

Why half of affordable housing vouchers in CT go unused: ‘A slamming door in my face’

Government red tape, hot housing market among top reasons why low-income residents struggle to use vouchers

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Just days before Christmas, LaResse Harvey received the gift of a lifetime.

After spending two years on a waiting list, she received a call from the Bristol Housing Authority notifying her she had won the lottery for a government-subsidized housing voucher for low-income families. The voucher would cover a significant portion of her rent, allowing her to afford a place ranging from \$1,089 to \$1,144 per month, depending on the location.

Finally, she'd be able to rid herself of the constant anxiety of how she would come up with enough money for rent each month. She imagined never again being stuck in an unhealthy relationship because she couldn't afford a place on her own. She was thrilled she would soon not have to sleep on her sister's couch or in her SUV at highway rest stops.

“I was so excited,” Harvey said. “I go online. I start looking for an apartment.”

But after an exhaustive six-month search that brought Harvey to tears at times as she navigated a red-hot housing market and waded through a morass of red tape, Harvey was unable to find a single apartment that would accept the voucher.

On June 21, her lottery ticket expired, unused.

Days before that happened she won a spot in a housing project in Ohio, hundreds of miles away from her work and family.

“It's unfortunate that I had to leave Connecticut in order to find affordable housing,” she said during one of her recent trips to Bridgeport for work. “Coming back here, I get sad.”

The maddening plight Harvey endured is all too common, and the problems have worsened.

Half of the thousands of vouchers people won from local housing authorities in Connecticut in recent years went unused, according to a Hearst Connecticut Media Group investigation, which examined hundreds of records, surveyed all 45 local housing authorities in the state that oversee vouchers and interviewed dozens of people.

The problem has been driven by a combination of factors, Hearst Connecticut Media found:

- Few local housing authorities allow new voucher recipients to use the rental assistance outside of that city or town.
- In rare cases when recipients are permitted to use vouchers in a different city or town, recipients aren't told how much their voucher is worth in other communities.
- A cobweb of federal, state and local government rules outlining how vouchers must be used can be onerous, frustrating voucher recipients as well as landlords.
- Voucher recipients often receive little, if any, help to navigate an ultra-competitive market, cut through red tape and find housing where their voucher is eligible to be used. The federal government provides little incentive for local housing authorities to provide such assistance.

- Accountability is lacking in some areas. For example, local housing authorities grade themselves on how helpful they are at helping voucher holders find housing. Nearly all give themselves a perfect score.
- Landlords said they are reluctant to accept vouchers because of delays associated with tenants being able to use them. This, despite how the Connecticut Supreme Court recently ruled denying tenants because they want to use a voucher is discrimination.
- Many who allege they were discriminated against are in limbo due to a growing backlog of federal housing discrimination complaints awaiting investigation.

While these obstacles have long hindered many people from successfully using their vouchers, a hot housing market has driven the number of available units to record lows and prices to new highs – leaving many voucher recipients out of luck.

Before the pandemic, about one-third of vouchers in Connecticut were going unused. Since 2020, 50 percent of all vouchers issued have gone unused — a total of nearly 3,000 unused vouchers statewide.

More than twice as many people in Connecticut are now searching for a place to use their voucher than before the pandemic, federal data show.

Several factors are at play:

- The value of these federally-funded vouchers has not kept pace with the rapidly increasing cost of rent in a state with some of the highest rents nationally. In Connecticut, vouchers allow recipients to rent units that cost between \$1,054 and \$2,339 per month, depending on location. Those figures include a portion of rent recipients must contribute, which varies depending upon their income.
- Most housing authorities in Connecticut have not taken the federal government up on their offer to increase the value of the vouchers.
- Connecticut has the lowest share of vacant rental units in the country. This creates fierce competition from renters who don't have the same bureaucratic obstacles to clear as voucher holders do.

Pamella Heller, an attorney at the Connecticut Fair Housing Center, a nonprofit whose attorneys attempt to dismantle housing discrimination, said her office gets a lot of calls from people begging for help to secure housing before their voucher expires.

“It's sort of like a perfect storm of all these variables coming together,” she said.

The problem is worse in some communities.

In Bristol, where Harvey won her voucher, about four out of every five vouchers were not successfully leased up in 2021. In Portland, nine out of 10 vouchers went unused.

“When I first issue the vouchers, they're very excited. I try and warn them,” said Sue Nellis, the executive director of the Portland Housing Authority. “Some of them have waited for years to get a voucher and they're all excited when they get it and then at the end of the four to six months, they've lost it. I do feel bad about that. I don't know what else I can do.”

As a result of so many vouchers going unused, the federal government calculated that each month in Connecticut about \$1.6 million in funding for affordable housing was going unspent, as of August. That money could have paid to house 1,700 more families each month in the state, federal officials estimated.

“It’s problematic because of all the families that could be served,” the U.S. Department of Housing and Urban Development wrote in its a recent notice to local housing authorities.

Limited locations

Harvey was surprised when she found out she could only use her voucher in Bristol, two neighboring towns and one nearby village, a small pocket of the state where there are few rentals available.

“So frustrating,” she said of the boundaries.

Officially called Section 8 Housing Choice Vouchers, these rent subsidies were created by Congress as a market-driven alternative to troubled public housing projects and to “increase housing choice for low-income families.”

Yet, many recipients encounter limited choices for where they can use their voucher.

Of the 45 housing authorities in Connecticut that distribute these vouchers, only 10 allow all new recipients to use them wherever they choose. Nine other authorities only allow those who already lived in town at the time they win the voucher to use it elsewhere. The remaining 26 require anyone who wins a voucher to live in that housing authority’s jurisdiction for the first year.

Several housing authority officials said they limit where the vouchers can be used to increase the chances for those who already live in their towns to win a voucher amid high demand for rent subsidies across the state and the rest of the country.

“That helps us with helping the families within our community,” said Jackie Figueroa, the deputy executive director of the housing authority in Stamford, Charter Oak Communities.

In Stamford, only those who already lived in the city when they won a voucher are allowed to immediately move out.

“One of the greatest features of the program is mobility, so we don't want to restrict that in any way, or to the least extent possible – but we understand that vouchers are limited,” Figueroa said.

Since 2017, four of the 353 families that were issued a voucher moved out of Stamford. Ninety-one vouchers have not been used.

Greg Kirschner, a civil rights attorney and the leader of the CT Fair Housing Center, takes issue with towns targeting their residents for help.

“That’s a potentially troubling justification for limiting where you can use a voucher,” he said.

Some Connecticut housing authorities have tried to establish lottery formulas that upped the odds local residents would win subsidized housing. But fair housing attorneys have successfully challenged these practices in Darien, Mansfield and Winchester, arguing that allowing these overwhelmingly white towns to direct access to affordable housing to their residents shuts out people of color.

Federal restrictions

Federal rules also drive local housing authority officials to restrict where the 25,300 vouchers they oversee in Connecticut can be used.

That’s because administrative payments the federal government gives to housing authorities to help them cover the costs of doling out vouchers are based, in part, on how many

vouchers are used within an authority's jurisdiction. Allowing too many families to use their voucher elsewhere will lead to fiscal problems.

"With the time and effort you spent doing the calculations, and recertification and eligibility requirements, and then all of a sudden a person wants to go and move ... The housing authority put in all that time and effort, and now they're not getting paid for the administration," said Joseph D'Ascoli, executive director of the Manchester Housing Authority.

Last year, his housing authority issued 74 vouchers to be used in town. Twenty-one were used.

Housing authority leaders point out they did not design the system.

"We just follow what comes out of the rules and regulations," said D'Ascoli.

The Willimantic Housing Authority is unique in allowing recipients to use vouchers out of town. When someone does so, it hurts the metrics the U.S. Department of Housing and Urban Development prioritizes to determine its oversight and enforcement of local housing authorities.

"It's a tight-wire act," Kim Haddad, Willimantic Housing Authority's executive director, said of the setup. "They are housed, which is a good thing, but we get that as a vacancy on our program. We don't get to count that."

A balkanized system

Voucher recipients face a labyrinth of government rules and procedures to complete in order to successfully use these rental subsidies.

"It's so hard to use this voucher," said Jennifer Holmes, whose Portland voucher is set to expire Dec. 20. "Trying to get help for housing, period, has been a slamming door in my face time after time."

She recently landed permission to use her voucher out of town because she has a debilitating chronic disability and federal law requires housing authorities to provide exceptions to their move-out rules to accommodate someone's disability.

But even when the entire housing market is opened up for voucher holders to search for a place, people like Holmes face significant hurdles.

Voucher holders aren't told how much their voucher is worth when they search for housing in communities outside the jurisdiction that awarded it. Once they find a unit in another community, their fate is left in the hands of the housing authority that issued the voucher and the one where they found a place to process the request and to negotiate who will pick up the tab and get credit for the lease with HUD. And the out-of-town housing authority may subject voucher holders to rescreening for eligibility under different standards.

The federal government does not monitor how successful attempts to transfer are.

There is also no repository of voucher values, and few housing authorities post the values on their websites.

"I have to call each individual housing authority to find out what their [voucher] rate is," said Holmes.

When she called the housing authority in Guilford, where she gets treatment several times a week for her disability, she was told they don't have a voucher program for her to transfer to.

"I am completely confused," she said.

Only about one-third of Connecticut cities and towns have a local housing authority that administers vouchers. If voucher recipients wish to move to communities without a program, they must first transfer their voucher to the State Department of Housing.

When a transfer is allowed, that voucher can be used anywhere in the state and the recipient gets a list with how much the state has determined they can spend on rent in every town or zip code.

But the federal government caps how many vouchers and how much money the state's housing authority has to distribute. Officials who oversee the statewide voucher program said there are limits to expanding past the 7,800 vouchers they currently manage.

"The amount of funding that we get is directed by the federal government. Would we like to expand as much as possible if we got the resources? Of course," said Steve Dilella, a director at the Connecticut Department of Housing. "Clearly, we have an advantage over other housing authorities that are a little bit more tied up in their jurisdiction. That is just the way that the federal government has kind of set the system up."

The federal government dictates the rules housing authorities must follow in order to participate in the voucher program – but state law confines each housing authority's jurisdiction to the boundaries of each town unless local officials decide to team up and create a regional voucher program. Few have, Hearst Media found.

Civil rights attorneys and affordable housing advocates in Connecticut have tried unsuccessfully for years to convince enough state legislators and Gov. Ned Lamont's administration to dismantle this state law that limits voucher mobility.

Frustrated by the lack of change from state officials, civil rights attorneys in August 2020 asked HUD to force the change. The state law "maintains and perpetuates segregated housing patterns in Connecticut," the Open Communities Alliance wrote in a housing discrimination complaint filed with federal officials.

Four out of every five families that receive a voucher live in racially segregated communities and over half in neighborhoods with extreme poverty. The overwhelming majority of voucher recipients are Black or Latino.

"The notion that, except in very limited circumstances, [public housing authorities] cannot make affordable housing opportunities available to Black and Latino families unless white municipalities consent to their presence is a fundamental affront to the very principles and goals of the Fair Housing Act," said the Open Communities Alliance complaint.

Federal laws gives HUD 100 days to complete discrimination investigations "unless it is impracticable to do so." That deadline passed almost two years ago.

HUD declined to provide an update on this case, the reason for the delay, or comment on the state law that limits housing authority jurisdictions to town lines. The number of discrimination complaints that have passed the 100-day deadline has grown in recent years.

"With thousands of fair housing cases sitting with HUD and state agencies unresolved it's clear that we can't protect fair housing rights without more resources," said Erin Boggs, the leader of the nonprofit with the open HUD complaint in Connecticut.

Landlords' woes

State law forbids landlords from declining to rent to someone because they plan to pay with a voucher. But wading through the bureaucracy of the program is turning some landlords off to leasing to voucher recipients.

One landlord in Windham who tried for months to rent to a family with a voucher from a nearby town said she eventually gave up, frustrated by red tape and delays.

“I am bleeding cash while I wait. I have to pay the mortgage and I have to pay off the painters. I give up. I have tried, and tried, and tried, and tried – but screw this. I have suffered, and so I just put it on the market,” the landlord said. “Two weeks on the market, and it was rented: no problem.”

Hearst CT Media agreed not to publish the landlord’s name because she fears getting into trouble for not renting to a voucher recipient.

But is it discrimination if the landlord rejects someone because they don’t want to deal with the voucher paper work?

Yes, ruled The Connecticut Supreme Court in April.

"Landlords may not justify disfavoring housing vouchers, which are a lawful source of income, by claiming reluctance to undertake the various administrative burdens that attend participation," reads the decision.

Still, Harvey said landlords repeatedly told her they won’t rent to voucher holders, because of the delays. She also believes her felony conviction from three decades ago when she was 21-years old is standing in her way.

“When am I going to stop being punished for what I did when I was a kid? It’s not fair,” said Harvey, who has been out of prison for 23 years and was added to the Connecticut Hall of Change in 2020 for her turnaround.

In 2020, LaResse Harvey was inducted into the Connecticut Hall of Change, a program “designed to recognize and memorialize formerly incarcerated men and women who have made substantial contributions to their communities since their release.” | Connecticut Hall Of Change

The federal government expects housing authorities to find landlords and provide a list of places that accept vouchers outside struggling neighborhoods, but lets those officials grade themselves on their success.

Nearly all give themselves a perfect score.

Federal auditors for years have flagged these self-assessments as not always accurate and questioned the reliability of the information.

HUD and its regional office declined to be interviewed for this article.

Asked if the agency has taken any steps to audit whether tenants are being provided landlord listings by housing authorities, HUD’s regional office said in an email: “[Authorities] describe these efforts in agency documents that we have no reason to believe is inaccurate.”

Housing authority officials during interviews said they struggle to find landlords because they are stretched thin, aren’t provided the funding needed to offer such support, and that larger structural problems outside their control are to blame, such as housing discrimination and a lack of affordable housing.

“The Section 8 program, it’s a tired program. It’s tired. Section 8 doesn’t work in an increasing number of communities and areas of the country,” said Anthony Vasiliou, the executive director of the housing authority in the well-off shoreline town of Milford.

In Hartford – where two out of three vouchers have gone unused since 2020 – there are seven caseworkers each overseeing about 410 vouchers.

Harvey is experiencing the impact of the way the program is set up.

“Is there a list of friendly landlords?” she emailed the Bristol Housing Authority shortly after officials there gave her 30 more days to use the voucher. “I am trying not to be discouraged.”

Her case manager a few minutes later responded with the same answer she’s given before. “Unfortunately, we still do not have a landlord listing at this time.”

Fair housing attorneys said while landlords should follow their obligation to rent to voucher recipients, what's ultimately needed are better rules.

"I think it's fair to say that everyone would benefit from a more efficient and easier process," said Kirschner from the Fair Housing Center. "All these requirements ultimately have some effect of limiting choice and making utilization more difficult."

He questions why poor people are expected to jump through so many extra hoops to access taxpayer subsidies for housing.

"There's no question that in terms of housing benefits, this program is more burdensome than programs afforded to higher-income folks. So in order to benefit from deductibility of mortgage interest and property taxes, you just fill out your tax form – but to utilize a voucher it's a pretty paperwork intensive process."

Responding questions about the success rates of vouchers, HUD's regional office pointed to several factors outside their control.

"The lease up of a voucher is contingent upon a variety of factors including housing availability, market competition, owner screening factors and requirements and tenant's actions in the lease up process," HUD said in an email.

Values lag

As rents have risen, voucher values have not kept up.

Take for example, the upper middle-class town of Milford, one of 17 Connecticut communities that has raised voucher values to the maximum amount they can under federal rules.

Here, a one bedroom voucher allows recipients to rent units that cost up to \$1,468 per month, a figure that includes a portion of money the recipient family's expected to contribute towards rent; that contribution varies depending on the recipient's income.

But, a recent search of Zillow and Apartments.com showed no rentals in town under that price. The lowest price one-bedroom unit listed in Milford was \$1,520 per month.

Local housing authorities are able to increase voucher values by up to 10 percent above rates set by the federal government, and they can seek a waiver from HUD to increase voucher values by a total of 20 percent above HUD's rates.

To make the vouchers competitive in Milford, its housing authority's executive director estimates voucher values would need to increase by 30 to 40 percent above HUD's rates.

But when housing authorities increase voucher values, they don't get any additional funding. So upping values leaves authorities with fewer vouchers to distribute.

Officials at the Windsor Housing Authority were divided on what to do.

Janel Rios, the housing coordinator from the Windsor housing authority, said she "had to beg" colleagues at the authority "to go up 10 percent because people weren't finding apartments in our town for that price – and they're still not because it's still too low."

Like Windsor, the majority of towns in Connecticut, have not applied for a HUD waiver to increase voucher values by 20 percent. And about half of housing authorities in Connecticut are not using increased voucher rates HUD released September 1 in an annual update.

"One of the reasons that housing voucher holders are unable to use those vouchers is because the value of their vouchers has not kept up with rapid rent increases," HUD Secretary Marcia L. Fudge said when releasing the new rates that increase values by 10 percent on average across the country.

Yet even when voucher recipients manage to find housing within the voucher value limits – and within the municipality required – the unit must pass two additional tests. The first inspection aims to determine if the place is safe. The second, known as a “rent reasonableness” test, is to ensure the government will not be paying too much.

Housing authority officials aren't required to track how often units pass or fail these tests. HUD doesn't get involved, either.

“It is the role of the [local] housing authority to manage” these inspections and rent reasonableness tests, HUD's regional office said in an email.

The lack of transparency and oversight around rent reasonableness assessments trouble fair housing attorneys.

"They claim it's a proprietary formula, and they won't really explain in a lot of detail," said Heller, who had a client lose multiple places to these assessments. "She was desperate to move last year, and this happened to her over and over again. She thought she found a place that was affordable, and then, nope, it failed rent reasonableness."

This cobweb of bureaucracy is in desperate need of clearing, says Boggs.

"It's not only really inefficient, it's really sad for the families," she said. "There's just layers of barriers to families finding a place."

Jacqueline Rabe Thomas has been an investigative reporter with Connecticut Public's Accountability Project, a housing and education reporter with The Connecticut Mirror, and a reporter in ProPublica's Local Reporting Network. Her reporting has led to home health care workers getting reimbursed for wages illegally taken from them, undocumented immigrants being able to access outpatient dialysis treatment and no longer having to live in the hospital to receive care, and the top brass at the state's university system being fired. She has a masters in public policy from Trinity College and a journalism degree from Bowling Green State University. She lives in Hartford with her husband, two children, and three dogs. Will work for tips: (202)494-8607.