City of Norfolk Economic Impacts of the NRHA Housing Choice Voucher Program

Interim Study #2

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by the

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Key Points

- 5,735 Norfolk residents, 2.4% of the city population, lived in quality housing in FY2010 they could not have afforded without the Housing Choice Voucher (HCV) Program.
- NRHA used U.S. Department of Housing and Urban Development (HUD) funds to provide $18.1 million in housing assistance payments to 2,346 households renting private housing in 79 Norfolk Census tracts. NRHA also used $2.1 million in HUD funds to administer the program, for a total of $20.2 million in HUD-funded HCV Program expenditures in Norfolk in FY2010.
- The $18.1 million in NRHA housing assistance payments provided the 2,346 households with cash savings of $1.7 million and an in-kind benefit valued at $16.4 million from living in higher quality, larger housing of their choice.
- The differences in direct spending in Norfolk — with the HCV program versus without it — were an estimated increase by the 2,346 households of $1.7 million for consumer goods, $2.5 million in additional utility spending, and $13.9 million in additional rent payments, plus the NRHA administrative expenses of $2.1 million, for a total of $20.2 million.
- The ripple effects of the $20.2 million additional City spending, through business-to-business transactions and employees spending their earnings, added an additional $8.3 million in Norfolk spending, bringing the total to $28.5 million directly and indirectly generated by the HCV program.
- The $28.5 million in new local spending supported production of $19.8 million in goods and services within Norfolk city limits, produced by 180 employees.

Overview

The Housing Choice Voucher (HCV) Section 8 Program is a U.S. Department of Housing and Urban Development (HUD) rental assistance program administered by Norfolk Redevelopment and Housing Authority (NRHA) that assists very low income families with their rent in the private market. The program was authorized under Section 8 of the Housing Community Development Act of 1974 in response to "skyrocketing crime rates in public housing – up to 10 times the national average…The government's response was to hand out vouchers to residents of the projects…dispersing them to safer and more upscale locales." (WSJ Aug. 18, 2011, p.A15). The national HCV budget increased from $7 billion in 1994 to $19 billion this year and covers the rent for more than two million households. Recent budget talks have indicated that severe cuts may come in the Section 8 program and many families may be taken off the recipient rolls.

The voucher program increases affordable, quality housing choices for very low-income households by allowing families to choose privately owned rental housing. This study describes the Fiscal Year 2010 impacts of the HCV program in the City of Norfolk. The household statistics are derived from databases provided by Norfolk Redevelopment and Housing Authority showing the head of household information, household income and addresses, voucher payments and allowances, and household member data for the fiscal year 2010, beginning July 1, 2009 and ending June 30, 2010.

In FY2010, 2,346 Norfolk households received HCV assistance. There were 5,735 Norfolk residents in these households, equal to 2.4% of the City of Norfolk's 242,803 population in the 2010 Census. The average and median age of the 2,346 heads of households was 46 as of January 1, 2010, and 232, 10%, were over 65. For the other 3,389 household members, 73% or 2,485 were under 18 years old.

The HCV program contributes to more mixed-income neighborhoods by enabling low-income families to choose housing throughout the city. The HCV households rent in 79 Norfolk census tracts, 94% of the total, with an average of 30 households per tract. They also rent mainly in single-family homes, 657 or 28%, and duplexes, 783 or 33%. The average number of years that heads of household have been in the HCV program was 8 as of June 30, 2010, and the median was 7. There is turnover in the households, with 35%, or 831, having been admitted within the last three years.

These are very low income households counting income from all sources, including wages and salaries, own business income, pensions, Social Security, Supplemental Security Income (SSI) for disabilities, child support, Temporary Assistance for Needy Families (TANF), General Assistance, and Unemployment Benefits. The average household income is $16,419, and based on income by family size, 95% have incomes below 50% of the Norfolk median household income. While the majority is families, 871 of the households are only one person. The other 1,475 households contain 4,864 people, an average of 3.3 per household, ranging from 2 per household up to 13 households with 8 or more.

The major <u>benefit to the households</u> is the program enables them to choose higher quality housing – all rentals must continually meet HUD quality standards. "It is a major step up from public housing and you get to choose," said one participant. The housing assistance has higher voucher payment standards for larger household sizes needing more bedrooms, so the housing units generally have more space than could be afforded otherwise. In addition, most program participants are assigned a utility allowance based on standards for dwelling size and efficient use of selected appliances and tenant provided utilities, enabling them to have and use better appliances and to assist them in paying monthly utility bills. In sum, the families are able to live in considerably better housing than they could afford without the HCV assistance.

Landlords interviewed had very positive views of the HCV program. "At this [economic] time, we prefer Section 8 renters." The benefits to the landlord participating in the program are threefold. First, the program offers more demand for quality housing, which translates into higher rents. One landlord estimated that it could improve rents by 15-25% in this difficult economic environment. Second, the program can cut costs through screening renters (e.g., job, criminal record), offering free advertising, reducing evictions, and collecting unpaid damage/rents since there is an ability to sanction tenants by permanent ineligibility in this program. Third, the payments are consistently and directly paid to the owner. This seems to be the number one reason for the popularity of the program, "I've had good experience – it increases the odds of being successful – guaranteed income." The most telling signs from the landlords' perspective are that they compliment the program, the management, and are looking to grow the number of HCV recipients in their units. While there are concerns and opportunities that will discussed in the concluding section of this study, the program has very successfully helped NRHA achieve success in several of its objectives, e.g., Quality Housing Opportunities for All, Sustainable Mixed-Income Communities, and Community Engagement and Support.

HCV and Household Payments

According to the Council of Large Public Housing Authorities, **nationwide** more than 2,357,977 children are assisted by the Section 8 program. Around 303,499 seniors are also served by the Section 8 Housing Program, representing 16% of all Section 8 households, with the seniors having an annual median income of $9,594. The Section 8 Housing Program also offers assistance to around 458,124 households that include a disabled member in the family. The average income for a family in the Section 8 Housing Program is around $11,049.

The HCV assistance program in Norfolk consists of two types of payments. One is a Housing Assistance Payment to the property owner by NRHA, which averaged $626 per month in FY2010. The second part is the Utility Reimbursement paid to 444, or 19%, of the households. The total amount of these reimbursements averaged $18 per month for the 2,346 households as a group. The two assistance payments combined were $644 per month.

HUD uses the measure "Gross Rent" to represent the total cost to a family of renting housing. Gross Rent consists of the rent to the owner plus a calculated "Utility Allowance", calculated for each family based on a schedule of average utility consumption by unit size for each of several tenant paid utilities. If all of these specified utilities are included in the rent, the rent to the owner and the Gross Rent will be the same. For analytical purposes, we use this Gross Rent measure as both the total cost for the rental unit and as the market value of living in the housing. The Gross Rent for the 2,346 households averaged $1,019 per month in FY2010, consisting of a contract rent of $824 and an average Utility Allowance of $195. The HCV housing assistance was $644, of which $626 was an NRHA payment to the landlord and an average of $18 in utility reimbursement to the household. The households paid the difference, $1,019 minus $644, of $375. Of the $375, the average household paid $199 directly to the landlord and an estimated $176 in basic utility expenses ($195 minus $18, rounded) not covered by the reimbursement.

The household income is their total expected income for the year, from all sources and all members of the household. The impact estimates also will be annual amounts for the fiscal year. Therefore in the rest of this report the rent, utility amounts, and Housing Assistance Payments generally will be annualized, by multiplying the monthly commitments by 12.

The FY2010 Gross Rent averaging $1,019 monthly adds up to $12,225 per year. That is 74% of the $16,419 average household income, an amount these families could not possibly afford without the HCV assistance. The HCV program pays an average per household of $7,506 annually to the landlord and $218 in utility reimbursements, for a total housing assistance payment of $7,724 annually. This HUD-financed subsidy of $7,724 is 63% of the Gross Rent. The households on average pay $2,385 in rent to the landlord and $2,115 in unreimbursed utilities for a total of $4,500, equal to 37% of the Gross Rent. In other words, in FY2010 the average household in the HCV program was able to rent housing that would have cost them 2.7 times as much if they had to pay the Gross Rent themselves. The program made possible a very substantial increase in the housing and quality of life for very low income households comprising 2.4% of the City of Norfolk population. Norfolk benefitted by improving the standard of living for 5,735 residents, and by funding the program from HUD grants.

Furthermore, the $4,500 average cost per household for living in their chosen housing was equal to only 27% of their $16,419 average income, an affordable percentage.

For all 2,346 households, the FY2010 total HCV payments to landlords were $17,609,448 and to households as utility reimbursements, $511,980, for a combined HUD-financed total of $18,121,428. In addition, NRHA spent $2,089,830 in HUD funds for the administration of the HCV program. Therefore the total HUD financing for the HCV program in Norfolk in FY2010 was $20,211,258.

Norfolk Economic Impacts of the NRHA Housing Choice Voucher Program

The direct HCV household impacts described above are a major benefit for Norfolk. However, the program also creates broader economic impacts for the City, both directly and indirectly. The appropriate way to identify these impacts is to estimate what <u>difference</u> the HCV program makes. There are two main economic impacts. One is the impact on household spending. We assume the 2,346 households would have been in Norfolk even if the HCV program did not exist. What would their household spending have been like, and how different is it with the program in place? The second major impact is in the private housing market. What difference does the HCV program make in rents, property values, and landlord spending for rehabilitation, operations and maintenance?

<u>Household Spending Impacts</u>

The U.S. Bureau of Labor Statistics (BLS) continually does Consumer Expenditure Surveys, necessary to construct the Consumer Price Index because prices for goods and services have to be weighted by how much of people's budgets are spent on each item. The BLS later publishes annual data on household spending by income ranges (from all sources, including social security, pensions and public assistance), with 2009 data the latest available. The two income ranges most relevant to our sample are $10,000 to $14,999 and $15,000 to $19,999, because the median HCV household income is $14,640 and the average, as previously stated, is $16,419. The following table shows the expenditure percentages for shelter for these two ranges. It also shows the expenditure percentages for selected utilities, ones related to those included in the Utility Allowance. Note the difference between the two income ranges in the sum of Shelter and Utility percentages is only 0.5%, so using either set of percentages would give nearly the same results. Nationwide, households in these two income ranges on average spend more than their income. We make the more conservative assumption that the Norfolk HCV recipient households will spend only 100% of their income.

Table 1 - U.S. 2009 Expenditures as % of Total Expenditures by Income Ranges	$10,000 to $14,999	$15,000 to $19,999
Shelter	**25.1**	**24.1**
Selected Utilities		
Natural gas	**1.3**	**1.3**
Electricity	**4.4**	**4.7**
Fuel oil and other fuels	**0.4**	**0.4**
Water & other public services	**1.2**	**1.4**
Sum	**32.4**	**31.9**

We choose to use the $16,419 average income for our analysis, and thus the BLS $15,000-to-$19,999 range expenditure percentages. Applying these percents, it is reasonable to assume the average household in our sample of 2,346 would have spent $3,957 for shelter and another $1,281 for the selected utilities, for a total of $5,238, or 31.9% of household income, if they had not received the HCV program assistance.

With the HCV assistance, the average household paid $4,500 instead of $5,238. The difference of $737 has the same impact as a direct money payment, freeing funds available for spending on other goods and services. This increase is equal to 4.5% of the household income. Multiplying $737 by 2,346 households, the total change in spendable income is $1,729,421.

We estimate that the households have increased their household spending for goods and services <u>other than shelter and the selected utilities</u> by at least this $1,729,421 amount. Recall that the average

HCV household is living in housing with a gross rent of $12,225 instead of what they would have had for $5,238, a difference of $6,987. That difference is not spendable money income, but an in-kind gain that increases their sense of well-being and quality of life, undoubtedly influencing their spending decisions. There also is a definite physical gain in the housing. Without the HCV assistance, paying $3,957 annually for shelter is a rent payment of $330 per month. Only 3 of the 2,346 dwellings selected with HCV assistance could be rented for that amount, with one less bedroom than the average and only one resident.

Based on assuming that the 2,346 HCV recipient households spend at least $1,729,421 more on goods and services other than shelter and the selected utilities than they would have without the program, the estimated direct economic impact for the City of Norfolk is $1,075,878 more in Norfolk Value Added, production of goods and services within the city limits, of which $620,623 is additional labor income being received by 15 employees, as reported in the Direct column in Table 2.

These direct effects give rise to additional indirect effects through business to business transactions and induced effects as the direct labor income earned is spent. The direct household expenditures are input into the IMPLAN (IMpact analysis for PLANning) Version 3 Software System to derive the indirect, induced, and total economic impacts by category for the City of Norfolk. The IMPLAN Version 3 Software System is a 440 sector input-output system released in 2010 designed for estimating economic impacts, based on industry or commodity demand. For the City of Norfolk, the total impacts are estimated to be additional spending of $2,556,211, of which $1,590,055 is for local production, City Value Added, with labor income of $902,017 received by 21 employees.

Table 2 - Estimated Norfolk FY2010 Impacts of HCV Household Alternative Spending	Direct	Indirect & Induced	Total	Multiplier
Norfolk Spending	**$1,729,421**	**$826,790**	**$2,556,211**	**1.48**
Norfolk Value Added	**$1,075,878**	**$514,177**	**$1,590,055**	**1.48**
Norfolk Labor Income	**$620,623**	**$281,394**	**$902,017**	**1.45**
Norfolk Employment	**15**	**6**	**21**	**1.39**
Income Per Job	**$41,716**	**$48,330**	**$43,576**	

In the household spending analysis, we estimated that without HCV assistance the average household would have spent $1,281 on utilities included in the HCV Utility Allowance. This Allowance is a reasonable estimate of such costs in the new housing, an average of $2,333 annually per household. The difference of $1,053 (with rounding) per household is new spending for these selected utilities, which for 2,346 households adds up to $2,469,229 in new demand. The City of Norfolk impact of this additional utility spending is reported in Table 3. Utility production is highly capital-intensive, so the direct labor income and employment impacts are relatively small.

Table 3 - Estimated Norfolk FY2010 Impacts of the Change in Selected Utility Spending	Direct	Indirect & Induced	Total	Multiplier
Norfolk Spending	$2,469,229	$755,241	$3,224,469	1.31
Norfolk Value Added	$1,242,525	$478,879	$1,721,404	1.39
Norfolk Labor Income	$492,792	$307,333	$800,124	1.62
Norfolk Employment	5	6	11	2.22
Income Per Job	$96,540	$49,398	$70,644	

Rental Property Market Impacts

Without the HCV assistance program, we assume the households would have allocated 24.1% of their annual expenditures to rent paid to landlords, the percent shown as shelter for households in the $15,000 to $19,999 range in the Expenditures table. With an average income of $16,419, the rent paid would be $3,957 annually. With the HCV program, the annual contract rent in FY2010 was $9,892, a difference of $5,935. For 2,346 households, that difference means an increase of $13,922,778 in rental receipts in the private housing market compared to the amounts likely to have been paid without the HCV program. This addition to rental receipts provides property owners with additional funds for the operation and maintenance of their rental properties, plus an incentive to rehabilitate properties to meet the NRHA housing quality standards required for properties to be eligible to participate.

This additional guaranteed flow of rental revenue in Norfolk supported a significant addition to property values within the city. The assessed values as of July 1, 2010 for a random sample of the

2,346 properties, weighted by the type of structure, were compared to the contract rents for the units. The assessed values averaged 10.1 times the contract rents. Therefore it is reasonable to assume the $13.9 million in additional rental flows supported at least ten times that amount in added taxable property values, $139 million. At a property tax rate of $1.11 per $100, the real property tax proceeds to the City of Norfolk are $1.5 million, a direct benefit of the HUD-financed HCV program.

Table 4 gives the estimated City of Norfolk impacts of the additional $13.9 million in rents flowing into the private rental market. These direct effects give rise to additional indirect spending changes through business to business transactions and induced demand as the direct labor income earned is spent, totaling nearly $5.4 million in indirect and induced effects, bringing the total change in spending to $19.3 million. Labor income is estimated to be increased by $4.4 million, paid to 113 employees.

Table 4 - Estimated Norfolk FY2010 Impacts of the Change in Private Market Rental Receipts	Direct	Indirect & Induced	Total	Multiplier
Norfolk Spending	$13,922,778	$5,354,841	$19,277,619	1.38
Norfolk Value Added	$10,623,085	$3,644,101	$14,267,187	1.34
Norfolk Labor Income	$2,152,440	$2,271,292	$4,423,733	2.06
Norfolk Employment	65	48	113	1.73
Income Per Job	$33,010	$47,640	$39,189	

NRHA Program Administration Impacts

The HUD grants for the HCV program include funding for NRHA to administer the program. NRHA administration expenses for FY2010 were an estimated $2,089,830, as reported in the *NRHA FY2011 Approved Budget* available on their website. The estimated impacts of these NRHA administrative expenses are reported in Table 5. The program administration direct expenses are predominantly for full-time employees, making labor income a higher percentage of total Norfolk spending than is true for the other kinds of spending impacts.

Table 5 - Estimated Norfolk FY2010 Impacts of NRHA Administration of the HCV Program	Direct	Indirect & Induced	Total	Multiplier
Norfolk Spending	**$2,089,830**	**$1,364,156**	**$3,453,986**	**1.65**
Norfolk Value Added	**$1,441,179**	**$830,163**	**$2,271,342**	**1.58**
Norfolk Labor Income	**$1,272,412**	**$506,452**	**$1,778,864**	**1.40**
Norfolk Employment	**24**	**10**	**35**	**1.43**
Income Per Job	**$52,687**	**$48,236**	**$51,338**	

Combined HCV Program Economic Impacts

Table 6 documents the FY2010 direct spending in Norfolk related to the Housing Choice Voucher program, by NRHA with HUD grant funds and by the tenant households. The total HCV related spending was $32,498,447. However, as shown in the last column, it is reasonable to assume the 2,346 households would have spent $12,287,189 on rent and basic utilities if they were not in an HCV program. Deducting this amount, the difference in direct spending in the City of Norfolk is $20,211,258.

Recall that we assume these low-income households spend their cash savings generated by being in the HCV program, a total of $1,729,421. By doing so, the direct difference in Norfolk spending, $20,211,258, matches the amount of HUD funds that NRHA spent in FY2010 on the program: $17,609,448 in rental assistance payments to landlords, $511,980 in utility reimbursements to households, and $2,089,830 in administering the program, adding up $20,211,258.

The purpose of the HCV program is to provide low-income households access to affordable, quality housing in the private rental market. The total benefits to the 2,346 households can be illustrated using the Table 6 values. As discussed previously, Gross Rent consisting of the rent plus basic utilities can be viewed both as the total cost for the rental unit and as the market value of living in the housing. For FY2010, Gross Rent totaled $28,679,196, the market value of the housing services. For these services, the households paid an estimated $10,557,768, so their net benefit is at least the $18,121,428 funded by HUD. Part of that benefit, $1,729,421, is a cash savings by paying less than what they would have been paying in lower quality housing ($12,287,189 - $10,557,768). The rest of the net benefit, $16,392,007, is an in-kind benefit to the households from living in higher quality, larger housing.

Table 6 - Norfolk FY2010 HCV Related Spending	HUD Funded	Tenant Funded	Total HCV Related	Tenant Spending Without HCV
Rent	$17,609,448	$5,596,128	$23,205,576	$9,282,798
Basic Utilities	$511,980	$4,961,640	$5,473,620	$3,004,391
NRHA Administration	$2,089,830		$2,089,830	
Total Housing Related	$20,211,258	$10,557,768	$30,769,026	$12,287,189
Tenant Savings Spent		$1,729,421	$1,729,421	
Total Spending	$20,211,258	$12,287,189	$32,498,447	
Difference, with HCV versus Without			$20,211,258	

Table 7 shows the combined FY2010 City of Norfolk impacts of the HCV program. We emphasize that these impacts are the <u>difference</u> made by the HUD-funded Housing Choice Voucher program carried out by NRHA: The <u>difference</u> from what the 2,346 very low income households comprised of 5,735 city residents might have spent otherwise; the <u>difference</u> in the volume and quality of private housing available to these households; the <u>difference</u> in utility services purchased; and the <u>difference</u> in NRHA administration of affordable housing programs. These differences had a direct effect on Norfolk spending, output, labor income, and jobs.

The ripple effects of the $20.2 million additional City of Norfolk spending, through business-to-business transactions and employees spending their earnings, added an additional $8.3 million in Norfolk spending, bringing the total to $28.5 million directly and indirectly generated by the HCV program. This $28.5 million in new local spending supported production of $19.8 million in goods and services within Norfolk city limits, produced by 180 employees.

HUD funding was well-used here: the estimated difference in total Norfolk Value Added of $19.8 million – its additional Gross City Product – is nearly identical to the $20.2 million in annualized HUD-financed rental assistance payments to landlords, utility reimbursements to HCV households, and program administration funds allocated to NRHA.

Table 7 - Estimated Combined Norfolk FY2010 Impacts of NRHA HCV Program	Direct	Indirect & Induced	Total	Multiplier
Norfolk Spending	$20,211,258	$8,301,026	$28,512,285	1.41
Norfolk Value Added	$14,382,668	$5,467,320	$19,849,988	1.38
Norfolk Labor Income	$4,538,267	$3,366,471	$7,904,737	1.74
Norfolk Employment	109	70	180	1.64
Income Per Job	$41,507	$47,942	$44,024	

Concerns and Opportunities

An extreme concern is that the voucher program allows "criminal elements that made life miserable for most residents of the projects…simply moved to a new location" (WSJ Aug. 18, 2011, p.A15). Confounding factors have also been introduced by HUD earlier this year, "Section 8 tenants (as well as other renters) who are evicted because of domestic violence incidents may sue for discrimination under the Fair Housing Act because women are…the overwhelming majority of domestic violence victims. In June, HUD encouraged local housing agencies to permit ex convicts (except for the most extreme sex offenders or individuals caught manufacturing methamphetamines 'on the premises of federally assisted housing') to move in with relatives in Section 8 or public housing after exiting prison. **The Virginian-Pilot** condemned the new policy last week, noting that ' it's unwise to allow people with a history of violence into public housing developments designed for the elderly and disabled residents' "(WSJ Aug. 18, 2011, p.A15). These recent opinion pieces are found within mainstream newspapers and additional plans may need to be developed to counteract the negative effect.

A related and more top-of-the-mind concern of property owner interviewees in the Norfolk area is the treatment of their property. While most property owners with experience expressed that problems and the cost of rehabilitation of units were similar across all renters, there are stories and general concerns related to the HCV program. On one hand the statement of one property manager, "As long as I do my job – get credit reports, check references, and conduct background checks – I have the same experience" is a common theme. On the other hand, HCVs are not universally accepted despite their many benefits. Evidence suggests there are more complex trade-offs, mixed feelings, and that the Housing Choice Voucher program is more controversial than often publicly stated…name shielded on-line comments trend predominately negative.

Another piece of data is the analysis of listings for rental property. A review of two large on-line forums for advertising houses and apartments for rent in the Norfolk area suggested very few highlight that they accept Section 8 (HCVs) residents. In fact, across **ForRent.Com** (approximately 250 listings) and **Rentals.com** (approximately 600 listings), three examples were found that contained a reference to Section 8/HCV. In talking to Chris Bell at Real Property Management of Hampton, he said that "Some owners are comfortable and some are not. The difference is likely due to those with little knowledge or who listen to stories of individual problems versus extensive experience". Chris Bell's ad was the only advertisement that highlighted Section 8 in the highest level tagline – the other two were in the detailed description of the property. Interestingly, NRHA-owned apartment advertisements on these forums did not list Section 8. A cursory view of newspaper advertisements offered few examples of using Section 8 to attract renters.

In analyzing the evidence, there are two broad problems. The first are federal level changes: 1) the problem of HUD giving "troublesome tenants a federal trump card to play against landlords who seek to protect the peace and protect other renters" (WSJ Aug. 18, 2011, p.A15) and 2) the federal government requiring a priority list for voucher recipients with the implication of funding cuts (and the related problem of many people on the waiting list). The priority list requires difficult choices as to who shall be removed on what criteria. Possible approaches include: a) last to receive funding would be the first to get cut, b) cutting the ones who been on the program the longest first, c) a lottery system, d) needs based, or e) some other objective, e.g., level of income integration in each neighborhood – a key NRHA goal.

The second are local perceptual problems: 1) moving Section 8 beneficiaries to increasingly more affluent neighborhoods, 2) increasing the number of owners that participate in the HCV program. Both of these perceptual challenges are intertwined. Interviews suggest that experience and education are two ways that could ameliorate misperceptions. A review of current activities and suggestions for additional activities follow.

<u>Review of Select Existing Programs:</u>

A) <u>HCV Training Program for Owner/Landlord</u>: This seems to be an effective and well-respected program. I (Scott Swan) and my father (Kenneth Swan, a long-time landlord in Indiana and past participant in the HCV program) sat in on this activity. It was professionally conducted by Ms. Christine Taylor whose genuine, honest personality made it accessible and interesting. The free seminar also included a detailed guide and lunch. Current participants were engaged and asked many questions. Afterwards Kenneth Swan volunteered, "I dropped out of the program many years ago because of problems but I now realize that much of that was my own fault. That was a good program and convinced me that I should give the voucher program a second shot." Other participants' comments in our section suggested they were excited about the opportunities of the program. Interviewees who had participated in past HCV training programs expressed similar appreciation for the forum, "a lot of good information…really answered a lot of my questions…helped me to understand how the program works…made me realize the benefits and how to avoid problems."

B) <u>Unit Available Listings</u>: This service also is perceived as positive although there is a difference between individual housing unit listings and standing partner listings. These lists are given out to recipients of HCVs to help them find suitable housing. At the Ballentine office, the individual housing unit listings are separated into five categories by number of bedrooms, e.g., one-, two-, three-, four-, and 5/6/7-bedroom(s). Each of these lists is stacked on a labeled file tray while the standard partner listing (many unit apartments duplexes, and townhouses) is on the shelf, unlabeled, beside them. [Chris Bell suggested that managers are unlikely to break down each unit and submit them individually to be included in the individual bedroom listing format.] A visual review suggests that if HCV recipients are <u>directed</u> to the lists they are likely to select from the labeled trays that highlight how many bedrooms are desired while leaving the other pile of unlabeled standard partner listings untouched. Labeling the standard partner listing on the shelf as "Apartments, Duplexes, and Townhouses with 1-4 bedrooms" would be helpful. Limited research on the present use of counselors to educate HCV recipients on the availability of housing opportunities is effective.

C) <u>TV/newspaper interview:</u> Ms. Brown was featured in a talk show two years ago and subsequent newspaper article. It is reported to have added significantly to the rolls of housing lists. The benefits of increasing the number of properties on the rolls of available HCV opportunities are two-fold: 1) more choice opportunities allow the recipients to better improve satisfaction in their own housing choice. Housing choice is more than the number of bedrooms and bathrooms; it includes factors such as proximity to family, friends, schools, entertainment, stores, and public transportation. The layout and design, the safety of the neighborhood, and prestige, are all influencers of this choice whose fit with personal goals can be improved by a larger pool of options. Relatedly, 2) is the non-choice of inferior options. The fewer housing options HCV recipients have, the less likely that inferior options can be avoided. Since the goal of the program is to improve housing, one of the best ways of accomplishing this is to dramatically increase the number of participating houses, apartments, duplexes, and townhouses while simultaneously allowing

HCV recipients the opportunity to avoid the worse units (as judged by those units that have lower perceptual fit with the HCV recipients' optimal unit features).

Opportunities for New Programs:

A) HCV Training Program for Realtors. This seems to be a natural extension of a successful current program and would target another group of influential people who could help combat negative word-of-mouth about the HCV program.

B) NRHA Improved Listings and Signage. This would be easily accomplished. Labeling in the Ballentine office could be improved with little cost. Inclusion of HCV/Section 8 on the listings of HRHA-owned properties advertised on-line and in the newspaper. Signage on properties that are approved for Section 8 such as "HCV approved" – direct and positive.

C) "NRHA Certified". NRHA could proceed outside the approval of homes for HCV and offer certification for homes, apartments, etc. that meet quality standards. This could help create a broader positive brand that could be used instead of Section 8 or HCV.

D) A Mathematical Model. One of the problems is the lack of experience with and education about HCVs. Owners and managers with a small number of units or little experience may assign too much weight on a single bad experience. A mathematical/experience-based model that would aggregate the knowledge of Norfolk property owners to identify successful strategies for selecting the most profitable renters could offer significant benefits.

E) Testimonials. Well-known and respected owners/property managers could be used to communicate the benefits of the HCV program.

F) T.V. and Newspaper Stories. Another appearance on local television and/or an ability to write-up 2-4 stories of HCV success could improve the image of the HCV program and attract new owners.

G) Landlord Advisory Group. Feedback from and information disseminated to owners and property managers could bring even closer relations, further cement the benefits of the program, and improve broader perceptions of the HCV program.

Conclusion:

Norfolk's HCV program has been rated highly by HUD, property owners, and participants. 5,735 Norfolk residents, 2.4% of the city population, lived in quality housing in FY2010 they could not have afforded without the Housing Choice Voucher (HCV) Program. The $28.5 million in new local spending supported production of $19.8 million in goods and services within Norfolk city limits, produced by 180 employees. Concerns and opportunities are apparent. Careful planning and tactics are required to negotiate the challenges ahead.