

Background on the Section 8 Affordable Housing Program

Families who pay more than 30 percent of their income for housing are considered cost-burdened and may have difficulty affording necessities such as food, clothing, transportation and medical care.

(Source: U.S. Department of Housing and Urban Development [HUD])

- The Section 8 housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, sanitary housing in the private market.
- To be eligible for a Section 8 voucher, a family's income may not exceed 50% of median income for the metropolitan area. Approximately 75% of vouchers must go to applicants with incomes \leq 30% of area median income.
- Section 8 vouchers are administered locally by public housing agencies, which receive federal funds from HUD to administer the program.
- The Section 8 housing subsidy is paid to the landlord directly by the agency, on behalf of the family receiving the voucher. The family then pays the difference between the rent charged by the landlord, and the amount subsidized by the program.
- The maximum Section 8 subsidy is the lesser of: the payment standard -30% of the family's monthly adjusted income, or the unit rent -30% of income. This means a family must pay 30% of its income for rent/utilities, and if the unit rent is greater than the Payment Standard, the family is required to pay the entire additional amount.

– *Source: HUD Housing Choice Vouchers Fact Sheet*

For a Section 8 voucher tenancy, the housing authority sets a Payment Standard in the range of 90%-110% of HUD's annually-adjusted Fair Market Rent for the metropolitan area [in Boston it is now ~110% FMR].

- Contract Rent is the total rent paid to the owner. The Boston Housing Authority (BHA) may not approve a lease until it determines that the initial Contract Rent paid to the owner is a "reasonable rent".
- The Reasonable Rent is an amount not more than what is charged for comparable units in the private market, and for comparable non-subsidized units in the premises.
- When BHA approves initial occupancy of an apartment by a family on Section 8, if the Contract Rent is more than the Payment Standard, the tenant's share may not exceed 40% of the family's adjusted monthly income.

Rent increase procedure: The owner sends a rent increase request to the BHA Leasing Officer, who explains any difference between the current Contract Rent and the Payment Standard, and how the increase in rent may affect the tenant's or the BHA's portion. If the owner wishes to proceed, the BHA Department of Inspections will approve or deny the request. If granted, the adjusted rent will be the lesser of:

- (a) the Reasonable Rent most recently determined by BHA; or
- (b) the amount requested by the owner.

The Leasing Officer then advises the tenant family of their share of the rent, and their option to approve or disapprove of the increase.

- If the Section 8 tenant does not accept the increase in rent, one of the following may occur:
- The owner starts an eviction proceeding by citing the tenant's refusal to enter into a lease amendment as a business/economic reason at the end of the initial 1-year lease term or after a year from the last rent increase.
- The owner and tenant continue under the current terms of the lease, moving forward without a rent increase.
- The tenant requests to move to another unit within a time-limited period before losing Section 8 voucher. ([Source](#): *Source Boston Housing Authority*)