



## Frequently Asked Questions about Section 18 and Low Income Housing Tax Credits

Subsidy and program changes at these apartment communities:

Dekum Court Apartments

### **What are Section 18 and Low Income Housing Tax Credits (LIHTC) and what is Home Forward's plan for my building?**

During the summer of 2015 Home Forward held a meeting at your building to explain that we were applying for approval from the federal government to change the way your apartment is funded. This was an application under the Section 18 program. Four years have passed and we have just recently received approval under the Section 18 program. It has been a long time since we last spoke to you about this program and we are reaching out to you provide an update and to talk about next steps. We are also applying for Low Income Housing Tax Credits (LIHTCs) for your property and would like to discuss this as well.

### **Why are these changes happening?**

Over the past decade funding for Public Housing has continually declined. The Section 18 program allows Home Forward to receive Project-Based Section 8 vouchers. This funding source is more stable and will allow us to better operate and maintain your building. In addition, the Low Income Housing Tax Credit (LIHTC) program allows us to pay for improvements to the major systems at your property. These funding changes will help us maintain your building so that it will last longer and be a continued resource to provide homes to those who need it most in the community.

### **How will these changes impact me?**

Because the program is changing from Public Housing subsidy to Project-Based Section 8 subsidy, you will need to sign a new packet of paperwork that includes both Project-Based Section 8 and LIHTC paperwork. Staff will go over this paperwork and program rules at a meeting called a briefing. This includes signing a new lease under the new program.

Because the Public Housing subsidy is ending, part of the conversion process requires sending you a letter informing you that your Public Housing lease is ending. This can seem scary, but remember that you will be signing a new lease under the Project-Based Section 8 program. Your Public Housing lease will end the day before your new lease starts. If for some reason there is a delay in starting the Project-Based Section 8 program, your Public Housing lease will be extended.

This conversion process will also include having an inspection of your apartment. You do not need to be present during this inspection. The inspection is part of the conversion process, and is required even if you have already had your yearly inspection.

In addition, you will be given the opportunity to receive a Tenant-Based Voucher if that is your choice. There is more information about this option listed below.

### **When will this happen?**

Most of the conversion activity will occur in the next 6 months. We will begin contacting you with appointments in the next 3-4 months. Here is a list of the various meetings/appointments:

- You will get an appointment to attend a briefing meeting.
- You will also receive an appointment to inspect your home.
- You will also receive invitations to attend other meetings regarding the construction that will happen at the property and how the construction will impact you.

### **What is Project-Based Section 8 and how is it different from a Tenant-Based Voucher?**

Project-Based Section 8 is a subsidy that is attached to the apartment you live in. It is not transferrable which means you cannot take it with you if you choose to move in the future. This is in contrast to a Tenant-Based Voucher which follows the person who is receiving the voucher. Every apartment in your building will have a Project-Based Section 8 voucher attached to it.

## **Can I request a Tenant Based Voucher?**

The Section 18 process allows existing residents the opportunity to request a Tenant-Based Voucher. This is a one-time option that is only available to residents who live at the property prior to the subsidy being changed and it is only offered for a short time frame during the time of conversion. Residents who move in after the property is converted will not have this option.

Residents who live in the building prior to conversion will be asked to fill out a Housing Declaration Form where they will state either:

1. I want to stay in my apartment, and do not want a Tenant-Based Voucher, or;
2. I want to request a Tenant-Based Voucher.

Once you receive this form, you will have 30 days to make a decision about whether you'd like to request a Tenant-Based Voucher. With the Tenant-Based Voucher you will have the ability to rent in the private market from landlords throughout Multnomah County. If you choose this option and cannot find a place before the voucher expires, you can still remain in your apartment. However, once the voucher expires, you will no longer have the option of requesting a voucher through the Section 18 process.

## **How does a Tenant-Based Voucher work?**

The voucher allows you to search the private market for a home with Home Forward paying a portion of your rent directly to your landlord. After you find a home and pass the landlord's screening process Home Forward will inspect the unit to make sure it meets basic health and safety requirements and to make sure the landlord is charging a reasonable amount of rent. Once the inspection and rent amounts are approved by Home Forward you sign a lease with the landlord and Home Forward signs a contract with the landlord. You maintain your own relationship with the landlord for paying your portion of the rent, requesting maintenance, etc.

## **Are there any drawbacks to taking a Tenant-Based Voucher?**

It depends on your situation, and you get to decide if it's a good fit for you. Some people like the flexibility to move where and when they want to, but some people prefer the stability of living in Home Forward's buildings. Some people have a low credit score or something on their criminal history that can make it hard to pass the screening process. The other drawback is that security deposits and move in costs are expensive and Home Forward does not help pay these fees.

## **What if I request a voucher but I can't find a place to rent before it expires?**

You are welcome to continue living in your current home, however once the voucher expires there are no future opportunities to request a voucher through the Section 18 conversion process.

## **Could I use a Tenant-Based Voucher to move to a different county or state?**

Yes. You must be in good standing with Home Forward to request to port out your voucher to a different place.

## **More Information and things to keep in mind:**

- ✓ Continue to follow the rules of your current public housing lease.
- ✓ Keep an eye on your mail for more information from us.
- ✓ If you have questions about the changes, contact your property management office.
- ✓ For more information on the Process of Section 18, go to: [www.hud.gov/](http://www.hud.gov/)
- ✓ For general updates visit our website: [www.HomeForward.org](http://www.HomeForward.org)