

## **Affordable Housing Options**

*This is a discussion of affordable housing options and legislation to help explain the complexities of housing initiatives. This discussion has been compiled by the [Technical Assistance Collaborative \(TAC\)](#) that supports the efforts of public and non-profit agencies to successfully plan and implement the design, financing, and management of public sector human services, mental health, substance abuse, and health care strategies. TAC also provides policy development, consultation, and technical assistance to help expand affordable housing and permanent supportive housing for people with disabilities, people who are homeless, and other households with special needs.*

## **Summary**

The lack of affordable housing throughout the United States affects the quality of life of millions of people across America. Within households that include people with disabilities, this problem is magnified because of the link between limited economic resources and the unpredictable nature of the cost of housing.

Locating safe, decent, stable, affordable housing in your community that meets your needs can be a daunting challenge but addressing that challenge can be made easier if you understand a few basics about what is “affordable housing” and how housing is made affordable. Once you understand the underlining concepts involved in affordable housing, you can target your efforts to better understand how to secure affordable housing that meets your individual situation.

Because affordable housing is such a broad subject, it’s important to narrow down the focus of the topic by distinguishing between affordable homeownership and affordable rental housing. Although the goal of homeownership has been traditionally promoted as a key component of the “American Dream” the recent economic crisis afflicting the nation has prompted some re-thinking of the role of homeownership and has encouraged a new focus on the role of rental housing. The principles of affordability that are included in discussions of both homeownership and rental assume that a household should ideally only be required to spend about a third of their monthly income on housing costs. This assumption is a cornerstone of what makes housing affordable and much of the efforts around creating affordable housing are centered on helping households to achieve this goal by providing opportunities to live in housing that is matched with their ability to pay.

## **Affordable Rental Housing**

Rental housing assumes a financial arrangement between a tenant and a property owner (landlord). Affordable rental housing is created by either providing assistance directly to the tenant to help make their rent affordable or to the property owner as an incentive to make the rents affordable to tenants with limited incomes. In some situations, affordability is enhanced by combining assistance available to the tenant and the property owner.

Tenant-based assistance is more commonly referred to as a rental subsidy. A monthly rental contribution is provided on behalf of the tenant that supplements the tenant's ability to afford the rent in a privately owned property, usually an apartment. The tenant-owner relationship remains the same as it would if there was no rental subsidy involved, the same rights and responsibilities on both sides remain in effect but a third party provides a source of funds to help the tenant pay the rent required by the owner.

The federal government, through the Department of Housing and Urban Development (HUD) provides rental subsidy resources to local Public Housing Authorities (PHAs) and in some cases, regional housing authorities through the Housing Choice Voucher Program commonly referred to as a Section 8 Program. In addition, many state governments also provide some form of rental subsidy resources to assist households with limited incomes to afford rents in private housing. More information about rental subsidies is available at [rental subsidies](#).

Assistance made directly to the owner of rental housing in exchange for a set aside of affordable units is categorized as project-based assistance and can take many forms through a wide variety of federal, state, and local programs. Being aware of these programs and understanding how to access the housing through these programs may improve your chances of locating an affordable unit. To learn more about these programs please see [project-based units](#).

## **Tenant-Based Assistance**

In order to assist households with limited incomes afford market-rate rents in private housing, public resources are made available in the form of rental assistance for tenants through the Housing Choice Voucher Program (HCV) formerly called the Section 8 Program. HUD provides resources through local public housing authorities (PHAs) that assist very low-income households, including the elderly and people with disabilities in affording safe, decent, housing in the private market. A household uses the resources, made available in the form of rental subsidies to the landlord to secure a unit that they are responsible for finding that meet the minimum standards of health and safety.

Each PHA establishes its own procedures, within HUD guidelines, on processing applications for assistance through the HCV. Because of the overwhelming need for HCV, waiting lists are often long and in many locations are closed to new applicants. Potential tenants interested in applying for the program locally should contact the PHA directly to determine the status of the HCV availability. A full list of contacts in DC:

<http://www.hud.gov/offices/pih/pha/contacts/states/dc.cfm>

Many state governments, acknowledging the overwhelming need for rental assistance, have developed their own rental assistance programs funded through state resources. Within your search for housing assistance resources, check to see if your state government administers any

other rental assistance programs. HUD offers a series of links to state administered programs at the following website: [http://portal.hud.gov/hudportal/HUD?src=/states/district\\_of\\_columbia](http://portal.hud.gov/hudportal/HUD?src=/states/district_of_columbia)

It is important for those interested in securing tenant-based assistance to let those you contact know if you or a member of your household is a person with disabilities. There may be preferences available within the waiting list procedures for those who meet the definition of a person with a disability.

## **Project-based Affordable Rental Units**

There are many housing developments that have been created using an array of public funds to help create long-term affordable rental housing. These housing developments range from rental units within Public Housing Authority (PHA)-owned developments to privately owned rental units that were created in part using below-market financing resources or public subsidies that were provided in exchange for some form of rent restrictions on units built. In general, affordable rental developments provide below market-rate rental units to households that meet income restrictions. Each development will have varying levels of income restrictions and occupancy requirements based on household size. Additional restrictions may apply to individual developments so it's important to check the requirements of occupancy in each development where you may be seeking housing. To help organize your search the potential supply of affordable rental units are categorized as either PHA units or Privately-owned subsidized rental units as briefly described below:

PHA units are those units owned and operated by Public Housing Authorities that are funded either directly through HUD or with State Housing funds. [HUD has compiled a list on their website that can help you begin your search](#). Each PHA has specific rules and regulations around applying for their units. In many circumstances, waiting lists for PHA units may be closed or if you are able to apply will face long waiting periods before you are able to access PHA units. If you or a member of your household is considered a person with disabilities, it is important to let the PHA know that information since they may have separate waiting lists for people in this category. You can start your search using the following link: <http://www.hud.gov/offices/pih/pha/contacts/states/dc.cfm>

Privately-owned subsidized units are those housing developments that were created through private owners who have received financial assistance through government-funded programs to help make the rental units affordable to households with limited incomes. These sources may range from Low-Income Housing Tax Credit Programs to HUD backed mortgages. Each resource made available requires different set of income restrictions and rent-level requirements. HUD has developed a comprehensive list of these privately owned developments

that can be accessed at the following website:

<http://www.hud.gov/apps/section8/step2.cfm?state=DC%2CDistrict+of+Columbia>

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