites, it is not possible to separate out the effects of locality from the effects of race and/or ethnicity.

---

<sup>28</sup> Stephen D. Kennedy and Meryl Finkel, *Section 8 Rental Voucher and Rental Certificate Utilization Study: Final Report*, Abt Associates Inc., October 1994.

We did, however, attempt some analysis of the relationship between the other demographic characteristics – notably age, household size, and number of children – and program success. While we recognize that our sample size was too small to draw any statistically significant inferences, we believed that generalizations from these data we collected might suggest some fruitful areas for further study. And indeed, our data strongly suggest that there is a relationship between the age of the head of household and the likelihood that the family will succeed in leasing a unit. All (100 percent) of the households studied that were headed by an elderly person were successful. This was true in all areas, regardless of the perceived tightness of the housing market, the reported scarcity of one-bedroom units, and the reported difficulties facing elderly families forced to conduct their housing search without a car. Success rates for families headed by progressively younger persons had progressively lower success rates. The relationship between success rates for families and the age of the head of household is highlighted in Table 5.

**Table 5**  
**Success Rates by Applicant Characteristics**

	Percent of Applicants that Leased	Total Sample Size <sup>a</sup>
Age of Household Head		
Less than 18	50%	2
18-24	50%	32
25-44	79%	56
45-61	85%	13
62 and above	100%	10

<sup>a</sup> Sample size includes both applicants that succeeded in leasing up and applicants that failed.

Sources: Housing Authority Section 8 Applicant Files.

Similarly, there seemed to be some relationship between success rates and household size, although the data do not show a clear relationship between success rates and household size or number of children. The higher success rates for the smallest households are in all likelihood explained at least in part by the fact that these tend to be elderly households.<sup>29</sup>

Finally, we found no clear relationship between leasing success and amount and/or source of income. The targeting provisions of QHWRA, which require at least 30 percent of the families admitted to the Section 8 program annually to be extremely low income (at or below 30 percent of the area median), were in effect during the period covered by the study. The majority of the families in the study consequently represented a relatively narrow range of incomes, and there were very few families with higher incomes with which the performance of these families could be compared. With respect to the source of income, we found that success rates for families with income from Social Security/SSI

<sup>29</sup> From the earliest days of the Section 8 program until the passage of the Quality Housing and Work Responsibility Act in October, 1998, Federal statute required PHAs to give preference in applicant selection to elderly and/or handicapped single persons over other singles. PHAs now have the option to adopt such a preference locally, although none of the study sites have done so. However, none claimed to have done extensive publicity regarding the availability of Section 8 assistance for non-elderly singles, so most singles in the program continue to be elderly and/or disabled.

tended to be somewhat higher, which in turn was probably related to the high percentage of elderly vs. non-elderly families receiving Social Security and SSI benefits. Full data on the correlation of success rates with these and other demographic data are found in Appendix II, Table 4.

## PHA Policies

Another objective of the study was to determine what effect, if any, the policies and procedures adopted by PHAs had on the success rates of their Section 8 voucher holders. Key policies we examined included applicant selection preferences and applicant screening, briefing procedures and search assistance, payment standards, extensions, and housing quality standards. A summary comparison of the agencies' policies is contained in Table 6.

**Table 6**

### PHA Policies

	<b>South Central Alabama Regional HA</b>	<b>Southern Iowa Regional HA</b>	<b>MDOC/ Opportunities Inc. (MT)</b>	<b>Tioga/ Bradford HA (PA)</b>	<b>Del Rio HA (TX)</b>
<b>Program Size</b>	652	937	621	477	625
<b>Preferences</b>	None	Extremely Low Income	None	Involuntary Displacement, MH/MR, Domestic Violence	Need-Based (former Federal) preferences
<b>Screening</b>	Local criminal history check; if positive, NCIC	No	Self-Certification on Drug Activity	No	No
<b>Briefings</b>	One-on-One	Group	Group	One-on-One	Group
<b>Search Assistance</b>	Unit listings	Unit listings Owner listings Maps	Unit listings	Unit listings posted and mailed	Unit listings
<b>Payment Standard</b>	100%	100%	90-98%	110%	90%
<b>HQS</b>	HQS plus screens, storm/screen door; waiver on unvented gas heater in living (not sleeping) area.	HQS only.	HQS plus local practice on locks, handrails, hard- wired smoke detectors.	HQS– Require certification of water quality.	HQS plus building codes, comments to owner on cosmetic improvements
<b>Extensions</b>	60-120 days: verification of extenuating circumstances.	60-120 days: request on extension form, document housing search.	60-120 days: request on extension form.	60-120 days: written request, verification of extenuating circumstances.	60-120 days: for good cause.

*Sources: Housing Authority Records.*

We did not find radical differences in the agencies' approach to operating the program, and it was difficult to see an effect of the modest differences that existed on the success of voucher holders.

### **Preferences**

Three of the sites – SIRHA, Bradford/Tioga, and Del Rio – had selection preferences. However, none of these sites (with the exception of Bradford County) had any waiting list to speak of, so the preferences did not serve what is generally the function of selection preferences: targeting scarce resources to the families considered to have the greatest need. The fact that assistance was generally available, and not limited to groups that we might expect to have more or less difficulty finding and leasing housing under the program, effectively precluded any findings of positive or negative effects of preferences on applicant success at these sites.

### **Screening**

Three of the sites – SCAHRA, SIRHA, and MDOC – used some form of criminal history check to screen applicants for a history of violent or drug-related criminal behavior. SCAHRA reported that up to 10 percent of program applicants were excluded from participation on the basis of the information obtained. The other sites reported that few families were excluded, but thought that perhaps some families with members with a history of criminal activity had been discouraged from applying. With respect to the effect of applicant screening on voucher holder success, none of the sites indicated that they believed there was any short term positive or negative effect. None believed that families with criminal histories were more or less likely to lease units. Several agencies expressed the opinion, however, that in the long term criminal screening would help reduce the stigma attached to families that receive Section 8 assistance and would improve the willingness of owners to lease to them.

### **Briefings and Search Assistance**

The authorities' policies regarding briefings and search assistance to voucher holders did not differ appreciably. All agencies briefed voucher holders on the operation of the Section 8 program, their rights and responsibilities under the program, what to look for in a unit, and where to find out about available housing. All provided listings of available units and/or owners participating in the program. None provided hands-on assistance during the housing search period, although all reported that they would provide additional suggestions for families that had difficulty finding units on their own, and would call owners on the client's behalf if requested. None of the agencies had units allocated under special programs that involved other agencies in participant selection and/or housing search. None was involved in relocating public housing tenants with Section 8 vouchers, and none had applicants that were eligible for relocation assistance. Interestingly, none of the agencies was aware of other PHAs that might have different strategies for assisting voucher holders to find units.

### **Payment Standards**

Payment standards for the five housing authorities were set between 90 percent and 110 percent of the published FMR, as required by federal regulation. All reported that they regularly reviewed participants' rent burden to determine whether the percentages they used were adequate. All believed that participants should generally be able to lease decent housing at or below the payment standard. To that end, staff usually tried to negotiate proposed rents down to that level so that participants would not be required to pay more than the TTP, even if a higher rent was reasonable for the unit.

Comparison of the agencies' payment standards with their success rates suggests yielded little additional insight into the relationship between the two. If anything, it appeared that the lowest payment standards were related to the highest success rates, although we believe that local market conditions, and the PHAs' understanding of those conditions, were intervening variables.

### **Extensions**

All of the study sites had relatively liberal policies regarding extensions. Our data regarding the interval between voucher holders' receipt of the voucher and submission of the request for lease approval, however, suggested that the majority of successful voucher holders (74 percent) submitted their request for lease approval within 30 days of receiving the voucher. By the end of 60 days, 90 percent of the voucher holders that succeed have submitted a request. If other applicant families had been waiting to use these vouchers, some of these PHAs might have rethought these policies.

### **Housing Quality Standards**

Two of the study sites used only the basic HUD Housing Quality Standards to approve units for the program. The others had imposed some additional requirements based on local standards. While none of the agencies that had adopted additional requirements believed that they had affected the voucher holders' likelihood of success in any way, one agency (Bradford/Tioga) indicated that they believed that the standards were too low, but that raising them would make it more difficult for families to find housing. This agency had already set its payment standard at 110 percent of the FMR, the maximum allowed without HUD approval, and could not in most instances allow higher rents for owners that improved their units beyond the minimum standard without increasing the rent burden to the tenants.

### **Actions to Increase Success Rates**

All of the PHAs that participated in the study were strongly committed to helping their voucher holders succeed in leasing units. In addition to those actions already discussed, PHAs mentioned that they had

- Streamlined the application process.
- Improved their briefings to stress the families' responsibility for finding units, and the need for families to have realistic expectations.
- Coached families to improve their interview skills.
- Encouraged families to look for units while their paperwork was being processed. (While we found no instances of vouchers being issued prior to verification of the applicants' eligibility, the fact that the two processes occurred simultaneously undoubtedly affected our figures on search time, which we defined as the time between the issuance of the voucher and the Request for Lease Approval.)
- Adopted higher payment standards.
- Intervened with prospective owners if requested by voucher holders.

- Reduced the time required to conduct the initial and follow-up inspections.
- Secured HUD waivers for common, non-hazardous violations of HQS.
- Made HAP payments to owners on time.

In addition to these hands-on measures that can be readily implemented at the local PHA level, we believe that there are a few broader program approaches that can make it possible for more low-income families to successfully utilize the Section 8 program. To understand which of these approaches is suitable for a particular locality, PHAs need good data on the success rates for Section 8 voucher holders locally, and a clear understanding of the reasons behind unsuccessful families' inability to lease.

If applicants are unable to lease because of a shortage of rental units, PHAs may wish to consider

- Leveraging the use of project-based vouchers with other program funds (and other agencies and organizations) to stimulate the construction or rehabilitation of affordable rental housing . Under the new HUD guidelines for project-based vouchers (published January 16, 2001), PHAs can also use the long-term contracts permitted under project-basing to as an incentive to owners to set aside units for Section 8 families without requiring rehabilitation.
- Taking advantage of new regulations permitting the use of Section 8 vouchers for homeownership to access a larger segment of the existing local housing market. As discussed earlier, manufactured housing, which is widely available in rural areas, appears especially promising as a homeownership opportunity for low-income families.

Finally, several of the PHAs had suggestions as well regarding what HUD could do to improve the odds of success for Section 8 voucher holders. These included

- Exempting tenant-based voucher units, and especially tenant-based voucher units in rural areas, from the provisions of the new Lead Based Paint Rule.
- Providing a flat subsidy amount to eligible families, to eliminate the complicated Housing Choice Voucher subsidy formula.
- Making the subsidy formula more equitable for working families by calculating the subsidy on the family's net income.
- Eliminating targeting provisions that require 75 percent of the families admitted to the program annually be Extremely Low Income.
- Deregulating the Section 8 program for high performers, to allow PHAs to adapt their programs to local conditions.



## **Appendix I**

### **Data Collection Instruments**

Exhibit 1 – Data Collection Form on Voucher Holders in Rural PHAs

Exhibit 2 – Discussion Guide for Staff at Rural PHAs

Exhibit 3 – Focus Group Guide for Rural Section 8 Recipients

**EXHIBIT 1**  
**DATA COLLECTION FORM ON VOUCHER HOLDERS IN RURAL PHAS**

---

---

Applicant Name/ID number

Pre-Voucher Zip Code

Household Composition

Age

Sex

Rel. To HOH

HOH

Member #                    2

3

4

5

6

7

8

Household Member Handicapped/Disabled?

Annual Income

Low/Very Low/Extremely Low

Sources of Income

Employment

TANF

SS/SSI

Pension

Child Support

Other

---

---

**EXHIBIT 1**  
**DATA COLLECTION FORM ON VOUCHER HOLDERS IN RURAL PHAS**  
**(CONTINUED)**

---

---

Race

White  
Black  
Native American  
Asian

Hispanic

Y/N

Citizenship Status

US  
All Eligible Immigrant Status  
Mixed Immigrant Status

Targeted Program

Welfare to Work  
FUP  
Elderly Independence  
Mainstream Housing for Persons with Disabilities  
Mainstream Housing - Elderly Designation  
VASH  
HOPWA  
Public Housing Relocation  
Litigation  
Disaster

Preference

Substandard  
Displaced  
Rent Burden  
Veteran  
Resident  
Working  
Homeless

---

---

**EXHIBIT 1**  
**DATA COLLECTION FORM ON VOUCHER HOLDERS IN RURAL PHAS**  
**(CONTINUED)**

---

---

Search Assistance

- Briefing
- Unit List
- Owner List
- Counseling
- Transportation
- Child Care
- Professional Housing Search
- Relocation Cash Assistance

Voucher Program

- Old Voucher
- Housing Choice Voucher  
(Certificate)

Application Date

Voucher Date

Voucher Size

Payment Standard

1st RLA

- Date
- Zip
- Unit Size
- Unit Type
- Overall Condition of Unit
- Requested Rent / UA/Gross Rent
- Requested Rent under/ =/ over Payment Standard
- Inspection Outcome/Date
- Tolling Begin Date
- Tolling End Date
- Inspection Outcome/Date
- Rent Reasonable Date
- Rent Reasonable Y/N

---

---

**EXHIBIT 1**  
**DATA COLLECTION FORM ON VOUCHER HOLDERS IN RURAL PHAS**  
**(CONTINUED)**

---

---

Rent Lowered Date  
Rent Disapproved Date  
Affordability Y/N  
Rent Lowered Y/N  
Unit Approved Y/N  
Unit Approved Date  
Lease Effective Date

2nd RLA

3rd RLA

Voucher extension Date 1

Voucher Extension Date 2

Voucher Expired

Unit Leased: new unit, leased in place, portability move?

---

---

**EXHIBIT 2**  
**DISCUSSION GUIDE FOR STAFF AT RURAL PHAS**

---

---

1. What is the your recent experience in issuing vouchers?  
How many were issued last year?  
Did this represent turnover and/or new funding increments?  
Was there new funding for any targeted programs?
  
  2. How tight is the housing market in your jurisdiction?  
Can you estimate the vacancy rate?  
Are many of the vacancies affordable to families in the Section 8 program?  
Are rents increasing, decreasing, or staying about the same? Is the change rapid?  
How much have rents changed in the past year?  
Are there particular areas where affordable housing is located? If so, what are these areas like?
  
  3. Generally, do your voucher holders have difficulty in finding suitable housing in this area?  
Do you collect any data that tells how many voucher holders are successful in finding housing?
  
  4. What types of housing do households in your Section 8 program rent? Single family houses?  
Apartments? Mobile homes?
  
  5. To what extent do you think the difficulty experienced by households looking for units is based on the cost or availability of rental housing in your area?  
Are your FMRs adequate?  
Is there a mismatch between the type of housing available and the needs of Section 8 families?  
Is there a geographic mismatch between where Section 8 families would like to live and the available rental housing?  
Is poor quality housing stock a problem?
  
  6. Are there aspects of the Section 8 program which make it more or less difficult for voucher households to find units?  
Regulatory requirements?  
PHA policies over which your agency has some control?
  
  7. Does the ability to find housing vary by characteristics of the family? Why?  
Race/ethnicity of the household?  
Household composition?  
Household income?  
Special needs that household members may have?
- 
-

**EXHIBIT 2**  
**DISCUSSION GUIDE FOR STAFF AT RURAL PHAS**  
*(CONTINUED)*

---

---

8. What types of landlords operate in the area?
    - Individual owners of single units or buildings?
    - Individual owners of multiple buildings?
    - Corporations?
    - Government or nonprofit agencies?
  
  9. Are landlords generally willing to rent to Section 8 Families? If not, is it because they:
    - are unfamiliar with Section 8?
    - have negative perceptions of the Section 8 rules?
    - have negative perceptions of Section 8 families?
    - can charge higher rents to non Section 8 families?
    - do not want to have to meet HQS standards?
  
  10. How much housing search assistance does your PHA provide to voucher holders?
    - Search training during the briefing session?
    - Listings of owners or units?
    - One-on-one counseling and/or referrals?
    - Anything else?
  
  11. Where else do households go for information about available housing?
    - For Rent signs? Realtors?
    - Property managers?
    - Bulletin boards?
    - The Internet?
  
  12. Are there other agencies in your community that provide housing search assistance to households with vouchers, such as welfare offices, advocacy groups, or non-profit agencies?
  
  13. Are there other PHAs that you know of who have a different approach to helping voucher holders to find units?
    - Who are they? What do they do?
    - Have you ever considered doing something similar?
  
  14. Is portability a big issue in your area?
    - Do you have more port-ins or port-outs?
    - Where are these households coming from/going to? Why?
- 
-

**EXHIBIT 2**  
**DISCUSSION GUIDE FOR STAFF AT RURAL PHAS**  
*(CONTINUED)*

---

---

15. What do you see as the differences between households that succeed in finding housing and households that fail?
  
  16. We need to select 25 folders for applicants who received vouchers (and certificates?) over the last 12 months. These should be chosen without respect to whether they succeeded or failed in leasing a unit. Do you have a listing of all vouchers issued during that period, the capacity to pull a computer report, or some other document (an old waiting list, an appointment book showing scheduled voucher briefings, a sign-in sheet) that we can use to select the sample?
- 
-



**EXHIBIT 3**  
**FOCUS GROUP GUIDE FOR RURAL SECTION 8 RECIPIENTS**

---

---

*Introduction by Moderator*

*My name is \_\_\_\_\_ ; I work for Abt Associates of Cambridge, Massachusetts. We are conducting a study for HUD on the experiences of families with a Section 8 voucher in finding suitable housing. The objective of this focus group is to learn about the steps you took to find housing and your perceptions of what factors make it easier and what factors made it more difficult for you to find a place to rent. My role as the moderator is to direct the content and flow of the discussion and to make sure we cover the topics of interest in our allotted time.*

*Before we begin, let me describe the ground rules for the session.*

- A. The session is being audiotaped. The tapes will be used to help me write a report summarizing your comments. We will destroy the tapes after we write the report.*
  - B. Your comments are confidential. You will not be individually identified in my report. By assuring your anonymity, I hope that you will feel free to speak openly and candidly.*
  - C. There are no right or wrong answers to these questions. We would like to hear all of your opinions. I encourage you to talk to each other and compare your experiences among yourselves.*
  - D. Please speak one at a time so you can share your comments with the whole group. Also, please speak in a voice as loud as mine so that it can be picked up by the microphone.*
- I* Now, I would like you to introduce yourselves. Please say your name and tell us about your family.
- II* How did you come to the Section 8 program?  
Did you have a preference?  
Were you a participant in a special program?  
Were you moving out of public housing?
- III* How long was it from the time you applied to the time you received your voucher?
- 
-

**EXHIBIT 3**  
**FOCUS GROUP GUIDE FOR RURAL SECTION 8 RECIPIENTS**  
**(CONTINUED)**

---

---

- IV* Briefly describe your housing situation at the time you received your voucher.  
Was your intention to lease in place, or to find a new unit?
- V* What were the three most important things you were looking for in your new home?  
Did you have any idea where you wanted to move?  
What areas were you willing to consider?
- VI* Did you receive housing search assistance from the PHA or from any other agencies?  
Did the PHA provide information about housing in your area?  
About portability and the opportunities in other areas?  
A listing of available units or interested owners? Was it useful?
- VII* Where did you get information about available units?  
Did you talk to friends and family?  
Look in newspapers?  
Check community bulletin boards?  
Just drive around?  
Did you talk to any real estate agents, property managers, or landlords?
- VIII* What were the problems you encountered during your search?  
No phone? No transportation? No child care?  
Problems finding affordable units?  
Finding units in good condition?  
Finding owners who would go along with the program?
- IX* How many units did you look at before you turned in your first Request for Lease Approval?  
What made you decide on that unit?
- X* Was the unit approved?  
If not, why not? How long was it until you knew you needed to find another unit?  
How many more RLAs did you turn in?
- XI* Did you lease in place? Did you “port” out to another PHA? How far did you move?
- 
-

**EXHIBIT 3**  
**FOCUS GROUP GUIDE FOR RURAL SECTION 8 RECIPIENTS**  
*(CONTINUED)*

---

---

- XII* You would not be here today if you had not succeeded in finding a Section 8 unit. What did you learn in the process, and what advice would you give other families looking for Section 8 housing?
- XIII* What advice would you give the PHA about how it could help other families be more successful at finding units?
- 
-

## **Appendix II Summary Tables Based on Applicant File Review**

Table 1 – Outcomes, Based on Applicant File Review

Table 2 – Intervals and Extensions, Based on Applicant File Review

Table 3 – Demographics and Income Based on Applicant File Review

Table 4 – Success Rates by Applicant Characteristics, Based on Applicant Files (n=113)

**Table 1**

**Outcomes, Based on Applicant File Review**

	South Central Alabama Regional HA (n=20)	Southern Iowa Regional HA (n=27)	MDOC/ Opportunities Inc. (MT) (n=25)	Tioga/ Bradford County HAS (PA) (n=24)	Del Rio HA (TX) (n=17)	Total
<b>Outcomes</b>						
Final Result						
Lease Ups	45%	70%	84%	83%	77%	73%
Lease in Place	100%	58%	19%	55%	0%	43%
Lease in Jurisdiction	0%	42%	76%	45%	100%	56%
Portability Lease	0%	0%	5%	0%	0%	1%
No Lease	55%	30%	16%	17%	23%	27%
Unit Size Issued						
1	16%	37%	24%	29%	50%	31%
2	47%	30%	44%	46%	31%	40%
3	37%	22%	20%	25%	13%	23%
4	0%	11%	12%	0%	6%	6%
Unit Size Leased <sup>a</sup>						
1	0%	22%	25%	16%	23%	19%
2	38%	50%	50%	47%	62%	50%
3	63%	11%	10%	32%	15%	22%
4	0%	17%	15%	0%	0%	8%
5+	0%	0%	0%	5%	0%	1%
Unit Size Leased Compared to Unit Size Issued <sup>b</sup>						
Leased smaller unit than issued	0%	6%	10%	5%	15%	8%
Leased unit size issued	50%	61%	80%	63%	62%	65%
Leased larger unit than issued	50%	33%	10%	32%	23%	27%
Rent Requested at or below Payment Standard	93%	76%	91%	90%	83%	87%
Rent Approved at or below Payment Standard	93%	81%	91%	90%	100%	90%

**Table 1****Outcomes, Based on Applicant File Review**

	<b>South Central Alabama Regional HA (n=20)</b>	<b>Southern Iowa Regional HA (n=27)</b>	<b>MDOC/ Opportunities Inc. (MT) (n=25)</b>	<b>Tioga/ Bradford County HAs (PA) (n=24)</b>	<b>Del Rio HA (TX) (n=17)</b>	<b>Total</b>
Failure to Lease <sup>d</sup>						
No RLA	45%	50%	75%	75%	100%	61%
RLA but No Inspection	36%	0%	25%	25%	0%	19%
Failed 1st Inspection, No 2nd Inspection	18%	25%	0%	0%	0%	13%
Rent Not Affordable	0%	13%	0%	0%	0%	3%
Other	0%	13%	0%	0%	0%	3%

<sup>a</sup> Percentages represent only those units that are leased up and for which information was available on unit size. A small portion of lease-ups did not have information on unit size.

<sup>b</sup> Percentages represent only those units that have RLA and requested rent or had rent approved.

<sup>c</sup> Percentages represent only those units that were inspected at least once.

<sup>d</sup> Percentages represent only those vouchers that did not lease up.

Sources: Housing Authority Section 8 Applicant Files.

**Table 2**

**Intervals and Extensions, Based on Applicant File Review**

	<b>South Central Alabama Regional HA (n=20)</b>	<b>Southern Iowa Regional HA (n=27)</b>	<b>MDOC/ Opportunities Inc. (MT) (n=25)</b>	<b>Tioga/ Bradford County HAs (PA) (n=24)</b>	<b>Del Rio HA (TX) (n=17)</b>	<b>Total (all sites)</b>
<b>Intervals and Extensions</b>						
Application to Voucher Date Interval <sup>a</sup>						
0-30 days	100%	16%	0%	0%	0%	19%
31-90 days	0%	84%	0%	38%	25%	32%
91-180 days	0%	0%	8%	10%	38%	10%
181 days-1 year	0%	0%	4%	10%	31%	6%
More than 1 year to 2 years	0%	0%	0%	52%	6%	12%
More than 2 years	0%	0%	88%	0%	0%	21%
Mean Interval in Days between Application and Voucher Dates	5	47	1268	324	180	414
Median Interval in Days between Application and Voucher Dates	5	45	1396	407	155	n/a
Voucher to RLA Date Interval <sup>b</sup>						
RLA Date is Before Voucher Date	0%	5%	19%	32%	0%	13%
0-30 days	64%	76%	48%	53%	73%	61%
31 - 60 Days	0%	14%	19%	16%	27%	16%
61 - 90 Days	18%	5%	10%	0%	0%	6%
91 - 120 Days	0%	4%	5%	0%	0%	1%
More than 4 Months	18%	0%	0%	0%	0%	2%
Mean Interval in Days between Voucher and RLA Dates	96	-0.6	20	10	20	22
Median Interval in Days between Voucher and RLA Dates	7	7	6	3	14	n/a
RLA to Initial Inspection Date Interval <sup>c</sup>						
Inspection Date is Before RLA Date	11%	5%	0%	12%	8%	6%
0-30 days	67%	80%	95%	88%	92%	86%
31 - 60 Days	22%	5%	0%	0%	0%	4%
61 - 90 Days	0%	5%	0%	0%	0%	1%
More than 4 Months	0%	5%	5%	0%	0%	3%
Mean Interval in Days between RLA and Initial Inspection Dates	11	33	28	10.5	-0.5	19

**Table 2**

**Intervals and Extensions, Based on Applicant File Review**

	South Central Alabama Regional HA (n=20)	Southern Iowa Regional HA (n=27)	MDOC/ Opportunities Inc. (MT) (n=25)	Tioga/ Bradford County HAs (PA) (n=24)	Del Rio HA (TX) (n=17)	Total (all sites)
Median Interval in Days between RLA and Initial Inspection Dates	7	14	11	11	1	
Initial Inspection to Approval Date Interval <sup>d</sup>						
1 week or less	78%	90%	95%	71%	100%	88%
8-14 days	11%	40	5%	0%	0%	2%
15-30 days	0%	410	0%	18%	0%	6%
More than 1 month	11%	0%	0%	12%	0%	4%
Mean Interval in Days between Initial Inspection to Approval Dates	48	3	1	8	1	8
Median Interval in Days between Initial Inspection to Approval Dates	7	0	0	0	0	n/a
Voucher to Lease Effective Date Interval <sup>e</sup>						
0-30 days	57%	37%	57%	35%	67%	48%
31 - 60 Days	14%	47%	24%	30%	25%	30%
61 - 90 Days	14%	11%	5%	25%	85	13%
91 - 120 Days	0%	5%	10%	5%	0%	5%
More than 4 Months	14%	0%	5%	5%	0%	4%
Mean Interval in Days between Voucher and Lease Effective Dates	76	40	37	54	24	43
Median Interval in Days between Voucher and Lease Effective Dates	22	31	29	35	19	n/a
Extensions Beyond the Initial 60 Days <sup>e</sup>						
61 - 90 Days	15%	0%	4%	4%	0%	4%
91 - 120 Days	0%	15%	4%	0%	0%	4%

<sup>a</sup> About 9% of applicant files did not have application or voucher dates.  
<sup>b</sup> Percentages represent only those applicants that submitted a request for lease approval.  
<sup>c</sup> Percentages represent only those applicants that had an inspection.  
<sup>d</sup> Percentages represent only those applicants that had units approved.  
<sup>e</sup> Percentages represent only those applicants that leased-up units.

Sources: Housing Authority Section 8 Applicant Files.



**Table 3****Demographics and Income, Based on Applicant File Review**

	<b>South Central Alabama Regional HA (n=20)</b>	<b>Southern Iowa Regional HA (n=27)</b>	<b>MDOC/ Opportunities Inc. (MT) (n=25)</b>	<b>Tioga/ Bradford County HAs (PA) (n=24)</b>	<b>Del Rio HA (TX) (n=17)</b>
<b>Demographics</b>					
Household Size					
1	10%	37%	20%	29%	35%
2-4	85%	52%	60%	63%	59%
5+	5%	11%	20%	8%	6%
Mean Household Size	2.6	2.4	2.8	2.8	2.6
Number of Children in Household					
0	10%	41%	28%	33%	35%
1	45%	26%	28%	17%	35%
2	35%	15%	24%	25%	6%
3 +	10%	19%	20%	25%	24%
Mean Number of Children	1.6	1.2	1.5	1.4	1.4
Spouse Present					
	0%	11%	20%	29%	24%
Disabled Household Member					
	15%	20%	24%	33%	6%
Elderly Head of Household					
	0%	15%	4%	8%	18%
Race <sup>a</sup>					
White	25%	95%	65%	100%	100%
Black	75%	0%	0%	0%	0%
Native American	0%	5%	35%	0%	0%
Hispanic Ethnicity <sup>a</sup>	0%	0%	4%	0%	88%
<b>Income</b>					
Annual Income					
\$0	0%	7%	12%	0%	6%
\$1 - \$5,000	70%	15%	12%	17%	29%

**Table 3**

**Demographics and Income, Based on Applicant File Review**

	<b>South Central Alabama Regional HA (n=20)</b>	<b>Southern Iowa Regional HA (n=27)</b>	<b>MDOC/ Opportunities Inc. (MT) (n=25)</b>	<b>Tioga/ Bradford County HAs (PA) (n=24)</b>	<b>Del Rio HA (TX) (n=17)</b>
\$5,001 - \$10,000	25%	44%	52%	42%	53%
\$10,001 - \$15,000	5%	26%	16%	38%	12%
\$15,000 - \$20,000	0%	4%	4%	4%	0%
\$20,000 - \$25,000	0%	4%	0%	0%	0%
\$25,001 - \$30,000	0%	0%	4%	0%	0%
Mean Annual Income	\$4,181	\$8,622	\$8,078	\$8,999	\$5,317
Median Annual Income	\$2,800	\$7,332	\$6,000	\$8,380	\$5,106
<b>Income Category</b>					
Extremely Low Income	95%	70%	76%	67%	94%
Very Low Income	5%	30%	20%	33%	6%
Low Income	0%	0%	4%	0%	0%
<b>Sources of Income</b>					
Employment	20%	48%	48%	50%	41%
TANF	35%	22%	4%	38%	18%
SS/SSI	20%	30%	36%	42%	29%
Pension	0%	0%	0%	0%	0%
Child Support	30%	15%	8%	25%	24%
Other	10%	15%	12%	0%	6%

<sup>a</sup> About 7% of the files sampled did not contain race or ethnicity data.

Sources: Housing Authority Section 8 Applicant Files.

**Table 4****Success Rates by Applicant Characteristics, Based on Applicant Files (n=113)**

	Percent of Applicants that Leased Up	Total Sample Size <sup>a</sup>
Age of Household Head		
Less than 18	50%	2
18-24	50%	32
25-44	79%	56
45-61	85%	13
62 and above	100%	10
Household Size		
1 person	87%	30
2-5 persons	69%	71
5+ persons	58%	12
Income Level		
\$0	50%	6
\$1-5,000	63%	30
\$5,001-10,000	82%	49
\$10,001-15,000	78%	23
\$15,001-20,000	33%	3
\$20,001-25,000	0%	1
\$25,000-30,000	100%	1
Income Category		
Extremely Low Income	74%	88
Very Low Income	65%	23
Low Income	100%	1
Source of Income		
Employment	67%	48
TANF	62%	26
SS/SSI	94%	36
Child Support	73%	22
Other	70%	10

<sup>a</sup> Sample size includes both applicants that succeeded in leasing up and applicants that failed.

Sources: Housing Authority Section 8 Applicant Files.