

Note: The following are excerpts from HUD's "Learning from Each Other: New Ideas for Managing the Section 8 Certificate and Voucher Programs" publication, dated September 1996.

SECURITY DEPOSITS:

GUARANTEEING RENTAL DEPOSIT PAYMENTS

Anyone who has ever moved to a new apartment understands the problem with providing a security deposit. Renting a unit in the private market usually requires up-front payment of a security deposit, as well as the first and often last month's rent. Coming up with this cash, in addition to moving expenses, utility deposits, and daily living expenses sometimes seems impossible. Following the 1995 changes in Section 8 regulations, landlords are now permitted to set the security deposit Section 8 tenants pay equal to what is typically required in the local market, usually one month's rent.

THE CHALLENGE

For Section 8 families, coming up with an extra month's rent can be overwhelming. With extremely low incomes and little or no savings, they struggle to cover even small extra expenses and can have great difficulty raising the money to pay for moving expenses, their rent payment, utility deposits and security deposits. Housing agencies are looking for ways to help applicants cover these up-front costs, so they can move into their units.

INNOVATIVE PRACTICE

In **Marin County, California**, needy families can apply for help through ***the Housing Authority of the County of Marin's*** Rental Deposit Guarantee (RDG) Program.

The housing authority, which manages about 1,800 Section 8 certificates and vouchers, works to persuade landlords to accept the security deposit from the tenant in installments, with no interest. Payment plans typically range from two to six months. If the landlord agrees, the housing authority issues a certificate guaranteeing the payment if the tenant fails to pay. On average, the amount guaranteed per family is about \$500, but RDG Program rules allow as much as \$800. So far the program has been quite successful – the repayment rate has been approximately 90 percent.

The RDG program was set up in the late 1980s to help low-income renters with move-in costs and security deposits. Although earlier RDG program participants typically were not receiving rental assistance, Section 8 recipients were not excluded from the program. Following the 1995 change in Section 8 rules affecting security deposits, applications from Section 8 participants have been increasing. About three-quarters of the 120 families helped this year were Section 8 recipients. To be eligible for the program, a family must be low-income according to HUD definitions (household income at or below 80 percent of the area median) and must also demonstrate the ability to pay the monthly installments, RDG program staff go over a family's budget to help determine whether the family can make the payments after meeting monthly living expenses.

The Marin Community Foundation provided \$50,000 to set up a fund to cover defaults. Thanks to the high repayment rate, about \$37,000 remains in the fund. The foundation also provides about \$30,000 per year to support a half-time person and cover administrative costs.

MOBILITY:

HELPING PARTICIPANTS EXERCISE NEW HOUSING OPTIONS

Tenant-based Section 8 allows families to use their assistance to obtain the housing the best suits their needs, within the rent and housing quality requirements set by the program. In many metropolitan areas Section 8 recipients are dispersed throughout the community. However, in some places Section 8 tenants are concentrated in low-income areas where there tend to be fewer jobs, higher crime rates, poor schools, and inadequate city services. The reasons behind this concentration are numerous and complex. Discrimination, higher housing prices, inadequate public transportation and social services, and participants' reluctance to leave familiar surroundings and support networks are all contributing factors. Program administrators and policy makers hope that encouraging participants to explore housing in generally middle-income communities will promote self-sufficiency because of the improved safety and the broader range of economic and educational opportunities these areas offer.

THE CHALLENGE

Many Section 8 participants are totally unfamiliar with sections of the city and suburban neighborhoods they can afford with Section 8 assistance. To compound the problem, owners in those areas are less familiar with Section 8 and may be less willing to accept it. The challenge, then, is to provide Section 8 participants with the help they need to search effectively for housing alternative in a broad range of areas and to encourage landlords throughout the community to accept Section 8 tenants.

INNOVATIVE PRACTICES

Housing agencies have developed various innovative ways to broaden the range of housing choices for Section 8 participants including:

- Counseling participants about the advantages of lower-poverty areas;
- Providing information resources about better-quality neighborhoods;
- Offering direct assistance in locating apartments;
- Taking participants on tours of unfamiliar neighborhoods
- Negotiating with landlords and advocating for Section 8 tenants;
- Setting the program's allowable rents to permit higher rents (including exception rents) in low-poverty neighborhoods and to limit rents paid in high-poverty areas

The three agencies profiled here have adopted a range of creative approaches to promote mobility among Section 8 participants.

LANDLORD RELATIONS:

ENSURING AN ONGOING SUPPLY OF AFFORDABLE HOUSING

Good business people understand the importance of good suppliers and work hard to maintain positive relationships. Some companies even celebrate “Vendor Appreciation Days.” For Section 8 housing agencies, who constantly need to replenish the supply of housing units to accommodate tenant needs, landlords are the suppliers. In order to ensure an ongoing supply of affordable housing, program operators must not only maintain good relationships with existing landlords but also continually attract new ones to the program.

THE CHALLENGE

Maintaining good relations with existing landlords is an ongoing process that involves acknowledging their value and responding to their needs. Attracting new landlords often means educating owners who are unfamiliar with Section 8 and addressing negative impressions they may have about the program’s paperwork, allowed rents, timeliness of payments, or tenant housekeeping. Countering these obstacles and making the program appealing to owners is particularly important in tight rental markets where landlords can easily fill their units with unassisted tenants.

INNOVATIVE PRACTICES

Housing agencies have developed a variety of successful strategies to attract and maintain good relations with landlords. Here, we describe the innovative approaches of six different housing agencies (Has). These agencies have:

- Created partnerships with local rental owners and property manager associations to reach out to landlords. HA staff often speak at association meetings.
- Designed programs to **educate landlords** about the Section 8 program on specific topics such as changes in the Section 8 regulations. As part of the education process, some have instituted owner newsletters which they distribute with rent payments.
- Developed a **business-like approach** that recognizes property owners as an important constituency. This approach includes developing professional-looking, easy-to-use forms, responding promptly to questions and concerns, and taking the time to become familiar with all properties that accept Section 8.
- Formed **landlord advisory committees** to ensure that the program addresses landlord concerns.
- Established **special units** to handle complaints and complex problems.
- Developed **special services** to accommodate landlord needs, including responding in-person to concerns in order to develop better relationships, regularly visiting local properties in order to address problems to avoid HQS issues, and offering conveniences such as **direct deposit for housing assistance payments**.

COMMUNITY RELATIONS:

BUILDING A POSITIVE IMAGE FOR SECTION 8 RENTERS

The successful integration of Section 8 renters into a community requires the support of landlords, local homeowners, and other renters. Building and maintaining good community relations is one of the hardest jobs for any Section 8 administrator. Community perceptions and needs are subjective and are constantly changing. Sometimes program administrators must overcome negative stereotypes about bad tenants; other times they must sort out already-strained relationships between homeowners and renters. At all times they must build and maintain positive impressions about the Section 8 program.

THE CHALLENGE

The challenge for Section 8 program operators is to understand and appreciate community concerns so they can develop a program that operates well, is attractive to eligible families and landlords, and has a positive reputation in the community. They must determine whether problems attributed to Section 8 participants are real, or if they are due to other neighborhood residents. Housing agencies need to work to solve problems where they exist and to be proactive to educate the community so that Section 8 renters are not blamed for problems caused by other residents.

INNOVATIVE PRACTICE

The **Fort Wayne (IN) Housing Authority** saw an image problem that was affecting Section 8 renters. They dealt with this problem in an innovative way, by working with city officials to develop a video on renters' rights and responsibilities.

Neighborhood associations in the city of Fort Wayne were complaining to the Fort Wayne Housing Authority about Section 8 participants. The neighborhood associations claimed that Section 8 renters were responsible for health, safety, and building code violations in their neighborhoods. When housing authority staff investigated the allegations, they found that the complaints were often about renters who were not Section 8 recipients. These complaints in fact, reflected a history of strained relationships between the homeowners and renters in these neighborhoods, stemming from a wave of investors purchasing and converting homes to rental properties.

To address this problem, the housing authority and the city joined forces to produce a video on renters' rights and responsibilities. Intended to allay homeowners' fears, stereotypes, and beliefs about renters and to teach landlords and tenants about their rights and responsibilities, the video explains how the concerns of all parties are interrelated. It is the first public information program in the Fort Wayne metropolitan area to address landlord-tenant relations.

As full partners in the production of the video, staff from the housing authority and the city based the script on interviews with homeowners and with Section 8 and non-Section 8 tenants and landlords. They found that the rights and responsibilities of tenants, landlords, and homeowners were interrelated and complementary. Tenants felt they had the right to live anywhere they could afford and had a right to clean, safe units. Landlords knew it was their responsibility to

adhere to fair housing laws and maintain their rental properties and felt they had the right to be paid on time and to have their units kept free from abuse and damage. Tenants knew it was their responsibility to pay the rent on time and to keep up their units. The video shows that renters, landlords, and neighborhood homeowners are all responsible for maintaining the properties and the neighborhood.

A local TV news personality narrated the film, which features interviews with local owners and renters from both the assisted and unassisted sectors. The video includes an interview with a Section 8 tenant whose goals for finding housing match those of any homeowner or renter. She wants a clean unit in a quiet neighborhood with courteous neighbors who will look out for each other, their children, and their homes.

In addition to addressing the immediate problem of homeowner complaints about Section 8 recipients, the video was created as an educational tool to promote good relations among all renters, homeowners, landlords, and neighborhood organizations. It is shown at Section 8 orientations, and the city has screened it at virtually all neighborhood association meetings. A number of local tenant organizations have also presented the video at their meetings, and social service agencies use it in some of their programs as well.

The total direct cost of producing the video was \$12,000. The housing authority paid half and the city paid the other half from its Community Development Block Grant funds.