

# Tucson considering rule to expand Section 8 housing options

The city of Tucson is considering a new rule that would prevent property owners from rejecting applicants with rental subsidies, a move the city hopes will increase housing options for its most vulnerable residents.

The city's Housing and Community Development Department, or HCD, is soliciting public input for the ordinance that would prohibit landlords from rejecting prospective tenants based on their source of income, including those using housing choice vouchers, formally known as Section 8.

HCD will continue receiving feedback through a public survey that closes Wednesday, Aug. 24 and Tucson's City Council will consider final approval of the ordinance on Sept. 27. While the ordinance wouldn't necessarily require landlords to accept housing vouchers, they wouldn't be able to deny a tenant on the basis of rental subsidies.

The city already has a [human service ordinance](#) that bars "prejudice and discrimination" based on factors like race, religion, sex and familial status. By adding "source of income" to the ordinance, HCD hopes those depending on rental assistance such as child support, social security, disability insurance or "any other form of governmental assistance, benefit, or subsidy," will expand the limited housing options for voucher holders.

The federal government's [housing choice voucher program](#) is intended to help low-income families, people with disabilities and seniors living on fixed incomes to afford housing in the private market. Recipients are not supposed to spend more than 30 to 40% of their overall income on housing.

"The reality out there today is that if I have a voucher and I have some other income, and I apply, a landlord will just look at it and say, 'No, I don't accept vouchers,' and we believe that this is a form of discrimination," said Ernesto Portillo, the public information officer for HCD. "This is just one more layer of protection for a class of people that currently have no protection, the federal government doesn't give this protection."

Twenty-one states and more than 100 municipalities have some sort of law banning source-of-income discrimination, [according to the Poverty and Race Research Action Council](#). Tucson would be the first Arizona city to adopt such an ordinance.

Under the proposal, the city would work with the Office of Equal Opportunity Programs and the Southwest Fair Housing Council to educate property owners on the source-of-income rules. Tenants who believe they've been rejected due to their source of income would file a complaint, and if discrimination is found, the city would enter into a conciliation agreement with the landlord without penalties. If there are repeat offenses or "blatant disregard" for the ordinance, the city says, property managers could incur civil infractions or penalties.

The waitlist to get a housing voucher in Tucson has been closed since January 2018. According to HCD, the department receives about \$43 million a year to fund the vouchers, but fewer landlords are willing to accept them, and most of the housing designated for voucher holders is at capacity.

Currently, 610 voucher holders in Tucson are looking for housing. The average search time, according to HCD, lasts 68 days. That number increases to 80 days for those coming from homelessness.

“Having a policy that we just don't participate in voucher programs is all too often the reality in Arizona, especially in a hot rental market like we have right now,” said Michael Shore, CEO of HOM, Inc., a supportive housing provider that facilitates vouchers through the state’s Medicaid agency. “There's not a lot of reason for property owners and managers to work with subsidy programs, because for every one unit that is available in the community, you have 20 applicants waiting.”

### Property owners pushback against proposal

The source-of-income ordinance is part of the city’s [Housing Affordable Strategy for Tucson, or HAST](#), plan that mayor and council adopted in December. But many local property owners have pushed back against the proposed rule, largely due to discontent with the long wait times and other bureaucratic delays that come with the federal housing voucher program.

“The property managers and landlords I've spoken to about this all highlight the challenges and inefficiencies of the program as the biggest obstacle,” said Shawn Cote, the government affairs director for the Tucson Association of Realtors. “Unfortunately, renters throughout the housing rental market are experiencing challenges. We're in the middle of an epic housing supply crisis right now. It's not just Section 8 voucher holders.”

[Tucson’s HCD has a troubled history of handling housing vouchers](#) with payment and paperwork delays deterring landlords from accepting the subsidies. However, the city says it’s cleaned up its act under the leadership of HCD Director Liz Morales, who joined the city in 2019 and previously worked as housing director in Mesa for four years after overseeing Section 8 housing in Phoenix for six years.

According to the city, HCD has ensured landlords with tenants using housing vouchers get their first payment within 15 days after their contract is finalized, down from 39 days in 2019. The turnaround time for the inspections required for housing in the voucher program has dropped to an average of four days from 13 days in 2019, the city says.

“Generally speaking, prior to Director Morales' arrival the Section 8 department was in shambles,” Portillo said, adding Morales was hired specifically to fix the program. “(HCD) has shortened the inspection time for landlords, for apartments, it has been more vigilant and has been more attentive to landlords.”

Despite the changes, property owners are still hesitant to accept housing vouchers, according to Portillo.

“Unfortunately, landlords have left the Section 8 program, I would say largely because the housing market is so hot. A landlord can get more money for an apartment or a home in the open market than participating in a Section 8 program,” he said.

Ben Buehler-Garcia, a Southern Arizona advocate at the Arizona Multihousing Association, said the source-of-income ordinance is “the wrong trajectory” to increasing the supply of affordable housing in Tucson. The rising costs of a limited housing supply should be dealt with first, he said.

“Even with the source-of-income ordinance on the books, it's not really going to address the problem, because most people won't be able to qualify just based solely on the lease rates,” said Buehler-Garcia, whose organization represents developers and property managers across the state.

Cote from the Tucson Association of Realtors believes incentives for property owners to take housing vouchers would be more effective than a blanket policy.

“One of the concerns is that we're messaging that this issue is for the landlords to solve,” he said. “And we're encumbering landlords with federal guidelines and telling them how to operate their rentals rather than encouraging and finding incentives for them to expand their operation to include Section 8 vouchers.”

Portillo says he hopes the ordinance will increase housing options for tenants with housing vouchers, but with more than 600 on the waiting list to find housing using the federal subsidy, landlords' cooperation is key.

“Say there are three applications, one has source of income, and the other two don't. The landlord can say I'm going to take the third one for whatever reason,” he said. “We're just hoping that landlords will be more open and willing to take Section 8 vouchers and to work with the city of Tucson to help resolve this critical crisis that we're in.”

Shore from HOM Inc. acknowledges the ordinance wouldn't solve the housing crisis but believes it's a needed change to expand housing options for the most vulnerable.

“This isn't like a silver bullet. But it will give more individuals and families a chance to be considered for tenancy if the landlords are prohibited from just excluding them outright,” he said. “It's needed right now more than ever. Someone should not be discriminated against or prohibited from applying for tenancy in the community based on their source of income. It's just as simple as that.”