

Relentless Rents Leave Few Choices for Americans Relying on Assistance

Renters under the Section 8 voucher program are struggling to find apartments that meet their needs and fall within a tight budget

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Government programs designed to support the lowest-income Americans have been no match for the relentless post-Covid US rental market.

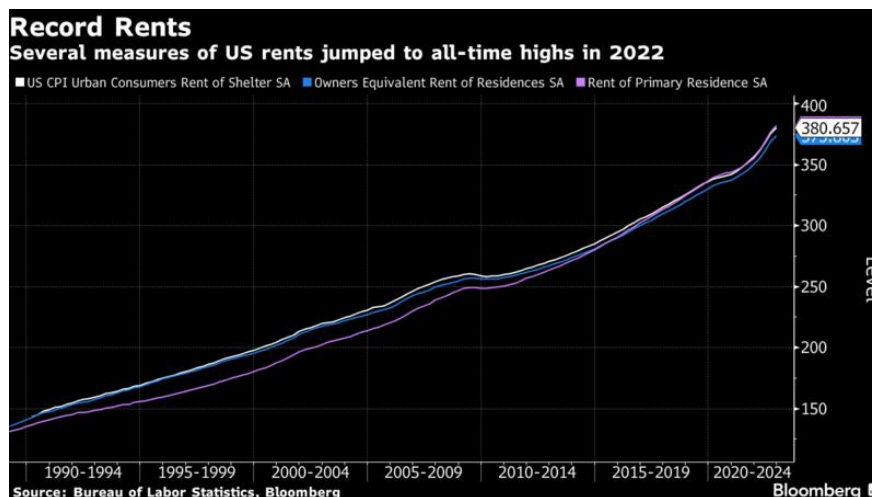
Already plagued by years-long wait times, those who receive so-called Section 8 housing choice vouchers are struggling to use them to find apartments with rents at or near records nationwide. While demand for assistance soared to historic levels in 2022, the share of tenants successfully finding housing dropped, according to the Department of Housing and Urban Development, which funds the program that supports more than 2 million households annually.

Rents are rising at some of the fastest ever rates, according to the consumer price index, emerging as one of the main drivers behind overall US inflation. And while several real-time measures show prices on new leases aren't growing as fast as they were, and are even declining in some markets, existing prices are still extremely high and pushing many families to the brink of homelessness.

"There's a huge backlog of people who need assistance and not enough resources allocated by Congress to actually provide vouchers to those people," said Mary Cunningham, a housing expert at the Urban Institute, a Washington-based think tank.

Valerie Savedra is one of them. After becoming wheelchair-bound at age 53, she needed a new apartment — a first-floor unit with no stairs, doors wide enough to fit her wheelchair and an extra room for a home aide. Savedra waited about six months to receive her Section 8 voucher after applying in February. But in the competitive rental market in Tucson, Arizona, she struggled to find a place that the voucher would cover.

"Some days I just felt like just rolling out to the middle of the street because I didn't know where else to turn," Savedra said.



The Section 8 program, named for the eighth section of the US Housing Act, was created in the 1970s as an answer to public housing failures, meant to give low-income renters more choice in where to live. Tenants in the program, who don't need to be employed for eligibility, pay 30% of their income on rent and utilities each month, and vouchers handle the rest.

But they can only be applied to certain apartments that are priced around a region's "fair" market rent, which the government sets each year at just under the area's median. Most public housing authorities — which receive the funds from HUD and administer the vouchers locally — use an entire metro area to determine the rate instead of calculating by zip code. That ends up rendering many neighborhoods "completely unaffordable," said Philip Tegeler, executive director of the Poverty & Race Research Action Council, a Washington-based civil rights law and policy organization.

The government defines anyone who spends more than 30% of their income on housing as "cost burdened," which constituted over 40% of renter households, or 19 million, from 2017-2021, according to Census Bureau data released in December.

HUD, which budgeted \$25.8 billion for the voucher program in 2022, adjusts the caps annually to take into account inflation and rent changes captured by a Census survey. But last year — amid extreme market volatility and with Census data muddled by Covid adjustments — the agency started incorporating private housing-market data from the likes of Zillow and Apartment List into their calculations. The leap was dramatic. Fiscal year 2023's fair market rents, in effect as of October 2022, jumped a record average of 10% across the country.

The new formula "will make it easier for voucher holders facing this challenge to access affordable housing in most housing markets, while expanding the range of housing opportunities available to households," HUD Secretary Marcia Fudge said in a September statement. The changes "reflect the reality of housing unaffordability for many households, while supporting our efforts to improve affordability and accessibility for all Americans."

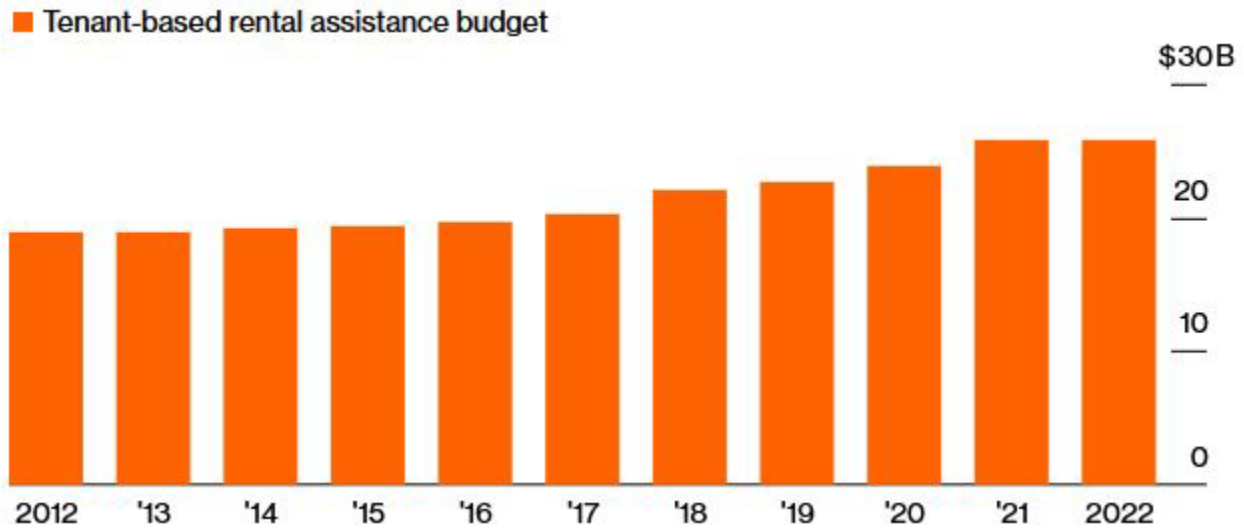
In Tucson, where the average monthly rent was about \$1,300 for a two-bedroom unit in October, the fair value was adjusted to \$1,175 for 2023. Savedra's rent is \$1,050 — she pays \$297 for rent and utilities, which is about a third of her monthly income from Social Security Disability Insurance. The voucher covers the rest.

As hard as securing a voucher is, it's no guarantee that a landlord will accept it. There are no federal housing protections against sources of income discrimination, so in most jurisdictions, landlords aren't mandated to rent to Section 8 tenants. Many choose not to, in part because of stigmas around low-income residents, or an unwillingness to deal with the government regulations that come with the program.

In the depths of the pandemic when rents were falling in most metropolitan areas, that calculus changed, since landlords knew they could at least rely on some portion of the rent to paid by a housing authority even if the tenant's own income was disrupted, said Eva Rosen, an associate professor of public policy at Georgetown University. But with the market more competitive now than ever, the environment is less friendly to tenants in need.

Housing Choice Voucher Budget Barely Budes

Advocates say federal funding for Section 8 hasn't kept up with rising rents



Source: HUD Congressional Justifications

While increasing voucher caps can help existing Section 8 renters, it risks shrinking the overall pool absent greater investment.

“If rent costs are increasing, then we don’t want to just be helping fewer people afford the higher price it costs to live in this country, but to actually consider whether we need to allocate more money to this program,” said Rosen, author of *The Voucher Promise*, a book on Section 8.

The Biden administration is trying to do so. While it’s a fraction of his initial proposal before the House, the 2023 budget includes \$130 million for 11,700 additional vouchers targeted towards people most at risk for homelessness and survivors of domestic violence. That follows the 19,000 extra vouchers the department awarded to public housing authorities in 2022.

By the time fair market rates changes went into effect in October — increasing Savedra’s voucher amount by \$200 — she finally found a new place to live: a duplex that meets her disability requirements and has a backyard. It took her three long months, looking for apartments by day and sleeping on a couch at night, worrying she’d become homeless.

“Nobody deserves this treatment,” Savedra said. “We’re humans and we deserve a safe place to live regardless of what they think.”

— *With assistance by Maria Paula Mijares Torres and Kriston Capps*