

UNDERSTANDING SECTION 8 RENTAL HOUSING & COMMUNITY ASSOCIATION

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There are numerous misunderstandings and fears surrounding Section 8 housing. For some people it brings to mind run down public housing projects or the fear that their subdivision will become dominated by Section 8 “housing.” Here is a summary of the Section 8 housing program:

The Section 8 Program provides rental assistance to help low-income persons afford decent and safe rental housing. Section 8 Programs are funded by the Department of Housing and Urban Development (HUD), and administered by public housing agencies authorized under federal or state law to operate housing programs within an area or jurisdiction.

A person selected to participate in the Section 8 Program is issued a Housing Choice Voucher and is then free to locate a rental unit in the private market. Once the family selects an apartment, house, etc., the local housing agency must inspect the unit before initial leasing to ensure that the unit meets HUD housing quality standards. After the unit passes inspection the local housing agency will enter into a Housing assistance Payment contract with the owner who leases the unit to a family. Thereafter, the agency pays a portion of the rent - a housing assistance payment - to the owner on behalf of the family.

Under the Housing Voucher program, the family is generally required to pay approximately 30% of adjusted monthly income toward rent and utilities. Families can choose to pay up to 40% of their income if needed to allow greater choices in location and type of rental dwelling. The Housing Assistance Payment made by the agency to the owner generally pays the remaining portion of the approved contract rent.

A community association can provide for rental restrictions in their covenants, and these restrictions would apply to all leases including Section 8. On the other hand, an association could not pass a covenant provision stating that leasing is allowed except for Section 8.

In summary, just because there is a Section 8 tenant living in the subdivision it does not mean that the community becomes “approved” for Section 8. Any home in any subdivision is already a potential Section 8 rental. If your association already has leasing restrictions these will also apply to Section 8 housing. If your association decides in the future to adopt leasing restrictions it will take an amendment to the covenants, which must be passed by a vote of the homeowners.