

What Is Section 8 Housing? Help Paying Rent (and Not Just in Sketchy Neighborhoods)

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People who struggle to pay rent can find affordable housing through a variety of government programs, the biggest of which is called the Housing Choice Vouchers Program, often referred to as "Section 8."

So, what exactly is Section 8 housing?

For starters: The "8" refers to Section 8 of the Housing Act of 1937. This provision was added in 1974 and authorizes the government to issue vouchers to eligible renters that they can use to pay their rent. According to the latest statistics, Section 8 assistance is received by approximately 3.3 million low-income, elderly, and disabled households in the U.S.

Yet many Americans have misconceptions about how Section 8 housing works: Contrary to what many think, Section 8 housing can exist anywhere landlords choose to participate -- not just in housing projects in sketchy neighborhoods. Many people are also unclear about who qualifies for Section 8 benefits.

So let's dive into the specifics!

How to qualify for Section 8 housing

To qualify for Section 8 housing, a household must make a gross (total) income below 50% of the median for their area. For example, recent data show that the median annual income for a family living in Pittsburgh is \$52,293. To be eligible for Section 8 housing, a family's gross annual income would have to be less than half that, or \$26,147. Special priority is given to families who earn less than 30% of the median area income, which, in this case, would be \$15,688 per year.

So how much would the Section 8 benefits be for this family? The federal government will subsidize whatever exceeds 30% of the family's gross annual income, since paying 30% of your income on housing is what the government defines as fair and affordable.

So let's go back to the Pittsburgh family that earns \$26,147 annually, which breaks down to \$2,179 per month. Thirty percent of that monthly income amounts to \$654. So that's the total amount this family would pay per month in rent.

But what about the landlord who's receiving this paltry rent check every month? He's not as bad off as you might think -- as a participant of Section 8, he receives a check from the government that covers the difference up to market value.

Let's go back to our Pittsburgh example to see this in action. In this city, the fair market rent for a two-bedroom is around \$1,000 per month. So if a landlord had an apartment worth that much with a Section 8 tenant paying \$654 per month, the government would issue a voucher to the landlord good for the rest, which in this case is \$347 per month.

The problem with Section 8 housing

It sounds great for cash-strapped households, right? Well, here's some bad news: Due to long wait lists, some estimates say that only one in four households eligible for Section 8 actually receives it.

"You could be on a waiting list to receive these benefits for years," says **Alan Greenlee**, executive director of the Southern California Association of NonProfit Housing. "And then you might have to wait even longer to find a landlord who is qualified and accepting Section 8 tenants."

In most cities, landlords are not required by law to accept Section 8 housing vouchers and many landlords prefer not to, because some neglectful families have given the program a bad rep. In areas with high vacancies, however, landlords seem more willing to qualify their properties for Section 8 tenants, since receiving market rate in rent -- thanks to the government subsidy -- is better than receiving nothing if the apartment sits empty.

To get more information or to see if you qualify for Section 8 housing assistance in your area, contact your local housing authority, as policies and amounts vary from state to state and city to city. For more general information, go to HUD.gov.