PRRAC
Poverty & Race
Research Action Council

How to Advocate for Higher Voucher Caps with your Local Housing Authority

Basics of Section 8 Housing Vouchers

- The Section 8 Housing Choice Voucher (HCV) program is the major rental assistance program funded by the Department of Housing and Urban Development (HUD) and administered by local Public Housing Authorities (PHAs).
    - Those eligible for the program find their own housing, so long as the unit meets the program's standards and the owner is willing to participate in the program.
    - Eligibility for Section 8 is based on gross income, with the cutoff for even being eligible generally requiring less than 50% of the Metropolitan Area Median Income (AMI). Additionally, at least 3/4 of vouchers must be provided to those earning less than 30% of the AMI.
- Under the Section 8 Housing Voucher program, residents pay approximately **30%** of their income towards their rent and utilities, and the rest is paid by the voucher, up to the **payment standard** set by the PHA. Traditionally, these payment standards cap the voucher at between 90%-110% of the area's **Fair Market Rent (FMR)**.

Why It's Important to Raise Voucher Caps

- The low income threshold to qualify for Section 8 vouchers combined with the caps based on area-wide fair market rent mean that for any given area, there is a maximum rent voucher recipients will be able to pay. If the FMR is calculated based on rents across an entire city or county, there will undoubtedly be **higher rent neighborhoods that price out voucher recipients**.
    - For example, in Dallas, voucher recipients were unable to afford rents in the more affluent, whiter parts of the metropolitan area with their proximity to good schools and numerous job centers.
- Raising voucher caps will allow program participants greater choice in where they live and will ensure their voucher can get them housing in the higher rent and higher opportunity neighborhoods – including city neighborhoods that are experiencing gentrification and rising rents.

How PHAs Can Raise Voucher Caps

- In 2016, HUD gave PHAs a powerful new tool to increase rent levels in the voucher program using **Small Area Fair Market Rents (SAFMR)** that set average rents by zip code (as opposed to metro-wide). But for most areas of the country, this option is voluntary, and residents must demand that PHAs make this change.

- To increase rent caps in specific zip codes using the Small Area FMR, all that a PHA must do is notify HUD by email that it is adopting "exception payment standards" based on the SAFMR in specific zip codes. PHAs are allowed to set the payment standards at between 90-110% of the SAFMR in each zip code. These rents can be significantly higher than the current FMR – sometimes as high as 150% of the current FMR!

- 24 regions of the country already have been required to adopt SAFMRs (see the list here), and several other regions have adopted SAFMRs voluntarily.

- In addition to seeking increased rents in selected zip codes, you can also ask the PHA to adopt SAFMRs across the board – but this may lead to decreases in payment standards in lower rent neighborhoods.

- PHAs with Moving to Work (MTW) authority also have some extra leeway in setting payment standards.

The Best Arguments for Raising Voucher Caps

- **Higher voucher rent caps mean that voucher recipients can move to any part of the city or region that gives them the work, school, or other opportunities they need to thrive.** Lower caps mean restricting participants to lower-rent neighborhoods and effectively locking them out of higher opportunity neighborhoods. This often cuts along racial divides as well as economic ones.

- In addition to offering families more choice of where to live, research has shown that children who grow up in low poverty neighborhoods have higher educational and adult income outcomes. Small Area FMRs now make this possible.

For more information, see the PRRAC/NHLP advocates' guides to implementation of voluntary and mandatory SAFMRs, and for detailed information see our in-depth analysis of the rule.