

HOUSING CHOICE VOUCHER PROGRAM

MESA GLEN HOUSING AUTHORITY



Each story-led activity is meant to highlight the key points you learned within the *Lead the Way* curriculum and help you apply what you have learned. Story-led activities can be completed as part of the online learning experience, or as a handout to be completed offline individually or as a group. Below is a story you can read individually or as a group. Questions about the story follow each segment. A key with question answers and explanations can be found on page 4. Public housing agencies depicted in these stories are fictional, and any resemblance to real agencies is coincidental and unintentional.

Mesa Glen Housing Authority

The city of Mesa Glen is a vibrant community. A metro area located outside of one of the fastest-growing urban centers in the western United States, it has seen many changes, including more jobs, more housing, and more economic diversity, in the past few years. There has been an increase in high-income individuals, but with that, more low-income individuals have been priced out of the city. There have also been other changes. Mayor Reyes has appointed a new commissioner, Daniela Silva, to the Mesa Glen Housing Authority, and a new CEO, Ted Levinson, has been hired to lead the Authority. The Mesa Glen Housing Authority has a large Housing Choice Voucher Program with over 20,000 vouchers available to the community. Even still, there is a long wait-list for units. When the board briefs Daniela during her first meeting, she has a lot of questions. Many are about the voucher program. She's troubled to find that most board members know very little about the program, despite the number of families it serves, and the percentage of their budget the program comprises.

The previous CEO of the Mesa Glen Housing Authority and its board were concerned about the growing wait-list for the voucher program. To help increase the number of vouchers available, the Authority dropped the payment standard to 90% percent of the HUD Fair Market value. As a result, the Authority could afford more vouchers because the subsidy cost per unit dropped. However, over time, the Authority found that they had fewer landlords willing to participate in the program, and more and more of the units were in high-crime neighborhoods of Mesa Glen. The Authority was also failing more Housing Quality Standard inspections. The wait-lists decreased, but they found that more families weren't actually being housed.



1 Why was the Mesa Glen Housing Authority experiencing a loss of landlords and a shift in the geographic location of its voucher units?

- a. The Housing Authority was paying too many funds to the landlords, leaving fewer funds for the renters and making it challenging to pay their rent. As a result of non-payment by renters, landlords left the program.
- b. Since the subsidies were reduced with the low payment standard, landlords were faced with either reducing their rents so voucher holders could afford the rent, or risking rent non-payment for residents priced out of the units since residents had to pay a higher portion of their income.
- c. There are cyclical patterns to voucher programs. Families move periodically and landlords with HAP contracts change. Sometimes voucher units happen to consolidate in a few locations.

2 Why weren't more families being housed on the voucher program, despite the payment standard going down and the wait-list being reduced?

- a. The rental prices in Mesa Glen likely went down, making housing more affordable for low-income families.
- b. If the wait-list is not as long and fewer families are being served, the only explanation is that the economy is improving and need for the program has been reduced.
- c. Renter choice is reduced when the payment standard is reduced. With lower buying power renters were less successful in finding an acceptable unit they were willing to rent, given their condition and the neighborhoods where they were located that was affordable with the lowered buying power.

3 If Ted Levinson recommends to the board that the payment standard be set at 105% of the HUD Fair Market value, what might result if the PHA's rent reasonableness system is not working properly, and the rents are too generous related to the market?

- a. Landlords will be so pleased with their subsidies that they may have even more units available to the program, and other landlords and housing developers will be interested in the program. Ultimately, this will result in more families being housed.
- b. The renters and the landlords will receive more money each month – everybody wins.
- c. Taxpayer dollars will be wasted and the Housing Authority will serve fewer families.

When Ted Levinson first started at the Mesa Glen Housing Authority, he learned about the current workings of the PHA. He familiarized himself with the board and the information they expected each month. This included a consolidated budget with single line items for each of the programs – the Asset Management projects, the Housing Choice Voucher program, and the special resident support programs they had underway. He also prioritized better understanding the Housing Choice Voucher program. It seems that while the program is a very large part of the Authority's budget and the community, it is not well understood or functioning as productively as it should. He's already tackled the payment standard issue, but is still concerned that landlords aren't well engaged, applicants and residents don't understand their options and responsibilities, housing quality is low, and board members are not capable of making well-informed decisions that will enhance program participation by both landlords and potential residents.

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- 4 Ted requests that his staff establish a plan to develop strategies to better inform and engage the community, in order to increase the success of the program. The staff presents a plan with the following recommendations. Ted and the board should approve all of the following, except:**
- a. Launch an annual Housing Choice Voucher landlord fair, inviting housing developers and owners to promote the program, and educating existing landlords in current updates to the program.
 - b. Hire a Housing Choice Voucher customer service liaison, to quickly respond to both landlord and renter questions and concerns, and ensure prompt rent payments.
 - c. Improve the briefing process for those issued vouchers so that they may better understand how the program works and how they can better locate a unit before they submit a request for lease approval.
 - d. Keep the Housing Choice Voucher program low on the community's radar, so that the wait-list does not get even longer.
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- 5 What can Ted do to ensure that Daniela Silva and the rest of the board are well informed about the voucher program?**
- a. Make all of the contractual documents that guide the program available to the board.
 - b. Provide a separate itemized Housing Choice Voucher administrative budget with revenues and expenses to the commissioners for the monthly board meeting, and include its review on the agenda.
 - c. Make the Administrative Plan available to the board.
 - d. Provide the results of quality control testing on key functions including Housing Quality Standard (HQS), along with updates on the Section Eight Management Assessment Program (SEMAP) to the commissioners.
 - e. All of the above.

1 Why was the Mesa Glen Housing Authority experiencing a loss of landlords and a shift in the geographic location of its voucher units?

- a. The Housing Authority was paying too many funds to the landlords, leaving fewer funds for the renters and making it challenging to pay their rent. As a result of non-payment by renters, landlords left the program.

Try Again. *If the payment standard is too low, such as 90% of Fair Market value, the renters have less buying power and either can't afford to rent from landlords outside the buying power of the voucher or pay a higher percentage of their income for rent to do so – becoming rent burdened.*

- b. Since the subsidies were reduced with the low payment standard, landlords were faced with either reducing their rents so voucher holders could afford the rent, or risking rent non-payment for residents priced out of the units since residents had to pay a higher portion of their income.

Correct. *Mesa Glen Housing Authority was making it hard for renters to afford decent housing. Only landlords with very low-rent units, often of poor quality in depressed, high-crime neighborhoods, could offer affordable rents to voucher holders.*

- c. There are cyclical patterns to voucher programs. Families move periodically and landlords with HAP contracts change. Sometimes voucher units happen to consolidate in a few locations.

Try Again. *There is usually a reason that Housing Choice Voucher units might consolidate in a few neighborhoods or in low-income neighborhoods. The payment standard is often an important factor in determining the geographic diversity of units.*

2 Why weren't more families being housed on the voucher program, despite the payment standard going down and the wait-list being reduced?

- a. The rental prices in Mesa Glen likely went down, making housing more affordable for low-income families.

Try Again. *Mesa Glen is a growing community with more low-income families moving in. It is unlikely that the rental market would be more accessible over time.*

- b. If the wait-list is not as long and fewer families are being served, the only explanation is that the economy is improving and need for the program has been reduced.

Try Again. *There may still be a need for the program. However, the program may not be functioning well enough to attract residents.*

- c. Renter choice is reduced when the payment standard is reduced. With lower buying power renters were less successful in finding an acceptable unit they were willing to rent, given their condition and the neighborhoods where they were located that was affordable with the lowered buying power.

Correct. *When rents are set too low, it reduces renter choice and may lead to under-utilization.*

3 If Ted Levinson recommends to the board that the payment standard be set at 105% of the HUD Fair Market value, what might result if the PHA's rent reasonableness system is not working properly, and the rents are too generous related to the market?

- a. Landlords will be so pleased with their subsidies that they may have even more units available to the program, and other landlords and housing developers will be interested in the program. Ultimately, this will result in more families being housed.

Try Again. While it is true that landlords may be pleased with the higher the payment standard, ultimately fewer families will be served—not more. More dollars on one voucher means fewer vouchers overall.

- b. The renters and the landlords will receive more money each month—everybody wins.

Try Again. The Housing Authority will be unable to house as many families if rent reasonableness isn't working properly. Additionally, taxpayer dollars are wasted if the Housing Authority is paying above market value.

- c. Taxpayer dollars will be wasted and the Housing Authority will serve fewer families.

Correct. If the Mesa Glen Housing Authority pays more than the reasonable rent, taxpayer dollars will be wasted and fewer families will have access to the program.

4 Ted requests that his staff establish a plan to develop strategies to better inform and engage the community, in order to increase the success of the program. The staff presents a plan with the following recommendations. Ted and the board should approve all of the following, except:

- a. Launch an annual Housing Choice Voucher landlord fair, inviting housing developers and owners to promote the program, and educating existing landlords in current updates to the program.

Try Again. This is a strategy to improve the success of the program.

- b. Hire a Housing Choice Voucher customer service liaison, to quickly respond to both landlord and renter questions and concerns, and ensure prompt rent payments.

Try Again. This is a strategy to improve the success of the program.

- c. Improve the briefing process for those issued vouchers so that they may better understand how the program works and how they can better locate a unit before they submit a request for lease approval.

Try Again. This is a strategy to improve the success of the program.

- d. Keep the Housing Choice Voucher program low on the community's radar, so that the wait-list does not get even longer.

Correct. By opening the program to all who are eligible, the Mesa Glen Housing Authority will be able to serve the most families. By keeping the HCV program low on the radar, the Mesa Glen Housing Authority cannot possibly serve all who are eligible particularly those for whom the PHA has set preferences.

5 What can Ted do to ensure that Daniela Silva and the rest of the board are well informed about the voucher program?

- a. Make all of the contractual documents that guide the program available to the board.

Try Again. The contractual documents Ted can provide include the Annual Contributions Contract (ACC), the Housing Assistance Payment (HAP) Contract, and the Voucher. This is a good strategy to help the commissioners become informed, but there are other correct answers in this list.

- b. Provide a separate itemized Housing Choice Voucher administrative budget with revenues and expenses to the commissioners for the monthly board meeting, and include its review on the agenda.

Try Again. Separate budgets will help board members understand how the program is doing outside of the overall financial health of the PHA. This is a good strategy to help the commissioners become informed, but there are other correct answers in this list.

- c. Make the Administrative Plan available to the board.

Try Again. An Administrative Plan includes policies on resident selection, rent reasonableness, unit inspection, approval processes, and more. This is a good strategy to help the commissioners become informed, but there are other correct answers in this list.

- d. Provide the results of quality control testing on key functions including Housing Quality Standard (HQS), along with updates on the Section Eight Management Assessment Program (SEMAP) to the commissioners.

Try again. This information will help board members understand how the program is doing outside of the overall financial health of the PHA. This is a good strategy to help the commissioners become informed, but there are other correct answers in this list.

- e. All of the above.

Correct. Each of the above strategies will help the board become better informed about the voucher program.