

# The Housing Choice Voucher Program

**What is the Housing Choice Voucher Program?** This is a federal, HUD housing program (administered by local housing authorities) that provides housing assistance to low-income renters. Assistance is in the form of a voucher that tenants present to their landlords to help pay rent. Tenants pay 30% of their gross income towards rent and utilities while the voucher pays the remainder.

**How does a person qualify?** The recipient must be a low-income (Recipients' income must be at or below 50% of the area median income).

For the Chicago area:

<b>Household Size</b>	<b>50% of Median</b>
<b>1</b>	<b>\$26, 600</b>
<b>2</b>	<b>\$30, 400</b>
<b>3</b>	<b>\$34, 200</b>
<b>4</b>	<b>\$38, 000</b>
<b>5</b>	<b>\$41, 050</b>
<b>6</b>	<b>\$44, 100</b>
<b>7</b>	<b>\$47, 150</b>
<b>8</b>	<b>\$50, 200</b>

Source: <http://www.huduser.org/portal/datasets/il/il2015/2015summary.odn>

**How much are vouchers worth?** Voucher prices are determined by location. HUD determines a fair market rent for a local area which determines how much a voucher is worth. Contact your local Housing Authority to determine the payment standard.

**How is rent paid?** Landlords receive rent directly deposited into their account from the local Housing Authority. Tenants pay their portion to the landlord separately.

**Example rent calculation:**

If a renter makes \$12,000 a year (\$1,000 per month) and the property rent is \$1,350:

Rent for the unit	= \$1,350
Renter pays 30% of \$1,000	= \$ 300
Housing Authority pays	= \$1,050
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Total rent received by landlord	= \$1,350

**How does an owner screen voucher holders?**

An owner screens voucher holders the same as every other tenant: based on credit worthiness, references, and past housing history. Recipients of subsidized housing are the most scrutinized tenants and are subject to one strike evictions (recipients lose their subsidy if they commit or are connected to criminal activity). Households with a voucher have been screened for criminal background, household verification, and income verification.

## **How Can a Landlord Participate in the Housing Choice Voucher (Section 8) Program:**

**Step 1:** Advertise the unit. Many local Housing Authorities and other agencies will advertise the available unit on their website and/or housing lists.

**Step 2:** Screen applicants as all other applicants are screened. Standards should be based on objective business-related considerations. Fair Housing Laws prevent discrimination and differential treatment based on certain protected classes.

**Step 3:** Approve the tenant, offer a lease (one year minimum), and review the voucher. Make sure the voucher has not expired (vouchers expire after 60 days unless they have been extended). The voucher will also indicate the number of bedrooms required. Typically, a family cannot accept a smaller unit than is stated. The owner/manager needs to complete these forms: (1) Request for Lease Approval; (2) Lease; and (3) Housing Assistance Payment Contract (housing authorities participate in direct deposit programs) to participate.

**Step 4:** The Housing Authority inspects and approves the unit. Before the unit can be approved, it must meet housing quality standards. The Housing Authority will arrange a date and time for the inspection. If there are problems that need correcting the owner/manager will be notified in writing and given reasonable time to make repairs. At that point a second inspection can be scheduled.

**Step 5:** The Housing Authority and the owner/manager sign a Housing Assistance Payment (HAP) contract. Rent is usually paid by the Housing Authority on the last day of the month prior to its due date on the first. Rent may be adjusted as the tenant's income fluctuates. Direct deposit may be established at this time. Tenants will pay their portion of the rent to the landlord/manager separate from the Housing Authority.