



## IREM® From the Front Lines Podcast

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### Bonus Episode

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Participating in the Housing Choice Voucher (HCV) Program

Todd:

Welcome to another edition of From the Front Lines, where we discuss both the day-to-day, and one-of-a-kind issues facing real estate managers. In this special bonus episode, we welcome Principal Deputy Assistant Secretary Richard J. Monocchio from the Office of Public and Indian Housing in the U.S. Department of Housing and Urban Development to discuss the Housing Choice Voucher Program and property manager participation. Welcome to the podcast, Mr. Monocchio.

Richard:

Thank you, Todd, happy to be here.

Todd:

Can you first introduce yourself and tell us about your role at HUD?

Richard:

Sure. So I, as you mentioned, am the Principal Deputy Assistant Secretary, which means that, my division oversees housing assistance to about three and a half million Americans, many of whom are the most vulnerable that we serve: families with children, people with disabilities, the elderly. We also are involved in housing funding, housing development and construction and inspecting all of the assisted properties in the country as well. And it also includes running some of the social service programs like Family Self-Sufficiency, and the Ross program, and Jobs Plus. So it is the one department I think in the government that serves those with the greatest need.

Todd:

Now explain the Housing Choice Voucher Program. Many of our listeners are familiar with the program, but maybe not today's version. So, what's this program all about, and how does it work for qualified renters?

Richard:

So it's been that we're actually at our 50th anniversary this year, so in my opinion, it's been the most successful housing program created because it does a few things. It ensures that participants pay 30% of their income for rent. That's the, probably the critical component of the program is that the rent is affordable, and the voucher then would cover the remainder. The reason why it's so critical is only one in five households in the country that qualify income-wise for a voucher actually receive it because of the level of the appropriation. So, you know, that says a couple things. It says that it's a lifeline for millions, but it also speaks to the outstanding unmet need we have in this country for rental assistance and a greater supply of housing.

Todd:

How does the HCV program work for landlords and property managers?

Richard:

So the way it works is the landlord or the property manager works with the individual public housing authority. HUD provides the funding to about 2000 authorities who participate in the voucher program. And the landlord or the owner and the PHA come to an agreement on the tenant, the agent, the owner. The agent gets to screen the tenant. The rents are set by the fair market rent in that particular community. Some public housing authorities are involved in a program that set rents by zip code, which opened up a far greater number of units, but it's actually a pretty simple program. The tenant finds the apartment, sometimes with the help of the housing authority, sometimes through events that are put together, that bring together potential applicants and owners, and an inspection is scheduled, housing quality standards inspection. And hopefully the process gets done in you know, we try to make it from the moment of interest to the lease is signed between 30 and 60 days, quicker if necessary, and then the landlord will be getting paid on the first of the month, and the tenant would pay their portion as well to the landlord, and the public housing authority would pay the difference.

Todd:

And what are the benefits of participating in the HCV program to landlords and property managers?

Richard:

A number of benefits. One is, you're guaranteed the rent. Which, as we know, in especially coming out of the pandemic, and the things that happened in terms not only of rising rents, but people's ability to pay their rent because of their economic circumstances, the rent is guaranteed. A couple other benefits that aren't as widely known. The average voucher holder stays in the apartment about twice as long as a market rate tenant. So that's a huge benefit, I think, to owners, operators and landlords. The other thing is, we continue, many housing authorities will continue to work with tenants. That means, if necessary, provide security deposit, if necessary, provide that first month's rent to hold the unit, if necessary, navigation assistance through different communities. And also, of late, we're encouraging housing authorities, and many are hiring landlord liaisons on the staff, very critical, because in those cases, a landlord management agent would have somebody to call if there's a problem. The way tenant landlord law works, as your listeners know, you know, it's locally or state controlled, and typically, housing authorities and the federal government haven't gotten involved. But I think the landscape is changing because it's important for the program that the Housing Authority has one or more people on the staff that can be contacted if there's an issue. I mean, sometimes it's a tenant issue. There's a myriad of issues that go into these things, right? Sometimes it's a repair that was supposed to have been made. But the point is that we want to see voucher holders stay housed, and the best way to do that is to keep landlords, owners and management agents happy with the program. So I think that's the biggest change in the last few years as the government, the local government, and the federal government, for that matter, have gotten more involved in that process, and I think it's a good thing, because it cuts through a lot of their red tape.

Todd:

What else has HUD been doing to improve the HCV program for property managers?

Richard:

Yeah, a number of things. We know that rents rose precipitously after the pandemic, and that means that the voucher, which, as I mentioned, is set by the area Fair Market Rent, wasn't as competitive as it once was. So, in the last two years, HUD has increased Fair Market Rents by a total of 23%. That's a huge advantage to the tenant and the landlord for that matter, because we know we have to stay competitive in the marketplace if our participants A) are going to be able to rent an apartment any place, and B) have some choice in the matter. I think the biggest improvement has been the loosening of some of the rules and allowing housing authorities more flexibility to do the things that I mentioned earlier, like pay security deposits, hire landlord liaisons. You know, have somebody on staff that has MLS credentials, for example, becoming far more sophisticated as it comes to the rental market so that we can stay competitive. That's the main choice. And also, trying to simplify the program as much as possible is important. You know, if you go out, and I've met with landlord associations all over the country, but also I ran a large voucher program in Chicago and did the same. You know, the number one complaint you'll probably hear is the program's too complicated. Well, my job is to decomplicate it, and I did that, I think, fairly well in Cook County. And we're doing that nationally too, and a lot of PHAs across the nation are doing that. One way we're going to take it a step further is, you know, like I mentioned, you have 2000 separate jurisdictions that administer this program. Now, everybody, most everybody, is a proponent of local control, right? We hear a lot of that, but sometimes you need some federal prerogatives. I visited hundreds, or at least 100 PHAs in the last year and a half. And you know, sometimes the variance in the way that the program is administered, and to be honest, the capacity of some PHAs versus others, I'm trying to close that gap so that we have some more uniformity, so that landlords and owners can deal with the same processes, basically regardless of jurisdiction. So we're coming up at the end of this year with, actually, we're going to release some model forms that landlords and owners can use so that it decomplicates the process some. Because I think what you have is, admittedly, we have too many rules. That's another thing I'm working on more on that in the second term, but the program has too many rules. And my role, as I see it, is enforce the rules that you know you have to enforce, because, for example, a lot of people will complain about the inspection process. Now, I'm one that believes in having an inspection. I was a building commissioner in Chicago, and I saw firsthand the difference between a unit that was inspected as part of a government program and a unit that wasn't inspected. So the difference in many cases was stark because, you know, I hate to say it, but in a lot of those cases where there was no local or no government oversight, you would have people living in some very terrible conditions, and by the way, paying 60 or 70% of their income for rent. But we want to make the process easier to navigate. So technology is playing a big role in this, making it so the inspections can be agreed to online, even video inspections. We saw a lot of that during the pandemic. That continues. Use of portals, tenant portals and landlord portals, I think, is going to be a critical advancement as we go forward and getting to the day where everything can be done electronically. Today it still requires, you know, some hard forms, because it's expensive to digitize, but we're doing our best in that regard, and I know housing authorities are too. So I think that's the good news, is the program's only going to become more effective as we do these things.

Todd:

[And when it comes down to it, where does HCV fit in helping to improve access to quality housing?](#)

Richard:

Well, HCV is, I think the key program. I mean, you look at the number of people now in this country that have what are called worst case housing needs, and that means they're paying either more than 50% of their income for rent or living in substandard housing. I think that number is now 22

million. That's not right. Okay, in a country of this wealth, to have that many Americans struggling with deciding one month should I pay the rent or buy food? That's wrong. And this program deals with that directly by making it so that the participant pays 30% of their income for rent. This is by far the best homeless prevention program and housing stability program ever created. In all honesty, it needs to grow. But I would say this: that an important corollary to that is it's not just on the demand side. We need to increase supply of housing in this country. I'm a strong believer that that has driven up housing costs here, the supply issue. We've had really a federal disinvestment in housing, I would say, over the past 40 or so years, and that needs to change. This administration has a proposal to do that on, I think you know, symbolically, it's important to note that the first president in 50 years to mention, even mention housing in his State of the Union address was President Biden. We see the issue of housing now either number one or two on public opinion polls. So the fact is that this issue now has resonated, that this crunch, has resonated up through the economic ladder. So we now have middle class folks, middle income folks that are having the same issues that very low-income people have had for a very long time. And that's why we're going to see, I think, some serious investment in housing.

Todd:

And what does a landlord or property manager listening to today's episode need to do to begin participating in the Housing Choice Voucher program?

Richard:

The best thing you can do is go to the website of the local housing authority, because there there's a wealth of information. Usually, you'll find the contact person. You'll find a way to list the apartment. You'll get a sense of what the rents are. You'll get a sense of how long the process takes. If that doesn't work, I also encourage people to contact their local HUD field office. We have field offices throughout the country that are very involved in not only recruiting landlords to the program, but working with landlords. So the public housing authority would be the first place to go, and then to the HUD regional office if more assistance is needed.

Todd:

Thanks for joining us. Mr. Monocchio.

Richard:

Thank you.

Todd:

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