

## Housing Authority of Portland

### Section 8

The Section 8 rent assistance program is a federal rent assistance program administered locally by the Housing Authority of Portland. This extremely popular program allows low-income residents of Multnomah County to rent homes or apartments of their choice from private landlords anywhere in the County. HAP requires participating Section 8 voucher holders to pay a percentage of their adjusted gross income towards rent, and subsidizes the remainder up to a predetermined rent ceiling.

Currently HAP's Section 8 program provides monthly housing assistance to approximately 8,307 households.

HAP uses a lottery for Section 8 applicants and only opens its waiting list when the pool is low. HAP opened its waiting list for three weeks in November 2006 and received 9,781 applications for 3,000 positions on the list. The agency then randomly selected households for the waiting list. In 2008, as the end of the 3,000-person list neared, HAP's board asked the agency to allow persons in the 9,871-household pool who hadn't been selected to form a new list in the order of their original number. Approximately 2,800 households responded to this offer and 2,075 remain on the new list. The agency expects that it will take several years to work through the remainder of the second list created from the 2006 applicant pool.

HAP has a commitment to assisting customers with special needs. Some of these households are served with project-based Section 8 assistance. When Section 8 is project-based, it is assigned to units, rather than to households. The units often are designated to serve specific populations that would have difficulty securing housing in the private market because of disability, poor rental history, or other barriers. Of the 1,610 Section 8 vouchers that have been dedicated to projects, 512 are Single Room Occupancy units located in Portland's City Center.

In March 2010, the agency allocated 50 project-based vouchers to affordable housing developments the City of Portland will help to finance through a competitive funding cycle. The vouchers will be used for the creation of affordable housing units affordable to extremely low-income households earning between 0-30 percent of median family income.

The agency has continued to improve the administration of its Section 8 operations, with a focus on attracting new landlords to the program. The agency developed a pilot program that compensates landlords in a tenant's first two years should the tenant move out and leave a unit with damages beyond normal wear and tear. It is testing this approach with certain new



[www.hapdx.org](http://www.hapdx.org)

## Housing Authority of Portland

### Section 8

participants to see if it results in new landlords joining the program. In addition, new participants with significant barriers to finding rental housing are offered the opportunity to take classes in good tenancy prior to receiving their voucher and looking for a place to rent.

With its Moving to Work authority, HAP also has allocated a small pool of rent assistance funds to two social service agencies, SE Works and Northwest Pilot Project, for pilot projects that marry housing assistance and services for hard-to-house populations.

## Housing Authority of Portland

### Public Housing

IN 2010, HAP WILL CONTINUE TO PURSUE WAYS TO SIMPLIFY HOW IT CALCULATES THE TENANT'S PORTION OF THE RENT FOR BOTH ITS SECTION 8 PARTICIPANTS AND ITS PUBLIC HOUSING RESIDENTS

#### HOUSING AUTHORITY OF PORTLAND

The Housing Authority of Portland owns and operates a public housing portfolio consisting of 2,487 apartments and single-family dwellings throughout Multnomah County. Rents for these properties are approximately 30% of the household's monthly adjusted income. To qualify, applicant household income must be less than 80% of the median income for the Portland Metropolitan Area.

HAP shifted to a site-specific waiting list in 2002, after extensive public process. In 2008, HAP opened its waiting lists for most of its public housing sites and received nearly 2,400 applications in less than two weeks. The lists now are closed, as the wait exceeds one year for different bedroom sizes at all public housing sites. The agency opens waiting lists on a rolling basis as wait times drop under a year at individual sites, and did open the lists at several apartment communities in 2009 HAP does not receive enough funding from HUD to cover the full cost of the public housing program. Capital grants don't cover the backlog of deferred maintenance in this portfolio, and operating subsidies typically are prorated, that is, HUD provides a percentage of what it has determined to be the amount needed to fund the nation's public housing program. This situation has improved slightly in the last two years, with the addition of capital funding from the 2009 American Recovery and Reinvestment Act and higher levels of proration.

#### PUBLIC HOUSING PRESERVATION

In 2007, HAP finalized planning and began implementation of a significant reconfiguration of its public housing portfolio, aimed at increasing efficiency and preserving public housing. This effort includes selling HAP's scattered site homes in the public housing portfolio. HAP is using the proceeds to replace this housing, to help meet the significant backlog of capital needs in the larger portfolio, and to "turn on" available public housing operating subsidy. This "banked" subsidy results from HAP's previous decisions to take public housing units off line for a variety of reasons, e.g., the redevelopment of Columbia Villa into the mixed-income New Columbia. In most cases, the lost public housing units were replaced with Section 8 vouchers. However, under

# Housing Authority of Portland

## Public Housing

HUD regulations, the public housing operating and capital subsidy would still be available to HAP if it were to create additional public housing units.

In 2007, HAP began efforts to sell and replace its scattered site public housing over the next several years. The agency has sold 108 scattered site units and identified 100 replacement units in four different projects that are coming online over the next several years. In addition to this activity, the agency began an analysis of different subsidy options for its public housing in an attempt to more fully fund the program. In the coming year, HAP will proceed with further planning for the possibility of converting the subsidy stream for some or all of its public housing to project-based Section 8. If it were to proceed in this direction, the agency will run the units as public housing and serve the same very low-income population that it does today.

### CAPITAL IMPROVEMENTS

As part of its effort to preserve public housing, HAP continues to work on plans to address the significant unmet capital needs in its existing portfolio. HAP's public housing portfolio relies on annual federal appropriations of operating subsidy and capital grant to fund the real estate. HAP estimates the deferred capital needs for this portfolio at more than \$50 million. HAP's annual capital grant for public housing, which is currently about \$4 million, is not sufficient to meet these needs. HAP continues to analyze potential strategies to address the shortfall, including the possibility of leveraging new resources, such as proceeds from the sale of scattered sites and a mixed finance model that supports housing rehabilitation and preservation. In addition, the program received an infusion of \$6.2 million in capital funding as part of the 2009 American Recovery and Reinvestment Act. This funding is being used to help underwrite critical capital projects at 16 of the agency's public housing sites.

In 2009, the agency submitted an application for a HOPE VI revitalization grant for its Hillside Terrace public housing community in Southwest Portland. Hillside Terrace accounts for nearly a third of the deferred maintenance backlog and has the highest operating costs in the public housing portfolio due to its many structural problems.

