

IMPORTANT INFORMATION CONCERNING “ENHANCED VOUCHERS”

Many tenants in public housing may be misled or confused into thinking that no problems exist with a Disposition or Relocation Plan because tenants will be offered an “enhanced voucher.” We believe that the information being provided by the Housing Authority does not tell the whole story. We want to let tenants know what legal services attorneys believe to be the real impact of an enhanced voucher.

As you probably already know, if your building is sold by the Housing Authority, the current public housing protections that limit the rents charged will be eliminated. Unless some other agreement or law provides protections, the new owners will be free to set the rents at whatever level they choose.

You may have been told that you will be protected from these rent increases by vouchers that will be issued to you that will protect you regarding of what the actual rent increases will be. In fact, there are a number of conditions on these vouchers that you may not be aware of. This means that some or all of the tenants will not be eligible for vouchers to remain at the building and that for certain families the vouchers will change the terms of your current tenancy in ways that you may not appreciate. These vouchers are not necessarily an adequate protection for existing tenants. Here’s why:

- **NO ONE’S RENT WILL BE LOWERED & YOUR RENT IS LIKELY TO INCREASE.**

We understand that some tenants are under the impression that if they are paying 30% of their income for rent now, their rent portion will remain at 30%. That is not necessarily true. Under the voucher program, the program rules say clearly that **tenants in the first year** are required to pay at least 30% of their income and can be required to pay up to **40% of income** if the landlord’s rent is set at the upper end of the program standard. After the first year, tenants can be required to **pay more than 40% of their income.**

- **IF YOUR NEW LANDLORD SETS RENTS TOO HIGH, NO ONE WILL BE ELIGIBLE FOR A VOUCHER TO REMAIN AT THE BUILDING.**

Vouchers will be provided to allow current tenants to remain in their apartments only if the Housing Authority determines that the rents set by your new landlord are “reasonable.” Reasonable means that the rents are consistent with the rents for other apartments in the area. That means that if the new owner decides to set rents at a level higher than the typical rents in your area the Housing Authority will not be able to provide any tenant a voucher to remain in their unit. You will need to move.

Instead, tenants would be provided vouchers that could only be used to move to a different place, and tenants would then have to find a different apartment in a different building with lower rents in order to use the voucher. The Housing Authority has not agreed to force the

new landlord to set rents at a “reasonable” level to allow you to use a voucher in your apartment. If the sale to a new owner is allowed, the Housing Authority may choose to not limit the rents charged in any way. Should that happen, the only thing the Housing Authority can do is deny you a voucher to remain in your apartment and give you one to look for an apartment elsewhere.

It is important to understand that this rent reasonableness standard will be applied every time the rent increases. Therefore, even if the Housing Authority finds the initial increase in rent to be reasonable, they will have to decide whether any future rent increases are reasonable. If at any point in the future they find the rents set by the landlord unreasonable they will refuse to allow vouchers to be used at the building and will force tenants to look elsewhere.

Currently, the housing shortage in eastern Massachusetts is so severe that large numbers of people with these kinds of vouchers cannot find any suitable apartments. Tenants are provided 120 days to find an apartment with limited extensions possible. Many tenants currently searching for housing with similar vouchers can’t find one. If a tenant cannot successfully find an apartment within the time limits set by the Housing Authority, they will lose their access to a voucher and will end up with no subsidy to help them pay rent in the future. This is currently happening to many families trying to use vouchers in the Merrimack Valley and the North Shore. And it is especially true when trying to find an apartment with four or more bedrooms which are in short supply.

- **THERE ARE OTHER REASONS WHY, EVEN IF YOU HAVE BEEN A GOOD TENANT, THE LHA CAN DENY YOU A VOUCHER.**

Even if your landlord does not set the new rents so high that the Housing Authority finds them unreasonable, the Housing Authority must make a separate eligibility determination to see if you are eligible for a voucher. Even if you have been a tenant in good standing at your building for many years, if you have other problems on your record, i.e., you owe money to another housing authority, you have any history of disturbances as a tenant, you have been evicted in the past from a different place or have any criminal history, even a minor one from many years ago, you may be disqualified from receipt of a voucher. The Housing Authority will have substantial discretion about making these eligibility determinations.

- **EVEN IF TENANTS GET VOUCHERS, SOME TENANTS MAY BE REQUIRED TO MOVE TO SMALLER APARTMENTS.**

Even if you are a tenant in good standing with a perfect record, the voucher may not permit you to stay in your current apartment. The rules for these vouchers include strict rules about the size of the apartment you can live in with a voucher. If you are currently “overhoused,” meaning you are in a larger apartment than the voucher rules allow, you will be forced to move to a smaller apartment when you receive the voucher. Generally a single individual or couple without children can only use a voucher for a one bedroom apartment. If you fit this description and have a larger apartment now, you may lose your right to remain in the larger apartment if the sale is allowed and you are forced to rely on a voucher to subsidize your tenancy.

- **SOME TENANTS MAY BE FORCED TO LEAVE THE BUILDING BECAUSE THEIR FAMILY IS CONSIDERED TOO BIG UNDER THE VOUCHER RULES.**

Just like the strict rules about being “overhoused” there are rules about being “underhoused” or overcrowded. If your family is considered too large under the voucher rules you will be forced to move out of your building or forfeit your right to a voucher.

- **THERE ARE NO GUARANTEES THAT YOUR VOUCHER WILL PAY YOUR RENT IN FUTURE YEARS.**

Vouchers are not necessarily guaranteed from year-to-year. Vouchers are only as valuable as the money Congress allocates on a year-to-year basis to fund them. With the recent election and the President’s proposed cuts to the HUD budget, there are even less guarantees now than in the past about what will happen to these vouchers in future years. They may continue to be provided, or they may not. There are no guarantees in the voucher system..

- **VOUCHERS WON’T HELP YOUR FAMILY, FRIENDS AND NEIGHBORS WHO WOULD LIKE TO MOVE INTO YOUR BUILDING IN THE FUTURE.**

Vouchers are only available to current tenants. If you have friends, relatives or acquaintances on the waiting list for an apartment at your development they will not be eligible for any help after the sale. Once the buildings are sold and rents are raised, any new tenant will have to pay the full rent to live in the building. Many local elderly, family and disabled households with limited or fixed income are on the waiting list for public housing. These people will no longer be able to afford to live in the building. Their chance to enjoy the benefits you have been able to enjoy will be gone forever.

- **IF YOUR INCOME GOES DOWN YOU MAY NOT BE ABLE TO GET YOUR RENT DECREASED.**

Under the current arrangement, if your income decreases by any amount in the future most tenants are entitled to have your rent recalculated and lowered. The enhanced voucher rules provide for a downward adjustment of rent only in the case of a “significant” drop in income which HUD has set at 15 percent. If your loss of income is under 15%, you may get no decrease in rent.

For all these reasons, we believe that the sale of your building is likely to cause significant problems for many current tenants at the scattered-site properties. In many cases, there are steps that tenants can take to prevent or mitigate the effects of a sale. You have the right to organize, communicate your concerns to the LHA and HUD, and pursue legal strategies. Another strategy may involve getting a non-profit organization to buy the buildings, obtain subsidies, and keep the units affordable. If you would like to discuss any of the information in this letter or your legal rights, we encourage you to call us.

FOR FURTHER INFORMATION CALL:

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