

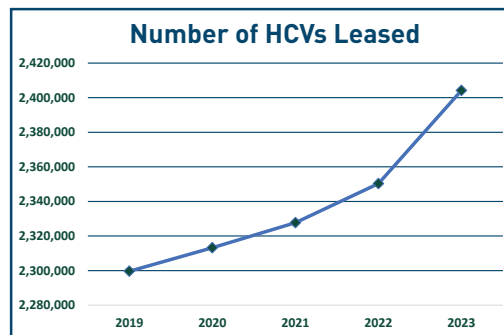


HUD HOUSING CHOICE VOUCHER LANDLORD NEWSLETTER

RECORD NUMBER OF VOUCHERS USED ACROSS THE COUNTRY IN 2023

Opportunities to lease-up with HCV tenants grew significantly over the last calendar year as the Housing Choice Voucher (HCV) program expanded. Each year, HUD publishes data reported by public housing agencies (PHAs) around the country on the number of families receiving subsidies through their various HCV, public housing, and project-based housing programs. The data, published as a part of the [Picture of Subsidized Households](#) dataset, shows that the HCV program has been growing for a number of years, with a steep increase between 2022 and 2023.

As the graph shows, the number of families receiving an HCV subsidy in 2023 jumped to just over 2.4 million households, up by nearly 54,000 vouchers compared to 2022. More than 100,000 additional households received the subsidy since 2019.



The HCV program has been growing for a number of years, while federally funded public housing has decreased. The big increase between 2022 and 2023 is likely due to new vouchers being added through COVID-19 era Emergency Housing Vouchers, new vouchers being used to replace public housing, and other affordable housing projects being demolished, as well as PHAs pushing to use more of their allotted vouchers to ease the affordability crisis in their communities. In August last year, also HUD [announced](#) funding for an additional 9,500 vouchers for PHAs across 36 states following new Congressional funding in fiscal year 2023.

As the HCV program grows, so does the need for property owners to include HCV tenants in their rental portfolios. HUD continues to keep pace with rising rents in the private market, increasing fair market rents an [average of 12%](#) around the country. The most significant increases in metropolitan areas occurred in Jacksonville, NC (34%), Hickory/Lenoir/Morganton, NC, outside of Charlotte (28%), and Portsmouth/Rochester, NH, outside of Boston (28%), between 2023 and 2024.



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SUBMITTING COMPARABLE RENTAL UNITS WITH LEASING PAPERWORK

Submitting comparable rental units with the [Request for Tenancy Approval](#) (RFTA) paperwork provides evidence to the PHA why the requested rent for a unit is reasonable. (See the sidebar for definition of rent reasonableness.) A property owner who understands what elements PHAs typically use to determine rent reasonableness may increase their ability to set a competitive rent and provide comprehensive and compelling evidence that can speed up the approval process for their units.

The factors of the market-rate units used to gauge comparability and rent price vary by PHA but frequently include:

- Unit size (including number of bedrooms, bathrooms, and square footage)
- Proximity to the assisted unit
- Unit quality, condition, and age
- Property type (single-family, duplex, high-rise, garden-level, etc.)
- Utilities paid by the owner
- Appliances included (refrigerator, microwave, dishwasher, disposal, ceiling fans, etc.)
- Amenities included (lawn service, onsite maintenance, fitness center, etc.)

Some PHAs have established systems for property owners to submit comparable units, while others do not. Reach out to your local PHA to learn how they receive rent comparables.

Submitting comparable units with the RFTA and knowing the payment standard schedule for their area help property owners set a competitive rent price that can be accepted by the local PHA and get their units leased quickly.

WHAT DETERMINES THE RENT PRICE?



When PHA receives the requested rent amount for a unit, they use a two-step process to see if they can meet the property owner's request:

- 1. Rent Reasonableness:** The PHA compares the proposed unit to other, similar market-rate units and the rent prices for those units. This is HUD's way of ensuring that PHAs are not paying above-market prices for the subsidized unit.
- 2. Affordability:** The PHA ensures that the family's portion of the rent will not be unaffordable for them based on the applicable payment standard for the unit, the utilities they will pay, and the family's income.

HIGH DEMAND FOR ACCESSIBLE UNITS IN THE HCV PROGRAM



About one in four households with an HCV include a family member with a disability who would likely benefit from an accessible unit. This high demand for accessible units among HCV tenants can present an opportunity for property owners and help to fill a large gap in the rental market. A 2011 report showed that across the country [less than 5% of homes](#) are accessible for someone with a moderate mobility

disability. A lack of accessible units might be particularly pronounced in older cities with an aging housing stock, such as Columbus, OH; Memphis, TN; Charlotte, NC; and Los Angeles, CA. Accessible features of a property for a limited mobility person might include:

- ✓ Ramps
- ✓ Porch or stair lifts
- ✓ Widened doorways
- ✓ Comfort-height toilets
- ✓ Roll-in showers
- ✓ Grab bars or rails
- ✓ Zero-step entry or room transitions
- ✓ Lower counter tops
- ✓ Lever door handles (rather than knobs)

Many homes that are accessible tend to be in high-rise buildings and clustered in certain neighborhoods, which do not always align with the wishes of voucher holders with reduced mobility who may want to live in the communities where they grew up or raised their families. Modest updates to garden-level apartments, duplexes, and single-family homes can create accessible units throughout different neighborhoods in the same city or region.

As a property owner, if you have a unit that already has accessibility features, consider advertising those items in your rental listings. In some cases, accessible units also qualify for a higher, alternative payment standard if the HCV households need an accessible unit. Check with your local PHA to learn more about the potential demand for accessible units and see if your PHA prioritizes disabled families on their waiting list.



HUD LAUNCHES NEW WEBSITE ON SOURCE OF INCOME LAWS

Source of income (SOI) discrimination is the practice of refusing to rent to otherwise qualified tenants based on how they pay their rent – for example, if they pay using housing assistance such as housing choice vouchers. HUD recently launched a new website to provide property owners and tenants with resources that explain what SOI discrimination looks like and identify states and local jurisdictions that prohibit it.



At a time when lower income tenants face increased challenges in finding safe, quality, and affordable housing, Principal Deputy Assistant Secretary of Public and Indian Housing, Richard J. Monocchio said, ***“There is no reason that those with vouchers should face discriminatory barriers that hinder or halt their housing search... In order to address this issue, it is important to work with stakeholders to eliminate those practices.”*** As a property owner, you can use the [website](#) to check what local or state source of income laws might be applicable to you.

LANDLORDS!

The HCV program can play an important role in fighting the affordable housing crisis, but it only works when landlords participate. To provide another quick and easy way to access information about the HCV program, HUD has developed a new flyer that connects property owners quickly to the HCV Landlord Resource page on the HUD.gov website by scanning a QR code.

If you are already renting units to voucher families, thank you.



If you would like to learn more about HCV or know someone who has units available to rent, please scan or share this QR code or download this flyer from [here](#).

Landlords!

Would you like:

- Timely, reliable rent payments with the opportunity to request regular rent increases?
- The potential for long-term tenants?
- The opportunity to help low-income elderly, disabled, and veteran households, as well as families with children by providing affordable housing?

What Is the Housing Choice Voucher Program?

The Housing Choice Voucher program (sometimes called "Section 8") is the federal government's primary program for assisting very low-income families, the elderly, and persons with disabilities to afford decent, safe, and sanitary housing in the private market. Public housing agencies receive funds from the U.S. Department of Housing and Urban Development to administer the program locally. Voucher participants find their own housing, including single-family homes, townhouses, and apartments.

Join Us!

The Housing Choice Voucher program can play an important role in fighting the affordable housing crisis, but only when landlords participate. If you already house voucher holders, thank you. If you do not, please take this opportunity to learn more about the benefits of working with voucher tenants. Also check with your lender about any special program-related loan products.

Note in many jurisdictions it is against the law to discriminate against tenants based on source of income.

This statute is based upon work supported by funding under an award from the U.S. Department of Housing and Urban Development under the Critical Issues Component. The statute and findings of the work are featured in the public notice on the HUD website. HUD is not responsible for any legal liability or responsibility for the accuracy, completeness, or timeliness of any information, opinions, or advice provided. HUD is not responsible for any loss or damage resulting from reliance on information or any other information, or for any loss or damage resulting from reliance on information or any other information, or for any loss or damage resulting from reliance on information or any other information.

Learn More About the Program:

SCAN ME

IN CASE YOU MISSED IT

The last edition of the HCV Landlord Newsletter included a special update for the new NSPIRE inspection standards. You can find this newsletter and all prior HCV Landlord Newsletters on the [HUD HCV Landlord Website](#).

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NSPIRE STANDARDS TO REPLACE HOS FOR HCV INSPECTIONS

Inspections are a critical tool for helping HUD and landlords ensure that they provide safe and sanitary housing for assisted housing tenants. In the final rule published in May 2023, the National Standards for the Inspection of Real Estate (NSPIRE) rule replaces Housing Quality Standards (HQS) and updates HUD's inspections process by implementing inspections that better reflect the true physical condition of the property.

The final rule streamlines standards and creates a unified assessment between the HUD Public Housing, Housing Choice Voucher (HCV), and Multifamily Housing Programs. HCV landlords can expect the new model to address some of their previous concerns by increasing inspector consistency through an objective set of standards and prioritizing health, safety, and functional defects over appearance.

2023 Quarter 3 Newsletter

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- NSPIRE Standards to Replace HQS for HCV Inspections
- Rent Reporting Programs Create Credit-Building Opportunities for Renters
- Bipartisan Policy Center Event Focuses on Boosting Landlord Participation

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