

State and Metropolitan Administration of Section 8: Current Models and Potential Resources

Final Report

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Prepared for:
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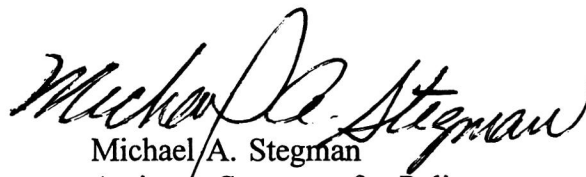
FOREWORD

Tenant-based Section 8 rental assistance enables low-income Americans to choose where to live and to apply to that choice the same priorities that motivate other families, such as access to work, quality schools for their children, and safe neighborhoods. This report is an exploratory look at how administration of the Section 8 program might affect families' choice in where to live.

Although the Congress and HUD have enacted changes in recent years to enhance Section 8 families' choice neighborhoods, families still choose to live in a narrow range of neighborhoods. One of the fundamental barriers to choice remains the basic structural mismatch between the predominantly local administration of the program and the metropolitan scope of urban housing markets. The fragmented nature of program administration may lead to uneven access and inhibited mobility for families, confusion among participating landlords, and serious strains on the resources of housing agencies.

HUD commissioned this study to explore how a variety of State, metropolitan, and local Section 8 programs are coping with these challenges. Although the number of housing agencies included in the study is small, the researchers discovered a remarkable array of administrative approaches being employed to make the selection of neighborhoods easier for families, landlords, and housing agencies alike. Not surprisingly, State agencies were most likely to have made the greatest progress toward choice for families because of their ability to operate over many jurisdictions. However, such statewide agencies (and others whose jurisdiction encompasses an entire metropolitan area) are relatively few.

The Section 8 administrators interviewed for this study report that interjurisdictional moves have become increasingly frequent in the wake of statutory and administrative changes designed to encourage broader family choice. Some have successfully advanced these changes through promising moves to cooperate--both formally and informally--with other agencies operating Section 8 programs in their area. HUD encourages such collaboration, as well as other measures that will further reduce the obstacles to residential choice for HUD-assisted families.


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EXECUTIVE SUMMARY

This report presents the results of an exploratory study of state and metropolitan administration of the Section 8 program. The study used telephone interviews with 42 program administrators in varied types of agencies to gather information on how administrative arrangements in urban areas affect the ability of households to enter the program or move to the location of their choice, the ease with which private landlords can rent housing to program participants, and the ability of agencies to administer the program efficiently.

The motivation behind the study was the recognition that although most Section 8 programs are administered by local housing agencies (HAs), urban housing and labor markets are metropolitan in scope. A variety of problems may be created by this geographic mismatch. First, families may encounter difficulty in gaining access to the program or moving across program boundaries. Particularly for households seeking to improve their living situations by moving to low-poverty locations, moves across jurisdictional lines may be frustrated by the fragmented nature of program administration. A system of "portability," which allows families to take assistance across HA lines, was begun in 1984 and has grown substantially since 1991. While this has improved the chances for participating families who wish to move, the system is complex both for participants and for administering agencies. The fragmented nature of Section 8 administration in metropolitan areas may also cause difficulties for landlords, if they rent to tenants receiving subsidies from different agencies with different policies, or if they own rental property in different jurisdictions.

Given these issues, the current study focuses on agencies that administer Section 8 over broader geographic areas (metropolitan areas or states), in an effort to see what can be learned from their different administrative approaches. The study also gathered administrators' perspectives on recent policy developments affecting Section 8, including changes intended to improve program effectiveness and changes intended to lower the cost of the program to the federal government.

Study Background and Methods

The Section 8 Existing Housing program provides over 1.4 million households in the United States with help in paying their rent to private landlords. Tenants pay a portion of the

rent, usually 30 percent of their incomes, and the program makes up the difference between this amount and the rent owed to the landlord. Dwellings selected by the tenants must meet program quality standards and have rents determined to be reasonable by the administering agency.

Around the country, most Section 8 administrative agencies are local—either independent housing authorities or departments of local government. Far fewer agencies operating the Section 8 program are multi-jurisdictional: state or county agencies that cover a number of localities. The study focused on a small sample of agencies, including: nine state Section 8 agencies and nine branches or subcontractors of those states; nine metropolitan agencies and seven local HAs with jurisdictions overlapped by metropolitan or state programs; and eight agencies with active portability. The sample was chosen purposively, to allow initial exploration of differences. The study relied exclusively on telephone interviews with Section 8 administrators, which addressed such topics as administrative structure and jurisdiction, agency experience with portability and mobility, the extent of metropolitan cooperation, and views on recent program changes.

Study Findings

Administration of the Section 8 program at the metropolitan or state level holds potential advantages for tenant access and mobility while at the same time posing challenges to agencies administering functions that are local in nature. The arrangements observed in the study sample include examples of programs that have developed effective administrative approaches for facilitating tenant moves and easing landlord involvement, as well as examples of programs that fail to take advantage of this capacity. The discussion is organized around four key challenges:

- ***Participant access*** (how low-income families learn about the program, apply, are placed on one or more waiting lists, and are ranked by preferences on the waiting lists);
- ***Participant movement*** (how families with certificates or vouchers entitling them to rental assistance make use of that assistance, particularly when they wish to move to another part of the metropolitan area);
- ***Landlord involvement*** (how owners of private rental housing learn about the program and how they deal with Section 8 agencies over housing inspections and rent negotiations); and

- **Program administration** (how the agencies operating Section 8 carry out program functions—particularly when the jurisdiction is large or when participants move beyond the local jurisdiction—and how they implement program changes).

Participant Access. Wherever local housing agencies administer Section 8, they are a potential access point for participants seeking entry to the program. But in most metropolitan areas, because there are multiple HAs operating Section 8, an applicant has the option—or may feel impelled by urgent housing needs—to apply to multiple agencies for assistance and get onto multiple waiting lists. Such "waitlist shopping" is thought by some to be widespread. Yet it may be of little benefit to the applicant. Resident preferences (which put current residents ahead of non-residents on waiting lists) are used in many places to direct Section 8 housing assistance to people already living in the local jurisdiction. Having a resident preference is often important to local political support for the program, but it means that applicants from outside the city or town will only come to the top of the waiting list and receive a certificate or voucher if there are no more local applicants. With limited assistance resources relative to need, this rarely occurs.

For a family searching for decent affordable housing throughout a metropolitan area, the situation would be greatly simplified if there were a single point of access to Section 8 and a single waiting list covering the whole housing market. In this study, a number of multi-jurisdictional programs were able to offer this straightforward arrangement to those wishing to obtain tenant-based rental assistance. Both state and metropolitan programs that cover most or all of a metropolitan area can do this. For example, because the State of Connecticut's Section 8 program covers all areas of the state, applicants from anywhere in Connecticut can gain access to housing assistance from a statewide waiting list with no residency preferences. In the Portland (OR) metropolitan area, where the Section 8 program is operated by a single agency for all of Multnomah County (both city and suburbs), an applicant need apply only once to be placed on the waiting list and receive rental assistance that can be used anywhere in the region or beyond. Even with a system of federal preferences, as long as multi-jurisdictional programs do not also use a residency preference for parts of the area, they offer far easier access to a wider range of housing choices than do the more traditional local HAs.

Participant Moves. There are significant challenges involved when a Section 8 participant wishes to move and receive rental assistance in a new city or town. Because the vast majority of tenant-based rental assistance is administered by local housing agencies, moving

outside the local jurisdiction involves "portability" (the rights permitting and limiting moves outside the initial jurisdiction, along with the administrative arrangements needed to continue the rental assistance there). A family wishing to make a portability move must work with an agency administering Section 8 in the new location and may also have to deal with differences in policies and procedures between the HA that initially provided them assistance and the new one.

Portability is difficult for administrators as well as for participants. The administration of portability was a major concern of the Section 8 program administrators who participated in the study; they reported spending substantial resources, and experiencing a significant level of frustration, in administering portable Section 8 subsidies. There is widespread support for HUD's efforts to standardize the administration of portable units, but there is also continuing concern about uncertainties and delays in billing and about imbalanced flows of units. Fundamentally, portability can affect the size of an agency's program (the number of certificates and vouchers it handles) and thus alter staffing needs, revenue levels, and the resources available to assist local families on the waiting list. One of the striking findings of this study was the multiplicity of approaches developed by Section 8 agencies to reduce the uncertainties and costs of administering portable units. By disseminating information on these varied strategies for making portability easier, HUD can provide attractive techniques for local agencies to improve program administration and facilitate portability throughout metropolitan areas.

Agencies that can operate Section 8 on a metropolitan area-wide basis clearly have an advantage in administrative ease when participants move. However, local Section 8 programs with a metropolitan-wide service area are not common; where they exist, it is because there is broader metropolitan government, not because housing agencies in different jurisdictions have cooperated in administering Section 8. *Most of the agencies in the study with the ability to issue certificates and vouchers readily useable throughout a metropolitan area were state agencies.* Participants receiving rental assistance from such an agency can move anywhere in a metropolitan area (or even beyond), without the need to establish a relationship with another Section 8 agency and without fear of encountering differences in requirements, standards, or practices. For example, a participant with Section 8 assistance from the Commonwealth of Massachusetts can move readily among 33 cities and towns (including the City of Boston) and deal with only one subcontractor for the state program. However, the administrative structure used by some state programs—with fixed numbers of certificates and vouchers for each county

or subcontractor—can lock these states into internal portability transactions, causing difficulties for administrators if not for participants. This is particularly likely if subcontractors depend on fees from a specific number of units to cover their costs of operation.

Landlord Involvement. Landlords are another set of actors whose involvement is critical to the Section 8 program, as their agreement is necessary in order for participants to rent housing in the private market using financial assistance from the program. When they rent to a Section 8 participant, landlords agree to a special lease and also sign a contract with the HA covering the housing assistance payments to be made on behalf of the renter. The rules and regulations governing Section 8 must be acceptable to rental property owners, and the administrators of local programs must be responsive to them in certain areas of operation, particularly unit inspections and rent negotiations. As property owners have the right to deny rental units to Section 8 participants in many parts of the country (if recipients of this income source are not protected under state or local fair housing laws), it may also require outreach and effort on the part of the local agency to convince landlords to cooperate with Section 8.

In metropolitan areas with multiple Section 8 agencies, landlords may need to deal with more than one agency and more than one version of program procedures and standards. In this study, we interviewed administrators of local agencies with jurisdictions overlapped by state or metropolitan programs, and they cited confusion for landlords as a common consequence of the fact that different agencies were involved. Among the functions that could be carried out differently were apartment inspections, determination of reasonable rents and rent negotiations, and suspension of housing assistance payments due to unit problems. These and other differences could discourage landlords from accepting tenants with Section 8 assistance.

The study also identified agencies that had made landlord involvement easier by uniformity of administration. In Orange County (CA), there are four jurisdictions with separate Section 8 programs, and there is extensive participant movement among them. The four Section 8 agencies (three cities and the county) have established a special arrangement that allows each to continue administering its own certificates and vouchers (so there is continuity for the participant) but has all the functions involving landlords carried out by the agency where the property is located. The landlord deals with a single agency, and there is consistency in inspection practices and rent negotiations.

Program Administration. Agencies operating the Section 8 program in geographically extended areas use two primary strategies to ensure that certain program functions can be carried out at a distance from the agencies' central offices. The main functions needing to be performed locally are applicant intake (verification of eligibility), inspection of rental units to assure that they meet the program's Housing Quality Standards, and annual income reviews and unit re-inspections. Most of the state programs in the study sample maintained branch or field offices, although some had just a few branches (each serving multiple counties) and others had many such offices. While branch offices tended to be staffed by state employees, there were cases in which these were operated instead by subcontractors to the state program. A number of states also hired individuals—as field representatives (state employees), contract staff, or subcontractors—to perform applicant intake and unit inspections. Some states had hybrid systems, with branch offices for major population centers and individuals to cover more rural areas. However, most of the metropolitan Section 8 programs in the study had only central offices, even when their jurisdictions were large; staff traveled from these offices to conduct inspections, while applicants and participants were required to come to the central office for intake and recertification. Administrators of state or metropolitan agencies with large jurisdictions frequently mentioned the considerable cost—in time and mileage reimbursement—of operating the program over a wide area.

Where jurisdictions of Section 8 agencies overlap, this study found varying degrees of communication and cooperation between agencies. In some places, there was rivalry and some friction between local agencies and the branch offices or subcontractors for state programs fully overlapping local HAs. In other places, state and local or metropolitan and local program administrators had worked together to resolve issues around inspections or rent negotiations and to facilitate portability (the most common source of their interaction). For example, in the Grand Rapids (MI) metropolitan area, the branch office of the state's program works with the HAs in Grand Rapids and the smaller city of Wyoming. Participants moving among Grand Rapids, Wyoming, and Kent County do not have to deal with a new agency, as the jurisdictions were expanded to overlap; the agencies also cooperate in implementing the Family Self-Sufficiency program.

Recent Program Changes

Section 8 administrators have recently been challenged by a series of rapid and far-reaching program changes. Some of these changes were made after an extended period of notice and comment, so that administrators knew about them in advance and could prepare for implementation. Other changes have been made through the Congressional budget process (in continuing resolutions and the final FY 1996 budget), with little notice and for immediate implementation. Some changes are for a limited time period, and it is not yet known whether they will be extended.

The administrators we spoke with made it clear that these changes are costly to implement. Whether temporary or permanent, whether long-discussed or sudden, program changes require changes to forms and documents, revision of procedures manuals and retraining of staff, translation of new materials, and extra monitoring to ensure proper implementation. These administrative challenges are greater still when administration of the program is shared by central staff, field staff, and subcontractors across large jurisdictions.

Program administrators in different kinds of agencies across the country also expressed concern about the future of the Section 8 program. From the viewpoint of these local program operators, both the rules and the environment for Section 8 are becoming increasingly difficult. Yet the need to continue tenant-based rental assistance has never been clearer, nor has the interest of administrators in helping Congress and HUD make the program more efficient and effective wherever possible.

CHAPTER ONE

INTRODUCTION

This report presents the results of an exploratory study of state and metropolitan administration of the Section 8 program. The study used telephone interviews with a small number of program administrators (42) in agencies across the country. In this opening chapter, we begin by placing the study in the context of other research efforts on the Section 8 program. We then provide a basic overview of the Section 8 program and its regulatory environment. Next we summarize the study design, and we end by reviewing the contents of this report.

1.1 BACKGROUND AND OBJECTIVES OF THE STUDY

The Section 8 Existing Housing program provides over 1.4 million households in the United States with help in paying their rent to private landlords. Tenants pay a portion of the rent, usually 30 percent of their incomes, and the program makes up the difference between this amount and the rent owed the landlord. Dwellings selected by the tenants must meet program quality standards and have reasonable rents.

In most places, local housing agencies (HAs) administer this rental assistance (called "tenant-based assistance" because it is used for housing chosen by the tenant). These are often the same agencies that own and manage public housing, which is the original form of federal "project-based assistance" for low-income families.¹ Public housing developments and other subsidized developments (some built under another part of Section 8, the new construction program) are referred to as "project-based," because the housing subsidy is provided to the owner of the project and is passed on to tenants in the form of reduced rents. Thus, project-based assistance stays with the dwelling unit rather than the tenant. By contrast, tenant-based assistance stays with the tenant and is even "portable"—able to be used in a different administrative jurisdiction if the tenant chooses to move there.

As public housing and other development-oriented strategies to assist low-income households have lost political and funding support, tenant-based assistance has become a more important part of the federal government's commitment to providing safe, affordable housing

1. A few states also have public housing programs funded from state rather than federal dollars.

to low-income people. Yet, after growing steadily for nearly two decades (because of bi-partisan political support at the local and national levels), the Section 8 program has seen no untargeted incremental units for two years. The program has come under pressure of two kinds. The first is intense pressure to cut budgets for all kinds of government programs, especially programs serving the poor. This pressure is felt by all the agencies administering Section 8 around the country.

The second type of pressure relates to where Section 8 recipients live. Many advocates for the poor, including top leadership within HUD, are concerned about highly concentrated poverty in urban areas. Section 8 assistance is seen as one tool for helping residents of high-poverty areas move to lower-poverty areas. However, the limited evidence available suggests that, although Section 8 recipients live in areas that are less poverty-concentrated than their counterparts in public housing, they nevertheless live in more poverty-concentrated areas than the poor population as a whole.² Another aspect of the recent interest in where Section 8 participants live comes from local officials in certain areas, who are concerned about a perceived influx of low-income residents using Section 8 assistance where previously few households had participated in the program.

It is the locational issues that underlie this study and report. More ambitious research efforts are addressing different aspects of these issues, such as where different parts of the Section 8 tenant population live and what difference mobility makes in the lives of low-income families with children. This study explores a set of related issues about how administrative arrangements affect the ability of households to enter the program and move to a location of their choice, the ability of landlords to provide housing to program participants, and the ability of agencies to administer the program efficiently, particularly when tenants move across jurisdictional boundaries. The local HAs administering Section 8 typically are restricted in their geographical jurisdiction to one city or town. Far fewer agencies operating the program are multi-jurisdictional: state or county agencies that cover a number of localities. Administering Section 8 may entail different challenges in such a setting, but relatively little is known about how the greater geographical reach affects either program operations or participant choices.

2. *Rental Housing: Use of Smaller Market Areas to Set Rent Subsidy Levels Has Drawbacks* (Washington, DC: U.S. General Accounting Office, June 1994). See Appendix I, in particular. Also, John M. Goering et al., *Promoting Housing Choice in HUD's Rental Assistance Programs: Report to Congress* (Washington, DC: U.S. Department of Housing and Urban Development, April 1995), pp. 5-29.

At the core of the current challenges facing program users and administrators is the fact that *the geographical span of housing and labor markets in metropolitan areas does not match the jurisdictions of most agencies administering the Section 8 program*. This mismatch does not exist everywhere, however; there are some places where the unit operating the Section 8 program coincides with most or all of the metropolitan area.³ One aspect of this study involved initial exploration of whether tenant movement is easier to administer in such areas, and whether it occurs in greater degree in the absence of administrative barriers.

There has been substantial research done on the local administration of Section 8 but relatively little on state or metropolitan administration of the program. Thus, the present effort is exploratory in its methods and suggestive rather than definitive in its findings. Keeping these limits in mind, the research goals of this study are to begin answering the following core questions:

- 1) How can a tenant-based assistance program best be structured to facilitate use of the assistance in any part of a metropolitan area?
- 2) What does the experience of state and multi-jurisdictional Section 8 administration suggest about ways to ease the current burden imposed by certificate and voucher portability, when assisted renters do move?
- 3) What are the experiences and concerns of the most active senders and receivers of Section 8 rental certificates and vouchers, and what methods have they developed to facilitate the administration of portable certificates and vouchers?
- 4) How can a tenant-based assistance program serve low-income residents of a metropolitan area in a way that enables mobility out of high-poverty areas?
- 5) Has metropolitan-wide administration of Section 8 been achieved in some areas? What would encourage new areas to implement metropolitan-wide administration?

3. Of course, there are Section 8 recipients who make moves beyond the metropolitan area with their assistance. Portability arrangements for vouchers have long covered such moves. However, for purposes of considering the most common possibilities for moving out of concentrated-poverty neighborhoods, metropolitan housing and labor markets are our focus. We will also consider statewide programs as they operate in urban areas.

1.2 AN OVERVIEW OF SECTION 8

The questions examined in this study involve a range of administrative issues concerning the Section 8 program. This section is intended to provide readers with a basic understanding of the program from three standpoints: [1] that of the applicant in need of rental assistance; [2] that of the landlord considering renting an apartment to a Section 8 participant; and [3] that of an agency operating the program.

A Participant's View of the Section 8 Program

Families, the elderly, and disabled persons usually apply for Section 8 assistance through an agency that operates the program in the area where they currently live. An applicant is income-eligible for Section 8 housing assistance if his/her household income is less than 50 percent of the median income for the metropolitan area.

Local housing agencies (often public housing authorities) are by far the most common agencies operating Section 8. Twenty-four (24) states also operate the program (some across the whole state but others only in areas not served by local agencies); these state programs have branch offices or subcontractors in various locations. Thus, a prospective applicant for Section 8 assistance can contact several agencies administering the program for information on how to obtain assistance. Most metropolitan areas do not have a central clearinghouse for information about how to obtain either project-based or tenant-based rental assistance. As a result, a prospective applicant might contact several different local HAs and a state office about getting Section 8 assistance.

A prospective applicant for Section 8 inquiring by telephone or in person is likely to be told that he/she will need to apply to the administering agency. Many agencies will mail a pre-application upon request and accept it back by mail as well. As Section 8 is not an entitlement program (there are far more eligible households than there is funding to assist them), applicants generally are told they will be placed on a waiting list and then called in when their names reach the top of that list.

The applicant will be warned that there are many families already waiting for assistance, so that the wait can stretch into years. The applicant may be asked to provide various pieces of information so that the agency can determine whether he/she is qualified for certain *preferences*, which can improve where he/she ranks on the waiting list. A system of *federal*

preferences (targeting assistance to applicants involuntarily displaced, living in severely substandard housing, or paying more than half their incomes for rent) has been in effect since 1988 but has recently been suspended, at the option of the administering agency.⁴ There may also be *local preferences* (adopted by the HA with HUD review and approval), typically ranking local residents ahead of applicants from outside the local jurisdiction.⁵

The applicant who reaches the top of the waiting list is called in to the agency's offices for an interview. An applicant with limited English-language skills may still apply, as local agencies often provide written materials in various languages (and may even have multi-lingual staff). The staff collect from the applicant documents to establish household composition and verify that the household's income is below program limits for the appropriate household size, as well as to calculate the amount the tenant will need to contribute to rent.

Eligible applicants are invited to a program *briefing*, at which they are provided extensive information about how to use the Section 8 program, the rights and responsibilities of tenants and landlords under the program, fair housing protections, and portability (using the housing assistance outside the agency's jurisdiction). There may also be discussion of how to search for housing and about the advantages of choosing low-poverty neighborhoods (mobility).

At the time of the briefing, the applicant receives a Section 8 *certificate or voucher*, which indicates the agency's obligation to pay a portion of the rent for any dwelling that meets program quality standards, has a reasonable rent, and is owned by a willing landlord. Certificates and vouchers are the two forms of Section 8 tenant-based assistance, with slightly different rules concerning the unit's rent and the amount the agency will pay toward the rent. From the participant's standpoint, certificates and vouchers may be worth different amounts of money toward paying rent. (Other differences between certificates and vouchers—particularly with respect to portability rights—have been virtually eliminated.) A certificate or voucher is issued for a specific size unit (called "BR size"), based on the composition of the applicant's household. Participants may switch between certificates and vouchers, subject to availability.

4. The suspension is until September 30, 1997 unless there is further Congressional action.

5. HUD *approval* is required only for a residency preference.

Certificate- and voucher-holders are given two to four months (depending on agency policy) to find acceptable housing in the private rental market. Acceptable housing has three key characteristics:

- a landlord willing to rent to the tenant with Section 8 assistance, at a reasonable rent given the features of the unit and its neighborhood;
- a rent that is within the program's limit (for certificates, the "Fair Market Rent") or that the tenant is willing to pay, considering the out-of-pocket portion (for vouchers); and
- physical conditions that meet Housing Quality Standards (HQS) and match the family's needs, in terms of the household size.

The certificate- or voucher-holder who finds such housing must notify the agency, which sends staff to inspect the unit to make sure it meets quality standards and to handle paperwork with the landlord. A security deposit (which the HA can limit to the typical local practice)—often much more than the share the tenant will pay each month—must also be paid. Once the lease is signed, the applicant has become a Section 8 program participant; each month, a *Housing Assistance Payment (HAP)* will be made to the landlord by the administering agency, and the participant will pay his/her share directly to the landlord.

Once on the Section 8 program, a family needs to fulfill its lease and program obligations and to maintain program eligibility. This means providing the HA with information to verify income each year (or at other times, if required by the HA). It also means having the dwelling re-inspected annually to ensure continued compliance with program standards.

If the family wishes to move, the process of locating acceptable housing is repeated. If the housing is in a different city or town, this location may well be outside the jurisdiction of the local Section 8 agency assisting them. As a result, the family must exercise "portability"—the right to move from one agency jurisdiction to another and retain Section 8 assistance. A portability move requires the involvement of a second agency—the one administering Section 8 in the new location—and requires ongoing transactions between the two agencies for as long as the tenant remains there. The issuing HA must identify the agency operating Section 8 in the new location and initiate the process in that agency of establishing eligibility, approving the unit, and making payments to the owner.

A Landlord's View of the Section 8 Program

For every Section 8 participant who succeeds in leasing a unit with tenant-based assistance, there is a landlord (property owner or manager) willing to accept the tenant and work with the program. Not only must the unit meet the program's housing quality standards and be the right size for the family, but its owner must sign a lease with the tenant and a contract with the HA establishing the unit rent and the amounts of the tenant and housing assistance payments.

From the landlord's perspective,⁶ it is essential to screen the tenant, as with any private-market rental. There are also several important program requirements: meeting *Housing Quality Standards* (the program's definition of decent, safe, and sanitary housing) prior to the beginning of assistance; setting a rent that can be approved by the HA as reasonable (and within the Fair Market Rent, for a certificate-holder); accepting the required lease form and HAP contract; and maintaining the unit, so that it meets the program standards at annual inspections. In addition, there are aspects of Section 8 that entail the landlord's ongoing involvement, such as the "endless" lease (automatic renewal of the tenant's lease, now being phased out with a new lease addendum form) and the "take one/take all" rule (requiring that an owner who accepts a Section 8 tenant for one rental unit will accept Section 8 in all rental properties).⁷

When an owner unfamiliar with Section 8 is approached by a participant to rent an available apartment, there is some information (from the briefing packet) the participant can give the owner to introduce the program. But the landlord will need to contact staff of the HA that issued the participant's certificate or voucher, in order to get further information and to begin the process of leasing the unit. That agency's procedures for inspections and rent negotiation, monthly HAP issuance, annual re-inspection and rent adjustment will become familiar to the owner over time.

In areas where there are two or more agencies administering Section 8 (agencies with overlapping jurisdictions), the picture from the landlord's standpoint can become more

6. Landlord perspectives on various features of the Section 8 program have been studied recently, through a series of focus groups around the country. See Meryl Finkel, *Final Report on Recommendations on Ways to Make the Section 8 Program More Acceptable in the Private Rental Market* (Cambridge, MA: Abt Associates, March 1994).

7. This requirement is suspended until 9/30/97, under the Final Fiscal Year 1997 Budget.

complicated. For example, inspection or rent reasonableness procedures could differ between agencies, as could inspection standards.⁸

Even when a landlord is only dealing with one Section 8 agency, this program involves rules, procedures, and paperwork not required when an unsubsidized tenant is selected. In many parts of the country, where recipients of housing subsidy are not protected under state or local fair housing laws, property owners have the right to turn down a Section 8 certificate- or voucher-holder for an apartment if they do not wish to get involved with the program. Further, the Fair Market Rents cover only part of the local market, so an owner may well be able to obtain higher rents from non-Section 8 tenants.⁹ On the other hand, there are advantages for landlords: many Section 8 participants make fine tenants; and the HAP contract assures the owner of monthly partial rent payments directly from the HA (reducing the risk of non-payment). Thus, there are tradeoffs to be considered, from the landlord's point of view, when thinking about initial involvement with the program.

An Administrator's View of the Section 8 Program

From the standpoint of the administrative agency, the Section 8 program starts with an application to HUD for an *allocation* of funds for certificates or vouchers. Many of the agencies operating the program have been receiving allocations since the first year they were made, in 1976, although HUD has made efforts over the years to expand program coverage, particularly to rural areas. When Congress funds new (incremental) Section 8 units, HUD issues a Notice of Funding Availability (NOFA), asking agencies to apply. After setting aside some funding for special purposes (such as desegregation, relocation, and special programs), HUD or Congress sets the total amount of funding to be distributed by "*fair share allocation*."

The term "fair share" is used because the criteria for distributing the new funds are meant to result in sharing the resources fairly across all agencies seeking expanded funding, using objective selection criteria. In their fair share applications, agencies demonstrate the need for additional assistance in the local area and their own capacity to administer a larger program.

8. For example, some state programs have more stringent requirements about abatement of lead-based paint for units that will be occupied by young children.

9. FMRS are set at a level meant to provide access to about 40 percent of the standard rental housing in a metropolitan area. They were recently lowered from the 45th percentile.

All applicants use a need-based formula, found in the Section 8 regulations, so that HUD can compare need between agency jurisdictions.¹⁰ When an agency is awarded a fair share allocation, HUD executes an Annual Contributions Contract (ACC) with the agency; this contract—covering a specific funding amount for a specific period of time—obligates HUD to provide the administering agency with funds for the Housing Assistance Payments, plus a set proportion for administrative costs.¹¹ The ACC is also designated for a particular area: some agencies have jurisdictions covering more than one allocation area and may receive allocations for each. As an example, a large agency covering both metropolitan and non-metropolitan areas—like some of the state agencies in this study—might well apply for and receive separate allocations for each, since the HUD field offices split funding to assure adequate coverage of rural need.

To administer Section 8 tenant-based assistance, the HA must follow HUD regulations to establish the following key parameters for its jurisdiction:

- A Section 8 Administrative Plan, laying out the agency's policies and practices for administering the program, must be approved by the HA's governing body;
- *Waiting list preferences*, which make some applicants eligible for more advantageous placement on the waiting list, may be established (through a process requiring a public hearing and approval by the HA's governing body), and resident preferences must also be approved by HUD;
- *Voucher payment standards*, which are set by the HA and may be between 80 and 100 percent of the local Fair Market Rent levels set by HUD, fix the maximum amount of voucher subsidy for a tenant;
- *Utility allowances* (reflecting the costs of various apartment utility configurations in the local area) are used to compare the gross rent of units with different utilities included, and they assure participants of sufficient subsidy to cover utilities as well as contract rent;

10. The housing needs factors are found at 24 *CFR* 791.402.

11. Until FY 1995, allocations of Section 8 certificates were made by HUD for specific numbers of units by BR size. By contrast, voucher program allocations were made as a funding pool, giving the administering agency the responsibility to determine how many vouchers the funding could support in the agency's specific jurisdiction, even though the HA's funding application and ACC amount were based on a specific number of units and a specific BR size distribution. A 1995 revision to the certificate ACC form brought certificate allocations into conformance with the voucher procedure.

- **Occupancy standards**, which set the appropriate size¹² of apartment for an applicant household, determine the BR size of the certificate or voucher issued to the household and thus the maximum rent or subsidy the family can receive;
- **Rent reasonableness standards**, based on data gathered by the HA showing rents by neighborhood as they vary with apartment size and features, guide agency staff in rent negotiations with landlords, within the FMR envelope (for certificates).

These parameters must be kept up-to-date by the administering agency and must be uniformly applied in all transactions with participants and property owners.

Once the agency has an ACC, the certificates or vouchers can be issued to eligible families off the waiting list. (They may also be used for families moving into the jurisdiction under portability, as explained further in Chapter 3.) Staff interview the applicant, gather documentation and verify income, conduct any other steps in eligibility determination (such as criminal records checks), and then brief those families receiving the certificates or vouchers. Families can then search for two to four months, seeking an acceptable unit before the resource expires. When a unit is found, the participant completes a Request for Lease Approval, which triggers unit inspection and (if approved) rent negotiation with the owner. If all goes well, the certificate or voucher is leased-up, and the participant moves in.

In negotiating rents, the agency may be faced with asking rents that exceed the FMR. HAs have the authority to approve **exception rents** (up to 10 percent above the FMR) for a certain proportion (currently 20 percent) of their budgeted units. Beyond that limit, the HUD Field Office can approve (as requested by the HA) individual unit exceptions and area-wide exceptions up to 20 percent above the FMR. Exception rent authority can be an important factor in enabling participants to obtain higher quality housing in better neighborhoods.

Once the lease-up occurs, the agency can count the certificate or voucher as utilized. Over a number of years, HUD has emphasized to Section 8 agencies that the resources are provided for use, and agencies are required to keep **utilization** (the proportion of all the agency's units leased-up by participants) at or above 95 percent. Also, Section 8 agencies earn administrative fees for each unit leased, so budgets are based on assumptions about utilization.

12. Section 8 agencies must allow families to select the size unit they wish, allowing for choices about living arrangements that may vary with cultural background. However, HAs are still required to establish the BR size for issuing the certificate or voucher.

Not infrequently, to maintain utilization, the administering agency may *over-issue and over-lease*—that is, issue more certificates or vouchers than it has, and even lease-up more units than authorized by the ACC. The agency may over-issue to adjust for the fact that some certificate- and voucher-holders fail to lease up, so that utilization stays high despite these failures. If success rates are higher than anticipated, the agency is allowed by regulation to over-lease, within set limits.

Each ACC between HUD and a Section 8 agency has a certain term. Originally, certificate ACCs ran 15 years, but now both certificate and voucher ACCs carry less than 5-year terms. However, they have continued to be renewed or extended at the end of their terms.

Until FY 1991, HUD set aside budget authority for certificate ACCs as if each unit were leased for the full term, with the HAP amount equal to the FMR. Agencies drew against the funds for each month the unit was utilized, and for the dollar amount of the actual HAP payment. If this payment were lower than FMR (e.g., by the amount the participant paid in rent or by a gap between the reasonable, negotiated rent and the FMR), the difference accrued to the agency's *project reserve*.¹³ These reserves became quite substantial, and some HAs have been able to convert them into additional units. Since FY 1995, HUD has been extending some expiring increments rather than renewing them, if the HA has project reserves sufficient to fund the extension. (This practice began in FY 1995, when the Congressional appropriation was not sufficient to cover all renewals.)

In FY 1991, HUD shifted to calculating the budget amount by taking into account tenant contributions (as had always been done for vouchers). This reduced the funding amount. Further, beginning in FY 1995, certificate ACCs have been treated like voucher ACCs, with the administering agency given responsibility for calculating how many units can be supported for the term of the contract, given the size distribution of applicant families and given the level of approved rents in the program.¹⁴ As a result, it is unlikely that project reserves will build to the same significant magnitudes in the future.

From the program administrator's viewpoint, a major factor in program operations has been the increasing movement of participants among jurisdictions. Portability clearly has an

13. Project reserves are distinct from administrative reserves, which are accumulated, unspent funds from administrative fees.

14. HUD has provided software and other tools to assist agencies in making this calculation.

impact on the overall efficiency of program operations, although the magnitude of this impact is difficult to assess. For this reason, this study has explored the administrative issues in detail. In some places, the administration of portability may pose a significant barrier to families trying to move out of high-poverty neighborhoods ("mobility"). In other places, portability may not interfere with mobility. While the elimination of any barriers to locational choice associated with portability may well be helpful, more pro-active efforts on the part of the Section 8 program—such as special counseling—may well be necessary to support a significant increase in housing mobility.

1.3 STUDY DESIGN

This exploratory study was designed to seek initial answers to a wide range of questions, under five major topics: administration of multi-jurisdictional programs; current issues for multi-jurisdictional programs; experience with portability; experience with mobility (moves to low-poverty areas); and promoting inter-jurisdictional cooperation. (Appendix A lists the specific questions under each topic.)

The primary data collection method used for this study was the telephone interview. We spoke with administrators from a variety of Section 8 agencies, including multi-jurisdictional agencies and the local agencies they overlapped. There were five samples of agencies:

Sample 1	States with large statewide Section 8 programs serving metropolitan areas (N=9).
Sample 2	Subcontractors or branch offices involved in administering the Section 8 programs for the states in Sample 1 (N=9).
Sample 3	Metropolitan PHAs whose jurisdictions exceed city or county limits (so that they are administering the program for all or almost all of a metropolitan area) (N=9).
Sample 4	PHAs whose jurisdictions are overlapped by either state or metropolitan programs, identified from the interviews in Samples 1 and 3 (N=7).
Sample 5	PHAs with extensive portability experience, including active senders and active receivers (N=4 senders and 4 receivers).

None of these were random samples; rather, they were based upon existing research, reconnaissance, and recommendations of HUD staff, as well as the results of interviews with agency staff in the earlier samples. Some of the samples are related to others and thus serve to provide multiple perspectives on the issues of administration, mobility, and program cooperation across jurisdictions.

Exhibit 1-1 shows the location of the study sites. The sampled states are primarily east of the Mississippi, because they were selected based upon the total size of program. The location of state subcontractors, branch offices, and overlapped local housing authorities follows from the choice of states.

The metropolitan agencies were defined in the following way: agencies administering the Section 8 program in all or a large part of a metropolitan area, encompassing more than one local jurisdiction. The list of metropolitan agencies was originally developed by using HUD administrative data systems to identify multi-county agencies with more than 50 percent of their certificates used in metropolitan areas. To these were added agencies believed to have a service area extending beyond traditional city boundaries. Exhibit 1-2 describes, for each sample, the universe and what is known about its size.

The research questions for the study (Appendix A) formed the basis for developing an interview guide for each type of agency. The guides were structured by the five major research topics, but each emphasized the questions most appropriate to the respondents in that sample. Copies of the interview guides are contained in Appendix B.

1.4 ORGANIZATION OF THE REPORT

This report is organized into six chapters, presenting the results of an exploratory study and considering implications for future research. Chapter Two focuses on state and metropolitan Section 8 programs—patterns of jurisdictional definition, program structures, and administrative approaches. The origin and scope of the metropolitan agencies suggests important limits to the notion that portability and mobility within metropolitan housing markets can be facilitated by creating metropolitan-wide jurisdictions. (Appendix C provides supplementary descriptive materials on the state and metropolitan programs.)

Chapters Three and Four focus on the portability and mobility experiences of the study agencies. Available portability data are presented in Chapter Three. Respondents perceive a

Exhibit 1-1

Sample Sites for the Study of State and Metropolitan Administration of the Section 8 Program

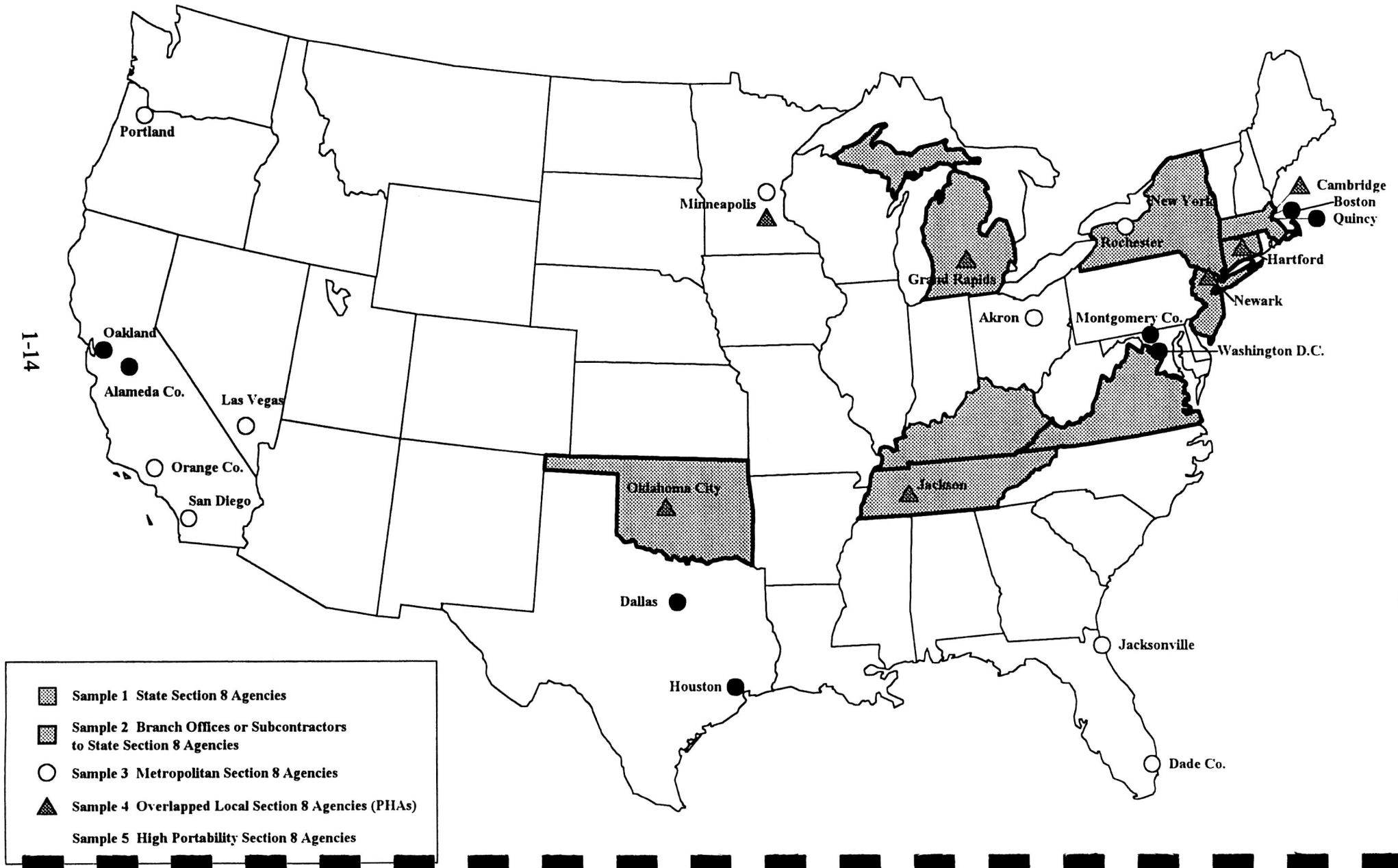


Exhibit 1-2
Sample and Universe Definitions for This Study

	Study Sample	Universe
Sample 1: States	Largest state programs serving metropolitan areas (N=9).	There are about 35 states operating Section 8 programs. Most of the states not sampled have smaller, more rural programs. Most state programs serve only areas not served by local HAs.
Sample 2: Subcontractors and Branch Offices	One subcontractor or field office for each of the nine states studied; urban areas selected (N=9).	Most states have either multiple subcontractors or multiple field offices. Some have both. Number per state tends to be in the range of 15 to 80. Universe includes all branch offices and subcontractors of 35 states operating Section 8.
Sample 3: Metropolitan Agencies	Includes two kinds of agencies: a) agencies with service area encompassing all or almost all of a metropolitan area; and b) agencies serving multiple, urban jurisdictions but not all of a metropolitan area (N=9).	Size of universe is unknown, but other examples may be found: a) in states (like Florida and California) without state programs, so that local or county agencies have been asked to expand their jurisdictions to serve unserved parts of urban areas; b) in states (like Ohio), where HAs were created to be metropolitan, although urban areas have expanded beyond the original definitions. Recognized examples of metropolitan cooperation are likely to be in the study sample.
Sample 4: Overlapped PHAs	Agencies overlapped by the state and metropolitan agencies in Samples 1 or 3 (N=7).	Local HAs serving areas also served by a state agency or another local HA. Size of universe is large but unknown. Includes all local HAs in certain states (CT, NJ, MA) and small local HAs overlapped by metropolitan agencies.
Sample 5: High-Portability Agencies	Pairs of agencies with high rates of portability (each pair one sending and one receiving agency) (N=8).	Virtually all Section 8 agencies in the country now have some experience with portability, but the number of agencies with substantial portability cases is unknown, because data on portability are not readily available (and no counts are available absorbed units).

growing volume of inter-jurisdictional moves over time; they also provide their perspectives on administering portability and suggest a number of methods for making portability work better, from the standpoint of both agency and participant. In Chapter Four, we discuss the factors identified by study respondents which facilitate or impede mobility (participants' moves from high-poverty to low-poverty areas). Respondents' views on the role of the Section 8 program with respect to encouraging mobility are also explored.

Recent changes in Section 8 have presented a challenge to program administrators, as Chapter Five describes. The chapter discusses respondents' views about the changes (in general and on specific items). The report concludes with a review of study implications for policy and for ongoing research.

CHAPTER TWO

HOW STATE AND METROPOLITAN AGENCIES ADMINISTER SECTION 8

One of the key questions underlying this study is whether state and metropolitan agencies gain some advantages or encounter special problems in administering the Section 8 program. How do these agencies, which are typically bigger in geographic scope than most HAs, approach the four basic challenges described in Chapter One, and what special advantages or problems do they have? In this chapter, we examine how participant entry (Section 2.1), participant movement (Section 2.2), landlord involvement (Section 2.3), and program administrative issues (Section 2.4) are handled by the multi-jurisdictional agencies in the study and whether their multi-jurisdictional scope appears to solve some of the problems resulting from the more common single-jurisdiction operation of Section 8 in metropolitan housing markets.

2.1 PARTICIPANT ENTRY

There are a number of problems for participants stemming from the fact that the Section 8 program is often administered by many different agencies in a single metropolitan area, according to a recent paper proposing a regional approach to Section 8 administration.¹ Because the demand for Section 8 assistance far exceeds the number of eligible applicants, the key problem that many families encounter is a very long waiting list in their home community, or a waiting list closed to further applicants. Families may try to apply to multiple programs (if they are able to obtain information about them and submit applications), in an attempt to find a shorter list and speed access to the housing assistance. This "waiting list shopping" can be burdensome for the applicant, and it may also be fruitless. The lists may be just as long at Section 8 agencies in other cities or towns, and out-of-town applicants may be placed below residents because of a local residency preference.

To what extent does a regional approach to administering the Section 8 program increase families' access to the program or ease the burden of applying? *Our research identified*

1. Phillip D. Tegeler, Michael L. Hanley, and Judith Liben, "Transforming Section 8 Into a Regional Housing Mobility Program," in Alexander Polikoff (ed.), *Housing Mobility: Promise or Illusion?* (Washington, DC: Urban Institute Press, 1995), pp. 103-133.

a set of practices employed by state and metropolitan agencies that can facilitate participant entry into the program. In some places, an agency is the sole source of Section 8 assistance for the entire metropolitan area. Other places have agencies with metropolitan-wide waiting lists, even though there may also be other waiting lists in the metropolitan area. Finally, some agencies with wider service areas make access to the waiting list easier through the use of mail-in pre-applications.

On the other hand, not all multi-jurisdictional agencies in this study eased family access to Section 8. Some agencies with jurisdictions encompassing entire metropolitan areas nevertheless maintain multiple waiting lists. Others maintain local (single-jurisdiction) residency preferences, despite encompassing a wider area.

Exhibit 2-1 summarizes the features of the state and metropolitan agencies that affect participant entry to the Section 8 program. It shows the nine state and nine metropolitan agencies contacted for this study. Although Hartford (CT) is not part of these samples, it functions as a metropolitan program and is also included. Additional descriptive information about these programs can be found in Appendix C.

Single-Source Agencies

None of the state programs contacted for this study are the only source of Section 8 in metropolitan areas within their states. But in several of the metropolitan programs, participant entry to the Section 8 program is simplified because only one agency operates Section 8 in all or almost all of the metropolitan area. Two cases stand out as examples of this situation: Portland (OR) and Jacksonville (FL).

In administrative structure, the Housing Authority of Portland (HAP) was established as a traditional housing authority, governed by a Board of Commissioners appointed by the Mayor of Portland. However, as a result of intergovernmental agreements established in 1992, the agency's jurisdiction now covers all of Multnomah County, including the City of Gresham.² None of the other local governments operate Section 8 programs, so that HAP is virtually the

2. The Multnomah County Chair and the Mayor of Gresham each appoint two of the nine commissioners to the HAP board.

Exhibit 2-1

APPROACHES OF STATE AND METROPOLITAN SECTION 8 PROGRAMS TO FOUR CHALLENGES

Section 8 Program	Participant Entry	Participant Movement	Landlord Involvement	Administrative Arrangements
State Section 8 Programs				
Connecticut	<ul style="list-style-type: none"> • Statewide program operations • Phone for application, mail it in • Statewide waiting list 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in state 	<ul style="list-style-type: none"> • Many landlords relate to both state and local Section 8 programs 	<ul style="list-style-type: none"> • Single subcontractor for whole state • Sub receives 83 percent of admin fee • Single statewide list simplifies allocation management
Massachusetts	<ul style="list-style-type: none"> • Metropolitan-wide program operations • Phone for application, mail it in • Regional waiting lists 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in region (9 regions in state) 	<ul style="list-style-type: none"> • Many landlords relate to both state and local Section 8 programs 	<ul style="list-style-type: none"> • Nine regional subcontractors • Subs receive 97 percent of admin fee • Units allocated by region • Central finance and accounting
Michigan	<ul style="list-style-type: none"> • Metropolitan-wide program operations • Phone for application, mail it in • County-level waiting lists 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in state 	<ul style="list-style-type: none"> • Many landlords relate to both state and local Section 8 programs 	<ul style="list-style-type: none"> • Branch offices for urban areas and contract employees for rural areas • Subcontractors paid a cost-based fee • Flexible statewide allocation management • Central finance and accounting

Exhibit 2-1 (continued)

APPROACHES OF STATE AND METROPOLITAN SECTION 8 PROGRAMS TO FOUR CHALLENGES

Section 8 Program	Participant Entry	Participant Movement	Landlord Involvement	Administrative Arrangements
New Jersey	<ul style="list-style-type: none"> • Metropolitan-wide program operations • Apply in person at Field Office • County-level waiting lists with residency preferences 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in state 	<ul style="list-style-type: none"> • Many landlords relate to both state and local Section 8 programs 	<ul style="list-style-type: none"> • Branch offices in 18 of 21 counties • No subcontractors utilized • Flexible, county-level unit allocations maintained • Extensive central audit and financial controls
Oklahoma	<ul style="list-style-type: none"> • Metropolitan-wide program operations in most areas • Phone for application, mail it in • County-level waiting lists 	<ul style="list-style-type: none"> • Apply to one agency and live almost anywhere in state 	<ul style="list-style-type: none"> • In some cities, landlords relate to both state and local Section 8 program 	<ul style="list-style-type: none"> • Central office plus state staff working from homes • No subcontractors utilized • Flexible statewide allocation management
Tennessee	<ul style="list-style-type: none"> • Area-wide program operations for smaller metropolitan areas • Phone for application, mail it in • County-level waiting lists 	<ul style="list-style-type: none"> • Portability required for moves to major metropolitan areas, most of which are outside of state agency's jurisdiction 	<ul style="list-style-type: none"> • In some cities, landlords relate to both state and local Section 8 program 	<ul style="list-style-type: none"> • Central office plus 9 field offices • No subcontractors utilized • Flexible, county-level unit allocations maintained
Virginia	<ul style="list-style-type: none"> • Subcontractors administer programs for one or several counties • Intake administered by subcontractors • Subcontractor-level waiting lists 	<ul style="list-style-type: none"> • Portability required for moves outside of a subcontractor's jurisdiction 	<ul style="list-style-type: none"> • Local HAs act as subcontractors to state, so landlords deal with only one agency 	<ul style="list-style-type: none"> • Operated through 81 subcontractors • Subs typically receive 60-65 percent of admin fee • County-level unit allocations maintained to preserve stable program size for subcontractors

Exhibit 2-1 (continued)

APPROACHES OF STATE AND METROPOLITAN SECTION 8 PROGRAMS TO FOUR CHALLENGES

Section 8 Program	Participant Entry	Participant Movement	Landlord Involvement	Administrative Arrangements
Kentucky	<ul style="list-style-type: none"> Regional program operations in primarily rural areas Phone for application, mail it in Regional waiting lists 	<ul style="list-style-type: none"> Portability required for moves to most cities 	<ul style="list-style-type: none"> In a few areas, landlords relate to two Section 8 programs but state generally avoids overlap 	<ul style="list-style-type: none"> Operated through a combination of branch offices and subcontractors Where subcontractors operate, they receive 52 percent of admin fee County-level unit allocations maintained
New York	<ul style="list-style-type: none"> Suburban and rural operations plus New York City Intake administered by subcontractors except in New York City Local waiting lists, local preferences 	<ul style="list-style-type: none"> Portability required for moves outside of a subcontractor's jurisdiction 	<ul style="list-style-type: none"> In some cities, landlords relate to both state and local Section 8 program 	<ul style="list-style-type: none"> Some 48 local agencies operate program as subcontractors Subs receive 90 percent of admin fee Central management of subcontractor-level allocations
Metropolitan Section 8 Programs				
Akron (OH)	<ul style="list-style-type: none"> Sole source of Section 8 for a large part of the metropolitan area 	<ul style="list-style-type: none"> Apply to one agency and live in a large part of the metropolitan area 	<ul style="list-style-type: none"> Most landlords relate to only one Section 8 program 	<ul style="list-style-type: none"> Single central office
Clark Co. (NV)	<ul style="list-style-type: none"> One of 3 programs in the Las Vegas metropolitan area 	<ul style="list-style-type: none"> Apply to 1 of 3 agencies and stay with that agency anywhere in the county, under 3-way agreement 	<ul style="list-style-type: none"> Landlords throughout the county may relate to any of 3 Section 8 programs 	<ul style="list-style-type: none"> Single central office
Dade County (FL)	<ul style="list-style-type: none"> Sole source of Section 8 for a large part of the metropolitan area 	<ul style="list-style-type: none"> Apply to one agency and live anywhere in metropolitan area 	<ul style="list-style-type: none"> In some areas of county, landlords may work with 2 Section 8 programs 	<ul style="list-style-type: none"> Central office plus one satellite office

Exhibit 2-1 (continued)

APPROACHES OF STATE AND METROPOLITAN SECTION 8 PROGRAMS TO FOUR CHALLENGES

Section 8 Program	Participant Entry	Participant Movement	Landlord Involvement	Administrative Arrangements
Jacksonville (FL)	<ul style="list-style-type: none"> • Virtually sole source of Section 8 in metropolitan area 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in metropolitan area 	<ul style="list-style-type: none"> • Almost all landlords work with only 1 agency 	<ul style="list-style-type: none"> • Single central office
Minneapolis-St. Paul (MN) (Metro HRA)	<ul style="list-style-type: none"> • Administers Section 8 for multiple jurisdictions, but not sole source of Section 8 in area 	<ul style="list-style-type: none"> • One agency serves multiple jurisdictions, but portability required to move to other parts of the metropolitan area 	<ul style="list-style-type: none"> • No overlap of program administration, so all landlords relate to 1 Section 8 program (in each area) 	<ul style="list-style-type: none"> • Central office plus 15 "contract offices"
Orange County (CA)	<ul style="list-style-type: none"> • Administers Section 8 for multiple jurisdictions, but not sole source of Section 8 in area 	<ul style="list-style-type: none"> • Apply to one agency and stay with that agency anywhere in county, under 4-way agreement 	<ul style="list-style-type: none"> • Landlords work with only one agency in each property location 	<ul style="list-style-type: none"> • Single central office
Portland (OR)	<ul style="list-style-type: none"> • Sole source of Section 8 in most of the metropolitan area 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in metropolitan area 	<ul style="list-style-type: none"> • Landlords work with only one agency administering the Section 8 program in the county • Landlord outreach and Advisory Committee 	<ul style="list-style-type: none"> • Single central office
Rochester (NY)	<ul style="list-style-type: none"> • HA administers Section 8 throughout metropolitan area • Local waiting lists with residency preferences exist (for smaller jurisdictions administered by RHA) separate from area-wide list 	<ul style="list-style-type: none"> • Apply to one agency and live anywhere in metropolitan area 	<ul style="list-style-type: none"> • In some jurisdictions, landlords sign HAP contracts with either local agencies or metropolitan agency 	<ul style="list-style-type: none"> • Single central office for RHA. Separate offices for programs operated as subcontractor • Sole administrative agency for metropolitan area (subcontractor to 3 local programs)

Exhibit 2-1 (continued)
APPROACHES OF STATE AND METROPOLITAN SECTION 8 PROGRAMS TO FOUR CHALLENGES

Section 8 Program	Participant Entry	Participant Movement	Landlord Involvement	Administrative Arrangements
San Diego County (CA)	<ul style="list-style-type: none"> • Administers Section 8 for multiple jurisdictions, but not sole source of Section 8 in area • Discussing combining waiting lists with other programs in county • Phone for application, complete over phone or mail it in 	<ul style="list-style-type: none"> • Portability required for all moves • Discussing ways to move families between waiting lists instead of using portability 	<ul style="list-style-type: none"> • No overlap of program administration, so landlords work with only one Section 8 program 	<ul style="list-style-type: none"> • Single central office
Hartford (CT) ¹	<ul style="list-style-type: none"> • Local HA administers units anywhere in the metropolitan area 	<ul style="list-style-type: none"> • Apply to one agency and receive support for moves anywhere in metropolitan area 	<ul style="list-style-type: none"> • Outside the city of Hartford, landlords may work with local program as well as the city's Section 8 program 	<ul style="list-style-type: none"> • Single central office

¹ Hartford's Section 8 program is not metropolitan in jurisdiction, but the agency administers units throughout the metropolitan area. See text for discussion.

exclusive source of Section 8 certificates and vouchers in the metropolitan area.³ All aspects of HAP's Section 8 program are managed by staff based at the agency's central office in downtown Portland, but HAP operations are thoroughly oriented to the whole county. Families seeking information about Section 8 in the Portland area can get it at a single source.

A similar situation is found in Jacksonville (FL). Most of the metropolitan area falls within the city proper, and since the time certificates first became portable in 1989, the Jacksonville Housing Authority (JHA) has considered the service area of its Section 8 program to include the other three counties that make up the MSA.⁴ No intergovernmental agreements were required to extend Jacksonville's program, because the HA is virtually the only Section 8 program in the metropolitan area and certainly the only one capable of metropolitan coverage. There is also no state Section 8 program in Florida. Thus, JHA is the single source for information and access to Section 8.

It is possible that Jacksonville's situation is repeated in other metropolitan areas across the country, where growing cities have annexed suburban areas and where there is no statewide program. The data from this study do not support an accurate estimate of the number of metropolitan areas that have a single Section 8 program. But most metropolitan areas have multiple local governments, multiple housing authorities, and multiple Section 8 programs. Even Honolulu—which has a single local government (called the City and County of Honolulu)—has two Section 8 programs, because the city and the state each operate one.

In seeking examples of metropolitan programs, this study encountered another group of agencies that—although not the sole source of Section 8—are nevertheless able to administer Section 8 certificates and vouchers anywhere in the metropolitan area. Like the single-source agencies, these agencies offer families easier access to Section 8 assistance; they maintain metropolitan-wide waiting lists, even though there are other agencies and waiting lists in the metropolitan area.

3. Although our respondents considered the metropolitan area to be entirely within Multnomah County, the Census Bureau includes four other counties in the Portland-Vancouver (WA) PMSA.

4. Strictly speaking, because of the two small programs in outlying areas, JHA is not the *only* Section 8 program in the metropolitan area.

Metropolitan-Wide Waiting Lists

Most of the agencies in the study sample with metropolitan-wide waiting lists are parts of governments with political jurisdictions that encompass the entire metropolitan area. As Exhibit 2-1 shows (second column), some are state agencies with service areas that overlap local HAs; examples are Connecticut, Massachusetts, Michigan, and Oklahoma. Some are county agencies, where the county includes the entire metropolitan area and the Section 8 service area overlaps that of local HAs within the county; examples are Akron (OH) and Dade County (FL). Finally, two are city agencies: Rochester (NY) and Hartford (CT).

Connecticut is unique even among the state agencies in this group because it maintains a single statewide waiting list. Families are selected from anywhere in the state based upon their position on the list. A single subcontractor, Hartconn, operates the program from a suburb of Hartford and maintains three field offices, used primarily for intake activities.⁵ The jurisdiction of the program fully overlaps all other HAs in the state. Households receiving rental assistance from the state program can readily choose to live anywhere in the state.

Massachusetts' program, administered by the Executive Office of Communities and Development, is another example of a state program overlapping all local programs. Actual operation of the program is performed by nine regional subcontractors.⁶ Within each region, prospective participants can apply at one place and live anywhere in the region. For instance, people from anywhere in the Boston area can apply to the Metropolitan Boston Housing Partnership (MBHP), which administers units in the City of Boston and in 32 other cities and towns.

The Akron Metropolitan Housing Authority (AMHA) also maintains a metropolitan-wide waiting list. Like other housing agencies in Ohio, AMHA was established as a metropolitan agency, serving the surrounding region as well as the city proper. The mayor of Akron appoints the chair of the board, but officials from other localities also appoint board members. Like other places in Ohio, too, the Akron metropolitan area has outgrown AMHA's jurisdiction, so that the AMHA service area now includes only 78 percent of the area's

5. Connecticut recently re-bid the contract for Section 8 administration, and Hartconn was scheduled to be replaced as subcontractor by the Connecticut Association for Community Action on July 1, 1996.

6. The subcontractors are eight nonprofit organizations and a regional housing authority. Units in the City of Lynn are administered by the Lynn Housing Authority as a result of special state legislation.

population. Nevertheless, for the large part of the metropolitan area included, people can apply and be put on a single waiting list that serves the entire area.

In the study sample, there are also two city agencies—in Rochester (NY) and Hartford (CT)—that administer units for households living almost anywhere in the metropolitan area, even though the political jurisdiction of the agency does not cover the entire metropolitan area. Each concluded that the agency could legally operate outside the political jurisdiction of the local government. As a result, a family can apply for Section 8 assistance at the Rochester Housing Authority (RHA) to live anywhere in that metropolitan area, because RHA can directly administer its units throughout the five-county area. The City of Hartford's Section 8 program goes one step further and actively supports residents who express an interest in moving outside the city, providing information on apartments in suburban areas and referring clients to an agency in Hartford that provides housing counseling services.

In two metropolitan areas included in this study, plans were being made to ease the process for families applying for Section 8, by consolidating or facilitating access to multiple waiting lists. In Minneapolis, as part of the settlement of a discrimination lawsuit, area HAs are developing a clearinghouse to give information and receive applications for all housing programs in the metropolitan area. In the San Diego area, many applicants move between the county and city while waiting for Section 8 assistance. In response, the City and the County are discussing sharing application information, so that a family in the county would not have to go to the bottom of the city waiting list if they chose to move. In this example, the date of application to the County would be honored by the City when the applicant was added to the City's list. The two HAs and several others in the San Diego area are also discussing a more far-reaching consolidation of their Section 8 programs.

Residency Preferences

According to a 1994 internal HUD survey, residency preferences are used by nearly half the Section 8 programs nationwide.⁷ In some places, residency preferences effectively limit the access of some families in the metropolitan area to the Section 8 program. The Rochester (NY) area is an interesting example of this phenomenon, because—as just described—

7. The study results are cited in Tegeler et al, "Transforming Section 8 Into A Regional Mobility Program," p. 110.

the Rochester Housing Authority (RHA) is one of the agencies that has expanded its jurisdiction to include the entire metropolitan area. Not only does RHA administer a large, metropolitan-wide program, it also acts as a subcontractor for three other Section 8 programs in Monroe County (Greece, Irondequoit, and a regional consortium of towns led by Pennfield). As a result, in these towns RHA administers both its own units and the units of the local program.⁸ Yet, though all administered by RHA, the programs of these towns and the City of Rochester are maintained as distinct entities, as far as participants and landlords are concerned. In particular, each has its own waiting list, and the three small programs RHA administers as a subcontractor also have residency preferences, so that (all else equal) residents of those towns are placed ahead of other applicants. Because of an imbalance between the allocation and the demand for units in the city and suburbs, the waiting list for the City of Rochester is quite long and frequently closed; the waiting lists for the three smaller programs are shorter, but their residency preferences ensure that non-resident applicants are rarely served. Thus, while residents of the City of Rochester who receive Section 8 can readily live anywhere in the metropolitan area, they must wait much longer to get Section 8 assistance than residents of the suburban towns.

Relatively few of the state and metropolitan agencies included in this study gave residents preferential treatment on their waiting lists. Among the metropolitan agencies shown in Exhibit 2-1, only San Diego County, Orange County, and Dade County have residency preferences. In each of these cases, because the jurisdiction includes the entire metropolitan area, the preference does not restrict access for residents of any particular part of the area. However, in each of these areas (and in most of the other metropolitan areas we examined), smaller suburban housing authorities do give preference to local residents, resulting in a situation similar to that in the Rochester area.

The State of New Jersey is another interesting example, because the state has chosen to structure its program as if it were a set of local programs with residency preferences. The waiting list is maintained by county, and families are encouraged to apply for the county where they currently live. If they apply for another county, they are ranked below that county's residents on the waiting list. However, once a family receives assistance, it can be used anywhere in the state.

8. There is only one other independent Section 8 program in Monroe County, a 300-unit program operated by the Village of Fairport.

Making It Easier to Apply for Section 8

Because many of the state and metropolitan agencies in this study cover a large area, applying in person can pose a hardship and be a barrier to program entry. To avoid this, many of the agencies allow people to request Section 8 pre-application forms by telephone and then submit them by mail, enabling an applicant to get on the waiting list without traveling to the office. Among the state programs contacted for this study, six agencies allowed mail-in pre-applications (Michigan, Tennessee, Connecticut, Massachusetts, Kentucky, and Oklahoma), whereas Virginia (at least in Virginia Beach), New Jersey, and New York did not. Of the metropolitan agencies in the study, only San Diego County allows people to apply without coming into the office; there, applications are actually taken over the telephone, making access even easier. We do not know how widespread these practices are among local Section 8 agencies, but they are likely to be a more important consideration for larger, multi-jurisdictional agencies.

2.2 PARTICIPANT MOVEMENT

In theory, any certificate- or voucher-holder can move to any place in the country where there is an agency operating a Section 8 program. In practice, people may not be aware of this option, and there are a number of potential obstacles—such as the paperwork required, differences in occupancy standards, and other administrative variations—that can create problems for people trying to move. Participant movement is examined extensively in Chapters Three (Portability) and Four (Mobility). Here, we restrict our discussion to the way that wider agency jurisdiction can facilitate Section 8 moves. This is summarized in the third column of Exhibit 2-1.

Compared to participants receiving certificates or vouchers from local HAs, those with certificates or vouchers from agencies with multi-jurisdictional service areas are likely to find it easier to live in the area of their choice. For the latter group, it is not necessary to approach another Section 8 agency in order to move from one city or town to another. As Exhibit 2-2 shows, a number of the agencies included in this study encompassed one or more entire metropolitan areas. As noted before, five state programs—Michigan, Connecticut, New Jersey, Oklahoma, and Massachusetts—cover all or almost all of the state. Households with certificates

or vouchers issued by these state programs can move anywhere in the state without shifting agencies (although they may shift branch or subcontractor offices).

While participant movement is facilitated by statewide programs, it appears that the agencies that staff their branch offices with state employees find it easier to administer internal moves (and moves to and from other HAs) than do the states using subcontractors. States using subcontractors commonly pay them a percentage of the Section 8 administrative fee earned by the state agency or a set fee per leased-up unit. As a result, the subcontractors experience budgetary pressure if participants take their units elsewhere in the state. The subcontractors therefore pressure the state program administrators to maintain stable program levels. A notable exception is Connecticut, which uses a single subcontractor to administer the program statewide. In states that use multiple subcontractors, a kind of internal portability is required, because a different organization will manage the unit if a participant moves far enough away.

Administrative arrangements seem easier, and tolerance for imbalances greater, when state employees are used and there is not the concern to protect subcontractor fees.⁹ In these states, the transfer between offices occurs with a minimum of paperwork and potential for problems. In Tennessee, for example, a Field Office manager typically calls her counterpart at another Field Office about an intrastate transfer and then sends along the case file. No effort is made to adjust allocations for movement between the field offices (in part because there is relatively little movement in Tennessee).

Agencies in this study also take other steps to facilitate participants' moves, even if these moves go beyond jurisdictional boundaries. Cross-administration agreements allow agencies to continue to administer Section 8 for a family to whom they have issued a certificate or voucher, even when the family moves to a neighboring city outside the program's normal jurisdiction. Clark County (NV), Dade County (FL), and Orange County (CA) all have such agreements. Chapter Three addresses portability issues in greater detail, including a discussion of these cross-administration agreements.

9. It is likely that the state employees have job security, even if change in the size of a branch office might make it necessary for some to transfer between branches.

Exhibit 2-2

PERCENT OF TOTAL MSA POPULATION SERVED BY SAMPLE AGENCIES

Metropolitan Coverage	State Subcontractors and Field Offices	Metropolitan Housing Agencies	PHAs Overlapped by State/Metro Agencies	Active Portability Receivers	Active Portability Senders
95-100%	<ul style="list-style-type: none"> Michigan State Housing Development Agency (Grand Rapids Branch Office) Tennessee Housing and Development Authority (Milan Field Office) Hartconn Associates (CT) New Jersey Department of Community Affairs (Newark Field Office) Oklahoma Housing Finance Agency^a 	<ul style="list-style-type: none"> Dade County Department of Special Housing Programs (FL) Jacksonville Housing Authority (FL) 	<ul style="list-style-type: none"> Jackson Housing Authority (TN) 		
75-95%	<ul style="list-style-type: none"> Metropolitan Boston Housing Partnership (MA) 	<ul style="list-style-type: none"> Rochester Housing Authority (NY) Akron Metro Housing Authority (OH) Housing Authority of the County of Clark (NV) Public Housing Authority of Orange County (CA) 			
50-75%					<ul style="list-style-type: none"> Housing Authority of the City of Houston (TX)

Exhibit 2-2 (continued)

PERCENT OF TOTAL MSA POPULATION SERVED BY SAMPLE AGENCIES

Metropolitan Coverage	State Subcontractors and Field Offices	Metropolitan Housing Agencies	PHAs Overlapped by State/Metro Agencies	Active Portability Receivers	Active Portability Senders
25-50%	<ul style="list-style-type: none"> • Virginia Beach Department of Housing and Neighborhood Preservation (VA) • New York Division of Housing and Community Renewal 	<ul style="list-style-type: none"> • (Twin Cities) Metro Council Housing and Redevelopment Authority (MN) • County of San Diego (CA) • Housing Authority of Portland (OR) 		<ul style="list-style-type: none"> • Dallas Housing Authority (TX) 	
0-25%			<ul style="list-style-type: none"> • Grand Rapids Housing Commission (MI) • Minneapolis Public Housing Authority (MN) • Imagineers, Inc. (CT) (Hartford) • Oklahoma City Housing Authority (OK) • Cambridge Housing Authority (MA) • Newark Housing Authority (NJ) 	<ul style="list-style-type: none"> • Housing Authority of Alameda County • Housing (GA) Opportunities Commission of Montgomery County (MD) • Quincy Housing Authority (MA)^b 	<ul style="list-style-type: none"> • Boston Housing Authority (MA) • Oakland Housing Authority (CA) • District of Columbia Housing Authority
NA	<ul style="list-style-type: none"> • Central Kentucky Community Action 				

^a OHFA does not have field offices. Instead, the program is centrally administered.

^b Technically, Quincy's jurisdiction is statewide, as is true for all local housing authorities under Massachusetts statute.

2.3 LANDLORD INVOLVEMENT IN SECTION 8

In the aspects of the Section 8 program that directly affect landlords, the state and metropolitan agencies in this study did not appear to differ systematically from the local HAs examined.¹⁰ Housing Quality Standards (HQS) inspections, rent reasonableness determinations, HAP and utility allowance payments, security deposits, and damage claims are all handled in much the same manner by the multi-jurisdictional agencies as they are by the local HAs. The key issue that affects landlords (and that is summarized in the fourth column of Exhibit 2-1) is that most of the multi-jurisdictional Section 8 agencies overlap the service areas of other HAs. As a result, landlords may encounter variations in policies and procedures between two different agencies in the same area. (Landlords with property in more than one local jurisdiction may have similar problems.)

This study did not collect information directly from landlords, but program administrators at several local housing authorities described the conflicting signals that landlords could receive from two agencies operating in the same area. One local HA administrator felt that the state field office, which covered a ten-county area, was less attuned to the local rental market and less likely to "hold the line" on rents (particularly in cases where the field staff had to travel a great distance to inspect a particular property). This reportedly made the local agency's negotiations with landlords more difficult.

In another case, a state agency administrator indicated that landlords were disgruntled by the state's stricter enforcement of HQS standards, compared to local HAs. That state also had a higher utility allowance and a lower minimum tenant rent than several local agencies. There and in other states, differences in procedures and policies not only caused landlords confusion but also caused friction between local and state agencies administering Section 8 in the same areas.

One respondent identified an advantage to having two agencies serving the same area, from the standpoint of landlords. Although the Rochester Housing Authority (RHA) can and does administer units well outside the city's political jurisdiction, it operates in some parts of Monroe County as a subcontractor to smaller, local HAs. In these outlying areas, it was thought

10. Recall that the study sampled a number of local agencies with jurisdictions overlapped by state or metropolitan agencies. Local agencies that were active in portability were also sampled. See Section 1.3.

that certain landlords would not participate in the program if they had to sign a HAP contract with a large, urban housing authority like RHA instead of a small local one.

Rent reasonableness determinations are another important aspect of Section 8 vitally affecting landlord involvement. In areas with multiple Section 8 agencies, there may be differences in rent determinations that affect landlord willingness to accept Section 8 tenants. We describe further in Chapter Three (Portability) the agreement made among jurisdictions in Orange County (CA) to leave rent negotiation responsibilities with the agency where the rental property is located, while maintaining responsibility for participants with the agency that first issued them a certificate or voucher.

2.4 ADMINISTRATIVE ISSUES

There are a number of important administrative issues that are handled differently by state and metropolitan agencies compared to the more numerous local Section 8 programs. The *advantages these agencies may gain* include: the ability to offer tenant-based assistance inclusively (to city, suburban, and rural areas) due to their broader jurisdictions; the ability to develop greater technical capacity and expertise; and greater ease in managing allocations of funding for certificates and vouchers as participants move. On the other hand, there are some *special problems encountered* by multi-jurisdictional Section 8 agencies, including: how to administer functions that require face-to-face participant and landlord contact; how to manage relationships when there are local HAs with overlapped service areas; and how to pay for the high costs of program operations in rural areas. The final column of Exhibit 2-1 summarizes the approaches taken by multi-jurisdictional programs in the study sample.

Jurisdictional Coverage

We have already noted one important feature of state programs within the study sample: coverage of metropolitan areas varies strikingly among the nine programs. While four operate in all areas of the state, three do not overlap all metropolitan areas, and two are primarily suburban and rural. Some of the advantages accruing from statewide coverage have been cited earlier in this chapter, in the context of participant entry and participant movement. Other advantages are perhaps more relevant to non-urban areas. In some states, the main reason for the existence of the state program is to bring Section 8 to rural areas where local governments

may not have the capacity to create and operate an effective local HA. In such areas, state agencies provide expertise and technical assistance in the administration of Section 8 at a level unlikely to be achieved if the program were operated by several smaller local HAs. State agencies also can provide financial resources to supplement administrative resources in high-cost, low-fee areas. In addition, state agencies provide a mechanism that still allows use of local agencies, as subcontractors to the state, without each locality having to create and monitor an HA. Thus, it is possible to envision a role for local agencies even under a scenario in which the Section 8 program shifts more toward state administration.

State agencies with more limited jurisdictions, and particularly those limited to more rural areas (in this sample, Kentucky and Tennessee), indicate considerable difficulty with program funding. These state agencies do not earn the higher fees of urban areas, but they have higher transportation costs. Kentucky supplements its Section 8 fees with contract administration fees, as its fee rates do not cover costs. Tennessee state agency staff resent the higher fees paid to metropolitan agencies (as much as twice the fees the state earns), because the per unit costs to administer units in rural areas are actually higher.

One reason for the Oklahoma state agency's insistence that it be able to operate its program in Oklahoma City and Tulsa (despite criticism and even a legal challenge) is the perception that the state would lose much of its program to these local HAs through portability and that the fees earned on a more heavily rural program—the highest cost, lowest fee portions of the program—would not support adequate administration. The financial advantages of an urban-rural mix may explain why some of the strongest programs in this study are those with more complete coverage.

There is also considerable variation in the administrative units of the state programs. Some have only a few locations, others have branches or subcontractors serving multiple counties, and still others have county-level operations. Although running a statewide Section 8 program on a county-by-county basis brings program staff face-to-face with participants and landlords, it is not necessarily the most efficient way to structure waiting lists and unit allocations. Yet New Jersey's program—which is highly regarded for its overall performance and for advances in efficiency through applying new technologies—maintains a county-level structure that includes separate branch offices, separate waiting lists, and residency preferences.

An agency operating a metropolitan Section 8 program does not, of course, have as large or varied a jurisdiction as a state agency. The agencies with metropolitan jurisdictions had three types of origins: 1) several were county agencies (some overlapped local HAs and some did not); 2) several (Housing Authority of Portland, Metro HRA, and Akron Metropolitan Housing Authority) were administered by special metropolitan agencies with a mandate to serve multiple cities and towns; and 3) several were sponsored by local governments that serve extraordinarily large areas (e.g., Jacksonville).

Almost all of the metropolitan agencies in this study operated their programs from a single central office. The Metro HRA in the Minneapolis-St. Paul area was one exception. Although the agency does not administer units in the largest cities in the area, its service area encompasses 130 cities and towns. In addition to the central office, the agency has 15 "contract offices." Some of them perform only HQS inspections (for a flat fee of \$24), while others conduct a broader set of activities including lease-ups, recertifications, and inspections. Of the eight other sample metropolitan agencies, only Dade County had a branch office, a single "satellite office" in south Dade.

Technical Capacity and Expertise

The respondents in multi-jurisdictional agencies saw greater technical capacity and expertise as a distinct advantage of state and metropolitan administration, compared to local agencies. The larger scale of these programs allows them to develop more specialization and invest more resources in improved technological systems. Naturally, this could apply to larger Section 8 programs in local public housing agencies, not only to multi-jurisdictional programs. However, observers in HUD and elsewhere believe that administrative resources from Section 8 are often used to support public housing operations, in agencies that operate both programs. If this is so, then some of the funds that might be invested in technological improvements (or, indeed, in other kinds of administrative uses) are not used to benefit Section 8. The state programs were not operators of public housing, although a number of the metropolitan agencies were. The state programs had the additional advantage of being able in some cases to draw on other resources of state government.

Two state agencies in the study sample were noted for technological improvements. The New Jersey state agency has been very innovative in its use of technology. It has recently

begun to use pen-based mobile computers to record the results of HQS inspections, equipping inspectors not only with the pre-coded inspection form but also with the HUD regulations and agency manual (for immediate reference to the appropriate section, at the touch of the pen). The inspection reports and letters to landlords and tenants are generated directly from the field-entered data, when they are brought back to the office at the end of each day. This agency has seen measurable improvements in productivity from this change, and it plans to be "paperless" before the end of the decade.

Connecticut's entire program is run by a single subcontractor using a high-capacity information system. The size of the program enabled the subcontractor to make the substantial investment in an improved system. This enhanced administrative capacity allows the state program to take on the role of receiving agency for much of the portability that occurs within the state of Connecticut.

Larger scale may result in greater capacity for oversight and monitoring. State agencies may provide more oversight to field operations than HUD or local governments are typically able to offer. The Virginia state Section 8 agency provides a detailed procedures manual to its subcontractors, incorporating HUD guidance, state agency policy, and elements of local choice (e.g., approved local preferences). In addition, state staff review and audit a large portion of the work performed in the field. Staff from the central office in Richmond provide considerable technical assistance¹¹ and conduct two extensive reviews of each subcontractor every year: a review of financial records, documents, and client files; and a field inspection of housing units, including interviews with participants. The Michigan state program's managers offer subcontractors an intensive training program and a mentor system, and they conduct a three-day field performance evaluation for each subcontractor every year, resulting in a written evaluation and assistance in correcting any problems.

State and metropolitan agencies are sometimes able to provide more expertise for special programs, such as Family Self-Sufficiency (FSS), and may provide the needed liaison with service providers (particularly other state-funded agencies) more effectively than small local agencies. Several of the local HAs in this study (whose service areas were overlapped by multi-jurisdictional programs) had, in fact, developed cooperative efforts with nearby state

11. One respondent indicated that HA subcontractors in the Virginia state program rely more on them than on their HUD offices for technical assistance when they have questions.

subcontractors or branch offices to implement FSS, sharing Program Coordinating Committees and liaison with service providers.

Several of the metropolitan areas studied included a county or city agency with a large Section 8 program and several small suburban programs. Dade County, Akron, and Rochester are examples of this configuration. In these cases, the metropolitan agency may support the smaller agencies with training and technical assistance. In Rochester, the Rochester Housing Authority actually operates three smaller program as a subcontractor. In Dade County, the County agency worked with other local HAs, jointly conducting training sessions and workshops. County staff recently conducted a Fair Housing training for a group of local HAs.

Cities and towns in areas served by metropolitan agencies can establish their own housing agencies and apply to HUD for an allocation of Section 8 units. The Orange County agency serves 28 cities that have chosen not to establish their own programs. The Metro HRA serves 130 cities and towns in the Minneapolis-St. Paul area. The larger metropolitan agencies offer notable efficiencies compared to the small, suburban programs; this apparently compensates for the loss of local control experienced by local governments that choose not to run their own programs. Nevertheless, new agencies had been formed in areas formerly (or currently) served by metropolitan agencies. Washington County in Minnesota recently organized a Section 8 program largely by absorbing households initially issued certificates and vouchers by the Metro HRA. As a result, Metro HRA no longer directly administers units in the Washington County. Two cities in San Diego County also established new Section 8 programs, but the County continues to administer Section 8 units in those areas.

Obtaining and Managing Funding Allocations

Some study respondents from multi-jurisdictional agencies felt that their programs offered clear advantages with regard to both obtaining and managing funds allocations from HUD. The advantage to HUD of funding these programs is the reduced fragmentation of program resources in metropolitan areas. The advantages in managing allocations are related to portability administration (discussed more fully in Chapter 3). Metropolitan agencies typically have a single area of allocation, but states may cover multiple metropolitan areas and non-metropolitan areas as well, resulting in multiple allocations of Section 8 resources from HUD.

New Jersey has been very successful in obtaining new Section 8 funding. When funding criteria favored the quality of program administration and the ability to lease-up quickly, the program was highly rated. Now, the more need-based criteria also favor the agency, at least in some of its jurisdiction. HUD seems to prefer to provide additional units to this single, well-managed agency rather than to several local HAs. State agency respondents for this study felt that, because of the agency's success and because of the requirements to expand FSS programs with new funding increments, there was decidedly less interest in Section 8 among HAs in the state.¹² This appears to have further increased the state program's share of the units allocated.

In contrast, the Tennessee state program agency has not applied for new Section 8 units over the past three years. In the Nashville area, the agency always had to compete with the Nashville-Davidson County HA and never succeeded, so it stopped applying. Because of the size of the state and the nature of the areas served, this agency's administrators feel the program is underfunded—or at least not fairly funded compared to others. For example, the Nashville-Davidson County HA receives an administrative fee (to operate a program in a consolidated area) that is more than double the average fee the state agency earns to operate the program in widely dispersed rural areas.¹³ In addition, there are 74 separate utility allowance schedules to maintain, multiple analyses related to rent reasonableness, and multiple adjustments to voucher payment standards. It appears this agency would consider giving up its program if local HAs were interested in taking the units.

HUD's policies regarding allocation of Section 8 resources have undergone change over time, and so has the geography of allocation areas. The allocation patterns among state programs seem to result from a combination of policy changes, procedural differences between HUD field offices, and state preferences or requests. Some states have a single statewide allocation, others a number of metropolitan and non-metropolitan allocations, still others county-by-county increments. In Massachusetts, for example, HUD makes allocations to the state for six areas, which do not coincide with the regions administered by the nine subcontractors. The

12. Only 45 of the 81 local HAs applied in response to the NOFA for the most recent formula allocation units.

13. A respondent indicated that the fee in Nashville-Davidson County is about \$49 per unit month, compared to \$14 in rural Pickett County.

state agency makes suballocations to the subcontractors consistent with the HUD allocations. By contrast, New Jersey and Tennessee seek county-level allocations.

Somewhat independent of the allocations from HUD is the way the state programs manage these resources. A number of states handle allocations and movement among allocation areas centrally, as a bookkeeping matter. As discussed above (in Section 2.2), this can make the state a significant facilitator of participant movement. On the other hand, there are state programs that strictly maintain allocations by area, whether this be region (as in Massachusetts) or locality (as in Virginia).¹⁴ The connection between these patterns and the use of subcontractors versus state employees for field operations was also noted in Section 2.2.

Conducting Program Functions Over a Large Geographic Area

One of the potential problems associated with multi-jurisdictional Section 8 operations is the need to conduct some program functions face-to-face with participants and landlords, when they are at a distance from the agency central office. (As noted above, most of the state programs—but only two of the metropolitan programs—use field locations to carry out some aspects of Section 8 administration). States solve this problem in different ways and vary in the degree to which administrative functions are decentralized.

Application-taking is often a local (rather than central) function, although Section 2.1 noted that some programs are now using mail-in or phone-in systems. Field offices often maintain waiting lists (particularly if these are county-level); they also tend to do participant intake and carry out initial and annual unit inspections. In New York and Kentucky, local agencies do all program processing except for making HAP payments, but in Virginia the

14. For example, Virginia Beach's housing agency is a subcontractor to the state program. However, the Virginia Beach administrator believed that the state agency's priority to expand the program to all rural areas resulted in the local office not receiving its share of units. So, in the late 1980s, Virginia Beach began applying directly to HUD. As a result, the state agency no longer applies for additional units for Virginia Beach. Now, Virginia Beach administers units from the state's allocation and from its own allocation. There is only one waiting list, but local residents get preference for the units allocated directly to Virginia Beach and not for the state-allocated units. Virginia Beach does not, however, serve the entire metropolitan area. People in Virginia Beach apply to the Virginia Beach HRA to participate in the Section 8 program, but people in neighboring Norfolk would apply to a different agency.

paperwork is transmitted to the central office for quality control and data entry.¹⁵ In Michigan, branch offices can view some reports via computer link to the central office, but there is not yet full interactivity. New Jersey is also planning greater use of electronic communication between central and branch locations in the near future.

Oklahoma's system is somewhat different, with some staff in the central office and the remainder operating from their homes. The central office conducts all the outreach activities, takes applications, and maintains the waiting list. It also makes the payments to landlords and tenants and manage all aspects of FSS. Each of the field staff (typically located at least 100 miles from the central office) has a service area with no more than a 100-mile radius from the employee's home. These field staff perform intake, recertification, and inspection activities. Even in states with numerous branches, the central office usually makes all payments to landlords and tenants; this is the case in Tennessee, Kentucky, New Jersey, New York, and Virginia.

Interagency Communication and Coordination

Because many of the state and metropolitan agencies have jurisdictions that overlap local HAs' service areas, communication and coordination among HAs may be more important than in situations where there is no overlap of jurisdictions. Yet the agencies in the study sample report varying levels of inter-agency coordination. For example, the New Jersey state program includes some HAs in its training activities and shares FSS boards with local HAs; however, there appears to be little communication between the state and local authorities, except in relation to specific portability cases. Some HAs with jurisdictions overlapped by state agencies complained that state administration of HQS (including occupancy standards) and rent reasonableness is frequently at odds with local administration. This causes some confusion for participants and landlords, and can result in criticism for the local HA if the state procedures are viewed more favorably. Still, these agencies reported only infrequent contacts with the state program staff or subcontractor operating in the local area.

15. This will change somewhat, in the near future. The state agency has almost completed a new in-house system for which the subcontractors will do the data entry. The subcontractors will be responsible for keeping the hard-copy files, and much less paper will flow to the central office.

In several states where the jurisdiction of the state agency overlaps all or almost all local HAs (particularly Massachusetts, New Jersey, and Oklahoma), there is resentment of the state agency. Groups of HAs or individual agencies in each of these states have attempted to limit state agency operation in their communities, either through court action or state legislation, although few were successful. In Massachusetts, the state's comprehensive jurisdiction has caused complaints from other housing authorities, particularly in the Boston area, that would like to administer all certificates and vouchers in their jurisdictions. This position is supported by the Massachusetts chapter of NAHRO. Communication between local HAs and state subcontractors is sometimes strained due to this resentment.¹⁶ In Oklahoma, the state's Section 8 operations overlap the jurisdictions of more than 50 local HAs, including the two largest cities in the state—Oklahoma City and Tulsa. The HAs in these two cities are not happy about this arrangement. In 1995, Oklahoma City legally challenged the state's right to operate in the municipality, but the challenge was unsuccessful.

We discussed with the metropolitan agency respondents the extent of cooperation and coordination among agencies administering Section 8 in their metropolitan areas. Exhibit 2-3 summarizes the cooperative efforts they reported.

This chapter has not fully explored one important aspect of metropolitan administration of the Section 8 program. Agencies with a metropolitan-wide service area may avoid many of the administrative problems associated with portability, simply because they can continue to administer units for families that move anywhere within the metropolitan area. The advantages of this arrangement are addressed in more detail in the next chapter.

16. The state agency's jurisdiction overlaps that of 150 to 200 HAs, 50 to 60 percent of which have substantial Section 8 programs.

Exhibit 2-3
INTER-AGENCY COOPERATION REPORTED BY METROPOLITAN AGENCIES

Agency	Nature and Extent of Interagency Cooperation
Orange County, CA	Orange Co. has entered into an MOU with the three other housing authorities in the county to facilitate portability. The MOU allows agencies to continue administering units after out-of-jurisdiction moves and calls for the "receiving" agency to do HQS inspections and rent reasonableness determinations for a set fee.
San Diego County, CA	Currently, the six housing authorities in the county meet quarterly; they are trying to coordinate payment standards and minimum rent levels. The six housing authorities are discussing a mechanism for sharing waiting lists and exploring further consolidation of their Section 8 programs.
Metro HRA (Minneapolis-St. Paul), MN	FSS coordinators meet quarterly. There are ad hoc meetings on portability issues, conforming rule implementation. Under the settlement of a desegregation case, area housing authorities are developing a clearinghouse to facilitate one-stop shopping for all area housing programs. Also, Metro HRA is a partner with Minneapolis and St. Paul in developing a Gautreaux-style mobility program.
Clark County (Las Vegas), NV	MOU among the three housing authorities in the area to allow them to continue administering units when households move to a neighboring jurisdiction. MOU set up a mechanism for "receiving" agency to perform rent reasonableness and HQS inspections, but so far HACC has done its own inspections, relying on its neighbors for rent reasonableness determinations only. The agencies have also had ad hoc meetings on issues such as conforming rule implementation.
Dade County, FL	Regular communication among housing authorities. Dade has done trainings for other local housing authorities. Agreement to administer their own portability units unless distance gets too great.
Rochester, NY	Rochester administers the Section 8 program for three small suburban/rural housing authorities. The programs have distinct waiting lists, allocations, offices, etc., but there is extensive coordination.
Portland, OR Jacksonville, FL Akron, OH	Not applicable because there are either no other housing authorities or only a few small programs with whom little coordination is required.

CHAPTER THREE

PORTABILITY

This chapter defines portability and presents the views of our sample respondents on what encourages portability and the challenges they face in administering portability. Section 3.1 defines portability and provides a brief history of its growth. Section 3.2 provides a general overview of administrative features of portability. Section 3.3 discusses methods that the sample agencies have employed to make portability easier for administrators and participants. These methods hold promise for making portability easier for many agencies administering Section 8. Section 3.4 addresses the volume of portability and the current usage of portability by our study respondents' agencies.

3.1 WHAT IS PORTABILITY?

Portability is the movement of a Section 8 participant from one administering agency's jurisdiction to another's jurisdiction. Portability occurs when a certificate- or voucher-holder chooses to use a certificate/voucher issued by one housing authority in the jurisdiction of another. Portability thus differs from *mobility*, which is defined as movement between locations with different socioeconomic characteristics (specifically, as movement from high-poverty to low-poverty areas). Mobility is the subject of Chapter Four.

Portability has been a feature of the Section 8 rental *voucher* program since its inception as a demonstration program in 1984. Although the Section 8 Existing Housing (certificate) program was implemented in 1974, portability was not available to certificate-holders until 1987, and then only to a limited extent.¹ In March 1991, the Cranston-Gonzalez National Affordable Housing Act of 1990 further expanded certificate and voucher portability to include moves

1. Under the 1984 Voucher Demonstration Program, voucher holders were permitted to use portability to move anywhere in the United States where a housing authority was operating a voucher program. Since this was a new program, there were initially very limited location options. At the time, certificates were not portable outside of the issuing agency's jurisdiction. In 1987, the Housing and Community Development Act made the voucher program permanent and expanded its portability feature. This expansion allowed voucher holders to use their subsidies anywhere within the metropolitan statistical area (MSA) of the issuing agency and nationwide within the jurisdiction of any agency operating a voucher program. Under this Act, limited portability was first added as an option for certificate families; they were permitted to lease anywhere within the metropolitan statistical area of the issuing housing agency.

within the same metropolitan area, state, or contiguous metropolitan area (across state lines) of the issuing agency. As before, voucher-holders retained national portability anywhere a housing agency (HA) was operating a voucher program.

Growth in the number and size of voucher programs, and the expansion of portability to certificate-holders, caused more agencies to encounter portability than before. In the view of program administrators, there has been significantly more portability since this feature was made a part of the certificate program. The most recent expansion of portability occurred in July 1995, as part of the 1995 Conforming Rule (which was intended to merge certificates and vouchers into a single program). Now certificate- and voucher-holders have the same rights to use portability to move anywhere within the United States where a housing authority with either a certificate or voucher program has jurisdiction.

The primary administrative problem posed by recipient portability between administering jurisdictions is this: the commitment of housing assistance represented by the certificate or voucher is funded by HUD through an Annual Contributions Contract² with the initiating HA, yet the functions supported by the associated administrative fees—inspection, lease processing, Housing Assistance Payments processing, annual and interim recertifications, and annual unit inspections and lease renewals—are carried out by the receiving agency. Since the receiving agency has the necessary familiarity with the local housing stock and rents, the legal authority to operate housing programs there, and the geographical proximity to the client, the logic of carrying out these functions is clear. The problem is how to get the functions and assistance payments funded there. Currently, the receiving HA either absorbs the recipient (using its own ACC resources), or else bills the initial HA for HAP amounts and a portion of the administrative fee. Absorbing means that the receiving agency gives the incoming tenant a certificate or voucher of its own, releasing the one from the initial jurisdiction. The receiving agency has the option to absorb the unit into its own program (if there is a certificate or voucher available) or bill the initial agency.

The expansion of the portability option to certificate-holders greatly increased the amount of portability activity (the number of portability cases) and the associated workload for many Section 8 agencies. To ease the resulting administrative burden, HUD initially published optional billing procedures but mandated how to split the ongoing administrative fee (20 percent

2. See the explanation in Chapter One.

issuing; 80 percent receiving). In response to continued complaints about the inconsistency of billing and procedures among agencies, HUD published Notice PIH 95-56 in September 1995, requiring the use of the Portability Information Form. The standardized billing form is designed to "simplify the billing process and reduce some of the administrative burden associated with portability."³ The notice also sets out required paper flow, limits requests for additional documentation, and sets time limits for billing by the receiving HA.⁴

Prior to the 1995 Conforming Rule, there were differences of opinion on whether families were automatically entitled to use the portability option when first issued a certificate or voucher, or if they had to lease first in the jurisdiction of the issuing agency for one year. HAs argued against instant portability for non-resident recipients, to avoid having applicants "shop" for the shortest waiting list around the country and then use portability to lease where they really wanted to live. The concern was that HA waiting lists would be clogged, with many of the same families on multiple waiting lists in the area. The 1995 Conforming Rule clearly specifies that a family is eligible to use portability immediately if the head of household or spouse were legal residents of the issuing housing authority's jurisdiction when they applied for assistance; if not initially residents, they may use portability after they lease a unit under the program in the issuing agency's jurisdiction for one year.

For FY 1995 funding, HUD published a Notice of Funding Availability (NOFA) that proposed a way to simplify portability. The Department proposed using up to 50 percent of the fair share allocation for each allocation area as reimbursement to HAs for costs associated with families moving under the portability procedures. In July 1995, HUD published the second part of the Conforming Rule. Among the provisions was a set of options for portability funding that HUD expected to test. Unfortunately, the rescission of budget authority by Congress zeroed out

3. "Section 8 Certificate and Voucher Portability Form," Notice PIH 95-56 (HA), issued September 19, 1995, p. 2.

4. An issuing agency must send the form, the participant's HUD 50058 form, and verifications to the receiving agency. The receiving agency must complete the second portion of the form after the subsidy holder leases up (as well as any time the HAP changes) and return it to the initial agency. The receiving agency is also responsible for notifying the initial agency if the family does not lease a unit. To help resolve disputes regarding the timing of billings, HUD now requires the receiving agency to bill the initial authority for the unit within six months of the date the certificate or voucher was issued. If the receiving agency does not meet this deadline, it must absorb the unit into its own program.

the funding for incremental units under the fair share approach, so the portability pool was not implemented and other approaches could not be tested.

One of the primary issues with the administration of portability is the perception among program administrators that there are big winners and losers. An agency with a significant number of incoming portable units (a receiving agency) is generally viewed as the "winner." This agency may retain its current program size (it does not have to issue one of its own certificates or vouchers) and also bill the initial agencies for 80 percent of the administrative fee for the inbound portability units. This system may add substantially to an agency's income. The initial agency is in the "loser" position, retaining only 20 percent of the administrative fee for a certificate or voucher when the tenant moves to another jurisdiction. In most cases, this outbound portable unit now involves more work for the agency (e.g., tracking billings) but provides less income.

The "winner/loser" problem is less likely to occur when agencies absorb. The advantage of absorbing is that the receiving agency may avoid the billing process. Also, an HA that is not fully leased may improve its lease-up rate. (HUD mandates a lease-up percentage of 95 percent or greater). For leased-up housing authorities, the major disadvantage of absorbing is that the agency must issue one of its own certificates or vouchers to the port-in family, which means there is one less unit available for a family on the waiting list. Also, no additional income is earned for the agency, since it earns 100 percent of the administrative fee just as it would if assisting a family from its waiting list.

3.2 ADMINISTERING PORTABILITY

Some agencies have an easier time in administering portability than others. Also, families in some areas have greater success using portability. This section reviews factors that encourage portability and those that discourage it.

Factors Encouraging or Facilitating Portability

Section 8 administrators commented that administrative factors did not necessarily encourage or discourage portability; moves occur when participants decide to move to be near employment, friends and family or to be in a more desirable neighborhood with less crime and better schools. The housing market was also viewed as a key factor. In general, areas with soft

rental housing markets will allow for more portability, since landlords are more receptive to participation in the Section 8 program if they have vacancies. A few study respondents suggested that portability would more likely be accepted by landlords if there were less fanfare from the federal government about the concept and if portability continued to be promoted more quietly at the local level.

Administrators of the Section 8 program are required at the program briefing to explain a family's portability rights and where the family may move using portability. However, several respondents explained that, although they comply with program regulations, they do not encourage participant moves—particularly portability—because this creates more work for the agency and may involve less administrative fee income (if the family moves outside the HA's jurisdiction). Some indicated that they believed other HAs in their area might not even fully explain portability to their participants.

Study respondents also described several ways they ease the burden of portability. Generally the arrangements eased the burden for the administrators, although some of them have the effect of making it easier for participants as well. It is also possible that, if portability is made easier for administrators, they may unconsciously be more supportive of and encouraging of portability by participants.

Generally, the administrative practices that facilitate portability fall into four areas: (1) absorbing rather than billing for portable families; (2) cross-jurisdictional operations (i.e., retaining administration if a family moves outside the agency's jurisdiction; (3) regional program administration; and (4) standardizing procedures and practices to make the program more consistent for participants, landlords and administrators. The following summarizes each of these and provides some examples.

Absorbing. A primary method to ease portability administration and avoid the complications of billing paperwork is for the receiving agency to absorb port-in families into its own program. Some agencies always absorb rather than bill. Others have created portability agreements in which they have agreed to absorb 100 percent of portable units from a specific agency, and still others will absorb units based on a one-for-one swap with a particular agency.

Several agencies cited absorption as a revenue enhancer, since the absorbing agency receives the full administrative fee (rather than only 80 percent if it bills the initial agency). Unfortunately, administrators of some agencies with absorption policies indicated they may need

to rescind or cut back on this practice; since no new fair share units are forthcoming, if they continue to absorb they will be unable to assist families on their waiting list and/or they will have to overlease. Overleasing involves temporarily making payments to landlords beyond the agency's anticipated affordable leasing levels. To avoid billings, some agencies do overlease (one in our sample currently has a utilization rate of over 110 percent).

Cross-Jurisdictional Operations. Several of the agencies sampled for this study have special arrangements, which essentially avoid the use of technical portability by allowing for lease-up across jurisdictional lines. For example:

- The Housing Authority of Orange County, California has an agreement with three adjacent authorities (the only cities in the county not within its own jurisdiction); this agreement allows all three agencies to follow their participants into the others' jurisdictions and maintain responsibility for administering the assistance, except for unit inspection and rent determination. The agency with authority over the jurisdiction where the rental unit is located conducts the inspection and rent determination for a fee of \$100 per inspection and \$50 for a reinspection.
- The Housing Authority of the County of Clark, Nevada has a similar arrangement with its neighboring agencies, except that the authority with jurisdiction over the area only provides assistance with rent reasonableness, not inspections.

Several benefits are cited from these two arrangements. There is the reduction in billings and paperwork. The arrangement is also easier for participants who work with only one agency. They can also lease a unit more quickly, since a second eligibility check (by the receiving agency) is not necessary under this system. One negative aspect of this system is the loss of administrative fees the agency would have received under regular portability (80 percent as a receiving agency or 100 percent if the unit is absorbed), although the agency does not have the work of administering the unit, either. Also, the agency may have to resolve disputes within its local jurisdiction associated with the other agencies' units (e.g., complaints from neighbors). Study respondents indicated that it may also be somewhat confusing for participants and owners to understand why payment standards and utility allowances are different.⁵

Regional Jurisdiction. Portability appears to be aided by having regional and statewide administration of the program. Indeed, portability is eliminated—at least technically—when

5. The payments standards are different for the four agencies participating in the Orange County agreement, but the utility allowances are the same. Both utility allowances and payment standards differ for those agencies participating in the Clark County agreement.

participants move within the jurisdiction of the same HA (even if they cross jurisdictional lines between other Section 8 agencies in the same area). For example, a move by a State of Oklahoma tenant from Oklahoma City to Tulsa does not involve portability, only an internal administration adjustment that is easy to accomplish.

For long-distance moves, it also appears easier for HAs (and perhaps their tenants) to accomplish portability if they are able to deal with a single agency for any portability they have to a state. For example, if a participant is moving to Massachusetts or New Jersey, the initial HA can put the family in contact with the state's program, rather than trying to locate a local agency, because there is fully overlapping jurisdiction.⁶ At worst, this represents a single agency billing them; at best, the state agency will absorb (which many try to do), so that billing is avoided altogether.

Standardizing Practices. Several HAs indicated that having standard practices for issuances and extensions, rent reasonableness, HQS, and occupancy standards makes it easier for participants to exercise portability. Our exploratory review of HA portability practices for this study indicated several examples of attempts to standardize procedures and other examples that indicated the adverse effects for participants and landlords of having inconsistent practices.

For example, the four HAs in Orange County (CA), as part of their agreement to follow their own participants into the jurisdiction of one of the other HAs, worked together to standardize their administration of occupancy standards and other procedures, so that the program would be as similar as possible for participants and landlords, regardless of which HA administered the certificate or voucher. By contrast, there are conflicting procedures between the Newark (NJ) HA and the New Jersey state agency. Newark reported differences in occupancy standards and HQS; in addition, the state has an earlier cutoff date for HAP check processing, resulting in some landlords getting paid later than they would in Newark. The Virginia Beach HA, a subcontractor to the Virginia state agency, chose to administer its local Section 8 program using the state agency rules, even though they would prefer other rules, in order to make the program more consistent for tenants and landlords.

6. It is not clear whether there is widespread knowledge of how state program jurisdictions are defined. It might well be useful for HUD to gather and disseminate information on the state programs, allowing HAs elsewhere to take advantage of opportunities for dealing with a single statewide agency rather than multiple local HAs.

Several respondents offered additional suggestions for facilitating portability, in addition to these arrangements. The most common suggestion was that HUD should implement the portability pool discussed in the NOFA and 1995 Conforming Rule. Others suggested that HUD avoid mandating portability solutions which may not work in all communities; instead HUD should encourage agencies (through funding incentives) to develop workable portability agreements with the specific agencies sending or receiving participants.

Administrative Factors Discouraging or Impeding Portability

Although study respondents were positive about the new Portability Information Form (see Section 4.1), they had many negative comments concerning the administration of portability. Negative staff views or experiences with portability may have the effect of impeding or discouraging participant moves outside the initial housing authority's jurisdiction.

Agency competency is a problem noted by respondents. Although the billings procedures are now clear, several administrators interviewed for this study cited problems working with staff of other agencies who do not understand program rules. One respondent reported errors in billing amounts. Much time and effort are involved in educating these agencies on the documentation needed and on the processing of portability cases.

From the standpoint of respondents in receiving agencies, some of these same agencies are neglecting to educate program participants on the portability process. Frequently, the family arrives before the paperwork from the initial agency and expects to lease up immediately in the new jurisdiction. In one case, three staff people spent one and one-half hours with a portability family to explain why the family could not lease a unit immediately. In fact, there have been emergency situations in which a family arrived with no resources for short-term rental and expected the receiving agency to solve the problem.

According to respondents, even when both agencies are competent, *the process itself and the volume of paperwork are cumbersome*. Staff need to take time to explain the differences between the initial and receiving agency's policies on occupancy, housing quality, and payment standards, and that the receiving HA's policies now apply. In addition, the receiving agency staff must collect any additional verification needed, based on their own requirements, which may differ from those of the initial agency. Receiving agencies also must

collect verification for new family members who are added during the move; one respondent commented that it was amazing how many family transformations occurred along the way.

The transfer of paperwork between the agencies also takes time. Because agencies need to wait for or collect more documentation, the family is delayed in its search. One administrator reported that significant amounts of search time (ten days to two weeks) are lost for the participant while paperwork is being transferred between agencies. Some respondents believe that other agencies are too stringent in their requirements, delaying the process unnecessarily while they wait for all of the documentation.

Gaps in communication between the initial and receiving agencies are prevalent. Several respondents described a situation where they issued a certificate or voucher, sent the required information to the receiving agency, and did not find out for several months whether the family found housing. In some cases, the initial agency assumed the family was not successful and terminated them from the program, only to then receive a bill for the family from the receiving agency.

Disputes between agencies revolving around time lags are common. If a receiving agency is negligent in sending a bill within a reasonable period after lease-up, the initial agency often believes the unit was absorbed by the receiver and is not always willing to pay the bill when it arrives from the receiving agency. Another problem occurs when a receiving agency absorbs a family who intends to lease in the agency's community, only to discover that the family does not lease up in that community at all and wants to use portability to move to another location. As a result, the receiving agency has to spend time working with a family who never lived in its community, and it also becomes a sending agency with a new portability case.

There may also be *processing problems* when an incoming portability family leases up in an agency's jurisdiction and then wants to move. The initial agency may not have clearly communicated to the family that it is required to re-contact the initial agency in order to be recertified and receive a new certificate or voucher to move. If the family moves from one receiving agency's jurisdiction to another's and provides evidence of participation, it may take some time for the second receiving agency to determine which is the initial agency and thus

where to bill.⁷ On the other hand, some receiving HAs require that a portability family wishing to move to a second receiving agency's jurisdiction must return to the initial HA for recertification, even if this involves long-distance travel. This is cumbersome to the initial and receiving agencies and burdensome to the family.

Several respondents cited the *billing process* as the major weakness of portability. The billing process runs from initial notice by a receiving HA that a tenant has moved to its jurisdiction and leased up under Section 8, through invoicing for HAP payments, invoicing for 80 percent of the administrative fee, notifying the initial agency of changes in payments, adjusting invoices, and terminating billing when the tenant moves or leaves the program. Billing complaints included the following:

- The receiving agencies are slow to inform the initial agency when a family is successful with lease-up;
- The receiving agencies are slow to notify the initial agency of any changes in housing assistance payments (HAP);
- Some respondents acknowledged that they do not have the systems or staff to monitor portability cases properly, or to inform the other agency of lease-ups and HAP changes on a timely basis.⁸
- Delays in payment are extremely common and can be quite long. Although some interviewees reported that housing authorities are now paying on a more timely basis, almost all of the respondents mentioned the time spent to follow up on overdue bills.⁹

The *extra administrative cost of portability* were mentioned by most respondents. Most felt it was unfair that they received less than full fee (20 percent or 80 percent depending on whether they are the initial or receiving agency) for the units that involve the most work. One administrator complained of the difficulties of tracking and monitoring portability cases; the

7. Although this was noted as a problem by respondents, it should not occur if HUD's procedures are followed properly. Any time a family wishes to move using portability, the family is required to notify the authority of the jurisdiction where they are under lease. The receiving HA where they are leased is required to refer the household, using the new portability form, to the issuing agency. The initial agency must then assist the family in using portability to lease in another housing authority's jurisdiction.

8. The fact that many of the agencies interviewed did not have portability information readily available seems to support this statement!

9. One respondent confessed to not paying bills from other agencies for at least six months.

agency had just purchased special software to help track this more efficiently. Another agency reported hiring one bookkeeper full-time and using another bookkeeper half-time just to set up and to track portability billings. Several other respondents noted that they had to dedicate staff positions to the special needs of portability transaction.

Other Factors. Aside from the processing issues, other factors impeding portability include the level of screening by suburban landlords and the increased security deposit amounts now required of participants. A program participant with a weak credit history may meet the screening criteria of a city landlord but may not pass the more stringent requirements of a suburban landlord. The new security deposit policy permitting owners to charge a larger amount for a security deposit may inhibit portable moves.¹⁰ In fact, current program participants with low security deposits in their current units may be less likely to make any type of move when they discover they now need a security deposit equal to contract rent (or even more in some areas).

Taken all together, the volume of issues and problems associated with portability suggests that—although most housing authorities are conscientiously explaining portability rights to program applicants and participants—they may not be encouraging or emphasizing it to the full extent. This may be overcome in the future, if HUD is able to fund its approach from the 1995 NOFA to simplifying the portability process.

3.3 SIXTEEN TECHNIQUES USED BY SECTION 8 AGENCIES TO FACILITATE PORTABILITY

This section summarizes sixteen ways that Section 8 agencies in this exploratory study appear to facilitate portability by their very structure or by actions taken—unilaterally or in cooperations with other HAs—to facilitate portability. There may be circumstances elsewhere in the country where these methods are applicable. HUD might consider disseminating information on these methods and encouraging (but not mandating) organizational arrangements to facilitate portability in other locations.

10. The 1995 Conforming Rule eliminated the federal requirement limiting security deposits to the greater of total tenant payment or \$50 for certificates or one month's rent for vouchers. However, HAs may limit the security deposit to what is commonly charged in the market area (e.g., one month's rent) or to the amount the owner is charging unassisted tenants.

Exhibit 3-1
SIXTEEN WAYS TO FACILITATE SECTION 8 PORTABILITY

Methods Using Absorption	
1.	Mutual bilateral agreement to absorb
2.	Unilateral absorption
3.	One-for-one swaps
4.	Absorb low-volume portability and bill high-volume portability
5.	Absorbing FSS clients
6.	Generate units from program reserves to allow absorption
Methods Using Cross-Administration	
7.	Full cross-administration
8.	Partial cross-administration
Methods Based on Jurisdiction Definition	
9.	Expanding HA jurisdictions to avoid portability
10.	Agreements on which agency will be the receiving agency
11.	Encourage HAs to accept portable units for surrounding areas not covered by another HA
12.	Regional administration
13.	State agencies that are flexible in adjusting program size between subjurisdictions
14.	State portability brokerage
15.	State agencies as single-point receiving agencies
Methods Addressing Standards and Procedures	
16.	Local agreements on standards and procedures

1. Mutual Bilateral Agreement to Absorb

In several locations we learned of local agreements, some formal and some informal, to absorb each other's portable units. In some cases there is a time limit on the agreement, to allow an evaluation of the effects and funding status before continuing the arrangement.

One prominent example of this approach is a group of housing authorities in the East Bay region of California. Late in 1995, HAs were concerned about loss of administrative funding under proposed plans in Congress to shelve units, if this also included restrictions on leasing up to full allocation. Alameda County initiated the mutual agreements by sending a letter to other HAs indicating that it wished to absorb some of the units now being billed under portability. This effort started a chain reaction of portable unit absorption and written

agreements with neighboring authorities to continue mutual absorption in the future. In some cases, the HAs absorbed all currently portable families from a particular agency, but in others only a portion could be handled this way. Oakland, for example, absorbed only a portion of the units from some HAs. Now there is complete absorption between many of the HAs. However, Alameda County and Oakland do not use this, because the number of units is too great for Alameda to absorb and for Oakland to lose.

Alameda has set a time limit on its agreement to absorb units from HAs other than Oakland: June 1996 (end of the fiscal year). At that time, staff will reassess and determine if they can afford to continue this policy. Overall, incoming portability has been slightly higher than anticipated, so they are not sure what they will be able to do after June. Currently, they do not anticipate being able to issue vouchers to applicants on their own waiting list until September 1996.

Another example is the Tidewater area of Virginia (Norfolk, Portsmouth, Virginia Beach, Newport News). There, almost all of the HAs have agreed to absorb families from other participating agencies. All but one of the largest HAs participate in this arrangement.

Administrators of some of the other HAs indicated a policy of absorbing from other agencies if those agencies also agreed to absorb their portable families. If no such assurance is received, then they bill.

2. Unilateral Absorption

A variation on the first theme is simply a unilateral decision to absorb. This is an easier decision to make when the HA is under-leased in its own program. But in other cases, HAs indicated that to avoid the problems of billing other PHAs they simply overlease, at least to a point. Some HAs were willing to go as high as 110 percent above their anticipated affordable leasing levels in order to avoid portability billing, in the hope that HUD would be able to later implement the portability pool procedures from the 1995 NOFA. This approach is used by Quincy, MA and by the statewide program in New Jersey. However, New Jersey is reconsidering this approach, due to the lack of new funding and a concern about not being able to place families from the waiting list.

3. One-for-One Swaps

In areas of high portability activity, one approach is to swap portability units on a one-for-one basis. This is typically done periodically, when two (or more) HAs get together and identify which of their cases they will absorb. The number is typically the number of port-in to the HA with the fewest such cases. For example, Agency A has 40 portable families in Agency B's jurisdiction, and there are 30 of B's families in A's jurisdiction. They would agree to each absorb 30 units (perhaps the oldest cases in duration of billing), with B continuing to bill for ten of A's portable cases. These adjustments might be made quarterly or semi-annually.

A variation of these swaps occurs when an agency is willing to absorb up to a certain number, in anticipation of a swap. Only when the volume exceeds that number would the HAs begin billing each other for those extra units.

4. Absorb Low-Volume Portability and Bill High-Volume Portability

In an attempt to minimize the number of agencies with whom they have billing relationships, some HAs absorb units from agencies where there are only a few inbound families but bill agencies with whom they have a higher portability volume.

In the Twin Cities area of Minnesota, there is substantial communication among the twelve housing agencies that serve the metropolitan area. They all administer separately, but they have tried to maintain close coordination of the program. None of the jurisdictions overlap, and generally they now bill each other under portability because the volumes are uneven and involve many units. However, the Metropolitan Housing and Redevelopment Authority indicates that it chooses to absorb from HAs outside the metropolitan area when only a few families are involved. This enables the agency to minimize the number of other agencies they bill and concentrate on achieving effective billing procedures with their high-volume partners.

5. Absorbing FSS Clients

In the Twin Cities, too, even though the agencies now generally bill under portability (because of the imbalances in portability volume among the 12 HAs), administrators have informally agreed to absorb any FSS families. This avoids the difficulty of trying to monitor and provide services to a family living in another jurisdiction.

6. Generate Units from Program Reserves to Allow Absorption

A few agencies in our sample, in order to avoid billing for portability, chose to overlease using their reserves. Some adjusted for this overleasing by not issuing future turnover certificates or vouchers, to get back in balance. However, others continued to use project reserves for those port-ins, perhaps up to some limit that they believe can be afforded from their reserves. If that limit (e.g., 5 percent above what they perceive to be their allocation) is reached, they would then adjust by not issuing as turnover occurred.

For many agencies, this will be an approach to consider, if they have sufficient reserves to fund units for some period of time. However, this must be done with great caution because, for many HAs, when an Annual Contributions Contract is reaching the end of its term, HUD is extending the ACC (at least temporarily) by drawing funds from project reserves.

7. Full Cross-Administration

In some cases, two or more housing authorities have agreed to allow each other to follow their participants across program boundaries. For example, families from Agency A move to the jurisdiction of Agency B, and Agency A still performs all (or almost all) program functions and makes payments directly to the landlords. Agency A may even make rent reasonableness determinations and HQS inspections.

This approach may be limited to places where participating HAs are in the same market area. Even then, participating HAs would need to obtain data on housing in more of the market than their own jurisdiction. Also, it would be helpful if the HAs attempt to have policies as much alike as possible related to issuance, HQS, rent reasonableness, and even cutoff dates for check runs, such standardization would make the program about the same for participants and landlords, regardless of which HA was processing the case.

In the limited sample for this study, the principal example of this approach is a memorandum of understanding (MOU) established in November 1991 among the Las Vegas, North Las Vegas, and Clark County (NV) housing authorities. They each follow their tenants into the jurisdiction of the other and continue to process their own units, thereby avoiding any billing among themselves. Under the MOU, the HA with local jurisdiction performs the rent reasonableness and HQS inspection. In fact, the initial HA has been doing the HQS inspection, while the HA with local jurisdiction has been conducting the rent reasonableness determination.

However, if the distance to be travelled for the inspection is too great, the agreement specified that the local will conduct the inspection for a fee. This approach eliminates all billing among the agencies, except for occasional fees. Each HA retains a stable number of units.

The Newark (NJ) HA has an agreement with Irvington (NJ) that each agency may follow its own clients across borders and fully administer the certificate or voucher in the other's jurisdiction. Those agencies do HQS and conduct rent reasonableness determinations without regard to agency jurisdiction.

8. Partial Cross-Administration

As described in Section 3.2, the MOU reached by the four Section 8 programs operating in Orange County, CA is a more limited version of cross-administration. Each HA follows its families into the jurisdiction of the other three HAs, continuing eligibility processing and re-examination. But the HA with local jurisdiction where the family leases up performs the inspection and rent reasonableness determination for a specified fee.

These four agencies have worked to make their administration of the program similar, in order to make the jurisdictional boundaries as transparent as possible to landlords and tenants. This includes having the same HQS standards and the same occupancy standards.

9. Expanding HA Jurisdictions to Avoid Portability

In the Grand Rapids (MI) metropolitan area, in the past there was some conflict over portability. In particular, the Wyoming HA had declined to participate or accept any incoming families. The Grand Rapids HA had resented the loss of units to the state agency, which was absorbing all families moving into Kent County; therefore, GRHA also resisted implementing portability requirements. Two to three years ago, the HUD field office intervened—first to insist that portability be offered and accepted by all HAs, and then to expand the jurisdiction of both the Wyoming and Grand Rapids HAs. The jurisdictions were altered to overlap completely, eliminating any need for formal portability between these agencies. As a result, participants who move between Grand Rapids and Wyoming can continue to deal with one agency, and both HAs can maintain the size of their programs despite extensive tenant movement.

10. Agreements on Which Agency Will Be the Receiving Agency

In the Grand Rapids (MI) area, as described above (#9), until two or three years ago all incoming portable vouchers or certificates came to the state program and were administered in its local branch office. This was not acceptable to other HAs in the area, which could lose units to portability but not gain (because incoming participants went to MSHDA). HUD helped to negotiate an agreement that any persons moving into the City of Grand Rapids would port to that HA; those moving into Wyoming would port to that HA, and those moving into any other areas of Kent County would still be administered by the state agency's branch office.

11. Encourage HAs to Accept Portable Units for Surrounding Areas Not Covered by Another HA

It appears that in one case—Jacksonville (FL)—the HUD field office has asked the local agency to expand its jurisdiction to four adjoining counties, for purposes of administering portable units. In Florida, there is no state agency operating Section 8, so in areas with no local program there is no effective portability. One solution is to have HAs administer certificates and vouchers some distance from their offices. It is not clear that this would be popular with the authorities, because of the additional time and effort (for travel and research on rent reasonableness) that it implies. (Jacksonville indicated that this represents a burden.) But it may be a viable solution in some areas, particularly if an effective method could be found to compensate the HA for the added expense.

12. Regional Administration

Having true regional administration of the Section 8 program provides the opportunity for portability, even though it may not be technically considered portability. For example, in Massachusetts, families from anywhere within the state's nine regions may move anywhere else in the region without any consideration of portability. The regions are large, each encompassing many cities and towns; families with certificates or vouchers from local HAs would need to use portability among these localities. In addition, all of the rules and standards are the same within each region and are almost the same throughout the state.

13. State Agencies That Are Flexible in Adjusting Program Size between Subjurisdictions

In our sample, only Connecticut had a statewide waiting list and did not suballocate its program to areas or counties. However, among other states that did subdivide their allocations, some were more flexible than others in adjusting program size between these subjurisdictions as families moved. While all of the states had taken steps to minimize adverse administrative impacts of this internal movement, the most flexible systems appear to be those of New Jersey, Oklahoma, Tennessee, and Michigan. With the exception of Michigan, these are the agencies operating the program with state employees.¹¹

14. State Portability Brokerage

Among those states that do subdivide their jurisdiction and use subcontractors to administer the program around the state, some have developed unique systems to overcome the problems caused by loss of units from internal movement. (Subcontractors are paid based on number of units, so outbound portability reduces the funding available to operate the program.) Virginia has adopted an approach that protects its subcontractors from variations in the unit base due to internal portability. For internal adjustments between subcontractors on a temporary basis (where the receiving subcontractor has no ability to absorb), VHDA takes currently unused units from another subcontractor's allocation to fund the incoming family. VHDA pays the normal fee to the receiving subcontractor, regardless of the fee VHDA earns. This practice has also been extended to incoming families from non-VHDA subcontractors. In those cases, the receiving subcontractor informs VHDA about the family, and VHDA handles all arrangements with the initial HA. VHDA simply adds a unit (temporarily) to the subcontractor's allocation and pays the subcontractor based upon their standard agreement.

11. It is not clear why the changing size of local offices is not a problem in Michigan. It may be the nature of the contracts with the individual subcontractors there, who are paid a fee per unit month that is not calculated as a percentage of the fee earned by MSHDA for units in that area of the state. It also may be that there is little imbalance overall in internal movement, so that it simply is adjusted by which branch office gets to fill vacancies due to turnover. For example, branch offices that become overleased due to internal movement do not get to fill units from their waiting list until enough turnover occurs so that they are again below their allocated number of units. The other states use subcontractors that are paid a percentage of the administrative fee earned per unit in their jurisdiction. This places considerable pressure on the state agency to maintain program levels (number of units) as close as possible to those used by the subcontractors to budget for operations. As a result, it is somewhat more complicated, and there is a greater potential adverse impact, for these subcontractors from internal movement.

Some of VHDA's subcontractors are themselves HAs with their own Section 8 programs. In those cases, the HA has a choice of absorbing or administering the unit in its own program or going through VHDA and having that agency absorb the unit or handle any billing arrangements. If the local HA subcontractor chooses to bill directly, it earns 80 percent of the initial HA's fees; if it administers through VHDA, it earns the regular fee—about 60 percent of VHDA's fee rate—but avoids billing.

15. State Agencies as Single-Point Receiving Agencies

When a family informs the initial HA that it wishes to move outside that HA's jurisdiction, the initial HA must identify whether there is an HA with jurisdiction in the area to which the family wants to move. In those states with a state agency, particularly one with statewide jurisdiction, local HAs (whether located within or outside the state) have the ability to select the state agency as the receiving agency for their family.

This appears to happen in New Jersey. For example, an agency in New York with a family wishing to use portability to move to a New Jersey location can simply call the New Jersey state program. The local HA in New York does not have to spend time trying to determine the name and phone number of the local HA with jurisdiction in that part of New Jersey. In addition, if there is movement to various locations in New Jersey, the New York local HA, by using the New Jersey state agency for all cases, only needs to learn the requirements and the contacts of a single agency.

A further motivation in the New Jersey case (and for several other states) may be the greater likelihood that the state agency will absorb rather than bill for these families. But even if the state agency bills, the local HA ends up with only one billing partner for the whole state.

It is clear that promotion by HUD of this option may not be popular with many local HAs. For example, in states where there is resentment of the state agency, the local HAs within the state appear to prefer dealing with other local HAs rather than with the state agency. However, this seems less likely to affect the behavior of HAs from outside that state.

16. Local Agreements on Standards and Procedures

Respondents indicated that not having consistent policies was often a hardship for both tenants and landlords. Landlords did not get a check for the first month from one housing

authority that they would have gotten from another. One HA insisted that leases start on the first of the month; the neighboring HA allowed leases that started on the 1st or 15th. One agency would assign a two-bedroom certificate or voucher to a family, but the neighboring jurisdiction would give only a one-bedroom to a family of the same composition. Landlords had to meet different HQS requirements, either in the stated standard or in the local administration of the same standard.

A number of respondents indicated that they have cooperated with neighboring HAs to standardize Section 8 administration and make it more consistent for both participants and landlords. This applies to such areas as administration of HQS, occupancy standards, rent reasonableness, issuance and extension policies, and monthly cutoffs for processing initial HAP payments. In other cases, HAs acting as subcontractors to state agencies have adopted the policies of the state agency, even if they would have preferred a different approach, in order to keep the program more consistent for owners and participants. This was the stance taken by the Virginia Beach HA, acting as sub to the Virginia state agency.

While these are all methods that appear to make portability easier, almost all HAs are involved in the billing process to some extent. For some in our sample, the amount of portability and billing activity is quite high. Clearly, any time an HA must obtain the paperwork, set up a billing process, and then monitor these receivables, the agency is incurring additional administrative costs. And there are also administrative costs associated with processing billings monthly or quarterly from a large number of HAs. The next section summarizes information on the volume of billing activities for the HAs interviewed in this study and looks more closely at those cases where this activity is greatest.

3.4 PORTABILITY BILLING DATA

As part of this study, Section 8 administrators were asked for the number of port-ins (people moving into their jurisdictions using portability) within the last year and the number of port-outs. For each of these totals, the administrators were asked about the number billed versus absorbed and the number of agencies with which they had billing relationships.

Very few agencies had data readily available for the quantitative questions we asked concerning portability. In some cases, respondents provides us with rough estimates of

portability activity; few were able to provide actual figures. However, even when respondents had actual figures, they were reported in a variety of ways. Some administrators provided data for the most recent calendar or fiscal year, but others could only offer the information as of a recent date.

Exhibits 3-2 through 3-4 report the most consistent set of portability data available from the study respondents, but the set is extremely limited. Very few agency administrators in the study could report either the number of inbound units their agencies had absorbed (if they absorbed) or the number of their local families that other HAs had absorbed through outbound portability. *Accurate data on absorption are required to measure total portability activity.* Because they are not available, the exhibits only report portability billing (and some sample agencies have even been excluded due to incomplete billing information). Yet we know that many of the sample agencies have used absorption to the greatest extent possible, to minimize the administrative complications of billing. Thus, the figures presented offer only a suggestion of how much portability these agencies really experience.

Exhibit 3-2 shows the portability billing statistics for seven of the state programs in the study sample.¹² Among them, the rate of portability billing—portability billing as a percent of program size—was less than two percent, except for the State of Connecticut. However, even with low numbers of portability units billed (relative to total program size), both New Jersey and Oklahoma were dealing with 50 or more other housing agencies over receivables or payables for HAP funds and administrative fees.

Portability statistics for 11 of the metropolitan and local agencies in the study sample are presented in Exhibit 3-3.¹³ Again, the available data do not allow assessment of total portability volume, because agencies did not maintain information on the number of absorptions, even when this was their primary means of handling families coming from other jurisdictions. The percentages of portability billing among these 11 agencies, relative to their program sizes, ranged between 0 and 9 percent, with two notable exceptions. Around the Twin Cities, the Metropolitan Housing and Redevelopment Authority (Metro HRA)—because of the nature of its jurisdiction and the recent loss of two counties—is now being billed for some 1400 certificates

12. No data were available from New York or Massachusetts.

13. Recall that the local agencies were sampled because their jurisdictions were overlapped by state or metropolitan programs. They are not a direct sample of local HAs and may not be typical of that population.

Exhibit 3-2
PORTABILITY STATISTICS FOR STATE AGENCIES^a (SAMPLE 1)

Agency	Program Size (Total Units)	Number of Certificates	Number of Vouchers	Number of Units Billed Currently	Number of Agencies Billed	Number of Units Currently Billed by Receiving Agencies	Number of Receiving Agencies Billing Initial Agencies	Portability Billing as a Percent of Program Size ^b
New Jersey Department of Community Affairs	15,010	9,287	5,723	0	0	125-130	55	0.9%
Kentucky Housing Corporation	2,700 ^c	1,800 ^c	900 ^c	0	0	30	3-4	1.1%
Connecticut Department of Social Services	2,793	2,039	754	75	50	N/A	N/A	2.7% ^u
Michigan State Housing Development Agency	14,000	9,000	5,000	0	0	200	N/A	1.4%
Oklahoma Housing Finance Agency	7,000	5,200	1,800	36	30	23	20	0.8%
Tennessee Housing Development Agency	4,269	2,640	1,629	0	0	10-11	10-11	0.3%
Virginia Housing Development Agency	8,662	6,723	1,939	0	0	159	N/A	1.8%

N/A = Figures no available.

^u Because no outbound portability data are available, this figure underestimates total portability billing.

^a Although some state subcontractors also reported portability statistics, it was not clear whether the information reported was part of the overall state portability or whether it was representative only of the individual subcontractor's portability activity; therefore these figures were not included in this chart.

^b These figures represent known portability billing activity, as a percent of total program size. They do not include any information on absorption activity. The denominator was calculated using the total number of units in the program plus the number for which the administering agency is billing another agency. The numerator was calculated by adding the number of units billed currently by the agency plus the number of units currently billed for by receiving agencies.

^c Represents current units leased up. Surplus reserves will allow them to lease-up to 2,500 certificates and 1,200 vouchers.

Exhibit 3-3
PORTABILITY STATISTICS FOR METROPOLITAN AND LOCAL AGENCIES (SAMPLES 3 AND 4)

Agency	Program Size (Total Units)	Number of Certificates	Number of Vouchers	Number of Units Billed Currently	Number of Agencies Billed	Number of Units Currently Billed by Receiving Agencies	Number of Receiving Agencies Billing Initial Agencies	Portability Billing as a Percent of Program Size ^a
Housing Authority of the County of Clark (NV)	1,654	1,236	418	38	36	24	17	3.7%
Twin Cities (MN) Metro Council	4,800	3,700	1,100	340	40	1,400	N/A	33.9%
Rochester (NY) Housing Authority	3,245 ^b	2,592 ^b	653 ^b	28	N/A	13	N/A	1.3%
Dade County (FL) Department of Special Housing Programs	5,509	3,422	2,087 4,700 ^c	300	N/A	100 ^d	N/A	3.9%
Housing Authority of Orange County (CA)	6,695	5,776	919	192	90	123	43	4.6%
Jackson (TN) Housing Authority	599	380	219	0	0	1	1	0.2%
Cambridge (MA) Housing Authority	1,472	1,274	198	N/A	N/A	85	18	5.8% ^u
Newark (NJ) Housing Authority	1,587 ^e	1,441	146	100 (40/50%)	20	250	20-24	20.7%
Imagineers (CT)	2,950	2,550	400	70	N/A	N/A	N/A	2.3% ^u
Housing Agency of Portland (OR)	5,060	4,143	917	0	0	15-20	N/A	0.3%
Minneapolis Public Housing Authority (MN)	2,491	1,889	602	123	N/A	108	N/A	8.8%

N/A = Figures not available.

^u Because no outbound portability data are available, this figure underestimates total portability billing.

^a These figures represent known portability billing activity, as a percent of the total program size. They do not include any information on absorption activity. The denominator was calculated using the total number of units in the program plus the number for which the administering agency is billing another agency. The numerator was calculated by adding the number of units billed currently by the agency plus the number of units currently billed for by receiving agencies.

^b These figures do not include the 287 certificates and 124 vouchers which they administer, under contract, for three other housing authorities.

^c Special allocation for hurricane relief. Expires in 1997.

^d Most of these are hurricane vouchers which expire soon.

^e The agency will receive 288 additional units in April 1996 to assist in relocating families from public housing.

Exhibit 3-4
PORTABILITY STATISTICS FOR HIGH-PORTABILITY AGENCIES (SAMPLE 5)

Agency	Program Size (Total Units)	Number of Certificates	Number of Vouchers	Number of Units Billed Currently	Number of Agencies Billed	Number of Units Currently Billed by Receiving Agencies	Number of Receiving Agencies Billing Initial Agencies	Portability Billing as a Percent of Program Size ^a
Housing Authority of Alameda County (CA)	4,885 ^b	3,700	1,185	765 ^c	1	N/A	25	13.5% ^u
Quincy (MA) Housing Authority	724	677	47	146	N/A	135	30	32.3%
Housing Opportunities Commission (MD)	3,518	N/A	N/A	212	N/A	10	5	6.0%
Dallas (TX) Housing Authority	8,090	5,143	2,947	60	N/A	17	N/A	0.9%
Boston (MA) Housing Authority	6,000	4,500	1,500	400	N/A	800	70	18.8%
Oakland (CA) Housing Authority	5,200	N/A	N/A	627	N/A	1,264	40	32.5%
D.C. Housing Authority	3,528	2,697	831	6	6	183 ^d	13	5.4%

N/A = Figures not available.

^u Because only partial portability data are available, this figure underestimates total portability billing.

^a These figures represent known portability billing activity, as a percent of the total program size. They do not include any information on absorption activity. The denominator was calculated using the total number of units in the program plus the number for which the administering agency is billing another agency. The numerator was calculated by adding the number of units billed currently by the agency plus the number of units currently billed for by receiving agencies.

^b Overleased by 657 units.

^c The Authority recently absorbed 400 units but could not absorb 765 units sent from Oakland Housing Authority. The number of units the agency is billing for may be even greater than 765 as this only represents the cases from Oakland.

^d Number billed for on 2/29/96.

and vouchers leased-up throughout the Minneapolis-St. Paul area. Over a third of Metro HRA's program units are involved in portability billing transactions.¹⁴ The Newark HA also has a high billing rate among these sample agencies; over 20 percent of its total program volume is involved in portability billing. Note, too, the large number of other agencies involved in billing relationships with the agencies in Orange County (123), Clark County (53), and Newark (40-44).

One of the samples selected for this study was intended to draw from the agencies nationwide with the highest portability volumes. Exhibit 3-4 provides some portability data for seven of these agencies. Because several of these agencies have absorbed to the maximum extent possible, the billing figures are particularly misleading (and may be essentially meaningless for Dallas). Still, the exhibit shows four of the seven agencies with billing rates over 10 percent and two agencies with rates over 30 percent. Further, the Boston Housing Authority bills for 400 units as the receiving agency, at the same time being billed by 70 other agencies for 800 outbound Boston certificates and vouchers. Oakland Housing Authority splits the administrative fee for 1264 of its certificates and vouchers with 40 receiving agencies.

With such rudimentary data, it is difficult to discern the main story in these portability experiences. We have no idea of the true, total portability volumes for these agencies. But the data do show what the administrators know: portability billing is extensive. Moreover, with Orange County billing 43 other HAs, Alameda County billing 25, the small agency in Quincy (MA) billing 30, the data suggest that portability is also burdensome. At the same time, some of the same agencies are being billed by multiple other HAs for local families who have moved elsewhere. The volume of work and amount of funding involved in these billings—which are only put in place after other paperwork has consummated the lease-ups—attest to the validity of concerns that ways must be found to ease portability for both the agencies and the participants.

14. Indeed, a recent study of portability in the Twin Cities area showed this to be a general pattern there. Among 11 agencies administering Section 8 assistance, the portability shares ranged from 20 percent up to 94 percent; the area-wide overall rate was 34 percent. See Elizabeth Malaby and Barbara Lukermann, *The Portability of Section 8 Housing Assistance: Where clients are moving in the Twin Cities area and why* (Center for Urban and Regional Affairs, University of Minnesota, Minneapolis, June 1995), p. 7.

CHAPTER FOUR

SECTION 8 MOBILITY

This chapter presents the views and experience of study respondents concerning Section 8 mobility. As Chapter One discussed, we use the term housing mobility to refer to "the moves of poor households, those who are least able to afford market housing, *into* neighborhoods containing largely middle-income households *from* poverty areas, most frequently found in the inner city."¹ Section 4.1 briefly reviews how mobility is defined and how it differs from Section 8 portability. In Section 4.2, we examine the views of respondents concerning mobility trends in their jurisdictions and local areas. Section 4.3 then presents these administrators' views on the role that the Section 8 program should play with respect to housing mobility. Finally, Section 4.4 identifies ways that mobility can be made easier for program recipients.

4.1 WHAT IS MOBILITY?

Mobility in the Section 8 program implies more than just movement from one apartment to another. It means movement from an area with a high concentration of poverty to an area with a lower concentration of poor households. Implicit in the discussion and policy focus on mobility is a belief that many applicants for Section 8 live in concentrations of extreme poverty in central city neighborhoods, even though less than 10 percent of the nation's poor live in such conditions.² Federal policies targeting housing assistance to the neediest have made it likely that much of the program population comes from such areas. There are some studies that suggest they largely remain there.³

1. See George E. Peterson and Kale Williams, "Housing Mobility: What Has It Accomplished and What Is Its Promise?" in Alexander Polikoff, ed., *Housing Mobility: Promise or Illusion?* (Washington, D.C.: The Urban Institute, 1995).

2. David T. Ellwood, *Poor Support* (New York: Basic Books, 1988), cited in Alexander Polikoff, "Introduction," in A. Polikoff (ed.), *Housing Mobility: Promise or Illusion?*, p. 1.

3. The practice of allowing new Section 8 recipients to use their assistance for the units they were living in before receiving assistance (called "leasing in place") contributes substantially to this. Over a third of all Section 8 recipients lease in-place, according to HUD PD&R analysis of the Multifamily Tenant Characteristics System data.

HUD policy directives of the past several years have given most Section 8 administrators some familiarity with the term and with the intended purpose of fostering housing mobility: to expand awareness of housing choices and to promote spatial dispersion of the assisted population.⁴ In general, the respondents in this study were familiar with the concept of mobility, regardless of whether they were in state, metropolitan, or local agencies. In our discussions with program administrators, emphasis was placed on *movement to low-poverty neighborhoods*, whether in the original jurisdiction issuing the certificate or voucher or in another jurisdiction.⁵

Mobility needs to be clearly distinguished from portability, which is the administrative mechanism enabling participants to move across program jurisdictional boundaries carrying their housing assistance with them. Exhibit 4-1 illustrates with simple, common examples how mobility and portability may—or may not—be associated. Mobility moves can be made within a jurisdiction, as long as there are affordable and program-eligible rental units in neighborhoods not characterized by concentrations of the poor. While the more common image may involve movement from city to suburb, many cities offer a variety of good-quality residential areas. At the same time, portability moves involving a change between jurisdictions may not result in any improvement in the participant's neighborhood condition.

4. See, for example, Office of Public and Indian Housing, US Department of Housing and Urban Development, Notice PIH 94-12 "Required Explanation of Portability and Advantages of Moving to Areas that are not High-Poverty Areas for Section 8 Certificate and Voucher Families...." These goals are specified on p. 3 of the notice, the contents of which were made permanent in the Section 8 conforming rule.

5. No specific poverty percentage or threshold was named. Some mobility demonstration programs require that the location of participants' new units meet specific threshold poverty rates. For example, HUD's Moving to Opportunity demonstration program (MTO) requires that the new units be located in census tracts with less than 10 percent of persons in poverty according to the 1990 Census. The mobility target specified for the private organization now administering the Chicago Housing Authority's Section 8 program is that the new units be located in census tracts with less than 20 percent of persons in poverty according to the 1990 Census.

At issue in the setting of thresholds is whether neighborhoods with mid-range poverty rates (e.g., between 20 and 40 percent) are actually in transition to increased poverty concentrations. Recent research on inter-census changes in poverty rates suggests that this phenomenon is fairly widespread. See, for example, Paul Waddell, "A Longitudinal Analysis of Patterns of Neighborhood Change in the Dallas Metropolitan Area," paper given at the 1995 APPAM Research Conference.

Exhibit 4-1
MOBILITY VERSUS PORTABILITY: EXAMPLES IN THE SECTION 8 PROGRAM

		<i>Mobility:</i> Does the move involve a reduction in the poverty level of the participant's neighborhood?	
		<i>Yes</i>	<i>No</i>
<i>Portability:</i> Does the move involve crossing a Section 8 program jurisdictional boundary?	<i>Yes</i>	A Section 8 participant moves from a central city high-poverty neighborhood to a suburban low-poverty neighborhood.	A Section 8 participant moves from a central city high-poverty neighborhood to a high-poverty neighborhood in another city.
	<i>No</i>	A Section 8 participant moves from a central city high-poverty neighborhood to another neighborhood with a lower poverty rate in the same city.	A Section 8 participant moves from one unit in a central city high-poverty neighborhood to another unit in the same area.

A very common caveat offered by respondents in discussing mobility concerned missing information:

- Lack of analysis concerning the locations where participants lease up; and
- Lack of data about the starting location of Section 8 moves.

While some administrators were sure that their jurisdictions had experienced significant amounts of mobility, virtually no hard data were available to the respondents to quantify or track this phenomenon. In most programs, automated data on the housing units under contract had not been studied, and there were no automated data on the prior place of residence. As a result, this chapter can present respondents' observations about the mobility outcomes of Section 8 moves, but much less can be said about the precise patterns or the degree of change the moves represent.

4.2 VIEWS ON MOBILITY TRENDS

Although Section 8 has held the potential for facilitating housing mobility since the program's beginning, use of Section 8 certificates was for years restricted to the jurisdiction of the issuing PHA. Jurisdictional boundaries and widespread waiting list preferences for local

residents, among other factors, combined to inhibit mobility for over a dozen years after the program began.

As Chapter Four discussed, the advent of Section 8 vouchers and the changes made to certificates under the 1990 National Affordable Housing Act opened the way for Section 8 participants to move more extensively. However, since portability developed slowly and mobility did not become a policy priority for Section 8 until the advent of Secretary Cisneros' administration at HUD, our discussion of mobility trends focused primarily on the past five years (roughly 1991-1995).

Mobility in Respondents' Jurisdictions

A number of different questions were asked study respondents from all the sample agencies about the direction of moves by participants in their Section 8 programs. Responses to a general question about where recipients move are summarized in Exhibit 4-2, which first reports information on where participants go and then on whether it represents movement toward lower-poverty areas. The numbers in the table are small, reminding us of the exploratory nature of this study. Note that not all administrators we contacted had responses to this question, either to the type of communities involved in the moves (urban, suburban, or rural) *or* to whether the changes were toward lower-poverty locations. And some respondents reported movement in more than one direction.

Moves to suburban areas from urban locations were most frequently reported overall, particularly by high-portability programs; in three of the four pairs of high-portability senders and receivers, these were the predominant type of moves, while the remaining pair reported a pattern of moves toward the city from both rural and suburban areas. In terms of poverty concentrations, there were equal numbers of respondents noting moves toward more and less concentrated areas. These figures—at best impressionistic—indicate varied patterns of movement more than a predominance of any one direction.

Factors Encouraging or Discouraging Section 8 Mobility

Underlying these observations about Section 8 mobility in the study respondents' jurisdictions are a variety of forces that shape program outcomes and the outcomes for individual participants. In our discussions with program administrators, many different factors were cited

Exhibit 4-2
MOVEMENT OF SECTION 8 PARTICIPANTS REPORTED BY STUDY RESPONDENTS

Direction of Movement	Number of Responses			
	State Programs ^a	Metropolitan Programs ^b	Local Programs ^c	High-Portability Programs ^d
Rural to urban	1	1	0	2
Suburban to urban	0	1	0	2
Urban to suburban	2	3	2	6
Rural to suburban	1	0	0	0
Not much movement	3	1	0	0
Toward reduced poverty concentration	3	0	1	3
Toward increased poverty concentration	2	1	4	0
Not much change in poverty concentration	0	1	0	0

NOTES: Total responses = 40. Total respondents = 31. Respondents may have given more than one answer.

^a Includes both statewide program administrators and state program subcontractors. Total number of respondents to this question: 9.

^b As defined for this study (see Chapter 3). Total number of respondents to this question: 7.

^c Local programs overlapped by multi-jurisdictional (state or metropolitan) programs. Total number of respondents to this question: 7.

^d Selected in pairs (one sending, one receiving agency). Responses thus doubled. Total number of respondents to this question: 8.

to explain why mobility was (or was not) occurring. We can separate these forces into those that facilitate moves to low-poverty areas and those that inhibit such moves.

Exhibit 4-3 summarizes the factors respondents identified as important in bringing about increased numbers of moves to low-poverty areas. We have grouped the factors according to whether they are associated with the general economic and social environment of a jurisdiction, participant capacity or motivation, or Section 8 program design and administration. In general, the items in this last group are the most amenable to policy manipulation, while those in the first group are the least.

One feature of the period discussed with respondents (roughly 1991-1995) seems particularly salient to mobility trends: there was a prolonged economic recession in many parts of the country between 1989 and 1993. We can only speculate on the role of the recession in softening housing markets—and thereby making better housing and neighborhoods more accessible to Section 8 participants. But it is a factor recognized as important by many of the

Exhibit 4-3
FACTORS ENCOURAGING SECTION 8 MOBILITY TO LOW-POVERTY AREAS

General Economic and Social Factors	
<ul style="list-style-type: none"> • Availability of public transportation between central cities and low-poverty areas gives participants access • Availability of job opportunities attracts participants • Over-built or softer rental markets encourage landlords to participate in Section 8 program • Recessions and foreclosures may make condominiums and single-family homes available for rentals 	
Participant-Related Factors	
<ul style="list-style-type: none"> • Fear of crime and violence in urban neighborhoods may motivate participants to move farther away • Actual victimization may motivate participants to move farther away • Motivation toward educational improvement (for children or adults) may result in mobility • Motivation toward better employment prospects may result in mobility 	
Factors Related to Program Design and Administration	
<ul style="list-style-type: none"> • Programs that eliminate portability paperwork (e.g., states that enable participants to move anywhere within the jurisdiction) facilitate mobility • Consistency in Section 8 administration among jurisdictions facilitates mobility • Section 8 staff trained in the benefits of mobility are more likely to encourage participants to consider low-poverty moves • Mobility programs that offer support and encouragement for low-poverty moves are not available in most Section 8 agencies • Use of exception rents for low-poverty areas 	

study respondents. The role of higher vacancy rates in encouraging owners to accept tenants with Section 8 assistance was noted, as was the fact that recession and high numbers of foreclosures in local markets had made ownership properties—both condominiums and single-family homes—available for rent and accessible to program participants. Other general factors noted as encouraging mobility included public transportation systems that extend well beyond the urban core and strong local job markets offering economic opportunities to participants.

The participant-related factors cited by program administrators included both pushes and pulls toward lower-poverty areas. Crime, violence and fear—whether in the neighborhood or experienced directly by the family—were the mostly widely named motivators of moves meant to improve the participants' living environments. Improving children's education and adults' access to employment were also mentioned.

Features of the Section 8 program that administrators noted as encouraging mobility were primarily related to easing portability paperwork and reducing the confusion for

participants when dealing with two different agencies. Chapter Four described a variety of measures being taken to make portability less burdensome for both administrators and participants. To the degree that portability is necessary for mobility, or can widen the range of choices, these measures help mobility, too.

However, two other features would help participants consider low-poverty moves even without portability: educating and training staff to recognize the rationale and benefits of such moves; and actually focusing staff resources on counseling and other support for participants moving to low-poverty areas. A number of administrators commented that the process of responding to HUD's Section 8 counseling NOFA (issued in March 1995⁶), which brought their staffs together with nonprofit agencies and other housing providers in a consortium bid from the local Metropolitan Statistical Area, changed the way some staff members viewed the notion of program participants living in better-quality neighborhoods. And agencies that were providing special mobility counseling—whether as a result of desegregation actions or on the basis of agency philosophy—clearly saw encouraging low-poverty moves as an essential part of their Section 8 program operations.

Exhibit 4-4 summarizes the factors that respondents identified as impeding mobility for Section 8 participants. The Section 8 administrators saw more forces at work to discourage than to encourage low-poverty moves. The general economic and social factors working against participant mobility include the scarcity of public transportation in many low-poverty areas, limited numbers of available and affordable rental units in such areas, and owners and managers who do not usually accept Section 8 tenants and who screen tenants more carefully (compared to inner-city landlords). Since the Section 8 program serves a substantial number of people of color, differences in race and ethnicity between participants and existing tenants or neighbors may influence landlord decisions; this and other ways that racial discrimination affects the housing search process have been explored in a number of studies.⁷

6. *Federal Register*, March 3, 1995, pp. 12036-12093; Part V Section 8 Counseling.

7. See Margery A. Turner et al., *The Housing Discrimination Study: Synthesis* (and supporting volumes) for the most systematic measurement of racial discrimination in US metropolitan rental markets. Racial and ethnic differences in the utilization of Section 8 are examined in Meryl Finkel and Stephen D. Kennedy, "Racial/Ethnic Differences in Utilization of Section 8 Existing Rental Vouchers and Certificates," *Housing Policy Debate* (1992) v. 3, no. 2, pp. 463-508. This paper puts success rates in the context of the racial composition of the local Section 8 program and suggests the existence of Section 8 submarkets.

Exhibit 4-4
FACTORS DISCOURAGING SECTION 8 MOBILITY TO LOW-POVERTY AREAS

General Economic and Social Factors
<ul style="list-style-type: none"> • Many low-poverty areas are not well-served by public transportation • Rental housing may be less available and rents are usually higher in low-poverty areas • Housing markets tend to tighten in areas with job opportunities • Property owners/managers are more likely to be unfamiliar with Section 8 • In tighter rental markets, owners/managers may refuse to participate in Section 8 • In tighter rental markets, owners/managers are likely to screen tenants more carefully • Differences in race and ethnicity between participants and other tenants or neighbors may influence owner/manager decisions (discrimination) • NIMBY reactions and resentment of subsidized neighbors may target program participants who are different in background or lifestyle from other residents
Participant-Related Factors
<ul style="list-style-type: none"> • Participants usually need to leave family, friends, and support systems behind • Such moves often require choice to live as minority outside own racial/ethnic community • Participants often lack information about housing availability in unfamiliar areas • Participants may have literacy issues or may lack of "social navigation skills" • Participants may lack familiarity with housing search methods or have limited shopping skills • Participants' credit problems may be more salient because landlords screen tenants more carefully
Factors Related to Program Design and Administration
<ul style="list-style-type: none"> • Section 8 fair market rents (at 40th percentile) are particularly low for most low-poverty areas • Section 8 agency has incentive to keep participant within its own jurisdiction (keep full administrative fee, avoid portability paperwork) • Administrative issues around portability make mobility across jurisdictional boundaries more difficult • Exurban and rural communities are less likely to have their own Section 8 programs • Local or resident preferences limit access to Section 8 certificates/vouchers in specific communities • Many state Section 8 programs are structured by county, with separate waiting lists and local preferences • Inconsistencies in Section 8 administration between jurisdictions make mobility more difficult • Receiving Section 8 agencies may be unwilling to take on responsibility for collecting money owed to sending agencies by particular participants • Recent changes such as delayed reissuance and increased security deposit requirements have made mobility more difficult

A number of participant-related factors that impede mobility were also identified. Moving to a low-poverty area often requires choosing to leave family, friends, and support systems behind. It may also entail leaving a predominantly Hispanic or African American neighborhood to live in a majority white community where encounters with racism are all too frequent. In addition to these difficult elements of participant choice, administrators also noted that limited skills and information—general as well as directly used in housing search—reduces the chances of a successful outcome for participants searching in lower-poverty areas. Finally,

more rigorous landlord screening (and a wider choice of tenants) put families with credit problems at a disadvantage in seeking access to the limited supply of affordable rental units in such areas.

In the area of program design and administration, respondents cited many factors that discourage moves to low-poverty neighborhoods. Apart from the general incentives for the agencies to keep participants within their own jurisdictions, and the disincentives resulting from administrative problems around portability, respondents saw a major barrier to mobility in the Fair Market Rents (FMRs), particularly the recent reduction to the 40th percentile of the rent distribution for standard units occupied by recent movers. If the FMR is set for a whole metropolitan area (market-wide), then in better-quality areas the FMRs will cover an even smaller share (than 40 percent) of all rental housing and make fewer units accessible to program participants. Recent changes also have made exception rents more difficult to obtain, tightening control over higher rents even when rent reasonableness comparisons would justify them. Other administrative barriers to portability, in combination with widespread use of resident or local preferences, tend to assure that Section 8 programs in smaller jurisdictions serve people already living there.

4.3 WHAT SHOULD BE SECTION 8'S ROLE IN MOBILITY?

After discussing mobility trends and the factors facilitating and impeding moves to low-poverty areas, study respondents were asked to what extent the Section 8 program *should* encourage such moves. It was clear from the answers that there is a wide range of views among program administrators as to the appropriate role (if any) they should play in assisting participants with locational choices.

Exhibit 4-5 shows the distribution of responses from administrators of different kinds of Section 8 agencies. Again, these samples are small and purposive, in keeping with the exploratory nature of this study. Nevertheless, the wide range of views is evident in each group of agencies.

Difficulties Encountered

Influencing the views expressed by some of these respondents were the difficulties encountered by their programs when participants made moves to low-poverty areas. These

Exhibit 4-5
WHAT ROLE SHOULD THE SECTION 8 PROGRAM PLAY IN
ENCOURAGING HOUSING MOBILITY?

Respondent Views of Proper Section 8 Role	Number of Responses			
	State Programs ^a	Metropolitan Programs ^b	Local Programs ^c	High-Portability Programs ^d
Participants should be actively encouraged to make moves to low-poverty areas	5	4	4	4
Participants should be given information, offered the opportunity to move to low-poverty areas but not pushed	2	1	1	1
Participants should have free choice, but the program should not guide (steer) them	2	1	2	1
Housing mobility is only appropriate for some participants; it should only be encouraged (or allowed) for them	0	0	0	1
Section 8 programs do not have this capability ("are not social service agencies")	0	2	0	1
Encouraging mobility is an unreasonable administrative requirement	1	0	0	0

NOTES: Total responses and respondents = 33. Each respondent gave only one answer.

^a Includes both statewide program administrators and state program subcontractors. Total number of respondents to this question: 11.

^b As defined for this study (see Chapter 3). Total number of respondents to this question: 8.

^c Local programs overlapped by multi-jurisdictional (state or metropolitan) programs. Total number of respondents to this question: 7.

^d Selected in pairs (one sending, one receiving agency). Total number of respondents to this question: 7.

difficulties included:

- The alleged development of concentrations of Section 8 families;
- Opposition to non-residents moving into the community;
- Congressional pressure resulting from such movement; and
- Negative reactions from program staff.

The issue of perceived Section 8 geographical concentration—rarely raised when Section 8 participants live in areas of poverty or minority concentration—has grown with the expanded

use of portability and in places with patterns of low-poverty moves. The director of a city program known for its mobility focus described "corridors of subsidies" that were being created by participant housing mobility. In his area, the notion had been raised of limiting the number or proportion of subsidies in a particular area, in order to avoid such concentrations. Balancing the community's needs with the tenants' needs was recognized as a very tough issue. The director of a metropolitan housing agency, commenting on local concerns about mobility, indicated that the cooperation of suburban towns was highly dependent on their being able to retain their residency preferences; without this, the towns would not have been willing to apply for or share administration of the program.

An administrator of a high-portability county agency receiving many participants from the center city noted that she had made a number of visits to various police departments in the county to provide information on the Section 8 program. Even so, Section 8 remained a codeword for minority and welfare recipient, and some local residents asked why "these people" should have a right to move into a better community when other the residents had to work to live there. One countywide agency had encountered Congressional pressure over just such a situation. In a soft housing market, when someone rents a single-family home and then it is discovered that they are receiving a Section 8 subsidy (or if the family is of a different background than the neighbors and it is assumed that subsidy is involved), "the neighbors can get vociferous."

Community opposition to the arrival of subsidized poor families from the city has arisen in a variety of locations and gained considerable press coverage. Less well-recognized is the opposition that can arise among staff in Section 8 agencies. Sometimes, participants move to communities the staff themselves cannot afford, or participants look down on the areas where staff members live, and this can cause anger. According to the head of a countywide metropolitan program, mobility can also generate heavier demands on program staff to intervene in landlord disputes or to accommodate the special demands of owners in low-poverty areas.

However, staff attitudes can be changed by training or education that addresses the issue of mobility. A program director in a city with multiple overlapping Section 8 agencies noted a real change in the staff's point of view after they collaborated with several agencies on a proposal for Section 8 counseling (in response to the HUD NOFA). She saw them moving

toward an understanding of the benefits of low-poverty moves and the value of working with counseling agencies to support and encourage mobility.

4.4 MAKING MOBILITY EASIER

The data gathered for this study provide some suggestions for HUD and Section 8 agencies about ways to encourage and facilitate participant moves to low-poverty areas. In light of the difficulties and opposition encountered in jurisdictions with substantial mobility experience, it seems evident that the goal of making mobility easier will need to be pursued not only by administrative means but also by political leadership and public education.

Study respondents identified a number of ways to make mobility easier to achieve, for individual certificate- and voucher-holders and for the program more generally. Exhibit 4-6 summarizes the suggestions in three categories: local program actions; participant support; and HUD actions.

Local Program Actions

Local Section 8 agencies can take a number of different actions to encourage mobility. Public education and landlord education can serve to deflect opposition and to expand the program's reach into the rental stock in better neighborhoods. One study respondent described the need to "be actively involved in the community, working proactively to improve both communications and operations." This respondent's countywide agency conducts a range of activities with local landlords—including general program outreach, establishment of a Section 8 Landlord Advisory Committee, and setting up agreements with owners of apartment complexes in low-poverty areas. The agreements open the complexes to Section 8, under exception rents.

Local Section 8 agencies can also make mobility easier by finding ways to approve higher rents for high-quality properties and neighborhoods in their jurisdictions. One respondent described the way his agency established a rent gradient within the county and provided certificate- and voucher-holders with a map showing the maximum rents in different places. The agency was able to do this because the market was relatively soft, but also because capping the rents well below the FMR in some areas provided the funds to cover higher rents in other areas. (In this jurisdiction, exception rents were not generally needed for low-poverty areas.)

Exhibit 4-6**WAYS TO MAKE MOVES TO LOW-POVERTY AREAS EASIER IN THE SECTION 8 PROGRAM**

Local Program Actions
<ul style="list-style-type: none"> • Educate the public about the value of housing mobility • Conduct landlord outreach (education and marketing about Section 8 generally and about mobility) • Seek landlord agreements (agreements covering acceptance of Section 8 under exception rents in low-poverty areas) • Establish Landlord Advisory Committee (means to bring landlords closer to program and into marketing effort) • Establish rent gradient within a jurisdiction, based on rent reasonableness determinations, that provides the means to pay more for units in low-poverty areas • Negotiate agreements or MOUs making consistent rules and procedures across local jurisdictions • Support mobility when it involves incremental upgrades in neighborhoods; do not expect or require quantum leaps • Link mobility efforts to Family Self-Sufficiency, job training, working participants
Participant Support
<ul style="list-style-type: none"> • Train regular Section 8 staff to value housing mobility • Train regular Section 8 staff to encourage clients to consider low-poverty moves • Provide resources to encourage and facilitate mobility (such as a Resource Room or special mobility briefings) • Provide counseling to encourage and assist low-poverty moves • Provide clear information and consistent rules across local jurisdictions • Link mobility support to Family Self-Sufficiency or other educational and job training programs • Focus mobility support on working participants
HUD Actions
<ul style="list-style-type: none"> • Educate the public about the value of housing mobility • Define mobility to include incremental upgrades in neighborhoods rather than quantum leaps • Focus mobility efforts through agencies that do not administer public housing, to reduce suspicion and avoid direct linkage between mobility and public housing program changes • Create a mechanism to expedite exception rent approvals for the purpose of supporting mobility programs • Create a mechanism for approving greater rent increases when needed in low-poverty areas • Allow local agencies more control over program rents • Allow local agencies to approve a percentage of higher rents, targeted to low-poverty areas or working families • Focus allocation of new units to agencies with active mobility programs • Focus allocations of new units to larger agencies and agencies with larger jurisdictions for economies of operation as well as to foster mobility • Provide competitive funding for consolidated waiting lists; let local agencies design and apply

A number of the local agreements to facilitate portability, discussed in Chapter Four, will also serve to make mobility easier. In general, agreements that make Section 8 program information, rules, and procedures uniform across jurisdictions in an area will also aid low-poverty moves. Owner outreach efforts, prompt inspections, and prompt landlord payments will serve this purpose as well.

Some study respondents suggested that local agencies would do well to think about mobility in terms of incremental improvements in participants' housing and neighborhoods, rather than requiring or expecting moves all the way from the most concentrated-poverty areas to the most affluent ones. For many families, a move to a slightly lower-poverty neighborhood is a much more realistic goal and can be a major achievement. On the other hand, it was also suggested that local programs focus their housing mobility efforts on Section 8 clients who—through involvement in Family Self-Sufficiency, or higher education or job training programs—are seeking economic and social mobility. Not only may these families be more successful in adjusting to low-poverty areas, but their presence may cause less opposition from neighbors.

Participant Support

Apart from the local agency actions just described, there are a number of more direct means for supporting participants seeking housing mobility. Such means include counseling and search assistance, as employed in various mobility programs around the country. One metropolitan subcontractor to a state program described how resources are targeted to encouraging mobility; the agency has a staffed Resource Room, which offers information on each community in the metropolitan area (transportation access, school ratings, other facilities and institutions, and comments by Section 8 participants who live there). The agency also holds periodic mobility briefings for searchers and for program recipients seeking to move. Other local agency actions described above are also a means of participant support in choosing moves to low-poverty areas.

HUD Actions

Study respondents suggested a range of means by which HUD could support housing mobility, apart from rolling back recent program changes that have impeded it (see Exhibit 4-4). Some of the actions address the public opposition and outcry about mobility (for example,

fostering public education and urging more incremental moves). One interesting suggestion was based on the observation that mobility programs are particularly feared when they are associated with public housing redevelopment or relocation; if efforts to foster mobility can be focused in agencies that do not operate public housing, there may be less opposition.

Respondents named a number of HUD actions related to rents, all designed to provide Section 8 agencies with the means to pay higher rents (and approve greater rent increases) for units in low-poverty areas. A variation would allow such rents primarily for working families seeking better housing and neighborhoods. There were also several ideas about how HUD could use new unit allocations to make mobility easier. Finally, HUD could encourage the local program actions and the varied means of participant support through dissemination of materials, training, technical assistance, and funding of housing mobility efforts mounted by local agencies.

Conclusion

Study respondents from all types of agencies provided information and views on Section 8 participant housing mobility. By and large, their observations imply varied patterns of movement rather than a predominance in the direction of lower-poverty areas. Of course, data to substantiate or further explore these impressions are very difficult to obtain.

From their vantage point in state, metropolitan, and local Section 8 agencies around the country, study respondents expressed a wide range of views about whether this program *should* foster low-poverty moves. In pursuing a mobility agenda, HUD must recognize the need to educate and convince program administrators about the value of this program direction.

A substantial number of factors—including several recent program changes—were cited as impeding mobility to low-poverty areas. On the other hand, respondents identified some factors encouraging such moves. And they cited a number of ways their programs were making mobility easier for both participants and administrators.

CHAPTER FIVE

RECENT CHANGES AND OUTLOOK FOR THE SECTION 8 PROGRAM

This chapter summarizes respondents' views from all the study samples towards recent Section 8 program changes and describes these administrators' outlook for the future of the program. These viewpoints do not necessarily represent the opinions of the respondents' agencies nor of housing authorities overall.¹

However, the information gathered is useful because it is so current and reflects what some program administrators are thinking about the program during this time of rapid change. Section 5.1 summarizes the recent program changes, and Section 5.2 describes administrators' outlooks on the changes and the future of the Section 8 program. It should also be noted that administrators do not always differentiate clearly between statutory changes originating in Congress and changes made at HUD's discretion.

5.1 OVERVIEW OF RECENT PROGRAM CHANGES

Exhibit 5-1 lists some of the major changes that have occurred within the Section 8 program in the last two years. Some changes affect participant entry and movement. Significant changes were made regarding waiting list organization and applicant intake under the 1994 Admissions Rule, and there were further changes affecting admissions and continued eligibility under the 1995 rule concerning non-citizens and the optional suspension of federal preferences for 8 months in 1996. Other important changes have affected portability (greatly expanding certificate-holders' ability to move with Section 8) and how much new participants will have to pay in security deposits and minimum rent.

1. To understand the current outlook of Section 8 administrators towards the Section 8 certificate and voucher programs, respondents were asked open-ended questions regarding the adequacy of administrative fees and the effects of recent program changes. Some administrators did not have any response to these questions, whereas others were quite vocal and had comments on a number of program changes. Not everyone was asked these questions consistently. (Due to time constraints, not all respondents were asked all these questions. The interviews were originally planned for 30 minutes. However, even without covering all of the questions, many were one to two hours in length.) Respondents commented on different aspects of the program. Finally, the sampling for this study was purposive. For all these reasons, no meaningful statistical analysis can be provided on what percentage of respondents approved or disapproved of a specific program change.

Exhibit 5-1
HIGHLIGHTS OF RECENT PROGRAM CHANGES

- ***Final Fiscal Year 1996 Budget (April 1996)***
 - Optional Delay of Minimum Rent Requirement for Three Months
 - Elimination of Take-one, Take-All Requirement until 9/30/96
 - New HAP and Lease Addendum
 - Changes in application of annual adjustment factors and rent reasonableness
- ***February 1996 Notice requiring agencies to use ACC reserves to extend current contracts***
- ***Continuing Resolution of January 26, 1996***
 - Minimum Rent Requirement of \$25
 - Delay of Reissuance of Certificates/Vouchers for three months
 - Optional Suspension of Federal Preferences until 9/30/96
- ***1995 Conforming Rule and Related Notices***
 - New HAP contract and lease addendum
 - Changes in briefing requirements and information packets
 - Expansion of nationwide portability to certificates
 - Elimination of special claims under new contracts
 - Change in security deposit requirements
 - New and mandatory use of Portability Form
 - Provision for Portability reimbursements; eliminated by 1995 Rescission Bill
 - Special portability fee eliminated by 1995 Rescission Bill
- ***September 1995 Reduction of FMRs from 45th to 40th percentile of standard housing***
- ***March 1995 Restrictions on Non-citizens Rule***
- ***January 1995 Administrative Fee Calculation Change***
- ***1994 Admissions Rule***
 - Automation of HUD-50058 form
 - Additions to federal preference categories
 - Prohibition of maintaining waiting list by bedroom size
 - Issuance based on first household on list, not by bedroom size
 - Requirement to offer cross-listing on open waiting lists

Changes affecting landlords in the program (as well as limiting the units affordable to participants) have included the 1995 FMR reduction to the 40th percentile and the April 1996 alteration in annual adjustment factors for rents. Section 8 agencies also need to explain to landlords the new HAP contract and lease addendum (with the old one also continuing in use), the elimination of special claims, the increased security deposit requirements, and the temporary suspension of the take one/take all requirement.

Program funding—including the fees that support agency operations—has been affected by the 1995 fee calculation changes and FMR reductions (because the fee is calculated as a percent of the FMR) and the delayed reissuance of certificates and vouchers from January 1996. Even more important is the requirement that agencies use their ACC program reserves to extend expiring contracts.

Because the Section 8 program is administered by hundreds of local agencies, even minor program change require considerable effort, as agencies across the country learn of the changes and inform participants, landlords, and staff about them. Some program rule changes can be expensive to implement. Policy and procedures manuals must be updated, staff must be trained and implementation planned and monitored. A substantial amount of time is required to revise the program documents and forms that explain the program to landlords and applicants or participants. Some agencies have the further time and cost burden of translating revised program materials into various languages.

Having rules change only for a specific period increases the workload and cost significantly. Federal preference suspension, the minimum rent rule, and the delay in reissuance of turnover certificates and vouchers all expire on September 30, 1996. Forms and documents have had to be altered to reflect the temporary change and will need to be revised again if the permanent requirements differ from the temporary ones. Some of the recent short-term changes (e.g., minimum rent and delay in reissuance) were published with very little notice before implementation was required. Essentially, housing authorities had only two weeks to implement the minimum rent change, since many agencies are required by state law to give at least 30 days' notice of a rent increase to participants.² Sufficient time should be given to review a new requirement, decide how to implement it, and train staff on the procedure while the daily workload continues. Even changes that are viewed as positive by the staff may be unwelcome due to the time required for putting them in place.

5.2 VIEWS ABOUT THE EFFECTS OF PROGRAM CHANGES

Our interviews reveal that Section 8 administrators from all types of agencies—states, subcontractors and branch offices, metropolitan and local housing authorities—are working hard

2. Since the interviews (conducted in March and April 1996), HUD has published Notice 96-23 permitting HAs to delay implementation of the minimum rent for three months.

to understand and implement the large number of recent program changes. Although many respondents are pleased with the program revisions that hold participants more accountable and simplify the program, most also believe that the volume of changes and the temporary nature of some make it extremely difficult to maintain program operations. Below, we group the recent program changes shown in Exhibit 5-1 into topic areas, and we examine respondents' views on them.

Conforming Rule

There was considerable support among respondents for bringing the certificate and voucher programs into conformity. However, some felt that the program changes in the Conforming Rule did not go far enough in merging the two programs. These administrators pointed out that merging accounting and reporting forms would be an important next step, reducing the number of separate forms and records to be maintained.

Federal Preferences

Feedback received on the optional suspension of federal preferences (originating from the January 1996 Continuing Resolution) are mixed. Most program administrators support the elimination of the federal preferences. However, a number of agencies have decided not to implement the suspension, since they believe it will be too much work—and extremely confusing—to bring them back on October 1 if no permanent suspension is passed. Others believe it is worth the additional cost they may incur to re-implement preferences, because, in the interim, they will be able to assist persons who have been on the waiting list for many years. The elimination of federal preferences at one agency resulted in 800 people moving ahead of the previously ranked number one person. Working families who did not rank high on the list under the federal preference system have moved up on the waiting list. The agency's administrator believes that these working families will be more interested in joining the undersubscribed Family Self-Sufficiency program than the non-working families now at the top of the list. Having more working families in the Section 8 program may also help the agency cope with funding shortages, since working families generally will need lower housing assistance payments (HAP) than non-working families. This savings in HAP means the agency will have a larger reserve account.

Delay in Reissuance of Turnover Certificates/Vouchers (Shelving)

The requirement to delay the reissuance of turnover certificates and vouchers for three months was generally not well-received by program administrators. For all Section 8 agencies, this delay will reduce administrative fee earnings, since fees are earned based on the units leased up at the beginning of each month. Administrators interviewed feel that they will also have trouble maintaining the 95 percent or higher lease-up rate required by HUD. The shelving requirement seems to many administrators to run directly against all the work they have done to achieve and maintain full utilization of program resources.

A variety of other concerns about this program change were raised. Respondents are working on ways to control and track the delay in issuance of specific turnover certificates and vouchers. One agency made a special arrangement with the local HUD office to document typical monthly turnover and then delay reissuance of this number of units each month, rather than tracking specific certificates and vouchers.

Subcontractors to state agencies noted the likely loss of administrative fees; most are paid per leased-up unit, but they will not be able to reissue a turnover unit for three months.

Minimum Rent

Most administrators interviewed for this study agree with the minimum rent rule that requires program participants to have a total tenant payment (TTP) of at least \$25 and gives housing authorities the option to set it as high as \$50. The impact of the rule change varies from area to area, depending on the rent burden of participating families and the size of utility allowances. In some areas, the change will have little effect, because many households already have total tenant payments of more than \$25 per month. In other areas, where utility allowances are typically higher than \$25 per month, the tenants will still not make payments to their landlords but will pay a greater share of their utilities.

Tenant Accountability

Program revisions that increased tenant accountability have been favorably received by most study respondents. These changes are also typically supported by landlords in the community. The specific changes that are well-received include the Conforming Rule changes to hold the tenant accountable for tenant-caused damage to the unit, or for tenant failure to pay

utilities (if this results in the unit failing the housing quality standards inspection).³ Agency administrators also applauded the additional family obligations and tougher language in the program rules, which make it easier for the landlord to terminate the lease and easier for the agency to terminate program assistance to problem tenants.⁴

Security Deposits and Damage Claims

Most study respondents agree with the policy permitting landlords to require higher security deposits, especially since special claims for vacancies, damages, and unpaid rent were eliminated in the October 1995 Conforming Rule. They believe these changes force owners to "act like landlords"—to take responsibility for screening potential subsidized tenants, just as they would screen any other tenant. Landlords in some communities are willing to accept the larger security deposits in installment amounts. However, in some cases (particularly where the housing market is tight), the new rule may result in a hardship for participants, if landlords require a full month's rent as a deposit or if they are less willing to allow the tenant to build up the deposit in increments on a payment schedule.

According to respondents, the loss of special claims and the continued take-one, take-all policy may make it more difficult for local Section 8 programs to attract and keep good landlords. The take-one, take-all policy requires that landlords who accept a certificate or voucher for a unit in one of their multifamily buildings must accept certificate and voucher applicants in all multifamily buildings they own, providing the applicants pass the screening criteria.⁵

Fair Market Rent Levels

Several respondents provided feedback on the decrease in Fair Market Rent (FMR) levels. Respondents were concerned that family choices are limited by this reduction, since the

3. Previously, the landlord was penalized in these situations, and HAP payments were not made until the situation was rectified. Under the new rule, HAP payments will continue and the tenant is given time to remedy the problem. But if the problem persists, the agency may terminate the family's assistance.

4. Presumably landlords will also applaud the recent HUD regulation which provides for the elimination of the automatic lease renewal (endless lease). However, this was not in effect at the time of the interviews.

5. At the time of the administrator interviews, the take-one, take-all policy was still in effect. In May 1996, it was suspended until October 1, 1996.

rents in better-quality neighborhoods or low-poverty areas are frequently at or above the old FMRs. In response to this concern, some agencies are exercising their exception rent authority more frequently, to provide families with more options. But exception rents are permitted only up to 110 percent of the current FMR, and they are allowed for only 20 percent of a program's units. Concerned that there could be an even greater concentration of poor persons in high-poverty areas as a result of the FMR reduction, some administrators would like more flexibility in determining rents, so the rents are comparable to the local market and enable participants to choose from a wider range of locations.

Administrative Fees

Section 8 administrators seemed relieved that administrative fees were not cut as much as proposed (from 8.2 to 6 percent). However, they feel that the threat of fee reduction is still present and fear that they will not be able to operate the program with further cuts. Several administrators reported that they are doing the basic work within current fee revenue levels but are already using reserves to enhance program services.⁶ A number are in the process of rethinking caseloads and staffing patterns as a way to maintain program functions.

Particularly vulnerable to the threat of reduced fees are those agencies operating over large geographic areas. Many of them report having difficulty managing costs, due to the time and mileage involved in conducting unit inspections for a large area. One state agency administrator said that the agency would probably lose money operating the program if the fees were lowered, and that the state would not continue to operate Section 8 at a loss. Another state agency is already operating at a loss and is supporting program operations with fees from the contract administration of its Section 8 New Construction units.

Several respondents are also concerned that additional administrative fee cuts will make it difficult to operate the Family Self-Sufficiency program (FSS). At current fee levels, many agency administrators say there is inadequate compensation for running this program. Although uncomfortable with fee cuts, all respondents are working to maintain program operations.

6. A frequent example was use of administrative fee reserves to fund an FSS coordinator position.

Overall Funding and Support for the Section 8 Program

While there was positive reaction to many recent changes, overall the administrators of Section 8 agencies interviewed for this study feel vulnerable in the face of uncertain funding. The lack of untargeted incremental units, the use of ACC reserves to extend current contracts, the continuing threats to the administrative fee percentage, the three-month delay for re-issuing turnover units, and the increased agency responsibility entailed in changing the allocation process from units to dollars—all these threaten program funding and contribute to both programmatic and financial concerns. The 1994 Conforming Rule change that requires agencies to house the first family on the waiting list (regardless of bedroom size) makes planning for available funds more difficult, since the HAP payment the agency will need to make on a family's behalf will vary significantly with unit size.

The lack of new funding has resulted in a number of agencies reconsidering their absorption policy for portability units. Agencies that absorbed units often counted on receiving new funding increments, so they could continue to house the people on the waiting list as well as those "porting in" from different communities. Because there is no new funding, agencies that used to absorb are beginning to bill. As Chapter 3 explained, this process is more costly and time-consuming, yet it provides a lower administrative fee for each unit (80 percent rather than 100 percent).

Overall, the study respondents view Section 8 as a much needed program but are concerned about the future of funding for it. To prevent a loss of funds from the delay in reissuance, many agencies quickly absorbed portability units, improving their lease-up rates and increasing their administrative fees before the delay period went into effect. Some agency administrators are exploring new options for funding, while others are tapping reserve accounts to create additional certificates and vouchers that will both assist more families and increase administrative fees once the units are leased up. As Congress and HUD make further decisions on the program, administrators will continue to seek ways to maintain and improve program effectiveness.

CHAPTER SIX

IMPLICATIONS FOR HUD ACTIONS AND FUTURE RESEARCH

The Section 8 program is a locally administered program. It is also fundamentally a market-based program, relying on private landlords to provide housing at market-rate rents. Because housing markets are often larger than the political jurisdictions defining the service areas of local Section 8 agencies, these two aspects of the program can come into conflict. Over the years, HUD and state and local program operators have responded to this mismatch between the administrative and market bases of the program in a variety of ways. This study has begun to describe and analyze these ways, based on a modest and exploratory data collection effort (interviews with 42 administrators in different types of agencies).

At the present time, issues about Section 8 portability and mobility have brought the mismatch between housing markets and agency service areas into prominent view. On the one hand, statutory and regulatory changes continue to expand the choices available to certificate- and voucher-holders, and these changes encourage participants to use their housing assistance to obtain the best units and neighborhoods available. There is evidence that the volume of portability activity has grown significantly over the past decade—and particularly between 1991 and 1996—as the scope of portability widened during a national recession characterized by soft rental markets in many metropolitan areas. In addition, HUD Secretary Cisneros has been an outspoken advocate for making the Section 8 program a source of opportunities for housing mobility (moves from high-poverty to low-poverty neighborhoods).

On the other hand, in a few parts of the country there has been opposition from the public to the movement of poor families with rental subsidies into middle-income communities. In part, this results from associating Section 8 with the demolition of ill-reputed public housing developments and the relocation of their tenants. But even where this link is not present, study respondents reported that subsidized renters—especially those on public assistance—may be resented by their working neighbors. Ethnic and racial differences can exacerbate this reaction.

Although moving to low-poverty areas need not always require portability across jurisdictional boundaries, it remains a fact that a substantial amount of the affordable rental housing in low-poverty communities is distributed across small suburban jurisdictions with separate, local Section 8 programs. What can be done to address the fundamental paradox that

the Section 8 program is locally administered *and* market-based? Both its local administration and its reliance on the private housing market are key to the program's popularity and public support at all levels. Efforts by HUD to improve the efficiency of the program, by bringing it more into line with the workings of the housing market, are apt to provoke strenuous resistance from local officials who want to maintain control over the administration of the program in their local jurisdictions. Concerns about the perceived concentration of Section 8 recipient households have already begun to threaten local acceptance in some places. HUD must consider carefully how to pursue its policy goals while maintaining and strengthening program support.

What, then, have we learned from this exploratory study that can suggest constructive action under these circumstances?

6.1 METROPOLITAN ADMINISTRATION

This section summarizes the study's findings about agencies that administer the Section 8 program on a metropolitan basis. Two research questions organized our work on this topic: Has metropolitan administration been achieved in some areas? What would encourage new areas to implement metropolitan administration? These questions grew from assumptions about the likely benefits of unified metropolitan administration.

What We Learned about Metropolitan Administration

Administration of the Section 8 program on a metropolitan basis turns out to be rarer than expected at the outset of this study. Not only are there few truly metropolitan agencies administering Section 8; those that do exist were begun with wide jurisdictions rather than created through cooperation or consolidation of smaller agencies. Several agencies thought to be prime examples—such as Metro Housing and Rehabilitation Authority in Minneapolis-St. Paul, San Diego County (CA), and Clark County (NV)—fell well short of comprehensive coverage of their metropolitan areas. We did not attempt to determine the number of local agencies across the country that serve all or most of a metropolitan area. Instead, we used the best sources possible (both HUD data and well-informed observers) to identify the sample. It seems likely that a more exhaustive search would find only a handful of local agencies across the country that serve an entire metropolitan area.

The sample of nine agencies examined for this study fell into three groups. Two agencies were the exclusive administrators of Section 8 in their metropolitan areas. Three agencies also served an entire metropolitan area, but were not the only agencies operating Section 8 programs there. The remaining four sample members administered the program in multiple political jurisdictions, but it turned out they did not serve the entire metropolitan area.

In considering the rationales for these different structures, it was clear that in most cases, the service area of the Section 8 program was a function of the legal jurisdiction of the sponsoring agency. The agencies with wide coverage were in areas where a single local government served all or almost all of the metropolitan area (Dade County, Jacksonville) or where the sponsoring agency had a special mandate to operate on a metropolitan basis (Portland, Rochester, Akron). The Rochester and Jacksonville agencies had expanded the jurisdictions of their Section 8 programs. In both these cases, the major city in the region extended its program to serve outlying areas otherwise unserved (although Rochester's program also overlaps several small housing authorities and administers their Section 8 programs as a subcontractor.)

Noteworthy in its absence from our sample was any agency that served an entire metropolitan area as the result of a consolidation of programs in the area. Such an effort is under discussion in San Diego, and without doubt there will be interesting lessons that come out of the San Diego experience. However, the process is not yet far enough along to assess its likely outcomes or effects.

What Can HUD Do To Foster Metropolitan Administration?

It seems unlikely that HUD can do much to bring metropolitan agencies into existence. Local initiatives toward cooperation can be encouraged and assisted but not forced. If HUD decides that administering the Section 8 program on a metropolitan basis offer important advantages, it can establish incentives and/or reward such efforts through special allocations of incremental units (as long as there are untargeted, incremental units funded by Congress). In the absence of overall growth in the program, HUD's means for encouraging metropolitan administration are quite limited.

Further Research Needed

Because of this study's modest data collection effort, it does not provide a basis for estimating the number of Section 8 programs in the county that currently operate on a metropolitan basis. Further research would be necessary to make a full identification of agencies that are metropolitan, with attention to two of the three types of metropolitan administration identified above: exclusive and non-exclusive metropolitan administration. To the extent that these agencies are a special resource for promoting mobility in the Section 8 program, HUD may want to know where such programs exist across the country.

6.2 PORTABILITY

Given the locally based administration of Section 8, portability is the central mechanism by which recipients can gain access to new and different parts of the metropolitan area. The administration of portability was a major concern of the Section 8 program administrators who participated in the study. Three of the study's central research questions pertained to this topic, focusing on agencies' experiences and issues, ways to ease the burden imposed by certificate and voucher portability, and how best to structure a tenant-based assistance program to facilitate the use of assistance in any part of a metropolitan area.

What We Learned about Administering Portability

Portability affects the size of an agency's program—and thus alters staffing needs, revenue levels, and the resources available to assist local families waiting for subsidy. Agency administrators reported spending substantial resources, and experiencing a significant level of frustration, in administering portable Section 8 subsidies. There was widespread support for HUD's efforts to standardize the administration of portable units, but there was also continuing concern about uncertainties and delays in billing and about imbalanced flows of units.

One of the striking findings of the study was the multiplicity of approaches developed by Section 8 agencies to reduce the uncertainties and costs of administering portable units. Among the 42 agencies studied, we identified 16 distinct ways of facilitating Section 8 portability. These strategies depend on four basic mechanisms: absorption; cross-administration; jurisdiction; and agreement on standards and procedures.

What Can HUD Do to Facilitate the Administration of Section 8 Portability?

HUD has issued several rules and notices that have already helped smooth the administration of portability. According to agency administrators, it is not clear that new rules would be more valuable to local agencies than a respite from rule changes. The 16 strategies already developed by local agencies in the study sample do not require direct HUD intervention. Here, HUD's best role may be to describe these strategies in detail and disseminate information on them to local agencies, as a sort of menu from which to choose the strategy or strategies most appropriate to local needs and resources.

Further Research Needed

The interviews conducted for this study suggest that a growing portion of program participants are utilizing the portability provisions of Section 8, particularly since certificates became fully portable in 1991. However, the actual volume of portability activity is unclear. Further, the use of portability seems to vary from region to region and even among agencies in the same region. Because the practice of absorbing portable units has been widespread, administrators of many agencies report that they do not themselves know how much portability their programs have experienced.

Further investigation of the overall level of portability and analysis of the factors that influence the volume would be quite valuable to HUD, as this is probably the most significant change in Section 8—from the standpoint of both participants and administrators—since vouchers were introduced. One way to estimate the level of portability nationwide would be to recruit the participation of a random sample of housing authorities representative of all agencies administering Section 8. Because accurate retrospective data are not generally available, sample agencies would be asked to track incoming and outgoing portable units for a period of time after the study began (e.g., for three to six months), recording absorptions as well as billings. With a nationally representative sample of Section 8 agencies, such an approach could yield considerable insight into the use of portability across the country.

A comprehensive study to collect information about the use of portable certificates and vouchers might require substantial resources. A less comprehensive analysis of data from specific agencies that have been tracking the use of portability could shed some light on this issue at less expense. Several agencies contacted for this study—including the Boston Housing

Authority, the Metropolitan Boston Housing Partnership (subcontractor for the Massachusetts state program), and the Housing Authority of Alameda County (CA)—have useful data on Section 8 portability but have not had the resources to analyze them systematically. A study of modest scale that drew on these readily available data sources could still significantly contribute to our understanding of the Section 8 program.

What We Learned about How to Structure the Section 8 Program to Facilitate Use of Assistance Throughout Metropolitan Areas

A third research question about portability concerns how to structure Section 8 program administration to facilitate portability. Agencies that can operate Section 8 on a metropolitan area-wide basis clearly have an advantage in administrative ease. Local agencies with a metropolitan-wide service area have been discussed above. However, in the study sample, *most of the agencies with the ability to issue certificates and vouchers readily useable throughout a metropolitan area were state agencies.*

To what extent are the state agencies a better way to deliver Section 8 benefits than their local counterparts? We have only the observations of a limited number of local and state program administrators on which to base an assessment. These observations suggest that:

- State agencies can make participant movement easier (using bookkeeping methods rather than portability).
- Because state agencies use a single set of rules for recipients and landlords, they make it easier for owners with property in different areas and for families who move.
- State agencies can provide a "single point of contact" for portability from out-of-state, simplifying these moves for both the initial HAs and the families.
- State agencies may have greater capacity and willingness to absorb inbound portability, compared to local receiving agencies.
- State agencies facilitate participant movement in rural areas.

Further Research Needed

This study did not include in its sample all states operating Section 8 programs. In order to understand the full extent—and potential—of the state role in Section 8 administration,

including the possibilities and problems of state-administered Section 8 programs in metropolitan areas, further research is necessary. The research should examine issues of jurisdiction, coverage, and overlap, as well as a range of administrative practices relevant to portability and mobility.

Although we interviewed representatives of nine of the largest state programs, twice as many states with smaller programs were not included. Furthermore, several states recently stopped operating Section 8 programs. The experiences of the smaller state programs and the states that stopped operating Section 8 clearly would offer further insight into prospects for expanding the state role in administering tenant-based rental assistance.

It may also be worthwhile to take a more in-depth look at the states that were included in this study. Our limited data collection effort has captured only the major features of these programs, leaving plenty of room for further elaboration. For example, analysis of waiting list structure and practices (including local preferences) might well offer further insight into factors shaping the volume and patterns of portability.

One particularly promising avenue for further research about state Section 8 programs is the role these Section 8 programs play in fostering mobility. Several states with large Section 8 programs—such as Massachusetts, Michigan, and New Jersey—recommend themselves because their high-quality data systems could make it feasible to identify both origin and destination locations for recent movers. Furthermore, each of these states has a different approach to portability and to managing the allocation of certificates and vouchers across counties or regions. Studying several states would shed light on the role that administrative practices play in facilitating or discouraging mobility.

Another opportunity to look in detail at portability in a particular area is presented by policy developments in Massachusetts. The Commonwealth of Massachusetts' Section 8 program is moving towards establishing a single statewide waiting list. This change could offer a chance to assess the impact of conversion to a statewide list on the level of applications and on movement within the state.

6.3 MOBILITY

A single research question organized our exploratory efforts in regard to mobility: how can a tenant-based assistance program serve low-income residents of a metropolitan area in a

way that enables mobility out of high-poverty areas? However, before considering mechanisms for facilitating mobility, it is important to examine common assumptions about the degree to which households participating in the Section 8 program are concentrated in high-poverty areas and about the factors that keep them there. In other words, before evaluating solutions, it is advisable to assess the nature and magnitude of the problem.

Further Research Needed on the Concentration of Section 8 Recipients in Both High-Poverty and Other Neighborhoods

HUD has a stated policy goal of encouraging the deconcentration of poverty and using the Section 8 program to facilitate moves from high-poverty areas to low-poverty areas. At the same time, local officials from several different parts of the country have complained that low-income households are using Section 8 to move outward, creating new areas of concentrated poverty in inner-ring suburban communities. Basic but as yet unaddressed research questions related to this topic include the following:¹

- Would Section 8 recipients live in different neighborhoods without the Section 8 program?
- When Section 8 recipients move to very different neighborhoods, are they materially different from other residents of those neighborhoods?
- To what extent is Section 8 unduly concentrated?
- What does a detailed examination of specific cases of concentration suggest about the overall patterns?

Use of existing data from the Housing Voucher Demonstration, the Section 8 Utilization Study, and HUD's Multifamily Tenant Characteristics System would make a powerful and cost-effective approach to these questions.

1. These questions grew out of attendance at Secretary Cisneros' roundtable on Section 8 concentration and were developed by Dr. Stephen Kennedy of Abt Associates in a letter to Deputy Assistant Secretary Margery A. Turner dated November 8, 1995.

What We Learned About Administrators' Perceptions of Mobility Efforts

Our exploratory efforts are useful for documenting the perceptions of Section 8 program administrators about the extent of mobility currently, the role the program should play regarding mobility, and the mechanisms that may work to encourage it. In general, our respondents did not know how often Section 8 recipients moved from high-poverty to lower-poverty neighborhoods. Based on their experience, the movement of Section 8 participants was not uniformly from city to suburb. Some respondents felt that a significant number of participants were leaving high-poverty areas, while others felt substantial numbers were returning to such areas. Some were concerned that participants were leaving high-poverty neighborhoods in the city for equally (or almost equally) high-poverty areas in inner suburbs. Certainly, more information about the frequency of origin and destination locations for Section 8 households that move is of great interest.

Moves from high-poverty to low-poverty areas are influenced by a great number of factors, only some of which are within the control of policy makers. Influences on mobility include general economic and social factors, participant-related factors, and factors related to program design and administration. There are a variety of ways study respondents suggested to make mobility easier for Section 8 participants, including local program actions, participant support, and HUD actions.

What Can HUD Do to Make it Easier for Participants to Move from High-Poverty to Lower-Poverty Areas?

Suggested HUD actions, detailed in Chapter Four, range from public education to targeting incremental program units. Some of the actions involve political leadership and support for outreach efforts on behalf of Section 8. Another key area for HUD action is in assisting and allowing agencies to manage local program rent levels strategically, in order to support moves out of high-poverty areas.

Further Research Needed

A substantial amount of research is currently being undertaken with regard to mobility programs. Several recent studies analyze various local programs, and HUD has reported to

Congress on mobility efforts arising from desegregation orders.² A ten-year tracking and research effort is entailed in the Moving to Opportunity for Fair Housing demonstration sponsored by HUD and currently underway in five cities around the country. Other HUD-supported research in this area includes an assessment of mobility counseling, an analysis of housing search strategies among low-income households, and an examination of the determinants of location choice by minority homeseekers.

Some of the agencies sampled for this study offer additional examples of local mobility initiatives, which might fruitfully be documented and analyzed. However, the research suggestions (noted above) related to portability and the Section 8 concentration issue represent an approach that can extend our knowledge about the administrative and political barriers to participant movement of all kinds.

2. See, for example, Alexander Polikoff, ed., *Housing Mobility: Promise or Illusion?* (Washington, D.C.: The Urban Institute, 1995). See also John M. Goering et al., *Promoting Housing Choice in HUD's Rental Assistance Programs: Report to Congress* (Washington, DC: U.S. Department of Housing and Urban Development, April 1995).

Appendix A
RESEARCH QUESTIONS

Administration of Multi-Jurisdictional Programs

Organization/Structure

- What is the nature of the agency's geographical jurisdiction? Does it overlap other agencies administering Section 8?
- What kind of structure does the agency use to administer the program? Why was it set up this way?
- Who does certifications and annual recertifications?
- Who does initial and annual housing quality inspections?
- How are other program functions carried out?
- Is the administrative fee enough to cover administration costs? What causes cost overruns, cost surplus?

Subcontractors

- What other kinds of entities (if any) assist the agency in administering the program?
- Do these entities do certifications and annual recertifications?
- Do these entities do initial and annual housing quality inspections?
- Why did the agency choose these entities rather than self-administration or a different type of entity?
- How are the entities compensated? Is the administrative fee enough to cover administration costs? What causes cost overruns, cost surplus?
- What kind of monitoring does the agency do of local entities?

Allocation of Certificates/Vouchers

- How does the agency determine where certificates/vouchers are to be allocated (States only)?
- What is agency's view of HUD's separate allocation of rural and metropolitan program resources?

Waiting List

- Is the waiting list state/metro-wide and maintained by the multi-jurisdictional agency, or is it subjurisdictional or local?
- How is a waiting list developed? Where do households go to sign up for the waiting list?
- Are there any mechanisms for facilitating household access to more than one list?
- How are families selected off the lists?
- Are there any local preferences? Residency preferences? What are the politics around them? What has been the experience with obtaining HUD approval of them?

Current Issues for Multi-jurisdictional Programs

Overlapping Jurisdictions

- To what extent does the State/metro program overlap with other PHA Section 8 programs within metropolitan areas?
- Do waiting lists also overlap? What incentives and disincentives do the programs have to share or combine overlapping waiting lists? Is there cooperation or cross-listing?
- How does the State PHA cooperate with the local PHA and vice-versa?
- Are relationships between overlapping local and State/metro housing authorities strained by competition for incremental units? By differences in administrative practices (e.g., rent reasonableness determinations, exception rents)?
- Are there instances of cooperation rather than competition?

Other Issues

- What arrangements have been made to implement Family Self-Sufficiency programs? Do State and metro agencies face different challenges in implementing FSS than do local PHAs? Have any issues arisen around FSS?
- What changes have been made (or are being made) as a result of the Section 8 conforming rule? How will implementation of the conforming rule affect State and metro agencies? Have any issues arisen around these changes?
- Have any issues arisen around the past allocations of incremental Section 8 funding?
- Have there been any discussions about the anticipated changes in the Section 8 administrative fee structure?

Experience with Portability

- How does portability affect State/Metro administration?
- Overall, assess the effectiveness of State/Metro administration of Section 8 for state and metropolitan portability.
- How does the receiving PHA typically handle the portable certificates and vouchers—bill the initial PHA or use its own certificates or vouchers?
- How do PHAs handle FSS for portable certificates/vouchers? Are incoming recipients eligible for FSS? If an incoming recipient is already an FSS participant, what responsibilities does the receiving PHA have for the FSS contract?
- Have some PHAs worked out special agreements or coalitions to make portability easier? What are those special agreements or coalitions?
- How does the PHA inform recipients that portability is an option? Does the PHA encourage recipients to take advantage of portability? If so, how?
- What incentives/disincentives does a PHA have to promote or discourage use of portable certificates/vouchers?
- What are the strengths and weaknesses of portability, as it exists now/as it will exist under the conforming rule?

Experience with Mobility (Moves to Low-Poverty Areas)

- How mobile are households in the State/Metro program?
- Does the State/Metro HA know the extent to which households move from city to suburb or high-poverty to low-poverty neighborhoods?
- Do Section 8 submarkets (parts of the rental market with concentrations of Section 8 or with practices targeted to Section 8) exist?
- What seems to affect mobility (tenant preferences, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation)?
- Does the PHA encourage mobility? If so, through what policies/procedures?
- Overall, assess the effectiveness of State/Metro administration of Section 8 for metropolitan mobility.

Promoting Inter-jurisdictional Cooperation

Nature and Extent of Cooperation

- In what ways do PHAs within a single metropolitan area cooperate? Is information shared among PHAs about landlords or tenants? Are rules made consistent?
- What organizations bring together PHAs in a metropolitan area (e.g., statewide lobbying groups, metro planning organizations, metro/statewide housing organizations)?
- Do new MIS technologies offer opportunities for enhanced inter-agency cooperation? Are there area-wide efforts to jointly develop new technological systems (e.g., hand-held computers for inspections, MIS systems)? How do these affect portability?

For metro areas that already have metro-wide administration of Section 8:

- What factors facilitated the development of metro-wide administration?
- How would you assess the effectiveness of metro-wide administration for providing opportunities to households for mobility (moves to low-poverty areas)?

For metro areas without metro-wide administration of Section 8:

- What factors would facilitate the development of metro-wide administration?
- What factors discourage or inhibit the development of metro-wide administration?

APPENDIX B

INTERVIEW GUIDES

***Interview Guide for Sample #1:
Statewide Section 8 Agencies***

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of this study, we are interviewing representatives of nine of the largest state Section 8 programs in the country. We want to learn more about how your agency operates and about the advantages and difficulties of your approach to the administration of the Section 8 program. We are also interested in your experiences with portability, and in the opportunities of Section 8 certificate- and voucher-holders to move to a variety of locations within the state.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. Administration of Multi-jurisdictional Section 8 Programs

1. I would like to begin with some general information about your agency and its administration of the Section 8 program.

- a. How long has your state agency operated a Section 8 program?
- b. How many units do you administer? Certificates _____ Vouchers _____
- c. Do you operate any special Section 8 programs? Which ones?

	Operates Program (✓)
FSS	
VASH	
Family Unification	
Other: _____	

- d. What programs other than Section 8 certificates and vouchers do you administer?
[If the agency has many divisions, obtain information only on the programs operated by the division that runs Section 8.]
 - e. What is the total number of staff in your agency? *[For large multidivisional agencies, obtain the total staffing for the division that operates Section 8.]*
 - f. How many staff are directly involved in administering the Section 8 program?
2. How does your agency administer the Section 8 program?
- a. Do you use branch offices with state employees? How many branches?
 - b. Do you use subcontractors?

PROBE

- How many? What types?
- How long have you been using subcontractors?
- How were the subcontractors selected?
- Why did the state decide to use subcontractors rather than operate using state staff?

- c. Here are some standard Section 8 functions. Who performs them for your program?

Function	Central Office	Branch Office	Subcontractors
Outreach			
Maintain the waiting list			
Take applications			
Intake interviews			
Intake inspections			
Annual/interim recertifications			
Annual reinspections			
Make HAP payments/utility reimbursements			
Enroll families in FSS			
Case management for FSS			

- d. [IF SUBCONTRACTORS:] How does your agency monitor subcontractor performance?

3. Is the administrative fee sufficient for the state's operation of the program?

[IF SUBCONTRACTORS]: How are the subcontractors compensated?

[We are trying to determine if they receive a fee per unit (and how that corresponds to the overall fee earned by the statewide agency) or are paid based upon an itemized budget or some other mechanism]

PROBE

- Is this compensation to subcontractors adequate?
- Have there been disputes or issues related to the adequacy of fees?

4. Does your Section 8 program overlap Section 8 programs administered by other PHAs?

- a. IF YES: Approximately how many PHAs have jurisdictions overlapped by yours?

- b. How many of these PHAs are in metropolitan areas of a significant size?

- c. [IF SUBCONTRACTORS] Which of the subcontractors operate in the most

urban environment? *[We are particularly interested in any PHA subcontractors which operate throughout a metropolitan area with their own programs. Another interest is subcontractors who have successfully developed cooperative relationships with other agencies administering Section 8.]*

5. How is the waiting list organized?

Statewide? _____ By county or region of the state? _____ Other? _____

- a. How do families apply for the program?
- b. How are families selected off the list(s)?
- c. How many names are currently on the waiting list?
- d. Is the waiting list currently open?
- e. [IF MULTIPLE WAITING LISTS] How does your agency determine where certificates and vouchers are to be allocated (for example, the state's application to HUD, HUD's allocation policies)?
- f. Is there any mechanism for giving households easier access to more than one list (either to multiple state lists or lists of other PHAs)?
- g. Are there any circumstances in which the state maintains a consolidated waiting list with other PHAs? IF YES: Which PHAs? How did this cooperation come about?

II. Current Issues

- 6. Does the geographic scope of your program present problems or challenges for implementing the Family Self-Sufficiency Program?
- 7. The conforming rule and other recent legislation and regulations are changing the way Section 8 is administered. What implications will the anticipated changes to the administrative fee structure have for your agency?
 - a. What are the agency's concerns?
 - b. Will changes to the fee structure have a different impact on the State agency than on the single-jurisdiction PHAs that administer Section 8?
 - c. Has your agency planned or implemented any other changes in response to the recent changes in federal policy?

III. Experience with Portability

The next questions address your agency's experience with portable certificates and vouchers.

8. Does a statewide approach to administration of Section 8 offer significant advantages in administering portable vouchers and certificates compared to single-jurisdiction PHAs?

PROBE

- Are allocations fixed by county or region, or can certificates and vouchers move with recipients throughout the state?
- Are there significant disadvantages to statewide administration of Section 8?

9. How many households with certificates and vouchers initially issued by your agency have used portability to move to another jurisdiction in the last year? (Federal Fiscal Year 1995 or previous twelve months, or whatever is readily available.) *[INTERVIEWER: Please note the applicable period.]*

- a. How many of those units were absorbed by the receiving PHA?
- b. For how many such units total is your agency currently billed by receiving PHAs?
- c. How many different agencies currently bill you for portable certificates and vouchers?

10. How many households with certificates and vouchers initially issued by another agency have used portability to move to your jurisdiction in the last year? (Federal Fiscal Year 1996 or the previous 12 months, or whatever is readily available.) *[INTERVIEWER: Please note the applicable period.]*

- a. How many units have you absorbed?
- b. For how many units do you bill other agencies?
- c. How many other agencies do you bill?

11. In general, do you have concerns about the administration of portable certificates and vouchers?

PROBE

- Have these concerns been alleviated by the conforming rule, with its new billing form and procedures?
- What are the strengths and weaknesses of portability as it exists now and under the conforming rule?

12. At this time, we are developing a list of additional contacts for this study, particularly agencies that experience high portability in their Section 8 programs. Are you aware of any high-portability (initial or receiving) PHAs, either in this state or elsewhere in the country?

LIST, GET CONTACTS IF POSSIBLE (*Candidates for Sample #5*)

IV. Experience with Mobility

The next questions are about mobility for certificate- and voucher-holders—that is, the ability to move from one political jurisdiction to another, or to move from a high-poverty area to a low-poverty area.

13. What types of areas do certificate- and voucher-holders in your program choose as places to live?

PROBE

- Any tabulations/reports/maps on the locations where recipients lease up?
- OBTAIN COPY IF POSSIBLE

14. To what extent do voucher- and certificate-holders move to a new city or town?

- a. To what extent do voucher- and certificate-holders move from high-poverty to low-poverty areas?
- b. What seems to affect this movement (tenant choice, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation, administrative barriers)?
- c. Does a statewide program encourage or facilitate this movement?

15. Are there any particular places or subcontractors in your program where there have been efforts to increase mobility among recipients?

LIST (*candidates for Sample #2*)

PROBE

- What has been done there?
- How well has it worked?

16. To what extent should the Section 8 program encourage moves to low-poverty areas?

PROBE

- How could the program do a better job of this?

[INTERVIEWER: CONTINUE ONLY IF TIME PERMITS. IF NOT, GO TO QUESTION 20.]

V. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of interagency cooperation.

17. In what ways does your agency cooperate with other agencies administering the Section 8 Program?

18. Are there any organizations in this State that attempt to encourage or facilitate cooperation among agencies administering Section 8? IF YES: Describe who they are and their efforts.

Examples might include:

- Statewide lobbying groups
- Metropolitan planning organizations
- Metropolitan/statewide housing organizations
- Other

- a. Are there proposals or plans to extend such cooperative efforts? *[Time permitting]*

- In what areas?
- What is likely to happen?

19. Are you aware of any cooperation among the local governments in your area to shape programs in policy areas other than Section 8 administration? In what policy areas?

PROBE

- Housing (other than Section 8)?
- Job training/job access?
- Child care?
- Health services?
- Social services?
- Transportation?
- Other?

[FOR EACH POLICY AREA IDENTIFIED:]

- Do you know the extent of cooperation in this policy area?
- What governments are involved?
- How much of the metropolitan area is covered?

20. Do you have other thoughts about the issues of mobility, portability, or interagency cooperation in the administration of Section 8 that you want to share with me?

THANK YOU VERY MUCH FOR HELPING US WITH THIS STUDY!

***Interview Guide for Sample #2:
Subcontractors to the Largest Statewide Section 8 Programs***

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of this study, we are examining the largest of the Statewide Section 8 programs. Your organization has been identified as a subcontractor to [name of statewide PHA], and [name of respondent] recommended that we talk to you about your experiences in operating the Section 8 program. You have been identified as a [PHA/Nonprofit organization]. Is that correct?

We want to learn more about your agency's operation of Section 8 as a subcontractor to the State and about the positive and negative aspects of your experience in administering the program. We are also interested in your experiences with portability and in your perception of the opportunities for Section 8 certificate- and voucher-holders to move to a variety of locations within your jurisdiction.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. Administration of Multi-jurisdictional Section 8 Programs

1. I would like to begin with some general information questions about your agency and its administration of Section 8.
 - a. What is your area of jurisdiction in operating the statewide program? (*Note metropolitan areas covered.*)
 - b. How many units of Section 8 do you administer for the statewide program?
Certificates _____ Vouchers _____
 - c. Do you operate other programs as a subcontractor to the state agency? (Describe briefly.)
 - d. Other than your work as a subcontractor to the state, do you operate any other Section 8 certificate and voucher programs?
 - i. What is your area of jurisdiction for those programs?
 - ii. How many units do you operate? Certificates _____
Vouchers _____
 - e. IF THE SUBCONTRACTOR IS A PHA:
 - i. What other programs does your housing authority operate?
 - ii. What is the total staff of the housing authority?
 - iii. What is the number of staff operating the Section 8 program?
 - iv. Can you please send me a map that shows your jurisdiction for the statewide program and for your own Section 8 programs?
 - f. IF THE SUBCONTRACTOR IS NOT A PHA:
 - i. What type of organization is your agency? (E.g., private nonprofit, local government, CAP agency, COG, private for-profit.)
 - ii. In what types of other activities is your agency involved?
 - iii. How long have you been a subcontractor to the statewide program?
 - iv. How was your agency selected to be a subcontractor for the statewide program?
 - v. How many total staff does the agency have?
 - vi. How many staff are involved in administering the Section 8 program for the state?

2. Which of the following functions does your agency perform related to the Statewide Section 8 program?

	Performs Function (✓)
Outreach	
Take applications	
Maintains the waiting list (all or portion)	
Intake interviews	
Intake inspections	
Annual/interim recertifications	
Annual reinspections	
Make HAP payments and issue utility reimbursements	
Enroll families in FSS	
Case management for FSS	

IF THE AGENCY MAINTAINS A WAITING LIST, ASK QUESTION 3. OTHERWISE, SKIP TO QUESTION 4.

3. How is the waiting list organized?

State-wide? _____ By county or region of the state? _____ Other? _____

- a. How do families apply for the program?
- b. How are families selected off the list(s)?
- c. How many names are currently on the waiting list?
- d. Is the waiting list currently open?
- e. Is there any mechanism for giving households easier access to more than one list (either to multiple state lists or lists of other PHAs)?
- f. Are there any local preferences or residency preferences?
 - i. Have there been recent political concerns or pressures around local/residency preferences?
 - ii. What has been your experience in gaining HUD approval for such

preferences?

4. How is your agency compensated for its services to the statewide program?

PROBE

- Is the compensation enough to cover administrative costs?
 - How does the state monitor your program?
5. What areas of discretion do you have in administering the program? For example, do you set any of the policies related to the administrative plan, or do you have your own administrative plan?

III. Experience with Portability

The next questions address your agency's experience with portable certificates and vouchers in the State program.

6. How many households with certificates and vouchers initially issued by your agency have used portability to move to another jurisdiction (within or outside the State) in the last year? (Federal Fiscal Year 1995 or previous twelve months, or whatever is readily available.) *[Interviewer: please note the applicable period.]*
- a. How is this handled among the State's subcontractors?
 - b. How many of those units were absorbed by the receiving agency?
 - c. For how many such units total is your agency currently billed by receiving PHAs?
 - d. How many different agencies currently bill you for portable certificates and vouchers?
7. Does a state-wide approach to administration of Section 8 offer significant advantages in administering portable vouchers and certificates compared to single-jurisdiction PHAs?

PROBE

- Are allocations fixed by region or county, or can certificates and vouchers move with recipients throughout the state?
 - Are there significant disadvantages?
8. Has this agency worked out special agreements or coalitions to make portability easier?
- a. What are those special arrangements? How do they work?
 - b. With what other agencies?
 - c. How did this come about?
 - d. What has been the experience with these arrangements?

9. At this time, we are developing a list of additional contacts for this study, particularly agencies that experience high portability in their Section 8 programs. Are you aware of any high-portability (initial or receiving) PHAs, either in this state or elsewhere in the country?

LIST. GET CONTACTS IF POSSIBLE (*Candidates for Sample #5*)

IV. Experience with Mobility

The next questions are about mobility for certificate- and voucher-holders; that is, their ability to move from one political jurisdiction to another, or to move from a high-poverty area to a low-poverty area.

10. What types of areas do certificate- and voucher-holders in your program choose as places to live?

PROBE

- Any tabulations/reports/maps on the locations where recipients lease up?
- OBTAIN COPY IF POSSIBLE

11. To what extent do voucher- and certificate-holders move to a new city or town?

- a. To what extent do voucher- and certificate-holders move from high-poverty to low-poverty areas?
- b. What seems to affect this movement (tenant choice, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation, administrative barriers)?
- c. Does a state-wide program encourage or facilitate this movement?

12. To what extent should the Section 8 program encourage moves to low-poverty areas?

PROBE

- How could the program do a better job of this?

V. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of inter-agency cooperation.

13. In what ways does your agency cooperate with other agencies administering Section 8 in your area?

- a. Do agencies share information about landlords or tenant? Do agencies share or coordinate waiting lists?
- b. Is there any special arrangement to facilitate a family's application to other

Section 8 programs in the same metropolitan area?

- c. Have there been any discussions on maintaining a metropolitan-wide waiting list?
- d. Are there any organizations in your area that attempt to encourage or facilitate cooperation among agencies administering Section 8? IF YES: describe who they are and their efforts.

Examples might include:

- Statewide lobbying groups
- Metropolitan planning organizations
- Metropolitan/statewide housing organizations
- Other

- e. Are there proposals or plans to extend such cooperative efforts?

- In what areas?
- What is likely to happen?

- 14. Are you aware of any cooperation among the local governments in your area to shape programs in policy areas other than Section 8 administration? In what policy areas?

PROBE

- Housing (other than Section 8)?
- Job training/job access?
- Child care?
- Health services?
- Social services?
- Transportation?
- Other?

[FOR EACH POLICY AREA IDENTIFIED]

- Do you know the extent of cooperation in this policy area?
- What governments are involved?
- How much of the metropolitan area is covered?

- 15. Do you have other thoughts about the issues of mobility, portability, or inter-agency cooperation in the administration of Section 8 that you want to share with me?

THANK YOU VERY MUCH FOR HELPING US WITH THIS STUDY!

*Interview Guide for Sample #3:
Metropolitan Housing Agencies*

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of that study, we are interviewing representatives of agencies operating large Section 8 programs around the country that serve most or all of a metropolitan area. We want to learn more about how your agency operates and about the advantages and difficulties of your approach to administering Section 8. We are also interested in your experiences with portability, and in the opportunities that Section 8 certificate- and voucher-holders have to move to a variety of locations within the metropolitan area.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. Administration of Multi-jurisdictional Section 8 Programs

1. I would like to begin with some general information questions about your agency and its administration of the Section 8 program.

PROBE

- What type of organization (public or nonprofit, state or local, etc.) is your agency?
- When was the organization established?
- Under what circumstances was the organization established?
- How big is the agency? (Approximately how many staff?)
- What kinds of programs does the agency operate?

2. Please tell me about your Section 8 Existing Housing program.

- a. How many units do you administer? Certificates? _____ Vouchers? _____
- b. In what political jurisdictions does the agency administer Section 8?
- c. Approximately how much of the metropolitan area [in percent of population] does your Section 8 program cover?
- d. OBTAIN MAP IF POSSIBLE

3. What other agencies also administer the Section 8 Existing Housing program in this metropolitan area?

PROBE

- To what extent does your Section 8 program overlap with other Section 8 programs?
- What jurisdictions are overlapped?
- Do waiting lists also overlap? What incentives and disincentives are there to share or combine lists?
- How does your agency cooperate with the local PHA(s) and vice-versa?
- Are your relationships with overlapped agencies strained by differences in administrative practices, such as rent reasonableness determinations, exception rents, and inspection standards? Which issues are most important?

[AT THIS POINT, MAKE AN ASSESSMENT ABOUT WHETHER THE AGENCY IS AN APPROPRIATE SUBJECT FOR THIS STUDY. PROCEED IF AGENCY COVERS AT LEAST HALF THE METROPOLITAN POPULATION ON ITS OWN OR COOPERATES WITH OTHER AGENCIES TO DO SO.]

4. How is your Section 8 program organized?

PROBE

- Central office only? Branch or field offices?
- Does agency use subcontractors to administer any aspects of the Section 8 program?

5. Here are some standard Section 8 functions. Who performs them for your program?

Function	Central Office	Branch Office	Subcontractors
Outreach			
Maintain the waiting list			
Take applications			
Intake interviews			
Intake inspections			
Annual/interim recertifications			
Annual reinspections			
Make HAP payments/utility reimbursements			
Enroll families in FSS			
Case management for FSS			

6. How is the waiting list organized?

- a. Is the waiting list metropolitan-wide? If not, how many lists are maintained and for what areas?
- b. How is/are the waiting lists developed?
- c. How are families selected off the list(s)?
- d. Where do households go to sign up for a waiting list?
- e. Is there any mechanism for facilitating household access to more than one list?
- f. Are there any local preferences or residency preferences?
 - i. Have there been recent political concerns or pressures around local/residency preferences?
 - ii. What has been your experience in gaining HUD approval for such preferences?

7. [IF THERE ARE MULTIPLE WAITING LISTS:] Does your agency determine where certificates and vouchers are to be allocated?
- What defines the allocation (for example, the state's application to HUD, HUD's allocation policies, population figures, other)?
 - What discretion does your agency have to make allocations?
 - Does the agency experience local pressures in making allocations?
 - [IF THE AGENCY OVERLAPS OTHER SECTION 8 PROGRAMS:] How is your relationship with overlapped agencies affected by the competition for fair share allocation?
8. [IF AGENCY IS A SUBCONTRACTOR:] How is your agency compensated for administering the Section 8 program?

PROBE

- Is the compensation enough to cover administrative costs?
- How is your program monitored?

II. Current Issues for Multi-Jurisdictional Programs

9. Does the geographic scope of your program present problems or challenges for implementing FSS?
- How does FSS affect your ability to coordinate or cooperate with overlapped agencies?
10. The conforming rule and other recent legislation are changing the way Section 8 is administered. What implications will the anticipated changes to the administrative fee structure have for your agency?

PROBE

- What are the agency's concerns?
- Will changes to the fee structure have a different impact on this agency than on the traditional, single-jurisdiction PHAs that administer Section 8?
- Has the agency planned or implemented any other changes in response to the conforming rule or other recent policy changes?

III. Experience with Portability [SKIP TO Q.17 IF SHORT OF TIME]

The next questions address your agency's experience with portable certificates and vouchers.

11. Does a metropolitan-wide approach to administration of Section 8 offer advantages in administering portable vouchers and certificates compared to single-jurisdiction PHAs?

PROBE

- Can recipients move within the metropolitan area without using portability?
 - Are there disadvantages?
12. How many households with certificates and vouchers initially issued by your agency have moved to another jurisdiction in the last year? (Federal Fiscal Year 1995 or previous twelve months, or whatever is readily available.) *[Interviewer: Please note the applicable period.]*
- a. How many of those units were absorbed by the receiving PHA?
 - b. For how many such units total is your agency currently billed by receiving PHAs?
 - c. How many different agencies currently bill you for portable certificates and vouchers?
13. How many households with certificates and vouchers initially issued by another agency have used portability to move to your jurisdiction in the last year? (Federal Fiscal Year 1996 or the previous 12 months, or whatever is readily available.) *[Interviewer: Please note the applicable period.]*
- a. How many units have you absorbed?
 - b. For how many units do you bill other agencies?
 - c. How many other agencies do you bill?
14. What incentives/disincentives does a metropolitan-wide Section 8 program have to promote or discourage use of portable certificates/vouchers?
15. In general, do you have concerns about the administration of portable certificates and vouchers?
- PROBE
- Have these concerns been alleviated by the implementation of the conforming rule, with its new billing form and procedures?
 - What are the strengths and weaknesses of portability as it exists now and under the conforming rule?

16. At this time, we are developing a list of additional contacts for this study, particularly agencies that experience high portability in their Section 8 programs. Are you aware of any high-portability (initial or receiving) PHAs, either in this state or elsewhere in the country?

LIST, GET CONTACTS IF POSSIBLE (*Candidates for Sample #5*)

PROBE

- What seems to affect this movement (tenant choice, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation, administrative barriers)?
- Does a metropolitan-wide program encourage or facilitate this movement?

IV. Experience with Mobility

The next questions are about the mobility for certificate- and voucher-holders—that is, the ability to move from one political jurisdiction to another, or to move from a high-poverty area to a low-poverty area.

17. What types of areas do certificate- and voucher-holders in your program choose as places to live?

PROBE

- Any tabulations/reports/maps on the locations where recipients lease up?
- OBTAIN COPY IF POSSIBLE

18. To what extent do voucher- and certificate-holders move to a new city or town?

- To what extent do voucher- and certificate-holders move from high-poverty to low-poverty areas?
- What seems to affect this movement (tenant choice, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation, administrative barriers)?
- Does a statewide program encourage or facilitate this movement?

19. Are there any particular places in your program where there have been efforts to increase mobility among recipients?

LIST (*candidates for Sample #2*)

PROBE

- What has been done there?
- How well has it worked?

20. To what extent should the Section 8 program encourage moves to low-poverty areas?

PROBE

- How could the program do a better job of this?

V. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of interagency cooperation.

21. In what ways does your agency cooperate with other agencies administering the Section 8 Program in your metropolitan area?

PROBE

- Share information about landlords or tenant? Share or coordinate waiting lists?
- Any organizations that attempt to encourage or facilitate such cooperation among agencies administering Section 8? *(Describe who they are and their efforts. Examples might include statewide lobbying groups, metropolitan planning organizations, or metropolitan/statewide housing organizations.)*
- Any proposals or plans to extend such cooperative efforts? In what areas? What is likely to happen?

22. Are you aware of any cooperation among the local governments in your metropolitan area to shape programs in policy areas other than Section 8 administration? In what policy areas?

PROBE

- Housing (other than Section 8)?
- Job training/job access?
- Child care?
- Health services?
- Social services?
- Transportation?
- Other?

[FOR EACH POLICY AREA IDENTIFIED:]

- Do you know the extent of metropolitan cooperation in this policy area?
- What governments are involved?
- How much of the metropolitan area is covered?

23. Do you have other thoughts about the issues of mobility, portability, or metropolitan administration of Section 8 that you want to share with me?

THANK YOU VERY MUCH FOR YOUR ASSISTANCE WITH THIS STUDY!

***Interview Guide for Sample 4:
PHAs Overlapped by State or Metropolitan Agencies***

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of this study, we are interviewing representatives of agencies with jurisdictions in which one or more other agencies also operate the Section 8 program. We want to learn more about how your agency operates relative to overlapping jurisdictions, and about the advantages and difficulties of your approach to administering Section 8. We are also interested in your experiences with portability, and in the opportunities for Section 8 certificate- and voucher-holders to move to a variety of locations within a metropolitan area.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. PHAs Overlapped by Multi-Jurisdictional Section 8 Programs

1. I would like to begin with some general information questions about your agency and its administration of the Section 8 program.

- a. Is this an independent PHA or a unit of local government?
- b. What other programs does your agency administer? (e.g., public housing)
- c. What is the geographical jurisdiction of the Section 8 program? OBTAIN MAP IF POSSIBLE
- d. How many units do you administer? Certificates: _____ Vouchers: _____

2. How is the waiting list organized?

Statewide? _____ By county or region of the state? _____ Other? _____

- a. How do families apply for the program?
- b. How are families selected off the list(s)?
- c. How many names are currently on the waiting list?
- d. Is the waiting list currently open?
- e. Are there any local preferences or residency preferences?
 - i. Have there been recent political concerns or pressures around local/residency preferences?
 - ii. What has been your experience in gaining HUD approval for such preferences?

3. I understand that there are other agencies that administer Section 8 certificates and vouchers in your jurisdiction. Could you name the agencies and their jurisdictions?

LIST

4. Do you share or combine waiting lists with any of these agencies?

PROBE

- Describe how this works.
- What incentives and disincentives are there to share or combine lists?
- Is there any mechanism for helping applicants get access to the waiting list of the other agency(ies)?

5. Agencies with overlapping jurisdictions often have a need to jointly review practices and procedures related to rent levels, housing inspections, and other aspects of Section 8.

PROBE

- How does this work with the State or metropolitan program(s) that overlap(s) your jurisdiction?
- Are there other issues that need to be coordinated between your agencies?

6. In general, how would you describe the nature and quality of your agency's interactions with the other, overlapping Section 8 agencies?

PROBE

- Positive and negative aspects of this/these relationship(s)? (BE SPECIFIC)
- Are relationships with these agencies strained by differences in particular administrative practices? Which issues are most important?

II. Current Issues for PHAs Overlapped by Multi-Jurisdictional Programs

7. Do you feel that your agency competes with other agencies for the allocation of incremental Section 8 units in your jurisdiction?

PROBE

- Have there been any problems or issues as a result of this competition?

8. The conforming rule and other recent legislation and regulations are changing the way Section 8 is administered. What implications will the anticipated changes to the administrative fee structure under the conforming rule have for your agency?

- a. What are the agency's concerns?
- b. Will changes to the fee structure have a different impact on the State agency than it will on the single-jurisdiction PHAs that administer Section 8?
- c. Has your agency planned or implemented any other changes in response to the recent changes in federal policy?

III. Experience with Portability

The next questions address your agency's experience with portable certificates and vouchers.

9. How many households with certificates and vouchers initially issued by your agency have used portability to move to another jurisdiction in the last year (Federal Fiscal Year 1995 or previous twelve months, or whatever is readily available.) *[Interviewer: Please note the applicable period.]*
- a. How many of those units were absorbed by the receiving PHA?
 - b. For how many such units total is your agency currently billed by receiving PHAs?
 - c. How many different agencies currently bill you for portable certificates and vouchers?

10. Has this agency worked out special agreements or coalitions to make portability easier?

PROBE

- What are those special arrangements? How do they work?
- With what other agencies?
- How did this come about?
- What has been the experience with these arrangements?

11. In general, do you have concerns about the administration of portable certificates and vouchers?

PROBE

- Have these concerns been alleviated by the implementation of the conforming rule, with its new billing form and procedures?
- What are the strengths and weaknesses of portability as it exists now and under the conforming rule?

12. How does the portability of certificates and vouchers affect your Family Self-Sufficiency program?

PROBE

- Are incoming recipients eligible for FSS?
- If an incoming recipient is already an FSS participant, what responsibilities does your agency have for the FSS contract?
- What are the challenges for your FSS program? for certificate- and voucher-holders?

13. At this time, we are developing a list of additional contacts for this study, particularly PHAs that experience high portability in their Section 8 programs. Are you aware of high-portability (initial or receiving) PHAs, either in this area or elsewhere in the country?

LIST, GET CONTACTS (*Candidates for Sample #5*)

IV. Experience with Mobility

The next questions are about the mobility of certificate- and voucher-holders—that is, the ability to move from one political jurisdiction to another, or to move from a high-poverty area to a low-poverty area.

14. What types of areas do certificate- and voucher-holders in your program choose as places to live?

PROBE

- Any tabulations/reports/maps on the locations where recipients lease up?
- OBTAIN COPY IF POSSIBLE

15. To what extent do voucher- and certificate-holders move to a new city or town?

- To what extent do voucher- and certificate-holders move from high-poverty to low-poverty areas?
- What seems to affect this movement (tenant choice, NIMBY, community opposition, soft housing market/landlord preference, rent limits, access to transportation, administrative barriers)?
- Does a statewide program encourage or facilitate this movement?

16. Are there any particular places or subcontractors in your program where there has been active encouragement or efforts to increase mobility among recipients?

LIST (*candidates for Sample #2*)

PROBE

- What has been done there?
- How well has it worked?

17. To what extent should the Section 8 program encourage moves to low-poverty areas?

PROBE

- How could the program do a better job of this?

V. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of interagency cooperation.

18. Are there any organizations in this State that attempt to encourage or facilitate cooperation among agencies administering Section 8? IF YES: Describe who they are and their efforts.

Examples might include:

- Statewide lobbying groups
- Metropolitan planning organizations
- Metropolitan/statewide housing organizations
- Other

- a. [IF TIME PERMITS:] Are there proposals or plans to extend such cooperative efforts?

- In what areas?
- What is likely to happen?

19. Are you aware of cooperation among the local governments in your metropolitan area to shape programs in policy areas other than Section 8 administration? In what policy areas?

PROBE

- Housing (other than Section 8)?
- Job training/job access?
- Child care?
- Health services?
- Social services?
- Transportation?
- Other?

[FOR EACH POLICY AREA IDENTIFIED]

- Do you know is the extent of metropolitan cooperation in this policy area?
- What governments are involved?
- How much of the metropolitan area is covered?

20. Do you have other thoughts about the issues of mobility, portability, or metropolitan administration of Section 8 that you want to share with me?

THANK YOU VERY MUCH FOR YOUR ASSISTANCE WITH THIS STUDY!

***Interview Guide for Sample 5-R:
Active Portability Receivers***

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of that study, we are interviewing representatives of agencies that operate Section 8 programs with extensive portability components. We want to learn more about how your agency operates and about the advantages and difficulties of your approach to administering Section 8. We are also interested in the opportunities that Section 8 certificate- and voucher-holders have to use portability to move to a variety of locations within the metropolitan area.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. Agency Background Information

1. First I'd like to ask some basic information about your agency. Can you tell me:
PROBE

- Whether it is an independent PHA or a unit of local government?
- Whether it operates both public housing and Section 8? Any other programs?
- The extent of your geographical jurisdiction?
- OBTAIN MAP IF POSSIBLE

2. Please tell me more about your agency's Section 8 program.

PROBE

- How large is the program? (# certificates? _____ # vouchers? _____)
- Has your agency been allocated new certificates or vouchers in the last 3 years? How many? _____
- Please describe the population served by the program (family/elderly, racial/ ethnic composition, small/large families, etc.)
- OBTAIN STATISTICAL PROFILE IF POSSIBLE

3. I understand that your program has quite an extensive experience with portability. Could you tell me:

PROBE

- Currently, how many certificates/vouchers total are involved in portability? (total # _____)
- Of these, how many are outgoing?
- Is this primarily a sending (initial) agency or a receiving agency?
- What agencies are the primary partners to this one in portability?
Agency #1 _____ As a sender S or receiver R ?
Agency #2 _____ As a sender S or receiver R ?
Agency #3 _____ As a sender S or receiver R ?

[IF PRIMARILY RECEIVING OR EQUALLY SENDING AND RECEIVING, PROCEED. IF PRIMARILY SENDING, SWITCH TO SENDERS INSTRUMENT.]

4. How many households with certificates and vouchers initially issued by your agency have used portability to move to another jurisdiction in the last year? (Federal Fiscal Year 1995 or previous twelve months or whatever is readily available.) *[Interviewer: Please note the applicable period.]*

PROBE

- How many of those were absorbed by the receiving PHA?
- For how many are you billed?
- How many different agencies bill you for portable certificates and vouchers?

II. Description of Portability Experience

5. As the receiving PHA, how does your agency typically handle the portable certificates and vouchers?

PROBE

- Do you bill the initial PHA or absorb (use your own certificates or vouchers)?
- Why?
- Does this differ among your main partners?

6. Has this agency worked out special agreements or coalitions to make portability easier?

PROBE

- What are those special agreements or coalitions? How do they work?
- With which other agencies?
- How did this come about?
- When did it start?
- What has been the experience with this arrangement?

7. Are there administrative factors that contribute to the high rate of mobility in your area/your program?

PROBE

- Shorter waiting lists in the other jurisdictions?
- Different preferences in the other jurisdictions?
- Other administrative factors?

III. Experience with Portability

8. What has been your agency's experiences with administering portability? Have there been...

PROBE

- Administrative fee issues?
- Waiting list issues?
- Resource constraint issues?
- Interagency communication issues?
- Other issues?

9. How does this agency handle Family Self-Sufficiency for incoming portable certificates and vouchers?

PROBE

- Are incoming recipients eligible for FSS?
- If an incoming recipient is already an FSS participant, what responsibilities does the sending HA still have for the FSS contract?
- If an incoming recipient is already an FSS participant, what responsibilities does your agency have to help the FSS participant?

10. How does this agency handle FSS for outgoing portable certificates and vouchers?

PROBE

- Are outgoing recipients eligible for FSS?
- If an outgoing recipient is already an FSS participant, what responsibilities does your agency still have for the FSS contract?
- If an outgoing recipient is already an FSS participant, what responsibilities does the receiving agency have to help the FSS participant?

IV. Experience with Mobility

11. What are the factors underlying your high portability experience?

PROBE

- Differences in housing stock?
- Differences in housing prices?
- Differences in local economy/job opportunities?
- Differences in quality of life/neighborhood safety/etc.?
- Other differences?
- Metropolitan context?

12. In view of the factors underlying this portability...

PROBE

- Do you think participants improve their housing or neighborhoods by these moves?
- Do you think participants improve their economic prospects by these moves?
- Do you think this portability helps recipients move from high-poverty to low-poverty areas?

13. What do you think of the idea that Section 8 should foster more moves to low-poverty areas?

PROBE

- If it should, how could this be done?

14. Does your Section 8 program produce any tabulations or reports or maps on the locations where your recipients have leased up? IF YES: Does this include the portability cases? Are they separately labelled?

PROBE

- What do/does the report(s) cover?
- Can we get copies?

V. View of Recent HUD Changes Affecting Portability

15. What is your agency's view of recent HUD changes in the area of portability?

PROBE

- Portability form and rules
- Pool to replace absorbed certificates and vouchers (but no FY 1996 allocation to use for this)
- Other?

16. What are the strengths and weaknesses of portability, as it exists now/as it will exist under the conforming rule?

VI. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of interagency cooperation.

17. In what ways does your agency cooperate with other agencies administering the Section 8 Program in your metropolitan area?

PROBE

- Do agencies share information about landlords or tenants? Do agencies share or coordinate waiting lists?

18. [IF TIME PERMITS:] Are there any organizations in your area that attempt to encourage or facilitate such cooperation among agencies administering Section 8? IF YES: Describe who they are and their efforts.

Examples might include:

- Statewide lobbying groups
- Metropolitan planning organizations
- Metropolitan/statewide housing organizations
- Other

- a. Are there proposals or plans to extend such cooperative efforts?

- In what areas?
- What is likely to happen?

19. Are there any other comments you'd like to make about portability or mobility under Section 8?

THANK YOU FOR HELPING US WITH THIS STUDY!

***Interview Guide for Sample 5-S:
Active Portability Senders***

With funding from HUD, Abt Associates and Quadel are conducting an exploratory study of State and metropolitan administration of the Section 8 Existing Housing program. As part of that study, we are interviewing representatives of agencies that operate Section 8 programs with extensive portability components. We want to learn more about how your agency operates and about the advantages and difficulties of your approach to administering Section 8. We are also interested in the opportunities that Section 8 certificate- and voucher-holders have to use portability to move to a variety of locations within the metropolitan area.

This interview should take about 30 minutes. Is now a good time to talk?

Name: _____

Title: _____

Organization: _____

Site: _____

Date of interview: _____

I. Agency Background Information

1. First I'd like to ask some basic information about your agency. Can you tell me:

PROBE

- Whether it is an independent PHA or a unit of local government?
- Whether it operates both public housing and Section 8? Any other programs?
- The extent of your geographical jurisdiction?
- OBTAIN MAP IF POSSIBLE

2. Please tell me more about your agency's Section 8 program.

PROBE

- How large is the program? (# certificates? _____ # vouchers? _____)
- Has your agency been allocated new certificates or vouchers in the last 3 years? How many? _____
- Please describe the population served by the program (family/elderly, racial/ethnic composition, small/large families, etc.)
- OBTAIN STATISTICAL PROFILE IF POSSIBLE

3. I understand that your program has quite an extensive experience with portability. Could you tell me:

PROBE

- Currently, how many certificates/vouchers total are involved in portability? (total # _____)
- Of these, how many are outgoing?
- Is this primarily a sending (initial) agency or a receiving agency?
- What agencies are the primary partners to this one in portability?
Agency #1 _____ As a sender S or receiver R ?
Agency #2 _____ As a sender S or receiver R ?
Agency #3 _____ As a sender S or receiver R ?

IF PRIMARILY SENDING OR EQUALLY SENDING AND RECEIVING, PROCEED.
IF PRIMARILY RECEIVING, SWITCH TO RECEIVERS INSTRUMENT.

4. How many households with certificates and vouchers initially issued by your agency have used portability to move to another jurisdiction in the last year? (Federal Fiscal Year 1995 or previous twelve months or whatever is readily available.) *[Interviewer: Please note the applicable period.]*

PROBE

- How many of those were absorbed by the receiving PHA?
- For how many such units total is your agency currently billed by receiving PHAs?
- How many different agencies bill you for portable certificates and vouchers?

5. How does your agency inform certificate- and voucher-holders that portability is an option?

PROBE

- Does the PHA encourage recipients to take advantage of portability?
- IF YES: How?

II. Description of Portability Experience

6. As the sending/initiating PHA, how does your agency typically handle the portable certificates and vouchers?

PROBE

- Are you billed by the receiving PHA or does that agency absorb with its own certificates or vouchers?
- Why?
- Does this differ among your main partners?

7. Has this agency worked out special agreements or coalitions to make portability easier?

PROBE

- What are those special agreements or coalitions? How do they work?
- With which other agencies?
- How did this come about?
- When did it start?
- What has been the experience with this arrangement?

8. Are there administrative factors that contribute to the high rate of mobility in your area/your program?

PROBE

- Shorter waiting lists in the other jurisdictions?
- Different preferences in the other jurisdictions?
- Other administrative factors?

III. Experience with Portability

9. What has been your agency's experiences with administering portability? Have there been...

PROBE

- Administrative fee issues?
- Waiting list issues?
- Resource constraint issues?
- Interagency communication issues?
- Other issues?

10. How does this agency handle Family Self-Sufficiency for incoming portable certificates and vouchers?

PROBE

- Are incoming recipients eligible for FSS?
- If an incoming recipient is already an FSS participant, what responsibilities does the sending HA still have for the FSS contract?
- If an incoming recipient is already an FSS participant, what responsibilities does your agency have to help the FSS participant?

11. How does this agency handle FSS for outgoing portable certificates and vouchers?

PROBE

- Are outgoing recipients eligible for FSS?
- If an outgoing recipient is already an FSS participant, what responsibilities does your agency still have for the FSS contract?
- If an outgoing recipient is already an FSS participant, what responsibilities does the receiving agency have to help the FSS participant?

IV. Experience with Mobility

12. What are the factors underlying your high portability experience?

PROBE

- Differences in housing stock?
- Differences in housing prices?
- Differences in local economy/job opportunities?
- Differences in quality of life/neighborhood safety/etc.?
- Other differences?
- Metropolitan context?

13. In view of the factors underlying this portability...

PROBE

- Do you think participants improve their housing or neighborhoods by these moves?
- Do you think participants improve their economic prospects by these moves?
- Do you think this portability helps recipients move from high-poverty to low-poverty areas?

14. What do you think of the idea that Section 8 should foster more moves to low-poverty areas?

PROBE

- If it should, how could this be done?

15. Does your Section 8 program produce any tabulations or reports or maps on the locations where your recipients have leased up? IF YES: Does this include the portability cases? Are they separately labelled?

PROBE

- What do/does the report(s) cover?
- Can we get copies?

V. View of Recent HUD Changes Affecting Portability

16. What is your agency's view of recent HUD changes in the area of portability?

PROBE

- Portability form and rules
- Pool to replace absorbed certificates and vouchers (but no FY 1996 allocation to use for this)
- Other

17. What are the strengths and weaknesses of portability, as it exists now/as it will exist under the conforming rule?

VI. Promoting Inter-Jurisdictional Cooperation

My final questions focus on the nature and extent of interagency cooperation.

18. In what ways does your agency cooperate with other agencies administering the Section 8 Program in your metropolitan area?

PROBE

- Do agencies share information about landlords or tenant? Do agencies share or coordinate waiting lists?

19. [IF TIME PERMITS] Are there any organizations in your area that attempt to encourage or facilitate such cooperation among agencies administering Section 8? IF YES: Describe who they are and their efforts.

Examples might include:

- Statewide lobbying groups
- Metropolitan planning organizations
- Metropolitan/statewide housing organizations
- Other

- a. Are there proposals or plans to extend such cooperative efforts?

- In what areas?
- What is likely to happen?

20. Are there any other comments you'd like to make about portability or mobility under Section 8?

THANK YOU FOR HELPING US WITH THIS STUDY!

APPENDIX C

SUPPLEMENTARY EXHIBITS ON STATE AND METROPOLITAN PROGRAMS

Exhibit C-1
BASIC CHARACTERISTICS OF NINE STATE AGENCIES
OPERATING THE SECTION 8 PROGRAM

Name of Agency	Area of Jurisdiction	Size of Program	Type of Administration	State Staff Operating Section 8 Program	Other Programs Administered	Waiting List Administration	Percent of Administrative Fees Paid to Subcontractors
Connecticut Department of Social Services (MA)	Statewide	2,793	Single for-profit subcontractor ^a	9 staff monitor the program	No information available for this study	Single statewide list	83
Massachusetts Executive Office of Communities and Development	Statewide	12,400	Nine regional subcontractors ^b	5 central office staff plus 3 financial and 1 lawyer	Moderate Rehabilitation, Family Unification, State tenant-based, homeless disabled, PBA and TBA, VASH	9 lists (1 per subcontractor); plan to establish single statewide list	97
New Jersey Department of Community Affairs	Statewide	15,010	State employees through 17 field offices	198 staff for vouchers and certificates	Moderate Rehabilitation, Family Unification, homeless disabled, HOME tenant-based, state-funded homeless, McKinney transitional housing	1 list organized by county	Not applicable
Michigan State Housing Development Agency	Statewide	14,000	State employees in central and six branch offices; individual contractors in 15 additional offices	55 state staff and about 50 contract employees	Moderate Rehabilitation, Family Unification, VASH	Generally separate lists for each county	Not applicable

Exhibit C-1 (continued)
BASIC CHARACTERISTICS OF NINE STATE AGENCIES
OPERATING THE SECTION 8 PROGRAM

Name of Agency	Area of Jurisdiction	Size of Program	Type of Administration	State Staff Operating Section 8 Program	Other Programs Administered	Waiting List Administration	Percent of Administrative Fees Paid to Subcontractors
New York State Division of Housing and Community Development	Operates in 48 of 62 counties	21,368	Uses 40+ subcontractors; operates 3,800 units in New York City using state employees	6 staff monitor subcontractors; 15 operate direct program (plus support from finance and audits)	Moderate Rehabilitation, Housing management turnkey program, housing trust fund, Mitchell-Lama, Low Income Tax Credits, homeless programs, HOPE, monitor rent stabilization	Each of 48 subcontractors maintains a list; state has list for direct operation in NYC	90
Virginia Housing Development Agency	Statewide, but agrees not to operate in some areas. Does not operate in some rural counties.	8,662	81 subcontractors operate in 93 localities	29 staff	Moderate Rehabilitation, Multifamily contract administration, PBA, homeless disabled programs	About 81 lists (1 per subcontractor) for 93 jurisdictions	65 on average (range: 60 to 90)
Oklahoma Housing Finance Agency	Operates in all parts of the state except 5 municipalities	7,000	Uses state employees operating from central office or out of their homes	60 staff for certificates and vouchers (41 in central office; 19 operate from home)	Moderate Rehabilitation, Multifamily contract administration, Low Income Tax Credits, RTC programs, PBA, HOPWA, homeless programs	Single list organized by county	Not applicable

Exhibit C-1 (continued)
BASIC CHARACTERISTICS OF NINE STATE AGENCIES
OPERATING THE SECTION 8 PROGRAM

Name of Agency	Area of Jurisdiction	Size of Program	Type of Administration	State Staff Operating Section 8 Program	Other Programs Administered	Waiting List Administration	Percent of Administrative Fees Paid to Subcontractors
Kentucky Housing Corporation	Operates primarily where no other PHAs exist, but some overlap. Operates in more than 80 of the 120 counties in state.	2,700	Use state staff in central office and five branch offices; use subcontractors in 15 branch offices	33 central staff, 5 in branch offices plus 15 subcontractors	Moderate Rehabilitation, Multifamily contract administration, Rental Deposit Security Program, Shelter + Care, HOPE Elderly, PBA, HOME tenant-based	20 lists (1 per office) covering 80 counties	52
Tennessee Housing Development Agency	Could operate anywhere, but only operates in areas not served by other PHAs. Operates in 74 of 95 counties.	4,269	Use state staff in central and 9 field offices	55 state staff	Moderate Rehabilitation, Multifamily contract administration, HOME, state tenant-based	74 lists (1 per county) maintained in 9 offices	Not applicable

^a May be replaced by nonprofit association.

^b Eight nonprofit organizations and a regional housing authority.

Exhibit C-2
SUMMARY OF WHO PERFORMS KEY FUNCTIONS IN STATE SECTION 8 PROGRAMS

State:	CT	KY	MA	MI	NJ	NY	OK	TN	VA
Choices:	S	C/B/S	S	C/B/S	C/B	C/B/S	C/B	C/B	C/S
<i>Function</i>									
Outreach	S	C/B/S	S	C/B/S	C	B/S	C	B	C/S
Maintain the waiting list	S	C	S	C/B/S	C	B/S	C	B	S
Take applications	S	C/B/S	S	C/B/S	C	B/S	C	B	S
Intake interview Intake inspection Interim and annual recertification Annual inspection	S	B/S	S	C/B/S	B	B/S	B	B	S
Housing assistance and utility reimbursement payments	S	C	S	C/B/S	C	C	C	C	C ^a
Enroll families in FSS	S	C	S	C/B/S	B	B/S	C	C	S
Case management for FSS	C ^b	C ^c	S	C/B/S	B	B/S	C	B	S

KEY: C = Central office of state agency
B = Branch office of state agency
S = Subcontractor

Notes: ^a Actually performed by Service Bureau.
^b Performed by CT Department of Social Services, the oversight agency for the statewide Section 8 program.
^c Actually done by JOBS Program.

Exhibit C-3
JURISDICTIONAL AND ORGANIZATIONAL COMPARISON
FOR NINE LARGE STATE AGENCIES ADMINISTERING SECTION 8

Organizational Approach	State Agency's Jurisdiction		
	Statewide	Almost Statewide	Mostly Suburban and Rural
State agency employees	New Jersey	Oklahoma	Tennessee
State agency employees and subcontractors	Michigan	New York	Kentucky
Subcontractors	Connecticut Massachusetts	Virginia	

Exhibit C-4
METROPOLITAN ADMINISTRATION OF THE SECTION 8 PROGRAM: 9 EXAMPLES

Agency	Type	Section 8 Units	Percent of Metropolitan Area Served	Share of Section 8 Units in the Metropolitan Area	Basis for Metropolitan Status
Housing Authority of Portland, OR	Exclusive	5,060	39%	All	HAP is the only Sec. 8 administering agency in the county
Jacksonville, FL Housing Authority	Exclusive	5,500	100%	Almost all	Under portability, JHA considers its service area to include three neighboring counties (the balance of the metro area).
Rochester, NY Housing Authority	Nonexclusive	3,245	100%	Most	Based on staff attorney's review, RHA concluded it could legally administer units throughout metropolitan area.
Dade County, FL Dept. Of Special Housing Programs	Nonexclusive	5,509 + 4,700 ^a	100%	Most	County government is coextensive with MSA
Akron, OH Metropolitan Housing Authority	Nonexclusive	3,100	98%	Almost all	AMHA was established as a metropolitan agency 25 years ago. It overlaps several small Sec. 8 programs and no longer serves the entire metropolitan area but was "born metropolitan."
Housing Authority of County of San Diego, CA	Partial	6,300	50%	Less than half	HACSD is part of an effort to regionalize the Section 8 program.
(Twin Cities) Metropolitan Housing and Redevelopment Authority, MN	Partial	4,800	40%	Less than half	MHRA covers only areas not served by other HAs and has seen its territory shrink as new Sec. 8 programs have been established.
Housing Authority of Clark County, NV	Partial	1,654	82%	About half	Under agreement with two cities, HACC follows units when they move anywhere in the metropolitan area
Public Housing Authority of Orange County, CA	Partial	6,695	89%	Most units	Serves all of county except three cities. "Mobility" MOU with those cities allows PHAOC to continue administering units after moves.

^a Hurricane relief, expiring in 1997.

Exhibit C-5
NATURE AND EXTENT OF METROPOLITAN COOPERATION

Nature and Extent of Metropolitan Cooperation	State Agencies and Subcontractors	Metropolitan Agencies	Local Housing Authorities	High Portability Agencies
High cooperation		<ul style="list-style-type: none"> • Orange County, CA • San Diego County, CA • Housing Authority of Clark County, Nevada (Las Vegas) 		
Medium cooperation (narrowly focused or ad hoc cooperation)	<ul style="list-style-type: none"> • Michigan • New York (upstate) • Virginia 	<ul style="list-style-type: none"> • Metro HRA (Minneapolis-St. Paul, MN) • Rochester, NY 	<ul style="list-style-type: none"> • Cambridge, MA • Minneapolis, MN • Hartford, CT 	<ul style="list-style-type: none"> • Boston, MA • Washington, DC • Quincy, MA • Montgomery County, MD • Oakland, CA • Alameda County, CA • Dallas, TX
Low cooperation	<ul style="list-style-type: none"> • Connecticut • Tennessee • Oklahoma • Massachusetts • New York (downstate) 	<ul style="list-style-type: none"> • Dade County, FL 	<ul style="list-style-type: none"> • Newark, NJ • Oklahoma City, OK • Grand Rapids, MI • Jackson, TN 	<ul style="list-style-type: none"> • Houston, TX
Not applicable (no other agencies with which to coordinate)	<ul style="list-style-type: none"> • Kentucky 	<ul style="list-style-type: none"> • Portland, OR • Akron, OH • Jacksonville, FL 		

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