



D3. Housing Choice (Section 8) Voucher Options

The federal Housing Choice Voucher (HCV) Program, “Section 8”, subsidizes the difference between 30 to 40 percent of a household’s income and the area’s Fair Market Rent (FMR). At least 75% of households must have incomes below 30 percent of the Area Median Income (AMI) and may not exceed 50 percent AMI. Vouchers can be used in market-provided or affordable housing.

Key Issues:

- The city has no direct influence on the provision or finance of HCVs.
- Federal policy prohibits local (city) subsidy to HCVs.
- Unlike investment in permanently affordable housing, Section 8 Vouchers are not a ‘renewable investment’; they are a one-time investment.
- Housing and Urban Development (HUD) sets Fair Market Rent (FMR) in Boulder County lower than what can be commanded by private landlords; therefore, it is challenging to find private landlords willing to accept HCV-holding households.
- Paperwork and safety inspections can be disincentives to private market landlords who might otherwise accept HCVs.
- Landlords are not required to accept HCV tenants; they can legally deny Section 8 tenants based on credit checks, background checks, and other factors that do not violate Fair Housing.
- Households currently receiving rental assistance from Boulder Housing Partners (BHP)—there are 900 in total—face challenges associated with finding housing in Boulder on the limited rent associated with their voucher.
- 30% of vouchers issued to Boulder families end up elsewhere in the country and beyond.

Background:

- Demand for vouchers far outstrips supply; BHP and other organizations that administer voucher programs locally distribute vouchers using a lottery process.
- In the past, the Human Services Department explored making “source of income”, which would include HCVs, a protected class; however, it was determined that because of the legal options to deny HCV holders, there would be little real-world impact.
- Boulder Housing Partners (BHP), the Boulder County Housing Authority (BCHA), Longmont Housing Authority (LHA), Mental Health Partners, and the Center for People with Disabilities allocate tenant-based vouchers in Boulder County.
- In 2012 in Boulder, 464 HCVs were in rental units available through the private market. These are included in the affordable housing inventory as “Likely to Remain Affordable” units.
- Boulder County convenes a group called Landlord and Community Relations, which is co-led by BCHA and BHP, and works to educate landlords about housing people with housing barriers.

Implementation Options:

1. Explore participating in HUD’s Small Area Fair Market Rent (SAFMR) Program, which allows higher FMRs based on zip codes.
2. Consider passing a city ordinance that makes “source of income” (including Section 8) a protected class (i.e., prevents landlords from refusing to accept Section 8 tenants).
3. Explore incentives that the city could offer.
4. Explore offering landlord incentives, such as a fund that provides enhanced security deposits.

Goals Addressed Through this Tool:

✓ Strengthen Our Commitments

Maintain the Middle

Create Diverse Housing Choices in Every Neighborhood

Create 15-Minute Neighborhoods
Strengthen Partnerships

Enable Aging in Place

In 2014, Fair Market Rent for a 2-BR apartment in Boulder is \$1,178 (Source: www.huduser.org); however, according to the average 2-BR/2-BA rent in the Boulder/Denver Area, it was \$1,412 in Q3 (Quarter 3) of 2013.