



October 15 2022

TO: Commission to Increase Housing Opportunities in Maine

FROM: MaineHousing, Communications and Planning Dept.

**RE: Distribution of Housing Choice Vouchers in Maine**

The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Since housing assistance is provided on behalf of the family or individual, participants are able to find their own housing, including single-family homes, townhouses and apartments. The participant is free to choose any housing that meets the requirements of the program and is not limited to units located in subsidized housing projects.

**Distribution of Vouchers**

A total of 14,389 Housing Choice Vouchers are assigned by HUD to Maine. Housing choice vouchers are administered locally by public housing agencies (PHAs) in individual communities. In towns where there is no public housing agency, MaineHousing serves as that community’s PHA, and its jurisdiction represents around 1/3 of the state’s total vouchers. Each PHA independently receives federal funds from the U.S. Department of Housing and Urban Development (HUD) to administer their voucher programs. Source:

[https://www.hud.gov/program\\_offices/public\\_indian\\_housing/programs/hcv/dashboard](https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard).

Vouchers are distributed among PHA’s as follows:

<b>Auburn Housing Authority</b>	<b>590</b>
<b>Augusta Housing Authority</b>	<b>471</b>
<b>Bath Housing Authority</b>	<b>260</b>
<b>Biddeford Housing Authority</b>	<b>200</b>
<b>Brewer Housing Authority</b>	<b>133</b>
<b>Brunswick Housing Authority</b>	<b>664</b>
<b>Caribou Housing Authority</b>	<b>233</b>
<b>Ellsworth Housing Authority</b>	<b>377</b>
<b>Fort Fairfield Housing Authority</b>	<b>139</b>
<b>Housing Authority City of Bangor</b>	<b>449</b>
<b>Lewiston Housing Authority</b>	<b>1,385</b>
<b>Maine State Housing Authority</b>	<b>4,484</b>
<b>Old Town Housing Authority</b>	<b>209</b>
<b>Portland Housing Authority</b>	<b>2,152</b>
<b>Presque Isle Housing Authority</b>	<b>155</b>
<b>Sanford Housing Authority</b>	<b>593</b>
<b>South Portland Housing Authority</b>	<b>389</b>
<b>Housing Authority City of Westbrook</b>	<b>1,011</b>
<b>Van Buren Housing Authority</b>	<b>101</b>
<b>Waterville Housing Authority</b>	<b>394</b>
<b>Grand Total</b>	<b>14,389</b>

## Vouchers Versus Budgeted Resources:

A perennial concern by lawmakers and others is that vouchers are going unused, despite the extensive waiting lists that exist. The primary reason for this is that the state does not receive adequate funding from HUD to pay for every voucher, and in cases where a region's rents are relatively high (such as Maine), fewer vouchers can be covered with available funding, leaving a portion of a state's vouchers unassigned.

This is illustrated by MaineHousing's situation. MaineHousing has a contract with HUD for 4,462 units. MaineHousing is responsible for leasing at least 98% of the contracted units or spending 98% of the funds provided by HUD. Like other PHA's in Maine, we are currently on target to meet that spending level.

For 2022 MaineHousing was allocated \$31,811,724 for its vouchers. Based on an average per unit cost of \$710, we are able to support 3,733 vouchers per month. We currently have leased 3,639 vouchers and have issued 312 searching vouchers for families trying to locate housing.

It is often extremely difficult for voucher holders to locate available units, primarily due to the general shortage of apartments in the state, but also due to the inability of payment standards to keep up with rental costs. Payment Standards can be set between 90% and 110% of Fair Market Rents as established by HUD. Landlord reluctance is also a factor.

## How the Program Works:

A family that is issued a housing voucher is responsible for finding a suitable housing unit of their choice where the owner agrees to rent under the program. This unit may include the family's present residence. Rental units must meet minimum standards of health and safety, as determined by the PHA.

A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program. Under certain circumstances, if authorized by the PHA, a family may use its voucher to purchase a modest home.

When the voucher holder finds a unit that it wishes to occupy and reaches an agreement with the landlord over the lease terms, the PHA must inspect the dwelling and determine that the rent requested is reasonable.

The PHA determines a payment standard that is the amount generally needed to rent a moderately-priced dwelling unit in the local housing market and that is used to calculate the amount of housing assistance a family will receive. However the payment standard does not limit and does not affect the amount of rent a landlord may charge or the family may pay. A family that receives a housing voucher can select a unit with a rent that is below or above the payment standard. The housing voucher family must pay 30% of its monthly adjusted gross income for rent and utilities, and if the unit rent is greater than the payment standard the family is required to pay the additional amount. By

law, whenever a family moves to a new unit where the rent exceeds the payment standard, the family may not pay more than 40 percent of its adjusted monthly income for rent.

### **Specialized Voucher Programs**

Within the Housing Choice Voucher program there are a number of specialized forms of vouchers that are set aside for specific types of households. These include disabled and elderly populations, people experiencing homelessness, families with young children and others.

In addition, many housing choice vouchers are permanently associated with particular units in affordable housing projects. These “project-based vouchers” are awarded as part of the initial financing for a project by public housing authorities to provide ongoing subsidy for these units, allowing those units to be rented by people at an even lower level of income than would otherwise be possible.

