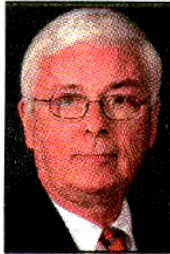


## Section 8 housing in a volatile market

By Kevin Cregan

Broward County Housing Authority

For years, housing authorities like ours in Broward County have struggled to counter the negative assumptions made about the Section 8 program. It was almost comical, in a frustrating sort of way, when we would talk to owners and managers of multi-family properties about a large, available pool of potential renters and they would complain about the U.S. Department of



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Housing and Urban Development (HUD) requirements and inspections.

Our conversation would focus on the benefits of prompt, consistent payments - and they would fret that tenants using vouchers would not maintain their units. We would remind them that tenants could be evicted from the properties if apartments were damaged or rent not paid - and landlords would rail against the need for judicial action.

Looking back, we could have just saved our breath and waited for the economic downturn.

With market forces conspiring against those with units to rent and the

real estate market remaining soft throughout 2009, those same landlords that have traditionally looked down on those with tenant-based vouchers in hand are speaking a very different language to the housing authorities that implement the Section 8 program. Now, we routinely receive calls and e-mail asking us to refer clients to see empty units, and one property owner went so far as to - try to - pass out brochures in front of our office building. While the perception of our program, and the 6,000 clients it serves, probably hasn't

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changed all that much, the actions of landlords clearly have.

With the vacancy rate hovering around 8% (for comparison, at the Broward County Housing Authority, we consider it problematic when availability gets as low as 3%), the news should be all good, but it isn't. While Fair Market Rent (FMR) might logically be expected to decrease given the times, it hasn't thanks to HUD using data from 2007 to establish baselines. Access to technology has provided immediate access to updated information, and sites like [www.gosection8.com](http://www.gosection8.com) have revolutionized how we research comps, but the federal government remains married to its outdated ways, and it's the locals that suffer. That's especially true in Florida where the real estate market has been more unstable than most.

The Broward County Housing Authority ([www.bchaf.org](http://www.bchaf.org)) has asked HUD for waivers on using its FMRs. Given our 40-year track record of success, in-house expertise and significant resources, the thinking internally was that we would be the ideal candidate to waive certain statutes and regulations in order to increase organizational efficiency and opportunities for low-income families, but apparently those in Washington, D.C., disagree.

In the meantime, our housing authority may have to spend an additional \$600,000 per year in the greater Fort Lauderdale area to compensate for HUD's two-year-old numbers. That's because one quarter of our Section 8s

choose to pay more than the standard 30% of their income for housing or want a more expensive unit than we are able to approve. They end up paying more than the market should require - and we do, too.

There was some hope, no pun intended, that the change to the Obama administration might provide a significant number of local housing authorities additional decision-making opportunities but, to this point, that has not happened, except in connection to Hope VI public housing revitalization.

The decision, in my opinion, is short-sighted and hurts housing authorities trying to do the right thing for the lowest-income residents in the community. With technology at our fingertips and a hyper-local understanding on FMR, there is no question we should be entrusted to make better decisions in this area than the federal government.

You wouldn't feel comfortable if your doctor was dependent on two-year-old research when prescribing a treatment protocol for a disease, and we shouldn't continue to spend dollars needlessly because of HUD's bureaucracy. Not in these times and in this real estate market.

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