

Source of Income (SOI) Talking Points

- The apartment industry fully supports and recognizes the positive impact of the Section 8 Voucher Program.
- However, the burdensome requirements imposed by the Section 8 Voucher Program demand significant resources and staff expertise, which may not be feasible for every apartment community or management company.
- Source of income (SOI) protection policies often require independent property owners to comply with the federal requirements under the Section 8 Voucher Program.
- The cumbersome and bureaucratic requirements that are specific to this program include but are not limited to:
 - Additional inspection requirements.
 - A three-way lease between the housing provider, the resident, and the public housing authority.
 - Multiple delays during the lease process.
 - Increased paperwork to accompany the traditional lease, among many other requirements.
- Some of the most significant challenges for apartment owners and operators center on the inconsistency in service and interactions with program administrators, also known as the public housing agencies (PHAs) that manage the program locally.
 - Each housing authority has its own process and administers vouchers differently. For example, some PHAs will give the applicant a caseworker while others do not.
- Overall, these administrative burdens delay the leasing of an apartment home and create significant cost increases for the property owner.
 - As a result of the additional and costly program requirements, apartment management companies that accept Section 8 Vouchers often have entire departments that are equipped with staff members who specialize in the program.
- In addition, Section 8 Vouchers cannot be used to pay for any property damage as a result of the resident, which could in turn raise the financial risk for property owners who rent to a voucher holder.
 - In fact, Utah offers a Section 8 Incentive Program for landlords (<https://jobs.utah.gov/housing/affordable/section8/documents/section8flyer.pdf>) to help cover up to \$5,000 in damage done to a unit that was rented to a Section 8 Voucher holder.
- In light of the extensive requirements, Congress intended participation in the Section 8 Voucher Program to remain voluntary.
 - For this reason, we believe property owners should be free to decide whether it makes sense for their business to participate in the program.

- It is also important to note that SOI protections were recently challenged in the courts.
 - In March 2019, the Pennsylvania Commonwealth Court invalidated the City of Pittsburgh's SOI Ordinance and said it is not enforceable.
 - The 5th Circuit Court of Appeals dismissed a disparate impact case against a Texas management firm in which the plaintiffs alleged that the company's "no voucher" policy resulted in a disparate impact on protected classes under the federal Fair Housing Act. This ruling reinforces the voluntary nature of the HCV program.
- There are more effective options for improving the availability of rental housing for voucher holders than mandating participation in the Section 8 Program.
 - More effective options include encouraging Congress to increase funding for the program and to reduce the bureaucratic requirements associated with it.