



PROGRAM OPERATIONAL REVIEW

Housing Choice Voucher Program

FY 2019
July 1 - June 30

This review is designed to provide both *general* overview information about the federal **Housing Choice Voucher Program** and *specific* program performance metrics within the DuPage County service delivery area for FY 2019. More detailed voucher program information, is available online at www.hud.gov and on our website at:

DuPageHousing.org

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Kenneth E. Coles, Executive Director
Sherrin Ross-Ingram., Chairman, DHA Board of Commissioners

A Special Thanks

A *special thanks* is extended to the DHA staff who deliver unparalleled service and support to each program participant throughout the year. Their contributions have not gone unnoticed as evidenced by DHA's fifth (5th) consecutive year to receive the US Department of Housing and Urban Development's highest rating for a Public Housing Authority – SEMAP High Performer. Thank-you!

Board of Commissioners

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Chapter 1 Program History

The *United States Housing Act of 1937* is responsible for the birth of federal housing program initiatives. The *Act* was intended to provide financial assistance to states and cities for public works projects, slum clearance and the development of affordable housing developments for lower income residents.

Part I: Housing Subsidy Programs

Section 8 Certificate Program

The *Housing and Community Development (HCD) Act of 1974* created a new federally assisted housing program - the *Section 8 Existing Program* (also known as the *Section 8 Certificate Program*). The *HCD Act* represented a significant shift in federal housing strategy from locally owned public housing to privately owned rental housing.

Under the *Section 8 Certificate Program*, federal housing assistance payments were made directly to private owners of rental housing, where this housing was made available to lower-income families. Eligible families could select housing in the private rental market. If the housing met certain basic physical standards of quality (“housing quality standards”) and was within certain *US Department of Housing and Urban Development* (HUD) established rent limitations (“fair market rents”), the family would be able to receive rental assistance in the housing unit. Family contribution to rent was based on a “payment standard”, generally set at 30 percent of the family’s adjusted income, with the remainder of the rent paid by the program. Rent increases were based on an “annual adjustment factor” (AAF).

Another unique feature of the *Certificate Program* was that the rental assistance remained with the eligible family, if the family chose to move to another privately-owned rental unit that met program requirements (in contrast to the public housing program where the rental assistance remains with the unit, should the family decide to move). Consequently, the *Certificate Program* was characterized as tenant-based assistance, rather than unit-based assistance.

Section 8 Voucher Program

The *Housing and Community Development (HCD) Act of 1987* authorized a new version of tenant-based assistance - the *Section 8 Voucher Program*. The *Voucher Program* was very like the *Certificate Program* in that eligible families could select housing in the private rental market and receive assistance in that housing unit.

However, the *Voucher Program* permitted families more options in housing selection. Rental housing still had to meet the basic housing quality standards, but there was no payment standard or AAF rent limitation on rent. The family contribution to rent was not set at a limit of 30 percent of adjusted income. Consequently, depending on the actual rental cost of the unit selected and the “fair market rent” for the area, a family might pay more or less than 30 percent of their adjusted income for rent.

From 1987 through 1999, Public Housing Agencies (PHA) managed both the Certificate and *Voucher* tenant-based assistance programs, with separate rules and requirements for each. From 1994 through 1998, HUD published a series of new rules, known as “conforming” rules, to more closely combine and align the two similar housing programs, to the extent permitted by the law.

Merger of Certificate and Voucher Programs

In 1998, the *Quality Housing and Work Responsibility Act* (QHWRA) - also known as the *Public Housing Reform Act* - was signed into law. QHWRA eliminated all statutory differences between the *Certificate* and *Voucher* tenant-based programs and required that the two programs be merged into a single tenant-based assistance program, now known as the *Housing Choice Voucher* (HCV) program.

The *HCV* program was modeled closely on the pre-merger voucher program. However, unlike the pre-merger voucher program, the *HCV* program requires an assisted family to pay at least 30 percent of adjusted income for rent.

The transition of assistance from the *Certificate* and *Voucher* programs to the new *HCV* program began in October 1999. By October 2001, all families receiving tenant-based assistance were converted to the *HCV* program.

Part II: Creation of the DuPage Housing Authority

Illinois Statute Requirements

The Illinois Statutes, beginning with 310 ILCS 5/, (known as the "*State Housing Act*"), and 310 ILCS 10/, (known as the "*Housing Authorities Act*"), authorize agencies and other instrumentalities of the state to establish both housing authorities and their operations. A PHA is a largely autonomous public corporation established to provide housing assistance primarily to low-income households. Under 310 ILCS 10/8, the Statutes grant to the PHA all the public powers necessary or convenient to carry out and effectuate the purposes and provisions of the *State Housing Act* and the *Housing Authorities Act*, except for the power to levy taxes. In addition to others herein granted, the powers enumerated in the statutes in Sections 8.1 through 8.8, inclusive, also apply.

Organization and Structure

The Board of County Commissioners in DuPage County adopted a resolution declaring the need for a housing authority. That need was based on a finding that there was a shortage of decent, safe and sanitary housing, that was affordable to persons of low to moderate income within its jurisdiction. Once the resolution was adopted, the PHA is considered a legal entity.

Upon adoption of the resolution, the County Board Chairman appointed a 7-member PHA Board of Commissioners to oversee the PHA operations. Those appointments were confirmed by the County Board. Subsequently, the PHA Board of Commissioners elected chairs from amongst its Board Members and hired the Executive Director - who is the principal staff member of the PHA. The Executive Director is responsible for hiring all PHA

staff as needed and as funds are available, and managing the day to day operations of the PHA. Thus, DuPage Housing Authority (DHA) was established September 28, 1942 in DuPage County and is one of 17 PHA's in the Greater Chicago Metropolitan Area.

Generally, all the funds awarded to DHA come from HUD, but DHA is not a federal department or agency within the federal government structure, or a department within HUD, or the State of Illinois, or even within DuPage County government.

DHA, like every PHA, is a governmental or public body, created and authorized by state law to develop and operate housing and housing programs for low and moderate-income families. DHA enters an *Annual Contributions Contract (ACC)* with HUD to administer the program requirements on *behalf* of HUD. DHA must ensure compliance with federal laws, regulations and Notices and must establish policy and procedures to clarify federal requirements and to ensure consistency in program operation. Other funding sources from state, county or local municipalities are for the administration of *their* local programs, for example the *Bridge Subsidy, Neighborhood Stabilization* or *Rental Housing Support* programs in Illinois.

Mission

The purpose of a mission statement is to communicate the purpose of the agency to people inside and outside of the agency. It provides guiding direction for developing strategy, defining critical success factors, searching out key opportunities, making resource allocation choices, satisfying clients and stakeholders, and making decisions

The mission of the DuPage Housing Authority is to affirmatively further fair housing utilizing resources to serve vulnerable populations; providing access to decent, safe, sanitary and affordable housing to improve quality of life and promote self-sufficiency.

Chapter 2 The Housing Choice Voucher Program

The DuPage Housing Authority's (DHA) Housing Choice Voucher (HCV) program is a federally funded rental assistance program which allows income eligible households to rent housing on the private market. Program participants are required to pay 30% to a maximum of 40% of their adjusted household income for rent and a calculated utility allowance. DHA will pay the remaining amount for rent and utility costs in the form of a subsidy payment in accordance with program rules.

Program participants may choose to remain where they are living now or move elsewhere, providing the housing is in decent, safe and sanitary condition and the owner is willing to participate in the program. Most types of rental housing are eligible for the program including single family houses, apartments, townhouses, mobile units and some condominiums and co-operatives. Property owners retain all normal ownership and management rights and responsibilities including tenant screening, rent collection, property maintenance and lease enforcement. A summary of the Housing Choice Voucher Program is provided below:

Part I Program Summary

Overview of the Process Steps

- DHA selects voucher program eligible families from its wait list or by an approved special admission, to issue Housing Choice Vouchers to.
- The voucher holder searches for housing that meets program requirements.
- Property owners use their own tenant selection criteria to select tenants; DHA does not screen program participant households for suitability as tenants.
- DHA ensures units are decent, safe and sanitary by conducting initial and annual inspections of participating units.
- Property owners may collect a full security deposit.
- Property owners and their tenant sign a lease of at least 1 year which stipulates the terms of the tenancy.
- DHA and the property owner sign a *Housing Assistance Payment* (HAP) contract which authorizes and assures subsidy payments to the property owner in behalf of the tenant during the lease term.

Why Should Property Owners Participate in HCV?

The primary benefit of the *Housing Choice Voucher* program is to provide housing to program participants with low to moderate incomes which include:

- single mothers with children
- veterans
- seniors
- persons with disabilities, and
- victims of domestic violence

Other program benefits are a “no cost to owner” option to choose from a pool of applicants seeking housing, a free unit inspection, the assurance that subsidy payments from DHA to the owner will be made on time and the ability to deduct up to 19% of the equalized assessed value from your property taxes on qualifying units.

How Does the HCV Process Work?

There are nine (9) steps involved in the Housing Choice Voucher program process before a family is provided with housing assistance:

- Step 1. Application
- Step 2. Eligibility Determination/ Issuance of Voucher
- Step 3. Housing Search
- Step 4. Tenant Selection
- Step 5. Request for Tenancy Approval
- Step 6. Rent Determination
- Step 7. Housing Quality Standards Inspection
- Step 8. Contract/ Lease Execution
- Step 9. HAP Contract Payments

Part II Steps in the Process

Step 1. Application

When the wait list is open and accepting applications, a household applies to DHA for assistance and is placed on the wait list if the household appears to meet basic, program eligibility qualifications. **Note:** *DHA's wait list is closed for new applications at this time and not expected to open again until 2021.*

Step 2. Eligibility Determination/ Issuance of Voucher

When DHA has vouchers available, it will select households from the wait list based first on any eligible preference, then on date & time of application, then determine if the household is program eligible according to income requirements and a criminal background check. If eligible in all categories, the applicant household will be issued a voucher and “moving papers” and will begin their search for housing.

Step 3. Housing Search

FOR APPLICANTS, THIS IS THE MOST IMPORTANT STEP IN THE PROCESS! A family may decide to stay in its current unit if the property owner agrees to participate in the program and the housing meets program guidelines, or the family may look for new housing. The household is given up to 120 days (up to 180 days including qualifying extensions) to find a landlord willing to rent to them, in housing that is affordable and in decent, safe and sanitary condition, and which meets rent reasonableness criteria and maximum rent levels for same or similar, unassisted market units in the area – based on published fair market rents and the adjusted household income of the family.

Step 4. Tenant Selection

FOR PROPERTY OWNERS, THIS IS THE FIRST STEP IN THE PROCESS BUT THE MOST IMPORTANT STEP IN THE PROCESS! Once a voucher holder decides to apply for a vacancy advertised by a property owner, they will complete any application documents required by the property owner. As a part of their application process, property owners should conduct their own tenant screening process and follow the same legal, non-discriminatory procedures they would use for any non-assisted applicant applying to rent their property. While DHA is required by program rules to conduct a criminal background check on all adult household members as a part of the *program application* process, DHA does not screen voucher holders for their suitability as tenants for any property or property owner.

Step 5. Request for Tenancy Approval

If the applicant meets the property owner's screening criteria for suitability as a tenant, the property owner and prospective tenant will complete and sign the *Request for Tenancy Approval* (RFTA) form and attach a copy of the owner's lease. The owner will also be required to complete ownership, ACH banking and Federal tax documents included with the RFTA form. The property owner or their prospective tenant should deliver these forms to DHA for processing to schedule the unit inspection.

Step 6. Contract Rent Determination

Once the RFTA is received, DHA will determine the contract rent with the property owner to insure the amount is reasonable for the area. DHA will then compute the amount (if any) the tenant will pay in their tenant rent portion to insure it is affordable. The remaining amount (if any) DHA will pay in subsidy. The tenant will generally pay 30% of their adjusted household monthly income towards rent and a utility allowance in what is called the *Total Tenant Payment* (TTP); DHA will pay the remaining cost towards rent and utility allowance in a rental subsidy in the form of a Housing Assistance Payment (HAP). TTP plus HAP equals monthly contract rent.

Step 7. Housing Quality Standards Inspection

After the contract rent is approved as reasonable for the unit and the approved rent is determined to be affordable for the tenant, DHA will schedule a *Housing Quality Standards* (HQS) inspection (based on the unit ready date indicated by the property owner) to ensure the housing is in decent, safe and sanitary condition, as well as confirm the unit characteristics (facilities, amenities & appliances) as indicated on the RFTA by the property owner.

Step 8. Contract and Lease Execution

Following DHA unit approval and assistance payment calculation, the property owner will determine a lease effective date with the tenant, effective at any point from the day the unit passed inspection forward, then sign a lease with their tenant and a HAP contract with DHA with that effective date. DHA then executes the HAP contract with the property owner.

Step 9. HAP Contract Payments

After the HAP contracts are signed and the tenant gets possession of the unit, Housing Assistance Payments from DHA to the owner will begin retroactive to any lease effective date if necessary.

Part III Summary of Rights and Responsibilities

Property owner's rights

- Collect a security deposit.
- Enforce the lease with their tenant.
- Terminate the tenancy for:
 - a. Serious or repeated violation of the terms and conditions of the lease.
 - b. Violation of federal, state or local law.
 - c. Criminal activity.
 - d. Other good cause.
- Evict the family from the unit through court action.
- Request a rent increase from DHA as of the anniversary end date of the lease, of an amount capped by rent reasonableness to the current market rate – making sure to notify the tenant in writing of any requested increase after the first-year term of the lease with 60-day written notice to the tenant and DHA.

Property owner's responsibilities

- Screen applicants for suitability as tenants.
- Enforce the lease with their tenant.
- Comply with the Lease.
- Collect the tenant's share of the rent; and
 - a. Make timely repairs and keep the unit in good condition.
- Comply with federal, state, and local regulations, fair housing laws, and owner-tenant laws.
- Permit inspections.
- Correct any deficiencies as soon as they are discovered as DHA may abate payments or terminate the HAP contract if deficiencies are not corrected timely.
- Comply with the Housing Assistance Payment contract.
- Renew the lease with the tenant and DHA prior to the lease expiration date.
- Contact the Specialist and provide DHA with written notice before initiating eviction proceedings; and
 - a. Inform the Specialist immediately of any move-outs or damages caused by program participants.

Tenant's rights

- If Participate in the program under program rules and guidelines if eligible.
- Live in a decent, safe and sanitary unit.
- Not be discriminated against by the owner in the provision of services for any reason covered under the lease or by federal, state or local fair housing laws.
- Terminate the lease with the owner after the first year of the lease with proper written notice to the property owner and DHA.

Tenant's responsibilities

- Report changes in household income, assets and composition to DHA.
- Permit inspections.
- Comply with the lease with the property owner.
- Notify the landlord and DHA in writing of intent to move.
- Make timely rent payments – and utility payments for utilities not included in the rent.

DHA's rights

- Be notified by the owner when the tenant has moved from the contract unit in violation of the lease.
- Inspect the unit annually, and at other times as determined necessary, after reasonable notice.
- Request any documentation and verification as determined necessary for the administration of the program.
- Receive repayment from the owner of amounts paid to an owner which are not due the owner.
- Terminate the Housing Assistance Payment contract for any breach of contract by the owner.

- Terminate the participant (tenant) from the program in accordance with the law, HUD regulations and program rules for any violation of family obligations.
- Require a participant to request a voucher prior to giving notice to move, and require a participant to give proper notice to vacate a unit.
- Require a participant to be recertified.
- Require the owner to maintain the unit in decent, safe and sanitary condition.

DHA's responsibilities

- Make timely Housing Assistance Payments.
- Reexamine program eligibility; review family income, assets, allowances, and household composition annually.
- Re-determine amounts of rent payable by the family and the amount of HAP to the owner, as a result of any adjustment.
- Conduct inspections, at least biennially.
- Receive notice of lease enforcement actions.

Part IV Frequently Asked Questions

Benefits. Q: What are the main benefits of the program to an owner?

Answer:

- Assurance of prompt payment of subsidy each month.
- Decreased vacancy rates and delinquencies.
- Reduced turnovers and related expenses.
- No-cost property inspections.
- Opportunity to upgrade property and rental structure.
- Ready pool of motivated applicants for vacancies.
- Possibility of full payment of HAP for the move out month no matter what day unit is vacated.
- Full payment of HAP during lease enforcement action, including evictions.
- Up to 19% deduction for ten years of property taxes from the Equalized Assessed Value of qualifying units.

Payments. Q: How does the owner receive the full contract rent payment?

Answer: The owner receives rent through the combination of Housing Assistance Payment subsidy from DHA and any rent paid directly by the tenant. Housing Assistance Payments make up the difference between the contract rent and what the tenant pays.

Owner's Rights. Q: Are an owner's rights and responsibilities changed by participation in the Housing Choice Voucher program?

Answer: NO! The owner's rights and responsibilities are the same as those exercised in a normal tenant-owner relationship. The owner contacts the applicant's previous landlords, selects the tenant and is responsible for managing and maintaining the unit. Tenants violating their leases are subject to corrective action by the owner through

normal management, lease enforcement actions and legal processes through the DuPage County Circuit Court.

Current Tenant. Q: Can an owner's present tenant stay in place and still get assistance?

Answer: YES! Current residents may receive assistance if the tenant has received a voucher from DHA at some point after signing the lease with their landlord in their current unit (assuming they were already on the general wait list and their position reached the top of that list) and the dwelling is in decent, safe and sanitary condition. The rent, plus any utility paid directly by the tenant, must meet rent reasonableness and affordability requirements. The property owner and their tenant must sign a new lease with *at least* a 12-month term.

Eligible Housing Types. Q: What are the different eligible housing types?

Answer: Almost any type of rental housing from single family homes & townhomes to co-ops, condos, high-rise apartments and mobile homes are eligible for Housing Choice Voucher assistance. Special Housing types may also be eligible under the program including Shared, Congregate, Group, SRO and Manufactured.

Rent Amounts Paid. Q: What can the owner charge for rent?

Answer: The owner's monthly rent, plus an allowance for any utilities paid directly by the tenant, must be comparable to unassisted market unit rents for similar units in the neighborhood. In other words, the same they can legally charge any other tenant.

Rent Increases. Q: If the owner's expenses increase, can the rent be adjusted?

Answer: YES! However, the owner must submit a written request to DHA to approve an increase. Just as it is in the private market, in the HCV program an owner may adjust the contract rent after the first year of the lease, effective at end of the lease term, with written notice – 60-days for the voucher program. The increase is limited by rent reasonableness, but could be affected by tenant affordability.

Who Participates. Q: Who are the tenants participating in the program?

Answer: Program participants include low to moderate income families and individuals whose incomes do not exceed established limits. The program assists a broad range of tenants, including low- and moderate-income working families, as well as veterans, seniors, single mothers with children and persons with disabilities.

Tenant Rent. Q: How much rent does the tenant pay?

Answer: In the voucher program, the tenant's payment for rent and utilities may be above 30% of adjusted income depending upon whether the cost of the unit selected is above or below the voucher payment standard established by DHA. However, the tenant may never pay less than the greater of 10% of monthly gross income or \$50.

Paperwork. Q: How much paperwork is involved?

Answer: Very little paperwork is required of owners and most of it is completed by DHA. Once the lease, addendum and HAP contract are signed, the owner will have no regular paperwork. Annual rent adjustments, lease renewals and unit re-inspections require minimal paperwork.

Chapter 3 Program Performance Metrics

Part I Program Operations

As of 6/30/2019

AREA	FY2018	FY2019	NET CHANGE
Total # Staff	29	28	-1
Total # PBV Sites	12	12	0
Total # PBV Units	312	312	0
Total # DHA ACC	3034	3036	+2
Total # Port-in	699	573	-126
Total # Port-out	155	186	+31

Voucher and Program Grant Types

DHA administers the Housing Choice Voucher (HCV) Program which includes: *Regular HCV, Project-based Vouchers (PBV), Enhanced Vouchers (EV), Tenant Protection Vouchers (TP), Veteran Affairs Supportive Housing (VASH), Homeownership Vouchers (HO), Witness Protection Vouchers (WP), Victim Assistance Vouchers (VA), Family Unification Program Vouchers (FUP)* and the *Rental Assistance Demonstration (RAD)*. DHA also administers the *Family Self-Sufficiency Program (FSS)* with *DuPage County Dept. of Community Services, Housing Support and Self-sufficiency* and the *Regional Housing Initiative (RHI)* with other area PHA's. The *Rental Housing Support Program (RHSP)* administered by DHA is a State of Illinois housing program.

Cash Flows

As of 6/30

Operating Activities	CY2018	CY2017
Cash Received: HUD	\$30,215,159	\$30,219,093
Cash received: Tenants & Others	\$9,369,971	\$9,160,774
Cash paid: Payments to/on behalf of Employees	\$2,398,126	\$2,448,002
Cash paid: Suppliers	\$993,533	\$1,288,237
Cash Paid: Housing Assistance Payments (HAP)	\$35,044,584	\$34,152,402

DHA Maximum Subsidy Allowances

An Important Note About Subsidy Allowances

Maximum Subsidy Allowances published by DHA are **NOT** a listing by zip code of the rents that DHA will approve or will pay for a program unit. These “payment standards” are **the maximum subsidy payment amount**. Think of it as:

$$\begin{aligned} &\text{Maximum Subsidy Allowance} \\ &\quad + \text{Tenant rent portion} \\ &= \text{Monthly Rent for unit paid to Landlord} \end{aligned}$$

DHA is required by program regulations to pay the fair market rent for the unit – **which can be higher or lower than the published maximum subsidy allowance!**

Property owners must be familiar with the rental market where their units are located. They should not use the maximum subsidy allowance as a guide when indicating to DHA the amount of rent they are requesting for their unit, but rather they should base their request on comparable rents being paid for non-subsidized market tenants residing in units that are the same or very similar to their unit, and within the same area – usually defined as within one (1) mile of their unit.

Small Area Fair Market Rents (SAFMRs) are used by DHA to determine the maximum **subsidy** amounts for the Housing Choice Voucher program – also called *payment standards*.

The U.S. Department of Housing and Urban Development (HUD) annually estimates SAFMR areas. By law the final SAFMRs for use in any HUD fiscal year must be published and available for use at the start of that fiscal year, on October 1. In accordance with HCV program requirements, DHA’s Maximum Subsidy Allowances are set based on zip code, between 90% to 110% of the HUD published SAFMRs:

Effective 1/1/2019

2019 DHA Subsidy Allowances							
These Are Not Rents Paid By DHA							
Zip	Studio	1BR	2BR	3BR	4BR	5BR	6BR
60101	\$880	\$1010	\$1170	\$1490	\$1780	\$2047	\$2314
60103	\$1100	\$1260	\$1395	\$1773	\$2124	\$2443	\$2761
60106	\$840	\$970	\$1130	\$1430	\$1710	\$1967	\$2223
60108	\$1050	\$1210	\$1287	\$1638	\$1962	\$2256	\$2551
60126	\$1160	\$1260	\$1467	\$1863	\$2232	\$2567	\$2902
60133	\$990	\$1044	\$1215	\$1606	\$1845	\$2122	\$2399
60137	\$830	\$960	\$1232	\$1562	\$1870	\$2151	\$2431
60138	\$990	\$1140	\$1245	\$1596	\$1863	\$2196	\$2482
60139	\$980	\$1053	\$1224	\$1587	\$1863	\$2132	\$2422
60143	\$1020	\$1107	\$1287	\$1638	\$1962	\$2256	\$2551
60148	\$1035	\$1179	\$1368	\$1737	\$2079	\$2391	\$2703
60157	\$990	\$1053	\$1224	\$1557	\$1863	\$2142	\$2422

Zip	Studio	1BR	2BR	3BR	4BR	5BR	6BR
60172	\$990	\$1089	\$1269	\$1611	\$1929	\$2215	\$2507
60181	\$909	\$1044	\$1224	\$1548	\$1854	\$2132	\$2410
60185	\$830	\$950	\$1221	\$1551	\$1859	\$2138	\$2417
60186	\$990	\$1140	\$1254	\$1596	\$1910	\$2196	\$2482
60187	\$980	\$1130	\$1310	\$1670	\$1990	\$2289	\$2587
60188	\$950	\$1090	\$1260	\$1600	\$1920	\$2208	\$2353
60189	\$1140	\$1310	\$1395	\$1773	\$2124	\$2443	\$2761
60190	\$1320	\$1413	\$1638	\$2088	\$2493	\$2867	\$3241
60191	\$1090	\$1152	\$1341	\$1710	\$2043	\$2349	\$2656
60439	\$920	\$1060	\$1152	\$1570	\$1880	\$2018	\$2444
60514	\$840	\$970	\$1130	\$1584	\$1892	\$1978	\$2236
60515	\$950	\$1090	\$1207	\$1539	\$1940	\$2119	\$2522
60516	\$1020	\$1180	\$1302	\$1653	\$1976	\$2256	\$2704
60517	\$1010	\$1080	\$1251	\$1634	\$1899	\$2184	\$2469
60521	\$1320	\$1413	\$1638	\$2088	\$2493	\$2867	\$3241
60522	\$990	\$1053	\$1224	\$1557	\$1863	\$2142	\$2422
60523	\$740	\$860	\$1000	\$1397	\$1683	\$1935	\$2188
60527	\$1020	\$1116	\$1296	\$1663	\$1971	\$2267	\$2562
60532	\$970	\$1120	\$1235	\$1650	\$1845	\$2122	\$2399
60540	\$1130	\$1224	\$1422	\$1809	\$2160	\$2484	\$2808
60555	\$1160	\$1215	\$1413	\$1800	\$2151	\$2474	\$2796
60559	\$920	\$1060	\$1169	\$1570	\$1870	\$2151	\$2431
60561	\$980	\$1130	\$1245	\$1587	\$1900	\$2111	\$2387
60563	\$1160	\$1260	\$1467	\$1863	\$2232	\$2567	\$2902
60564	\$1320	\$1413	\$1638	\$2088	\$2493	\$2867	\$3241
60565	\$1130	\$1224	\$1422	\$1809	\$2160	\$2484	\$2808
60566	\$990	\$1053	\$1224	\$1557	\$1863	\$2142	\$2422
60567	\$970	\$1035	\$1206	\$1530	\$1827	\$2101	\$2375

Part II Section Eight Management Assessment Program

The *Section Eight Management Assessment Program* (SEMAP) is HUD's performance measurement tool for the Housing Choice Voucher Program. A PHA self-certifies to HUD 60 days after the end of the fiscal year. The HUD Field Office will then issue a score within 120 days after the end of the fiscal year. High performers have a score above 90. Troubled performers have a score below 60.

DHA's SEMAP score is an important tool for the Board of Commissioners. The SEMAP indicators can be used to guide the way the Board assess DHA's performance - focusing their attention on weaker performance areas to effectively and efficiently use scarce resources. Failing to meet SEMAP standards means a failure to ensure residents are living in quality housing. Consequences of failing performance can include required corrective actions and limits on new HUD funding awards.

HUD reviews and monitors DHA's SEMAP scores. The SEMAP certification is analyzed by the HUD Chicago Field Office, and may also be confirmed on site. HUD staff will then provide recommendations for improving failing SEMAP indicators, and will assist in preparing a Corrective Action Plan (CAP).

All SEMAP performance indicators set a standard for a key area of Housing Choice Voucher Program management. PHAs are assessed against these standards to show whether the PHA administers the program properly and effectively. The following SEMAP certification was approved by the Board and submitted by DHA:

As of 6/30/2019					
Indicator #	CY2018	CY2019	Max Score	2019 Results	Program Area
1	15	15	15	50/50 = 100%	Wait list
2	20	20	20	33/33= 100%	Reasonable rent
3	20	20	20	212/222= 95%	Adj. income
4	5	5	5	Utility allowance	Schedule
5	5	5	5	47 Completed	QC Inspections
6	10	10	10	43/43= 100%	Enforce HQS
7	5	5	5	Expand Hsng. Opp.	Metro policy
8	5	5	5	Pmt. Standard	Schedule
9	10	10	10	3423/3424= 99.9%	Reexams
10	0	0	5	214/223= 96% (98% for 5 points. Score increased by 2% from FY18 score.	Rent calc.
11	5	5	5	489/490= 99.8%	Initial HQS
12	10	10	10	3089/3090= 99.9%	Annual HQS
13	20	20	20	95.5% Lease units/101.63% Budget Authority.	Leasing
14	10	10	10	93 filled: 79% w/escrow account	FSS
15	N/A	N/A	N/A	N/A	Deconcentration
Total Points	140	140	145	140	N/A
Total Percent	97%	97%	100%	97%	N/A

Part III Program Activity

As of 6/30/2019

VOUCHER UTILIZATION		
PROGRAM	VOUCHER CAP	3,036
Housing Choice Voucher	N/A	2283
Port outs	N/A	179
Homeownership	19	19
Shared Housing	8	8
Tenant Protection	78	74
Family Unification Program	105	75
Veterans Affairs Supportive Housing	25	21
RAD II	57	52
Project-Based Vouchers	290	246
Applicants Issued Vouchers	3,036	66
Applicants on Wait List	N/A	446
Total Subsidies Available	3,036	3,036
Total Subsidies Utilized	3,036	2,957
Utilization Percentage Rate	97.40%	

Part IV Countywide Snapshot

Fiscal Year	# DHA ACC Vouchers	# Vouchers via Portability	# HH Served	# People Served	# Disabled HoH or Co-Head	# Seniors 62+	# Children Under 18	# Veterans (VASH)
FY 2019 (07/01/18 06/30/19)	2988	573	3192	7317	1100	939	2939	22
FY 2018 (07/01/17 06/30/18)	2220	467	2687	6055	919	805	2259	19
FY 2017 (07/01/16 06/30/17)	1928	385	2313	5143	790	721	1888	3

Part V Voucher & Program Funding Dispersion

At 6/30/2019

Location	# Families	# Landlords	Yearly Tenant Portion	Yearly HAP Subsidy	Yearly Amount to Location
Addison	136	46	\$376,555	\$1,184,472	\$1,561,027
Aurora	5	5	\$997	\$75,329	\$76,326
Bartlett	17	15	\$105,628	\$206,862	\$312,490
Bensenville	22	14	\$672,729	\$200,402	\$263,131
Bloomington	25	21	\$108,290	\$229,633	\$337,923
Bolingbrook**	2	10	\$5,696	\$12,352	\$18,048
Burr Ridge	1	1	\$6,069	\$12,771	\$18,840
Carol Stream	241	86	\$787,258	\$2,158,580	\$2,945,838
Clarendon Hills	9	7	\$39,046	\$69,703	\$108,749
Darien	120	23	\$399,632	\$1,129,842	\$1,529,474
Downers Grove	56	44	\$270,678	\$497,644	\$768,322
Elmhurst	41	21	\$142,462	\$424,307	\$566,769
Glen Ellyn	129	45	\$406,492	\$1,081,342	\$1,487,834
Glendale Heights	222	131	\$800,678	\$1,969,247	\$2,769,925
Hanover Park	151	108	\$695,739	\$1,603,246	\$2,298,985
Hinsdale	4	3	\$16,335	\$38,421	\$54,756
Itasca	14	9	\$47,997	\$117,768	\$165,765
Lisle	116	59	\$385,920	\$1,020,061	\$1,405,981
Lombard	98	63	\$376,323	\$870,062	\$1,246,385
Naperville	540	224	\$1,730,535	\$4,762,176	\$6,492,711
Oak Brook	66	5	\$383,228	\$362,388	\$745,616
Oak Brook Terrace	1	1	\$5,159	\$10,909	\$16,068
Roselle	95	37	\$365,318	\$859,659	\$1,224,977
Streamwood	1	1	\$7,536	\$0	\$7,536
Villa Park	136	57	\$550,754	\$1,112,743	\$1,663,497
Warrenville	38	25	\$154,262	\$384,314	\$538,576
West Chicago	35	15	\$132,474	\$321,580	\$454,054
Westmont	70	29	\$254,417	\$641,781	\$896,198
Wheaton	234	85	\$898,839	\$2,269,655	\$3,168,494
Willowbrook	304	41	\$1,127,967	\$3,089,993	\$4,217,960
Winfield	10	7	\$35,421	\$97,608	\$133,029
Wood Dale	16	13	\$54,268	\$155,336	\$209,604
Woodridge	239	58	\$786,181	\$2,021,688	\$2,807,869
Grand Totals FY19 (07/01/18 - 06/30/19)	3192	1299	\$11,520,883	\$28,991,874	\$40,512,757

Grand Totals FY18 (07/01/17 - 06/30/18)	2687	1206	\$10,366,416	\$26,089,584	\$36,456,000
Grand Totals FY17 (07/01/16 - 06/30/17)	2313	1089	\$8,068,17	\$22,110,396	\$30,178,572
NOTE: DHA does NOT administer in: Aurora (Aurora Housing Authority); Batavia (Kendall Housing Authority); Geneva (Elgin Housing Authority); St. Charles (Elgin Housing Authority); Bolingbrook (Joliet Housing Authority). ** Families ported to Other Housing Authority after 07-18					

Clients Served

On average during Fiscal Year 2019 (July 1, 2018 – June 30, 2019), DHA served 3,192 families each month composed of 7,317 individuals. There are times when a family will move out of a unit under the HCV program, and the unit will immediately be leased to another HCV family. Or that unit will not lease again to an HCV household; and a new unit will become an HCV unit. In all, 3,425 units scattered among 35 different communities were leased to HCV program participants over the course of the fiscal year.

Of the 3,192 households served in the last year, 87% had a female as the head of household; and the remaining 13% were male. Of the 7,317 individuals served, nearly 40% (2,887) were children under the age of 18. Although there are several factors that must be evaluated to determine a household's eligibility to participate in the HCV program, financial status is a primary driver for this program. It is notable that 70% of the households served have incomes of less than \$20,000 per year. Another 17 % of the households have incomes that fall between \$20,000 and \$30,000 per year. Those with incomes between \$30,000 and \$40,000 represent 8% of all HCV program participants and the remaining 5% have household incomes that are above \$40,000.

HCV Waiting List

Although DuPage County does not have any public housing units, however the DuPage Housing Authority currently has a waiting list for families to receive Housing Choice Vouchers (HCV). In March 2019 the HCV Waiting List was opened and accepted 1500 applicants. At this time, there are 1643 applicants on the waiting list, and it is expected that selection of these applicants on a monthly basis will begin after January 2020 to fill vacancies in the program as they occur. DHA will continue to provide vouchers by reviewing applicants to determine eligibility based on their income and any preferences; and offer additional services and referrals for those who qualify.

Applicants complete a pre-application when they apply for the waiting list but are not required to disclose all household information until they are selected from the waiting list and attend their intake and eligibility appointment. Waiting list households self-identified as 123 elderly families (having at least one member over the age of 62), 382 who have a family member with a disability, and 360 that they are currently homeless.

Please note until applicants are selected from the waiting list, each household member's information as well as total household income are not required nor verified due to the unknown length of time they may be on the list. As a result, we are not able to provide income levels of waiting list applicants.

An average of 2% - 4% of the housing choice vouchers issued to applicants expire due to the families not finding suitable and/or affordable housing. Reasons may be due to landlords are not open to leasing their unit to a voucher holder because of real or perceived past negative experiences, applicants not able to find a unit in the specific area they want to live, or applicants may decide during the housing search process they no longer are interested in the program. Some will attend their briefing session to receive their voucher and all relevant information regarding the program and how to search for a unit, but the housing authority will never hear from them again. As a result, collecting the reasons behind why a voucher expires is very difficult to obtain and report on with accuracy other than basing it on speculation.

Part VI Total Number of ACC Units for DuPage Housing Authority

	Program Type								
	Certificate	Mod-Rehab	Public Housing	Vouchers					
				Total	Project - based	Tenant - based	Special Purpose Voucher		
							Veterans Affairs Supportive Housing	Family Unification Program	Disabled
# of units/ vouchers available	N/A	N/A	N/A	3,036	312	2,594	25	105	N/A
# of accessible units	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

***includes Non-Elderly Disabled, Mainstream One-Year, Mainstream Five-year, and Nursing Home Transition**

Chapter 4 DHA's Need for Landlords

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Part I Landlords as Critical Participants

The Housing Choice Voucher (HCV) program is a federal housing assistance program that helps house 2.2 million low-income households stably and affordably. The HCV program depends on landlord participation to make privately owned units available to voucher holders; therefore, their participation determines the number of available units and their geographic distribution, which in turn affects tenant mobility, healthy housing, fair housing choice, and other HUD goals and strategies. Research shows that many landlords choose not to accept housing vouchers, threatening the purpose and objectives of the HCV program.

Landlords decide whether to participate based on factors such as financial considerations, perceptions about voucher holders, and bureaucratic issues related to the program's administration. State and local governments and public housing agencies (like DHA) have pursued several strategies to increase landlord participation in the HCV program, including local laws prohibiting discrimination based on source of income as well as various incentives, supports, and streamlined processes. HUD recently completed a seven-site listening tour to elicit feedback from landlords that a task force will consider in making policy recommendations.

In 2017, the HCV program assisted approximately 2.2 million households representing more than 5 million people, with an average subsidy per household of \$753 per month and an average family contribution of \$370 per month. Despite the large number of households served by the program, approximately three out of every four households that are eligible for assistance do not receive it. In addition, many voucher holders are unable to find an eligible rental unit and a landlord who accepts vouchers within the time required to use the voucher. The most recent national data (from 2000) found that 69 percent of households who received vouchers from large metropolitan PHAs successfully secured a rental unit within the program's designated timeframe. Success rates vary considerably according to local conditions, however. A 2010 study on the Seattle Housing Authority found that approximately 40 percent of voucher holders failed to lease up within 120 days. **Note:** *The DHA voucher expiration rate is consistently much lower and typically at less than 5 percent.*

The Nation's Rental Units and Landlords

As of 2016, the United States had approximately 47.1 million rental units, of which approximately 44 million were occupied. Most of the nation's rental stock, 61 percent, is in multifamily buildings, and 39 percent is in single-family units, which includes single-family detached and attached homes as well as mobile homes and recreational vehicles. Individual investors own 74 percent of the nation's rental properties and 48 percent of the units, and limited liability companies and limited liability partnerships own 15 percent of rental properties and 33 percent of the units, with the remaining 11 percent

of properties and 19 percent of units owned by housing cooperatives and nonprofit organizations, real estate corporations and investment, trustee for estate, tenant in common, and general partnerships.

Because the success of the HCV program depends on the availability of units in the private market, landlords play a pivotal role. Landlord participation determines how many units are available for HCV participants, where those units are located, and how well the program achieves goals such as making units available in high-opportunity neighborhoods and alleviating high concentrations of voucher holders in very low-income neighborhoods. Yet we have limited information about the number and characteristics of the nation's landlords. Using data from the 2015 *Rental Housing Finance Survey* and the *Internal Revenue Service's Statistics of Income* division, HUD estimates that the United States has 10 to 12 million total landlords and only a fraction of them participate in the HCV program. HUD reports that between 2009 and 2016, the number of unique landlords participating in the HCV program declined from 775,000 to 695,000.⁹ Research on specific locales suggests possible patterns of landlord participation, but those findings may not be generalizable.

A study of Illinois landlords participating in the HCV program finds that most rent to only one voucher household, with the average number of HCV leases per landlord highest in central cities and lowest in rural areas. **Note:** *Of the approximate 1,300 participating landlords in the DHA HCV program who own rental units within the DHA service area, 80 percent only own 1 unit.*

Research on the Atlanta area finds that some large investor landlords in distressed neighborhoods prefer voucher tenants for the stable payments and the fact that the possibility of losing a voucher makes tenants responsive to the PHA, whereas others report that the inspection process discourages them from accepting vouchers.

Landlord Decision-making and Treatment of Voucher Holders

With some notable exceptions, little research exists on the role of landlords in the HCV program, limiting stakeholders' understanding of how landlords decide to participate in the program and how they interact with and treat voucher holders. Two recently released HUD-sponsored studies, Garboden et al.'s "*Urban Landlords and the Housing Choice Voucher Program*" and Cunningham et al.'s "*A Pilot Study of Landlord Acceptance of Housing Choice Vouchers*," attempt to fill some of that knowledge gap.

Garboden et al. find that the decision to accept vouchers is generally motivated by a cost-benefit analysis of renting to voucher holders versus non-voucher holders, primarily considering financial factors relating to faster occupancy and rent payment. According to Garboden et al., "The costs and benefits to the program are weighed against the hypothetical counterfactual tenant that a landlord might otherwise rent to in the open market." Garboden et al. find that the local market context is a crucial factor in this evaluation. This research also suggests that the size of the landlord's holdings and administrative capacity can influence the decision to participate.

Landlords also consider numerous other factors, including nonfinancial ones, when deciding whether to participate in the HCV program. Besides financial concerns, landlords' perceptions of voucher tenants and anticipated tenant-related issues, as well as their tolerance for dealing with bureaucracy (both of which may also have financial implications), are significant considerations in their decision. Some landlords report that they accept vouchers because they feel a duty to help low-income renters. In some cases, landlords discovered that their willingness to accept vouchers increased the demand for their rental units, and they may appreciate the stability of the payment from the PHA.

Many landlords ultimately choose not to participate in the HCV program. Misperceptions and negative stereotypes about voucher holders contribute to landlords' reluctance to participate. A landlord's first experience with a voucher holder often affects their future participation; a good experience with a renter could lead to further participation, whereas a bad one could prompt a landlord to avoid voucher holders.

Garboden et al. find that negative experiences with the program typically involve some combination of frustration with the bureaucratic elements of the program, costs associated with inspections, and conflicts with tenants that were difficult to address because of the constraints related to the program. Landlords might be uncertain about which responsibilities toward tenants belong to them and which belong to the PHA, and they may expect PHAs to be more involved than they are obligated to be.

Cunningham et al.'s study examines the differential treatment of voucher holders early in the housing search process and finds that landlords often refuse to accept vouchers. The widespread refusal of landlords to accept vouchers poses significant challenges to the success of individual HUD-assisted households and to the program as a whole. Some landlords may discourage voucher holders through advertisements explicitly stating that they will not accept vouchers, whereas others may screen out voucher holders who apply.

Research by Kathleen Moore, fellow at the University of Wisconsin-Madison *Institute for Research on Poverty*, reinforces these findings. Moore's research, based on landlord responses to more than 6,000 email inquiries across 14 cities, also finds evidence that landlords refuse to rent to voucher holders. Fewer testers who indicated that they would use vouchers received positive responses than did testers who did not indicate that they would use vouchers, and these results held for every racial category. More localized research also demonstrates the significantly limited housing options available to voucher holders.

For example, a 2012 survey of landlords in the Austin, Texas metro service area found that 91 percent of landlords declined to rent to HCV households and that only 6 percent of all units surveyed were open to HCV households (defined as eligible under the program, not subject to minimum income requirements that would disqualify voucher

households, and having a landlord willing to accept a voucher). Differential treatment of voucher holders often continues beyond the search process into the period after lease up; specifically, landlords may leverage the punitive powers of the PHA, namely the authority to revoke the voucher, in conflicts with tenants.

Part II Impacts of Limited Landlord Participation

Landlord participation rates affect the overall availability of rental options as well as the location and quality of available options, thus shaping the extent to which low-income households can access the intended benefits of federal housing assistance. Voucher recipients who successfully lease up spend less money on housing and utilities and can spend more money on food, and receiving a voucher significantly reduces the risk of homelessness. Some voucher holders use the subsidy to improve their housing conditions (such as living in less crowded units or in buildings with fewer code violations) and access low-poverty, amenity-rich neighborhoods.

Research shows that only about 20 percent of voucher households rent in a low-poverty neighborhood, and voucher households are “somewhat spatially concentrated.” Another study finds that voucher households are more economically and racially segregated than an extremely low-income comparison group. Several factors contribute to these spatial patterns beyond simply the willingness of landlords to accept vouchers, but landlords affect these outcomes and can help alter them. Metzger finds that voucher households renting in jurisdictions with laws preventing discrimination based on source of income (SOI) live in less racially segregated areas than do those renting in jurisdictions without such protections. Deconcentrating the clusters of HCV renters in high-poverty areas, which Andrew Greenlee of the University of Illinois at Urbana-Champaign notes can lead to stigmatization or isolation, will require broader participation among landlords in low-poverty areas, who historically have participated at lower rates. *Note: this is the case in DuPage County where available multi-unit rental housing exists in only a handful of the 39 municipalities and 9 townships – creating a “natural” concentration. Most DHA program units are single-family homes, townhomes and condominiums making a critical need for a greater number of property owners to participate as landlords in the program.*

Part III Strategies To Increase Landlords’ Participation

HUD, PHAs, and state and local governments have implemented numerous strategies, including both incentives and disincentives, to increase landlords’ participation in the HCV program.

HUD and PHA programs, policies, and incentives.

PHAs can actively recruit landlords through outreach efforts that introduce potential participants to the mechanics of the program and its benefits. Some PHAs employ landlord liaisons to cultivate relationships with landlords and property managers.

Greenlee notes that, in addition to recruitment, PHAs should focus on retention, including those landlords who take on HCV contracts when they acquire a property but might not wish to renew the contracts and continue to participate in the long term. PHA-led training sessions and continuing education can support landlords and equip them with the necessary skills for success with the voucher program. Some housing agencies have established hotlines for landlords with questions about program requirements or tenant issues. Notably, such recruitment, retention, and support efforts may require additional resources from HUD.

HUD and partnering PHAs can also ease many of the bureaucratic burdens that landlords cite as reasons not to participate in the program. Improved and expedited inspections and streamlined processes for signing contracts online could encourage wider participation. Since fiscal year 2014, HUD has given PHAs the authority to conduct inspections biennially instead of annually, providing regulatory relief for property owners. The *Housing Opportunity Through Modernization Act of 2016* authorized HUD to allow PHAs the discretion, under certain circumstances, to approve units for lease up before passing an inspection. PHAs can also collaborate regionally to make rules more consistent — or more flexible — to ease portability (when tenants move from one PHA's jurisdiction to another) and ease the burden on landlords who own properties in several jurisdictions and otherwise would need to learn the rules of each PHA. **Note:** *DHA will transition to biennial unit inspections during the 2019-2020 fiscal year. DHA also participates in the Regional Housing Initiative along with many area PHA's in the Chicago metro area.*

PHAs, through Small Area FMRs or tiered payment standards, can also make participation more financially attractive in higher-cost areas by ensuring that participating landlords can charge rents similar to what they would charge market-rate renters without vouchers. Some PHAs have devoted funds to reimburse landlords for costs incurred through renting to voucher holders, such as vacancy or damage, and others have supplemented security deposits. On the tenant side, PHAs can extend allowable tenant search times, provide search assistance, and improve their lists of available units to include more units in high-opportunity neighborhoods. **Note:** *DHA moved to SAFMR for all program units in FY2019.*

In an effort to connect more HCV families with units in high-opportunity neighborhoods, Ascend STL's *Mobility Connection* program, a partnership with the St. Louis Housing Authority and the Housing Authority of St. Louis County, offers a free listing service for property owners, prescreening of tenants who have received counseling to help them transition to a new home, and staff assistance in completing program paperwork.

State and local government incentives.

State and local governments can also offer incentives for landlords to participate in the HCV program. Targeted tax incentives are a strategy for deconcentrating poverty by shaping the financial context for landlord decision-making. In Virginia, for example, the *Communities of Opportunity Program* issues tax credits to landlords in low-poverty

areas of the Richmond/Petersburg metropolitan area who rent to voucher holders. The state of Oregon developed a *Housing Choice Landlord Guarantee* program that reimburses landlords up to \$5,000 for damages caused by an HCV tenant that exceed normal wear and tear; the state of Washington implemented a similar landlord mitigation program. At the local level, Los Angeles County's *Homeless Prevention Initiative* funded the Housing Authority of the County of Los Angeles' *Homeless Incentive Program*, which pays holding fees, rental application fees, vacancy loss claims, and damage claims for voucher holders who have been homeless to encourage landlords to accept vouchers for a specific population. Local governments that conduct inspections of private rental units could also coordinate or combine inspections with PHAs. **Note:** *DHA initiated a security deposit grant program in July 2018 to assist program applicants with paying a portion of their security deposits so that the effective dates of their move-ins happened sooner than the average 100+ days since the voucher was issued. DHA is also working with agencies within the DuPage CoC to determine the feasibility of a landlord "mitigation" fund to incentivize renting to subsidy holders..*

Legal requirements.

At present, federal fair housing laws do not prohibit discrimination against voucher holders based on SOI. Some states and local jurisdictions do have SOI laws, although some do not explicitly protect housing vouchers as an income category, and in some cases state laws may preempt local SOI laws. Research is mixed on the effectiveness of SOI laws. Freeman finds that jurisdictions with SOI antidiscrimination laws have voucher utilization rates that are 4 to 11 percentage points higher than jurisdictions without such laws. Finkle and Buron find that voucher holders in jurisdictions with SOI laws are 12 percent more likely to find a unit within the voucher's time limit than voucher holders in places without such protections. Cunningham et al. also find that rates of landlord acceptance were higher in areas with SOI protections, although the researchers caution against drawing definitive conclusions given that the study was not designed to test the effectiveness of SOI protections. Moore, however, finds no significant association between SOI laws and landlord responses. Some observers point out that prohibitions on SOI discrimination can be difficult to enforce. Moore suggests that SOI laws should explicitly include protection for vouchers and adds that steering — referring HCV applicants to units other than the one to which they applied — should also be illegal. Moore also suggests that any income-scaling requirement during screening should calculate the minimum required household income based on the household's contribution to the rent; for example, if a unit costs \$1,000 per month to rent and the landlord requires a monthly income of three times the rent, eligible tenants would need a household income of \$900 per month, or three times their \$300 contribution to the rent. **Note:** *As of this writing, in the state of Illinois Chicago and Cook County prohibit denying a HCV holder the opportunity to apply for a vacancy in a unit just because they have a voucher. Naperville recently amended their Fair Housing Ordinance to add a layer of protection to subsidy holders as well.*

Research.

Research, and effective dissemination of that research, can play an important role in increasing landlord participation by identifying effective practices. HUD's recent reports on landlords and the HCV program have begun to shed light on what had been a largely overlooked aspect of the HCV program, but much more work must be done to understand how and why landlords choose to participate and what effects these factors have on the program and on voucher-assisted households, and HUD can continue to play a leading role in such research. Among the topics that could be considered in future research are how PHAs are using the flexibility afforded by the Moving to Work demonstration to increase landlord participation, how landlords interact with PHA staff and tenants, how changing housing markets influence landlords' decisions, whether landlord incentive programs improve program outcomes, how SOI laws are enforced, and whether less strict inspection processes result in lower housing quality, among others. **Note:** *DHA does intend to apply for MTW status when the opportunity to do so becomes available during a future cohort enrollment period.*

Research can also help address fears and misconceptions that discourage landlords from accepting vouchers. For example, landlords may believe that accepting vouchers will not be lucrative, but participation in the HCV program does not mean that landlords must charge voucher tenants below-market rents. Research in the Milwaukee area finds that landlords charge voucher households between \$51 and \$68 more than households without vouchers in comparable units and neighborhoods, suggesting that renting to voucher holders does not reduce income for landlords. (These findings, however, also suggest that the HCV program is overpaying these landlords.) Similarly, research could help allay landlords' concerns about crime; Gould Ellen, Lens, and O'Regan find that increased voucher use in a neighborhood does not increase crime rates.

Finally, research is needed to evaluate the effectiveness of the various programs and policies mentioned above. Moore notes that the experimentation in landlord outreach and incentives that PHAs and local governments are now conducting, as well as the variation in SOI laws and enforcement, offer researchers a tremendous opportunity to learn more about effective strategies. As research and experience grows, says Greenlee, sharing best practices among PHAs, local governments, and landlords will be important.

Listening to Landlords.

Recognizing that landlords, whose role in the success of the HCV program is critical, currently under-participate in the program, HUD has embarked on a campaign to encourage landlords to accept vouchers. In September 2018, HUD launched a series of landlord engagement forums with sessions in seven cities, during which landlords were invited to share their experiences and their ideas for making the program more attractive to those not yet participating and more user friendly for those who are already participating. HUD's new *Landlord Task Force* will consolidate input from the forums and make policy recommendations to increase landlord participation in the HCV program, including in the low-poverty neighborhoods where participation rates are

currently lowest. With increased landlord participation, the HCV program will offer wider choices and greater opportunities to voucher-assisted households.

A final note

During the fiscal year beginning July 1, 2019, DHA partnered with several agencies within the DuPage Continuum of Care (CoC) and *Community Investment Corporation* (CIC). From this partnership with the approximately 25 agencies, we expect to develop a complete toolkit for property owners, management companies and landlords to use to assist them in managing their rental housing portfolios no matter how large or small, no matter if market tenants or those who may have a rental subsidy of some kind. Visit the DHA website regularly for program updates.