

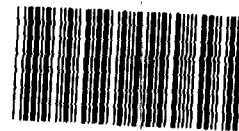
GAO

Report to the Chairman, Subcommittee
on Housing and Consumer Interests,
Select Committee on Aging,
House of Representatives

March 1993

RENTAL HOUSING

Serving the Elderly Through the Section 8 Program



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United States
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Washington, D.C. 20548

Resources, Community, and
Economic Development Division

B-250446

March 29, 1993

The Honorable Marilyn Lloyd
Chairman, Subcommittee on Housing and
Consumer Interests
Select Committee on Aging
House of Representatives

Dear Madam Chairman:

The Department of Housing and Urban Development (HUD) provides rental housing assistance to families through its section 8 voucher and certificate programs. The goal of both vouchers and certificates is to provide subsidies that enable low-income families to live in private rental housing that is decent, safe, and affordable. Both programs, which are administered by local public housing agencies (PHA), subsidize rental expenses by paying a portion of a recipient household's rent.

In response to your October 21, 1991, letter and subsequent discussions with your office, we agreed to provide information on the following issues related to the use of section 8 assistance by recipients in large urban PHAs and in four metropolitan statistical areas (MSA): (1) the demographic characteristics of elderly and nonelderly voucher and certificate recipients, including sex, race, handicapped/disabled status, adjusted income, and education; (2) the quality of the housing units rented by elderly voucher and certificate recipients; and (3) the proportion of income that elderly and nonelderly voucher recipients pay for rent (called "rent burden").¹

In summary, we found the following:

Demographic Characteristics

- The majority of both elderly and nonelderly households that received either a voucher or certificate from a large urban PHA were headed by recipients who were female. The

¹An elderly recipient is at least 62 years of age.

majority of households in both age groups were headed by recipients who were not handicapped or disabled. Elderly households were more likely to be headed by white recipients, while nonelderly households were headed by recipients who were just as likely to be black as white. The majority of both elderly and nonelderly recipients had received less than or equal to a 12th-grade education. Elderly voucher and certificate households had mean adjusted annual incomes of about \$6,000 and \$5,700, respectively, while nonelderly households in both programs had mean adjusted incomes of about \$5,600.

- Similarly, the majority of both elderly and nonelderly voucher and certificate households in four MSAs were headed by recipients who were female. Again, the majority were not handicapped or disabled. Elderly households were more likely to be headed by white recipients, while nonelderly households were more likely to be headed by black recipients. Elderly voucher and certificate households had mean adjusted annual incomes of about \$7,400 and \$6,600, respectively. Nonelderly voucher and certificate households had mean adjusted annual incomes of about \$7,200 and \$7,400, respectively.

Housing Quality

- We surveyed elderly voucher and certificate recipients in three of the four MSAs where we collected demographic information to determine their views on the quality of the housing they rented using section 8 assistance. The majority of these elderly recipients were satisfied with the quality and size of the units they had rented, the neighborhoods they were living in, and the access they had to services such as stores and doctors. The majority of recipients also stated that it would be difficult for them to find better housing that they could afford; they wanted to continue living in their current unit rather than move.

Rent Burden

- In large urban PHAs, the average annual rent burden for voucher recipients was about 29 percent of adjusted income for elderly households and 34 percent for nonelderly households.² These averages do not illustrate the range of rent burdens for voucher recipients. Among elderly

²Under the voucher program, housing assistance payments are based on a household's contributing 30 percent of its adjusted income to rent.

households, about 15 percent had rent burdens of about 30 percent; about 51 percent had rent burdens of less than 29 percent; and about 33 percent had rent burdens greater than 31 percent. Among nonelderly households, about 11 percent had rent burdens of about 30 percent; about 38 percent had rent burdens of less than 29 percent; and 50 percent had rent burdens greater than 31 percent.

- In the four MSAs, the average annual rent burden for voucher recipients was about 30 percent of adjusted income for elderly households and 35 percent for nonelderly households. Among elderly households, between 15 and 18 percent had rent burdens of about 30 percent; between 28 and 30 percent had rent burdens of less than 29 percent; and about 29 percent had rent burdens greater than 31 percent. Among the nonelderly, 13 percent of the households had rent burdens of about 30 percent; about 22 percent had rent burdens of less than 29 percent; and 33 percent had rent burdens greater than 31 percent.³

Section 1 of this fact sheet contains background information on the section 8 voucher and certificate programs. Section 2 provides information on the demographic characteristics of elderly and nonelderly voucher and certificate recipients. Section 3 provides information on the quality of the housing units occupied by elderly voucher and certificate recipients. Section 4 provides information on the rent burdens of elderly and nonelderly voucher households.

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HUD does not currently maintain a national data base on section 8 voucher and certificate recipients. As a result, we used four data sources to address our objectives. Because of limitations on data, we relied on sources that focus on section 8 use in urban areas. The first source was developed from a nationwide study of section 8 voucher and certificate recipients in 17 large urban PHAs conducted for HUD from April 1985 to March 1987. These data can be used to make inferences about section 8 recipients in 106 large urban PHAs nationwide. To provide information on people who received vouchers and certificates in 1991, we used information collected by GAO from 32 out of 34 PHAs in four MSAs: Wilmington, Delaware; Oklahoma City, Oklahoma; Seattle, Washington; and Washington, D.C. These data cannot

³Estimates do not add to 100 percent, primarily because PHAs did not provide rent burden information for all households.

be generalized to other market areas. We did not independently verify the data given to us.

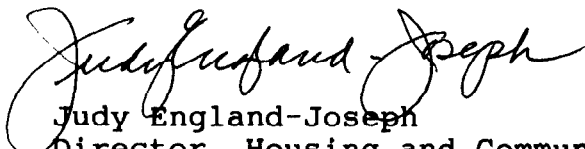
We used two additional sources for information on the quality of housing units occupied by the elderly. First, we surveyed elderly section 8 recipients in three of the four MSAs--Wilmington, Oklahoma City, and Seattle--to determine their views on housing quality. The Washington, D.C., MSA was excluded from this analysis because we were unable to obtain usable addresses in time to include these recipients in the survey. As part of our survey, elderly recipients were encouraged to provide any additional information about the quality of their housing in writing. Finally, we interviewed PHA housing inspectors and other housing officials in 25 PHAs in the four MSAs to obtain their views on the quality of housing rented by elderly section 8 recipients in their jurisdictions. Additional information on our methodology can be found in appendix I.

We discussed a draft of this fact sheet with the Associate Deputy Assistant Secretary of HUD's Office of Research and Evaluation and directors in HUD's Rental Assistance and Assisted Elderly and Handicapped Housing divisions. These officials generally agreed with the information presented. We have included their comments where appropriate.

As arranged with your office, unless you announce its contents earlier, we plan no further distribution of this fact sheet until 14 days after the date of this letter. At that time, we will send copies to the appropriate congressional committees; the Secretary of Housing and Urban Development; the Director, Office of Management and Budget; and other interested parties. We will make copies available to others upon request.

Please contact me on (202) 512-7631 if you or your staff have any questions. Major contributors to this fact sheet are listed in appendix IV.

Sincerely yours,


Judy England-Joseph
Director, Housing and Community
Development Issue Area

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ABBREVIATIONS

FMR	fair market rent
GAO	General Accounting Office
HUD	Department of Housing and Urban Development
MSA	metropolitan statistical area
NAHA	National Affordable Housing Act of 1990
PHA	public housing agency

SECTION 1

THE SECTION 8 VOUCHER AND CERTIFICATE PROGRAMS

The Department of Housing and Urban Development (HUD) provides rental assistance to elderly and nonelderly low-income families through its section 8 housing voucher or certificate programs.¹ Vouchers, which were established in 1983, and certificates, which were established in 1974, provide rental subsidies to enable low-income families to live in privately owned rental housing that is decent, safe, and affordable. A primary distinction between the voucher and certificate programs is the way in which public housing agencies (PHA) compute the amount of rental assistance. This difference, in turn, can affect the family's rent burden.

RENTAL ASSISTANCE

HUD has interpreted "rent" to mean the costs of shelter plus a reasonable amount for utility expenses. The proportion of adjusted monthly income that an assisted household pays for rent is referred to as its rent burden.

A distinction between the voucher and certificate programs is the way in which the federal subsidy available to participants is calculated. Federal subsidies under the certificate program are based on the actual rent paid to a private landlord. Rents must be less than or equal to the local fair market rent (FMR) set by HUD and must be deemed reasonable by the PHA in terms of the local rental market.² The assisted family pays 30 percent of its adjusted monthly income for rent and the PHA pays the landlord the difference between the tenant's payment and the approved monthly rent.³ If the rent does not meet these criteria, the PHA may

¹HUD defines an elderly person as someone who is at least 62 years of age.

²PHAs may approve, on a unit-by-unit basis, initial gross rents that exceed the FMR by up to 10 percent. In addition, HUD may allow maximum gross rents of up to 20 percent above the applicable FMR for all units of a given size or type within a designated locality.

³The U.S. Housing Act of 1937, as amended, actually requires that households pay the highest of three rent standards: (1) 30 percent of a household's adjusted monthly income, (2) 10 percent of a household's total monthly income, or (3) the portion of any welfare payment designated for housing expenses. "Adjustments"--reductions to total income for calculating rent--include certain dollar amounts for elderly households, for each dependent, and for medical and child care expenses, as well as reductions for any household member who is disabled or handicapped. In addition, the Cranston-

disapprove the lease and the family will have to find a different unit.

Federal subsidies under the voucher program, on the other hand, are computed on the basis of a specific payment standard.⁴ The PHA generally subtracts 30 percent of the family's monthly adjusted income from this standard to arrive at the monthly housing assistance payment. Voucher holders may lease units with rents below or above this standard; however, subsidies are based on the payment standard regardless of the actual rent on the unit. If a unit rents for less than the payment standard, the family benefits by paying less than 30 percent of its adjusted income toward rent. However, if a unit rents for more than the payment standard, the housing assistance payment is not increased, nor is the family told it must find another unit as is the case in the certificate program. Instead, the family must pay the entire difference between the housing assistance payment and the rent, thereby making its rent burden greater than 30 percent.⁵

Rental Increases

Rental increases affect an assisted family's rent burden differently under the certificate and voucher programs. Under the certificate program, rental increases are determined using an annual adjustment factor established by HUD. If the rental increase is within this adjustment factor, the family's rent burden will essentially remain unchanged. That is, the family would continue paying 30 percent of its adjusted monthly income toward rent, while the PHA would pay the additional rental expense.

Gonzalez National Affordable Housing Act of 1990 (NAHA) allows up to 10 percent of a PHA's assisted households to pay more than 30 percent of their adjusted income towards rent.

⁴The payment standard is based on the published section 8 FMR and is established by unit size for each market area. At the time the payment standard is adopted, the amount may not be less than 80 percent of the effective published FMR for the unit size and may not be more than the effective FMR or the HUD-approved, communitywide exception rent for the unit size.

⁵A provision in NAHA requires PHAs to review all rents for units under consideration by voucher families to determine whether the rent requested by an owner is reasonable. If a PHA determines that the rent for a unit is not reasonable, the PHA may disapprove the lease. Before NAHA was enacted, rents paid by voucher households were not subject to this reasonableness test.

However, under the voucher program the owner of the property determines the rental increase.⁶ If the increase results in a unit rent that exceeds the payment standard, the family--not the PHA--is responsible for the additional expense. The PHA may, at its discretion, adopt an increase in its payment standard annually to offset some or all of the rental increase.

HOUSING QUALITY STANDARDS

Section 8 units must meet HUD's housing quality standards. According to HUD, the intent of these standards is to establish minimum criteria necessary for the health and safety of occupants. Performance requirements and acceptability criteria are set for elements such as sanitary facilities, heating and cooling systems, illumination and electricity, and the site and neighborhood where the unit is located.

Before approving a lease, PHAs are required to inspect the unit to ensure compliance with these standards. Thereafter, PHAs are required to inspect every unit at least annually to ensure that the owner is (1) maintaining the unit in decent, safe, and sanitary condition and (2) providing the agreed-upon utilities and other services.

⁶Under NAHA, rental increases are also subject to the reasonableness test.

SECTION 2

DEMOGRAPHIC CHARACTERISTICS OF SECTION 8 RECIPIENTS

We analyzed data from large urban PHAs according to the sex, race, handicapped/disabled status, and education of voucher and certificate households. In these four categories, the majorities of elderly households were headed by recipients who were female, were white, were not handicapped or disabled, and had received a 12th-grade education or less. Elderly voucher households had mean adjusted annual incomes of about \$6,000, while certificate households had mean adjusted annual incomes of about \$5,700. In the same four categories, the majorities of nonelderly voucher and certificate households were headed by recipients who were female, were just as likely to be white as black, were not handicapped or disabled, and had received a 12th-grade education or less. Nonelderly voucher and certificate households had mean adjusted annual incomes of about \$5,600.

We also analyzed data from four metropolitan statistical areas (MSA) according to the sex, race, and handicapped/disabled status of voucher and certificate households. In these three categories, the majorities of elderly households were headed by recipients who were female, were white, and were not handicapped or disabled. Elderly voucher households had mean adjusted annual incomes of about \$7,400, while certificate households had mean adjusted annual incomes of about \$6,600. In the three categories, the majorities of nonelderly voucher and certificate households were headed by recipients who were female, were black, and were not handicapped or disabled. Nonelderly voucher and certificate households had mean adjusted annual incomes of about \$7,200 and \$7,400, respectively.

RECIPIENTS IN LARGE URBAN PHAs

We used two data sources to identify specific demographic characteristics of elderly and nonelderly section 8 voucher and certificate recipient households. The first was a study conducted by a consulting firm under contract to HUD in which sample data were collected from 17 large urban PHAs on households that were issued either a voucher or certificate from April 1985 through March 1987. This study was designed to allow inferences to be made for 106 large urban PHAs nationwide.

In this study, elderly and nonelderly enrollees (i.e., households) who applied for section 8 housing assistance were randomly assigned to either the voucher or certificate program.¹

¹This method of assigning enrollees to either the voucher or certificate program helps ensure that any differences in program outcomes, such as the enrollees' success in obtaining housing, could be attributed to the program.

Enrollees who actually received assistance (i.e., found and rented housing that met HUD's program guidelines) were considered section 8 recipients. We present information from this pool of recipients on the sex, race, handicapped and/or disabled status, education, and adjusted household income for the elderly (recipients 62 years of age or older) and the nonelderly (recipients under the age of 62).² The first four characteristics pertain to the individual recipient considered the head of the household. The characteristic of adjusted annual income, however, represents the anticipated total income (less any deductions) received by all members of the household.

Using the data from the large urban PHA study, we estimate the following about elderly and nonelderly households that received either a voucher or certificate:³

- About 76 percent of elderly recipients in both programs were female. About 80 percent of nonelderly recipients were also female.
- About 76 percent of elderly recipients were white. About 52 percent of nonelderly recipients were black.
- About 72 percent of elderly recipients were neither handicapped nor disabled. About 79 percent of nonelderly recipients were also not handicapped or disabled.
- About 49 percent of elderly recipients had received less than a 7th-grade education; about another 36 percent of

²The data we used for elderly households were for recipients who lived in units with either no bedrooms (i.e., efficiency apartments) or one bedroom.

³Since we used a sample (called a probability sample) to develop our estimates, each estimate has a measurable precision, or sampling error, which may be expressed as a plus/minus figure. A sampling error indicates how closely we can reproduce from a sample the results that we would obtain if we were to take a complete count of the universe using the same measurement methods. By adding the sampling error to and subtracting it from the estimate, we can develop upper and lower bounds for each estimate. This range is called a confidence interval. Sampling errors and confidence intervals are stated at a certain confidence level--in this case 95 percent. For example, a confidence interval at the 95-percent confidence level means that in 95 out of 100 instances, the sampling procedure we used would produce a confidence interval containing the universe value we are estimating. Table 2.1 presents estimates and sampling errors for four distinct groups--elderly voucher holders, elderly certificate holders, nonelderly voucher holders and nonelderly certificate holders.

recipients had received between a 7th- and 12th-grade education. In the nonelderly households, about 47 percent and 41 percent of the recipients had received either less than a 7th-grade or between a 7th- and 12th-grade education, respectively.

- Elderly voucher and certificate households had mean adjusted annual incomes of about \$5,957 and \$5,741, respectively. Nonelderly voucher and certificate households had mean adjusted annual incomes of about \$5,609.

Table 2.1 summarizes the point estimates and sampling errors for the demographic characteristics of section 8 voucher and certificate recipients in large urban PHAs by age group.

Table 2.1: Demographic Characteristics of Recipients in Large Urban PHAs, by Age Group

In percents

Category	Vouchers		Certificates	
	Under 62	62 and older	Under 62	62 and older
<u>Sex</u>				
Male	19.8 (± 3.3)	24.1 (± 7.3)	17.9 (± 3.4)	22.6 (± 6.6)
Female	80.2 (± 3.3)	75.9 (± 7.3)	82.1 (± 3.4)	77.4 (± 6.6)
<u>Race^a</u>				
White	45.0 (± 17.7)	75.6 (± 14.0)	44.7 (± 17.4)	76.6 (± 13.4)
Black	51.5 (± 17.3)	22.0 (± 13.7)	51.8 (± 17.2)	20.7 (± 12.3)
<u>Handicapped/ disabled</u>				
Yes	20.6 (± 4.5)	25.6 (± 10.2)	19.2 (± 5.1)	27.6 (± 8.9)
No	79.4 (± 4.5)	74.4 (± 10.2)	80.8 (± 5.1)	72.4 (± 8.9)
<u>Grade level^b</u>				
< 7th	47.4 (± 11.7)	54.0 (± 11.2)	46.5 (± 10.8)	49.2 (± 10.2)
7 ≤ 12th	41.0 (± 9.9)	35.7 (± 10.0)	41.6 (± 8.3)	39.2 (± 9.1)
> 12th	10.8 (± 3.1)	9.5 (± 4.2)	11.1 (± 3.5)	11.3 (± 4.5)
<u>Adjusted annual income</u>				
≤ \$7,500	80.5 (± 4.8)	83.5 (± 4.2)	79.9 (± 3.9)	86.8 (± 5.0)
> \$7,500	19.5 (± 4.8)	16.5 (± 4.2)	20.1 (± 3.9)	13.2 (± 5.0)
Mean	\$5,609 (± 648)	\$5,957 (± 403)	\$5,609 (± 588)	\$5,741 (± 474)

^aDistributions do not add to 100 percent because of missing data or because we could not calculate estimates and sampling errors for other race categories such as American Indian, Alaskan, and Asian.

^bDistributions do not add to 100 percent because education data were not provided for all recipients.

Source: GAO's analysis of large urban PHA data.

RECIPIENTS IN FOUR MSAs

GAO collected more recent data on voucher and certificate recipient households from 32 PHAs in four MSAs during 1991. (See app. I for information about two additional PHAs which were excluded from the analysis.) The MSAs were Wilmington, Delaware; Oklahoma City, Oklahoma; Seattle, Washington; and Washington, D.C. The characteristics apply only to recipients in these MSAs and cannot be generalized to other market areas.

We collected information on the sex, race, handicapped and/or disabled status, and adjusted annual household income for all elderly and nonelderly section 8 voucher and certificate recipients within the four MSAs.⁴ The first three characteristics apply to the individual considered the head of the household, while income applies to all members of the household. As in the study of large urban PHAs discussed above, recipients under the age of 62 were considered nonelderly. The elderly, however, were divided into two age categories: recipients between the ages of 62 and 75 and those 75 years of age and older.

The data from the four MSAs indicated the following about elderly and nonelderly households that received either a voucher or certificate:

- Over 69 percent of elderly recipients, whether between the ages of 62 and 75 or 75 years of age and older, were female. About 85 percent of nonelderly recipients were also female.
- Over 71 percent of elderly recipients 75 years of age and older and over 57 percent of recipients between the ages of 62 and 75 were white. About 36 percent of nonelderly recipients were white.
- Five percent or less of elderly recipients aged 75 and older were handicapped or disabled. Less than 12 percent of elderly recipients between 62 and 75 years of age were handicapped or disabled. Less than 12 percent of nonelderly recipients were handicapped or disabled.⁵
- Elderly voucher and certificate households had mean adjusted annual incomes of \$7,432 and \$6,595, respectively.

⁴We did not collect information on education for section 8 recipients in the four MSAs.

⁵As shown in Table 2.2, the data available on this characteristic were limited. Therefore, we could not reliably estimate the actual percentage of handicapped or disabled recipients within the four MSAs.

Nonelderly voucher and certificate households had mean adjusted annual incomes of \$7,191 and \$7,365, respectively.

Table 2.2 summarizes the demographic characteristics of section 8 recipients within the four MSAs. Since we obtained information on all voucher and certificate recipient households within the four MSAs and not a sample, there are no sampling errors for these percentages. (App. II contains the demographic characteristics of recipients in each of the four MSAs.)

Table 2.2: Demographic Characteristics of Recipients in Four MSAs, by Age Group

In percents

Category	Vouchers			Certificates		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
Sex						
Male	13.6	29.2	25.2	13.5	25.2	16.3
Female	85.9	69.8	74.3	86.1	74.5	83.2
No data	0.5	1.0	0.5	0.4	0.4	0.5
Race						
White	36.3	57.0	71.6	36.2	63.7	79.6
Black	52.1	26.6	19.4	47.7	24.9	13.7
Other*	4.2	9.3	4.5	3.9	5.8	2.5
No data	7.4	7.1	4.5	12.2	5.7	4.2
Handicapped/ disabled						
Yes	11.0	11.9	5.0	11.8	10.4	2.6
No	58.3	63.0	70.7	47.7	43.6	51.3
No data	30.7	25.2	24.3	40.6	46.0	46.0
Adjusted annual income						
0	2.2	1.4	0.5	1.6	0.5	0.2
>0 ≤ \$7,500	50.0	48.0	46.4	64.1	71.1	74.6
> \$7,500	26.3	29.0	30.6	33.6	28.1	24.8
No data	21.5	21.6	22.5	0.7	0.3	0.5
Mean	\$7,191	\$7,367	\$7,556	\$7,365	\$6,716	\$6,430
Population	4,797	421	222	13,288	1,836	1,340

Note: Estimates may not add to 100 percent because of rounding.

*"Other" includes American Indian, Alaskan, Asian, and other race categories.

Source: GAO's analysis of MSA data.

SECTION 3

HOUSING QUALITY IN UNITS OCCUPIED BY SECTION 8 RECIPIENTS

The results of our housing quality survey indicated that the majority of elderly recipients of section 8 assistance in three MSAs thought the quality of their homes and neighborhoods was good and the size of their units was about right. They also had easy access to stores and doctors. In addition, they thought it would be hard to find a better place to live that they could afford. Given a choice, they would continue to live in their current home rather than move. These results were similar when the data were analyzed by program type (i.e., voucher versus certificate recipient) and by age group (i.e., recipients between the ages of 62 and 75 versus those 75 and older, regardless of the type of assistance). In addition, written comments provided by some of the elderly we surveyed reflected a range of opinions on the section 8 programs.

Information provided by PHA housing inspectors and other housing officials in the MSAs supported the responses provided by the elderly on housing quality. The majority of officials stated that the quality of most of the units in which the elderly lived was generally better than HUD's minimum housing quality standards. The majority of officials added that the elderly had varying access to services such as medical care, shopping, and transportation.

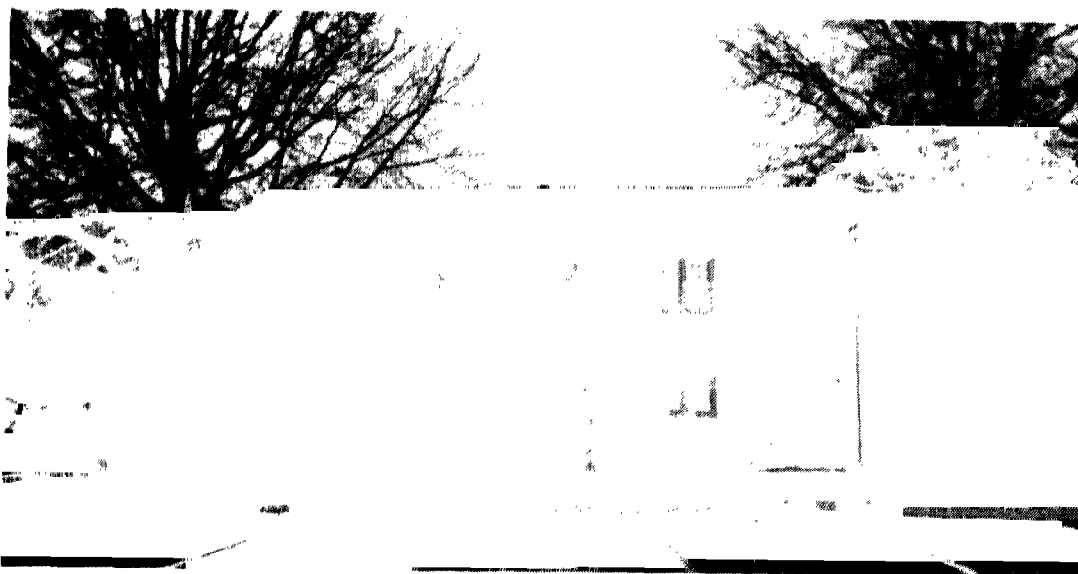
We also analyzed selected data from HUD's study of large urban PHAs to provide additional information on housing quality. The data from this study indicated that the elderly and the nonelderly differ in their desire to stay in or move from the home they currently live in once they receive a voucher or certificate. The majority of the elderly were more likely to continue living in their current home (i.e., lease in place), while the nonelderly were more likely to move to a different unit.

HOUSING QUALITY SURVEY RESULTS

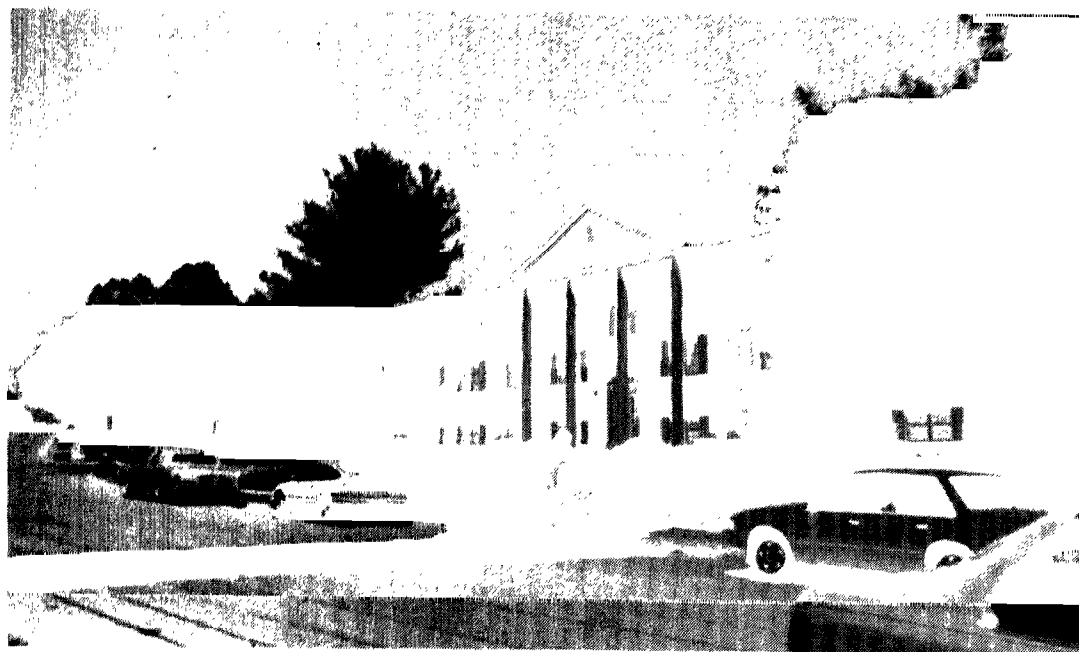
We used three data sources to provide information on the quality of units occupied by elderly voucher and certificate recipients. First, we surveyed elderly section 8 recipients in three MSAs (Wilmington, Delaware; Oklahoma City, Oklahoma; and Seattle, Washington) and asked them to rate their homes on the basis of the following characteristics: (1) the overall quality of their unit and neighborhood; (2) their ease of access to stores and doctors; (3) the ease with which they could find a better place to live that was affordable; and (4) their preference for moving or staying in their present unit if given a choice. The survey participants were also encouraged to include in writing any additional information about their housing. (See apps. I and III for more information on the methodology used to conduct the survey

and for the questionnaire.) We also photographed the exteriors of different types of units occupied by elderly voucher and certificate recipients in the MSAs; these are shown in figure 3.1.

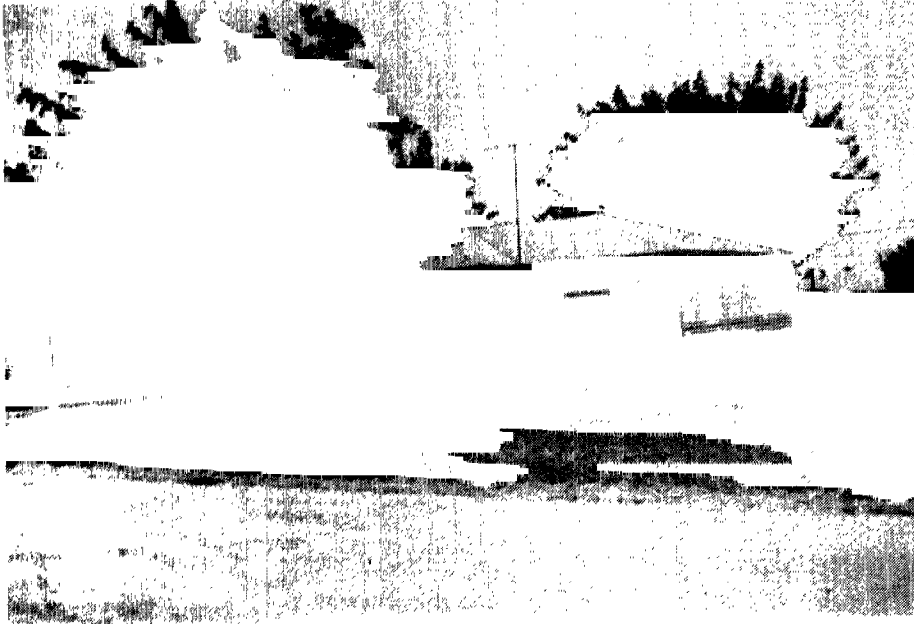
Figure 3.1: Types of Housing Units Occupied by Elderly Section 8 Recipients



Washington, D.C., MSA



Wilmington, Del., MSA



Oklahoma City, Okla., MSA



Seattle, Wash., MSA

We examined the results of the housing survey in two ways. First, we compared the responses of elderly recipients by program type to determine if any differences existed between the views of voucher and certificate recipients on housing quality. Second, we compared the responses of elderly recipients between the ages of 62 and 75 with those of recipients 75 years of age and older to see if responses were influenced by age, regardless of whether the individual was a voucher or certificate recipient. That is, we grouped voucher and certificate recipients together and then compared responses solely by age categories.

The survey indicated that, for the majority of questions, there were no meaningful differences between responses whether recipients were compared by the type of assistance they received or by age categories. For example, when we compared responses by program type, 51.8 percent¹ of voucher recipients and 50.9 percent (± 3.4 percent) of certificate recipients thought the quality of their units was good. When we compared the responses to this question by age group, we obtained similar responses. About 48.1 percent (± 4.4 percent) of recipients between 62 and 75 years of age and 53.7 percent (± 4.1 percent) of recipients over 75 thought their units were of good quality.

When the responses differed, these differences were very slight. For example, while the majority of voucher and certificate recipients thought the quality of their units was good, a slightly higher percentage of voucher recipients than certificate recipients thought the quality of their units was excellent--24.3 percent compared with 20.4 percent (± 2.7 percent).

The survey questions and results are discussed below. Written comments from the elderly are also incorporated where appropriate.

Overall Housing Quality

Elderly recipients were asked to rate the overall quality of their units as either excellent, good, fair, poor, or very poor. They were also asked to rate the size of their units as either much too big, a little bit too big, about right, a little bit too small, or much too small.

Overall, 71.3 percent (± 3.1 percent) of certificate recipients and 76.1 percent of voucher recipients rated their housing units as either good or excellent in quality. About 3.0 percent (± 1.2 percent) of certificate recipients and 2.5 percent of voucher recipients thought they lived in units of either poor or very poor quality. Regarding the size of their units, 85.5 percent (± 2.4 percent) of certificate recipients and 82.7 percent of

¹There was no sampling error for responses from voucher recipients because we surveyed all persons in this category.

voucher recipients, respectively, thought their units were about right.

When we compared the responses to this question by the age of the recipients, the results indicated that the elderly's perceptions of quality and size did not seem to be influenced by whether the recipient was between the ages of 62 and 75 or 75 years of age and older. That is, the elderly in both age groups had very similar views on the quality of their housing and the size of their units. Table 3.1 summarizes the responses to these questions by program type and by age group.

Table 3.1: The Elderly's Responses on Quality and Size of Unit

In percents

Question	Responses by program		Responses by age	
	Certificate ^a	Voucher	Age 62 < 75	Age 75 and older
Quality of unit				
Excellent	20.4 (± 2.7)	24.3	23.2 (± 3.7)	18.6 (± 3.1)
Good	50.9 (± 3.4)	51.8	48.1 (± 4.4)	53.7 (± 4.1)
Fair	19.5 (± 2.7)	15.6	18.2 (± 3.4)	19.8 (± 3.3)
Poor	2.0 (± 1.0)	2.2	1.0 (± 0.9)	3.1 (± 1.4)
Very poor	1.0 (± 0.7)	0.3	^b	1.2 (± 1.0)
No data	6.2 (± 1.6)	5.9	9.0 (± 2.6)	3.6 (± 1.4)
Size of unit				
Too big	0	0	0	0
A little big	0.4 (± 0.2)	1.1	0.3 (± 0.02)	0.7 (± 0.4)
About right	85.5 (± 2.4)	82.7	86.5 (± 3.0)	83.9 (± 3.0)
A little small	7.4 (± 1.8)	8.9	5.9 (± 2.1)	9.4 (± 2.4)
Too small	1.5 (± 0.8)	1.9	0.4 (± 0.3)	2.5 (± 1.2)
No data	5.2 (± 1.5)	5.4	6.9 (± 2.2)	3.6 (± 1.5)

Note: Tables 3.1 through 3.4 are based on 2,524.5 (± 70.0) out of 3,040 certificate recipients (the number of certificate recipients who would have responded had we surveyed them all); 371 out of 439 voucher recipients (the number of all voucher recipients who responded); 1,333.9 (± 91.7) out of 1,691 recipients between 62 and 75 years of age; and 1,509.6 (± 93.3) out of 1,718 recipients 75 and older. Information was not available for about 52 recipients.

^aWe present both the point estimate and associated sampling error for certificate recipients. However, sampling errors do not apply to voucher responses because we surveyed all voucher recipients in the three MSAs. See app. I for additional information on our methodology.

^bThe number of respondents in this category was not sufficient to allow us to provide a reliable estimate.

Quality of the Neighborhood

Elderly recipients were asked to rate the quality of their neighborhoods as either excellent, good, fair, poor, or very poor. About 66.0 percent (± 3.2 percent) of certificate recipients and 73.6 percent of voucher recipients stated that their neighborhoods were good or excellent in quality. In addition, 4.3 percent (± 1.4 percent) of certificate recipients and 2.4 percent of voucher recipients thought their neighborhoods were poor or very poor in quality.

Again, the elderly's perceptions of neighborhood quality were similar for all recipients whether they were between the ages of 62 and 75 or 75 and older. Table 3.2 summarizes the responses to this question by program type and age group.

Table 3.2: The Elderly's Responses on Quality of Neighborhood

In percents

Question	Responses by program		Responses by age	
	Certificate	Voucher	Age 62 < 75	Age 75 and older
Quality of neighborhood				
Excellent	17.5 (± 2.6)	22.4	19.3 (± 3.5)	16.9 (± 3.1)
Good	48.6 (± 3.4)	51.2	50.0 (± 4.4)	47.9 (± 4.1)
Fair	24.7 (± 3.0)	18.9	20.7 (± 3.6)	27.2 (± 3.7)
Poor	3.1 (± 1.2)	2.4	2.0 (± 1.3)	3.8 (± 1.6)
Very poor	1.2 (± 0.7)	0	^a	1.0 (± 0.7)
No data	5.0 (± 1.5)	5.1	7.0 (± 2.2)	3.2 (± 1.4)

^aThe number of respondents in this category was not sufficient to allow us to provide a reliable estimate.

Access to Stores and Doctors

Elderly recipients were asked to rate their access to stores and doctors as either hard, neither hard nor easy, or easy. The majority of both voucher and certificate recipients believed that they had easy access to both stores and doctors. Only a small percentage in both groups thought their access to these services was hard.

Elderly recipients between the ages of 62 and 75 responded to these questions largely in the same way as the elderly 75 years of age and older, with one exception: 10.8 percent (± 2.7 percent) of the elderly 75 and older thought access to stores was hard compared with 5.2 percent (± 2.0 percent) of those between 62 and 75. Table 3.3 summarizes the responses to these questions by program type and age group.

Table 3.3: The Elderly's Responses on Access to Stores and Doctors

In percents

Question	Responses by program		Responses by age	
	Certificate	Voucher	Age 62 < 75	Age 75 and older
Access to stores				
Hard	8.5 (± 1.9)	5.7	5.2 (± 2.0)	10.8 (± 2.7)
Not hard, not easy	24.3 (± 2.9)	21.8	25.8 (± 3.9)	22.3 (± 3.4)
Easy	62.2 (± 3.3)	66.8	61.8 (± 4.3)	63.7 (± 4.0)
No data	5.1 (± 1.5)	5.7	7.2 (± 2.2)	3.2 (± 1.4)
Access to doctors				
Hard	11.4 (± 2.2)	10.2	9.4 (± 2.6)	12.8 (± 2.8)
Not hard, not easy	31.6 (± 3.1)	30.5	31.9 (± 4.1)	31.4 (± 3.8)
Easy	50.7 (± 3.4)	53.4	50.6 (± 4.4)	51.3 (± 4.1)
No data	6.3 (± 1.6)	5.9	8.2 (± 2.4)	4.4 (± 1.8)

Written comments provided by some of the elderly indicated that their responses to these questions could have been influenced by a variety of factors. For example, some of the comments

indicated that access to stores and doctors may have been easy for the respondents because these services were located close to their homes, they had their own car or a relative or friend who could take them, and/or they had access to public transportation. Other comments indicated that access to these services was difficult because, among other things, the respondents lived far away and/or they lacked transportation.

Ease of Finding Better Housing Versus Staying in Present Unit

Elderly recipients were asked to rate their ability to find a better--and affordable--place to live if they had to move. They were also asked whether, if they were given a choice, they would rather continue to live in their current home or find a different place to live. About 68.3 percent (\pm 3.1 percent) of certificate recipients and 67.9 percent of voucher recipients thought it would be hard for them to find a better place to live that they could afford. About 1.6 percent (\pm 0.9 percent) and 2.2 percent of certificate and voucher recipients, respectively, thought it would be easy. In addition, 82.3 percent (\pm 2.5 percent) of certificate recipients and 80.3 percent of voucher recipients wanted to continue to live in their present units. About 12.0 percent (\pm 2.1 percent) and 12.1 percent of certificate and voucher recipients, respectively, indicated they would rather move.

Again, the elderly in both age groups had similar responses to these survey questions except in one case. A higher percentage of the elderly 75 years of age and older--15.4 percent (\pm 2.9 percent)--wanted to move from their unit than did those between the ages of 62 and 75--8.2 percent (\pm 2.4 percent). Table 3.4 summarizes the responses to these questions by program type and age group.

Table 3.4: The Elderly's Responses on Ability to Find a Better and Affordable Place to Live and Preference to Stay or Move From Current Unit

In percents

Question	Responses by program		Responses by age	
	Certificate	Voucher	Age 62 < 75	Age 75 and older
Finding a better, affordable place				
Hard	68.3 (± 3.1)	67.9	69.2 (± 4.0)	67.1 (± 3.9)
Not hard, not easy	7.4 (± 1.8)	9.7	8.5 (± 2.4)	7.3 (± 2.1)
Easy	1.6 (± 0.9)	2.2	1.0 (± 0.8)	2.2 (± 1.3)
Don't know	17.1 (± 2.5)	14.8	13.6 (± 2.9)	19.8 (± 3.3)
No data	5.6 (± 1.6)	5.4	7.7 (± 2.4)	3.6 (± 1.5)
Preference to stay or move				
Stay	82.3 (± 2.5)	80.3	84.3 (± 3.1)	80.1 (± 3.2)
Move	12.0 (± 2.1)	12.1	8.2 (± 2.4)	15.4 (± 2.9)
No data	5.7 (± 1.6)	7.5	7.4 (± 2.2)	4.6 (± 1.7)

Written comments provided by some of the elderly recipients indicated a variety of reasons which could account for their desire to stay in or move from their current homes. Some of their reasons to stay included satisfaction with the unit and neighborhood. Reasons to move included the desire to be closer to family members, find a nicer apartment or neighborhood, have easier access to various services, and/or find a unit that was less expensive.

Additional Written Comments on Section 8 Assistance

As stated earlier, survey recipients were asked to include, in writing, any additional information they would like us to know about their housing. Respondents provided a range of comments in addition to those already cited. These comments included appreciation for section 8 assistance as well as concerns about the quality of units and rent.²

²Rent burden issues are discussed in sec. 4.

Many of the comments the elderly provided reflected their overall level of satisfaction with the units they had rented under the section 8 program, as shown in the survey results. Many respondents noted that they were happy with their units, had lived there for many years, and would like to continue living there. Many also noted that they would not be able to afford adequate housing without the assistance provided by the section 8 program.

However, some of the elderly did express various concerns with their units. These comments generally reflected the respondent's particular living situation. For example, a few of the elderly were concerned because they thought their landlords were not properly maintaining their units. Another noted that he feared his landlord would stop accepting section 8 assistance. Other respondents said that their units lacked such things as adequate heating, washers/dryers, and storage space.

HOUSING INSPECTORS' AND OTHER OFFICIALS' VIEWS ON HOUSING QUALITY

We also collected information on housing quality through interviews with housing inspectors and other housing officials in 25 of the 34 PHA offices within the four MSAs. We asked these individuals to rate (1) the physical condition of the majority of units rented by elderly section 8 recipients in their areas in terms of HUD's housing quality standards; and (2) the elderly's access to services such as health care, grocery stores, and public transportation.

Housing officials at 22 of the 25 sites where we conducted interviews stated that the physical condition of the majority of dwelling units in which the elderly lived was better than HUD's minimum housing quality standards. Officials at the remaining three sites stated that units in which the elderly lived met, but did not exceed, these requirements. Housing inspectors and other housing officials at all 25 sites stated that the elderly's access to services such as health care, grocery stores, and public transportation varied, ranging from limited to excellent.

HOUSING QUALITY IN LARGE URBAN PHAS

We used data from the study on large urban PHAs, discussed in section 2, to provide additional information on housing quality for the elderly and nonelderly. In the study, enrollees were asked, "If the [section 8] program let you do either one, would you rather stay in your current house/apartment or would you rather move?" In addition, the study differentiated between households that, after receiving a voucher or certificate, actually used the assistance to lease in place or move to a different unit.

Preference to Stay or Move

The data indicated that, if the section 8 program allowed it, the majority of elderly enrollees would prefer to remain in their current units when they received their housing assistance, while the majority of nonelderly enrollees would rather move. Specifically, 73 percent (± 6.0 percent) and 65 percent (± 7.0 percent) of elderly voucher and certificate households, respectively, would rather continue to live in their current unit than move to a different unit. About 24 percent (± 7.0 percent) of elderly voucher and 31 percent (± 8.0 percent) of certificate households would rather move.

Among the nonelderly, 26 percent (± 7.0 percent) of voucher households and 27 percent (± 8.0 percent) of certificate households wanted to continue living in their current homes. The majority of the nonelderly--71 percent (± 7.0 percent) of voucher holders and 70 percent (± 8.0 percent) of certificate holders--would rather move.

Outcome of Housing Searches

The study then examined whether elderly and nonelderly recipients were actually able to lease in place or move to a different unit after receiving housing assistance. It also looked at whether these units met program requirements or whether the units needed to be repaired to meet these requirements.

Table 3.5 summarizes the actions of elderly and nonelderly recipients. The majority of the elderly were able to lease in place without having to make repairs to their units, while the majority of the nonelderly moved to different units that may or may not have needed repairs.

Table 3.5: Outcome of Housing Searches in Large Urban PHAs

In percents

Response	Vouchers		Certificates	
	Elderly	Nonelderly	Elderly	Nonelderly
Leased in place, no repairs	60.0 (± 12.0)	15.0 (± 8.0)	55.0 (± 11.0)	17.0 (± 9.0)
Leased in place, with repairs	17.0 (± 9.0)	13.0 (± 5.0)	15.0 (± 6.0)	12.0 (± 6.0)
Moved to different unit, no repairs	17.0 (± 6.0)	44.0 (± 9.0)	24.0 (± 9.0)	42.0 (± 10.0)
Moved to different unit, with repairs	7.0 (± 5.0)	29.0 (± 8.0)	6.0 (± 5.0)	29.0 (± 8.0)

Source: GAO's analysis of large urban PHA data.

SECTION 4

RENT BURDENS FOR VOUCHER RECIPIENTS

Data on voucher recipients in large urban PHAs indicated that the average rent burden was about 29 percent of adjusted income for elderly households and about 34 percent for nonelderly households. However, these overall averages do not illustrate the range of rent burdens experienced. Only a small percentage of recipients in each age group paid between 29 and 31 percent of their income towards rent; the majority paid either less than 29 percent or more than 31 percent of their incomes toward rent.¹

Similarly, data on voucher recipients in the four MSAs indicated that the average rent burden was about 30 percent of adjusted income for elderly households and 35 percent for nonelderly households. Again, only a small percentage of voucher recipients had rent burdens of about 30 percent. In addition, in response to our housing quality survey, discussed in section 3, several of the elderly provided written comments on their rent burdens.

RENT BURDEN

Rent burden is defined as the portion of adjusted monthly income that assisted households pay for rent and utilities. PHAs determine the amount of the subsidy available to a household by subtracting 30 percent of the household's adjusted monthly income from a specific payment standard. If a unit rents for less than the payment standard, the family benefits by paying less than 30 percent of its adjusted income towards rent.² However, if the unit rents for more than the payment standard, the family must assume the additional rental expense, thereby increasing its rent burden to over 30 percent.

Rent Burdens Observed in Large Urban PHAs

The annual rent burden for voucher recipient households in large urban PHAs averaged 28.6 percent (\pm 2.6 percent) of adjusted income for elderly households and 33.6 percent (\pm 2.2 percent) for nonelderly households, respectively. These overall averages, however, do not illustrate the range of rent burdens that were experienced by both elderly and nonelderly groups. In each group, only a small percentage of assisted households had rent burdens of about 30 percent. Instead, a large percentage of voucher

¹We considered households with rent burdens of between 29 and 31 percent to have rent burdens of about 30 percent.

²The voucher program requires a minimum tenant contribution of at least 10 percent of monthly gross income.

recipients in each age group were more likely to pay either less than 29 percent or more than 31 percent of their adjusted income towards rent.

About 51 percent of households in which the recipient was 62 years of age or older had rent burdens of less than 29 percent, while 33 percent had rent burdens greater than 31 percent. Among voucher households with a recipient under the age of 62, about 38 percent paid less than 29 percent of their income towards rent, while about 50 percent paid more than 31 percent.³ Table 4.1 summarizes the rent burdens for elderly and nonelderly voucher recipient households in large urban PHAs.

Table 4.1: Rent Burdens of Elderly and Nonelderly Voucher Households in Large Urban PHAs

In percents

Rent burden	Age under 62	Age 62 and older
0 < 29 percent	37.8 (± 6.8)	51.0 (± 11.1)
29 < 31	10.7 (± 2.6)	15.3 (± 10.1)
> 31	50.0 (± 5.8)	33.3 (± 8.7)

Note: Estimates may not add to 100 percent because rent burden information was missing for some households.

Source: GAO's analysis of large urban PHA data.

Rent Burdens Observed in the Four MSAs

The annual rent burden for voucher households averaged about 30 percent of adjusted income for elderly recipients between the ages of 62 and 75 and about 31 percent for recipients 75 years of age and older. The annual rent burden for nonelderly recipient households averaged 35 percent of adjusted income.

As with the data on large urban PHAs, these averages do not illustrate the distribution of rent burdens. About 15 to 18 percent of the elderly households and 13 percent of the nonelderly households had rent burdens of about 30 percent. About the same percentage of elderly households (29.5 and 27.5 percent, respectively) paid less than 29 percent of their income towards

³The difference between the estimates for recipients with rent burdens of less than 29 percent or greater than 31 percent may not be statistically significant.

rent, while about 29 percent paid more than 31 percent. In addition, about 22 percent of nonelderly households paid less than 29 percent of their income towards rent while 33 percent paid more than 31 percent.

Table 4.2 illustrates the rent burdens for elderly and nonelderly recipient households in the four MSAs. It should be noted that rent burden data were not available for a significant number of voucher households. Without these data, it is difficult to determine the actual rent burden distribution for elderly and nonelderly households in the four MSAs. (App. II contains rent burden information for each of the four MSAs.)

Table 4.2: Rent Burdens of Elderly and Nonelderly Voucher Households in Four MSAs

In percents

Rent burden	Age under 62	Age 62 < 75	Age 75 and older
0 < 29 percent	21.6	29.5	27.5
29 < 31	13.0	15.4	18.0
≥ 31	33.3	29.7	29.3
No income	2.2	1.4	0.5
No data	29.9	24.0	24.8
Population	4,797	421	222

Source: GAO's analysis of MSA data.

In addition, we examined the rent burdens of elderly and nonelderly households in the four MSAs to see if any differences existed between handicapped and nonhandicapped recipient households. Again, because of the large number of missing data, it is difficult to state the actual rent burdens by handicapped status. Table 4.3 illustrates the rent burdens for handicapped and nonhandicapped recipient households within the four MSAs by elderly and nonelderly age groups.

Table 4.3: Rent Burdens of Voucher Households in Four MSAs, by Age of Recipient and Handicapped Status

In percents

Rent burden	Age under 62		Age 62 < 75		Age 75 and older	
	Handicapped		Handicapped		Handicapped	
	Yes	No	Yes	No	Yes*	No
0 < 29	25.2	22.6	34.0	31.3		31.9
29 < 31	15.2	16.6	22.0	19.6		20.4
≥ 31	27.7	36.4	30.0	34.7		35.0
No income	0.8	3.0	0	2.3		0.6
No data	31.3	21.4	14.0	12.1		12.1
Population ^b	528	2,798	50	265	11	157

*We did not provide percentages for this group because of the small population size.

^bTotal population figures differ from those in table 4.2 because not all housing agency records provided information on handicapped status and therefore were excluded from rent burden analysis. For example, only 3,326 out of the 4,797 housing agency records for recipients under 62 years of age indicated whether or not the recipients were handicapped. In addition, the numbers provided for the "no data" category represent the percentage of these recipients for whom the housing agency did not provide rent burden data.

Source: GAO's analysis of MSA data.

Survey Comments on Rent Burdens

As noted in section 3, the elderly were asked, as part of our survey of housing quality, to provide in writing any additional information about their housing that they would like us to know. Several of the elderly provided comments on their rent burdens. General comments ranged from rental expenses that the elderly thought were too high to difficulties in paying rental increases. For example, two respondents noted that their rents had recently been raised and they believed the additional expense was not covered under the voucher program. One recipient noted:

Section 8 has helped me so very much to have a decent place to live and enjoy. The only problem is that when the rents go up . . . it is very hard to pay the increases . . . and we have to cover [any increases]. This causes us to have to

move, which is very costly and hard for an older person to do. With each move, even though the rent may be cheaper, there are still cleaning deposits and moving expenses.

Another elderly recipient wrote:

Why are we not told the difference between a rental certificate and a housing voucher and given a choice? On a voucher you pay more yourself. In May 1991, my rent was raised \$75 a month and I had to [pay the increase myself]. My income is \$661 now and I can't afford it. I know it will be raised again.

OBJECTIVES, SCOPE, AND METHODOLOGY

Our objectives were to provide information on (1) the demographic characteristics of elderly and nonelderly recipients of section 8 vouchers and certificates, including their sex, race, handicapped/disabled status, and adjusted income; (2) the quality of the housing units rented by elderly voucher and certificate recipients; and (3) the proportion of income that elderly and nonelderly voucher recipients pay for rent (called "rent burden"). Recipients were considered elderly if they were 62 years of age or older and nonelderly if they were younger than 62.

HUD does not currently maintain a national data base on the characteristics of certificate and voucher recipients.¹ Rather, information on section 8 recipients is collected individually at public housing agencies (PHA) across the country that administer the section 8 program. Since it would be time-consuming and costly to conduct a nationwide study, we agreed to provide information on section 8 recipients in urban areas using available data sources. To meet our objectives, we identified four data sources, which are discussed below.

DATA ON LARGE URBAN PUBLIC HOUSING AGENCIES AND FOUR METROPOLITAN STATISTICAL AREAS

To provide demographic and rent burden information on elderly and nonelderly recipients of vouchers and certificates, we used two data sources. The first was developed from a study conducted by Abt Associates, a consulting firm in Cambridge, Massachusetts, under contract to HUD. This study provided information on section 8 recipients in large urban PHAs. Our second source was data that GAO collected for a study mandated by the Cranston-Gonzalez National Affordable Housing Act of 1990 that provided information on section 8 recipients in four metropolitan statistical areas (MSA).

Data on Large Urban PHAs

The Housing and Urban-Rural Recovery Act of 1983 authorized HUD to conduct a housing voucher demonstration program. Abt Associates conducted and analyzed this demonstration and produced a report in May 1990 entitled the Final Comprehensive Report of the Freestanding Housing Voucher Demonstration. Abt collected information on about 7,600 recipients of section 8 assistance (spread about equally between vouchers and certificates). The data

¹HUD is developing a national data base that will, among other things, collect data on tenants' characteristics.

that we analyzed in this report are based on information collected on almost 7,000 recipients from 17 large urban PHAs from April 1985 to March 1987.² Abt's study was designed to allow inferences to be made to 106 nonstatewide PHAs that were within the contiguous 48 states, had at least 1,000 authorized section 8 certificate program slots in January 1984, and included an urban area with a population of at least 50,000 in their jurisdiction.

The Abt study was not designed as a study of the elderly--it looks at all types of recipients of section 8 assistance. However, about 19 percent of the households in the study included elderly recipients. The elderly recipients consisted of about 695 voucher holders and 647 certificate holders.

HUD provided us with the raw data file, which included the 7,000 recipients. Abt Associates provided us with a series of FORTRAN and SAS computer programs that we used to calculate point estimates and sampling errors.³ We calculated point estimates and sampling errors for the sex, race, handicapped/disabled status, education, adjusted annual income, and rent burdens for elderly and nonelderly section 8 recipients.⁴ Point estimates were typically expressed as percentages, such as the percentage of households headed by females. However, for measures of interest (characteristics) such as income, we calculated point estimates expressed in dollars. For measures of interest such as race, sex, handicapped/disabled status, and education, the estimate pertains to the individual considered the head of the household, while adjusted annual income uses the entire household as the unit of analysis.

²The PHAs included New York City, N.Y.; Los Angeles, Calif.; Cuyahoga County, Ohio; San Antonio, Tex.; Oakland, Calif.; Boston, Mass.; Metro Council, Minn.; Atlanta, Ga.; San Diego, Calif.; Pittsburgh, Penn.; Omaha, Nebr.; Dayton, Ohio; Seattle, Wash.; New Haven, Conn.; Erie, N.Y.; Montgomery County, Md.; and Pinellas County, Fla. Houston, Tex., was originally included in the sample, but Abt later deleted it for administrative reasons.

³FORTRAN, or Formula Translator, is a high-level computer language; SAS, Statistical Analysis System, is a software system for data analysis.

⁴Abt Associates developed the formulas for calculating both point estimates and sampling errors. We applied the programs supplied by Abt Associates to the raw data to generate the point estimates and sampling errors presented in this report.

As discussed in detail in Abt's report, households were not sampled as a simple random sample nor with equal probability of selection. The sample design included stratifying or separating the households by the type of program (voucher or certificate), site (17 sites), and bedroom size (four categories of bedroom size). As a result, each and every combination of site and bedroom size has a unique weight that must be applied to generate estimates for the 106 large urban PHAs.

The computer programs developed by Abt Associates process the data in two steps. In the first step, data are grouped by combinations of program, site, and bedroom size. This grouping results in a matrix that has 136 cells (2 programs by 17 sites by 4 bedroom sizes). For each of these cells, the summary information for a specific measure of interest is calculated. The mean value of a specific measure of interest, such as adjusted annual income, is included in the summary information. For instance, a mean value of income is calculated for the cell of the combination denoting program = voucher; site = Cuyahoga County; Ohio, and bedroom size = 0 or 1 bedroom.

For each combination of the two factors influencing the sample design--site and bedroom size--Abt Associates calculated an appropriate weight. By applying appropriate weights to every cell's summary information and then adding the values together, it is possible to make estimates for voucher and certificate holders in the 106 large urban PHAs. These estimates assume that the number of certificate recipients at each large urban PHA matches the number of certificate slots it had in 1985. In addition, the estimates assume an identical number of voucher recipients at each large urban PHA.

As mentioned earlier, the Abt study was not designed as a study of the elderly. Analysts must be careful in calculating point estimates for the elderly group. The number of combinations of program, site, and bedroom size is large--136 cells--spread across approximately 1,350 households. It is possible that because of missing data on selected measures of interest, specific combinations of program, site, and bedroom size have limited information. If a specific combination of program and bedroom size has limited information (i.e., no elderly persons in the specific combination or no variation in the measure of interest), then its weight or contribution to the calculation of point estimates or sampling errors is nullified. We found that the sample contained very limited information on the elderly in bedroom sizes greater than one. Therefore, we decided to make estimates for the elderly group as those households headed by an elderly person and living in a unit of no more than one bedroom. This subgroup of households

headed by the elderly comprised almost 18 percent (\pm 6.0 percent) of the households in the 106 large urban PHAs.

It is important to note that our estimates for the elderly group represent only those elderly who reside in either efficiencies (units with no bedrooms) or one-bedroom units. The nonelderly group, on the other hand, represents all nonelderly residents regardless of the number of bedrooms in their units. As a result, care must be taken in making comparisons between the elderly and the nonelderly, since some differences between these two groups may be related to the number of bedrooms in a particular unit. For those characteristics not anticipated to be correlated with bedroom size, such as education, comparisons between the elderly and the nonelderly are more tenable.

Data on Four MSAs

Section 558 of the Cranston-Gonzalez National Affordable Housing Act of 1990 (P.L. 101-625) directed GAO to examine fair market rents (FMR) under section 8(c)(1) of the United States Housing Act of 1937 and determine the feasibility and effects of establishing FMRs for areas that are geographically smaller than current market areas. The Housing Act identified four MSAs to be included in the review: Wilmington, Delaware; Oklahoma City, Oklahoma; Seattle, Washington; and Washington, D.C. We identified 34 housing agencies that administer about 25,766 section 8 vouchers and certificates in the four MSAs.

We sent each of the 34 PHAs a letter requesting, among other things, demographic and rent burden information on households enrolled in the section 8 program as of May 31, 1991. The demographic data requested included the sex, race, handicapped/disabled status, and adjusted income of section 8 recipients. Two housing agencies were later excluded from our analysis because either they did not provide the requested data or the data provided were incomplete at the time of our review. These were the Penns Grove, New Jersey, PHA under the Wilmington, Delaware, MSA and the Seattle PHA under the Seattle, Washington, MSA.

As a result, we received demographic and rent burden information from 32 PHAs on about 22,765 section 8 recipients. About 861 of these recipients had to be excluded from our analysis because the PHAs did not provide us with the ages of these recipients. Therefore, we were able to provide information on 21,904 section 8 recipients, consisting of 5,440 voucher and 16,464 certificate recipients. These data can only be used to draw inferences about the population of section 8 recipients in the four MSAs and can not be generalized to other market areas.

SURVEY OF THE ELDERLY ON HOUSING QUALITY

To obtain information on the quality of units occupied by section 8 recipients, we surveyed about 1,516 elderly in three of the four MSAs from which we had collected demographic information. The three MSAs were Wilmington, Delaware; Oklahoma City, Oklahoma; and Seattle, Washington. We conducted our survey between January and April 1992. (App. III contains the questionnaire used for the survey). We performed seven pretests of the draft questionnaire in two of the participating MSAs, considered the participant's comments, and made changes where appropriate.

We surveyed all voucher recipients (439) in the three MSAs and took a probability sample of certificate recipients (1,077 out of 3,040). As of May 1992, we had received completed questionnaires from 371 voucher and 895 certificate recipients. This return represents an overall response rate of 83.5 percent, or 84.5 percent of voucher recipients and 83.1 percent of certificate recipients.

INTERVIEWS WITH HOUSING INSPECTORS

To obtain addition information on the quality of housing units occupied by elderly section 8 recipients, we interviewed section 8 housing inspectors and other housing officials in 25 PHAs in the four MSAs. These officials are familiar with the housing conditions of section 8 recipients because they are required to inspect units to ensure the units' compliance with HUD's housing quality standards both before the initial lease contract is approved and at least once a year afterwards, and at other times as needed.

HUD'S DATA ON VOUCHER HOLDERS
IN RURAL AREAS

We tried to identify data sources that could provide information on section 8 households in rural areas and found one potential source. HUD had surveyed 41 small city and rural PHAs to complement the study that Abt conducted on large urban PHAs. HUD used the same survey that Abt used in its study and collected most of the same information, including demographic and rent burden data. However, HUD examined only voucher recipients. PHAs were asked to collect 1 year's worth of data for each voucher household included in the study. Information was collected on about 3,000 voucher households--10 to 15 percent were elderly--from 1986 to 1988. HUD tentatively expects to issue a report on the results of this study later this year.

We spent a limited amount of time examining the methodology that HUD used to implement its small city and rural PHA study and decided not to include the study's results in this report for several reasons. First, according to HUD, although its study was based on the Abt study, it was not intended to be of the same scope. HUD did not have the resources to perform the same type of comprehensive study. As a result, HUD lacks documentation on how it implemented its study as well as on how it treated the data received from PHAs.

Second, while HUD could provide us with a set of point estimates for selected demographic characteristics, it could not provide sampling errors for these estimates. In our opinion, sampling errors should be calculated whenever possible for any estimates based on a sample survey.

DEMOGRAPHIC AND RENT BURDEN INFORMATION FOR FOUR MSAs

Tables II.1 through II.4 present the sex, race, handicapped and/or disabled status, and adjusted annual household incomes for elderly and nonelderly recipients of section 8 assistance in the Wilmington, Delaware; Oklahoma City, Oklahoma; Seattle, Washington; and Washington, D.C., MSAs. Tables II.5 and II.6 present the rent burdens for elderly and nonelderly voucher households in the four MSAs.¹ The first three characteristics (sex, race, and handicapped status) apply to the head of the household, while income and rent burden characteristics apply to all members of the household.

¹These tables do not include data for the Penns Grove, New Jersey, PHA under the Wilmington, Delaware, MSA and the Seattle PHA under the Seattle, Washington, MSA. See app. I for additional information.

Table II.1: Characteristics of Recipients in the Wilmington MSA, by Age Group

In percents

Category	Vouchers			Certificates		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
<u>Sex</u>						
Male	5.2	16.7	26.7	9.8	25.8	18.8
Female	94.8	83.3	73.3	90.1	74.2	81.2
No data	0	0	0	0.1	0	0
<u>Race</u>						
White	14.7	58.3	73.3	28.9	78.5	87.9
Black	80.4	41.7	26.7	69.0	18.7	11.5
Other ^a	0	0	0	0	0	0.6
No data	4.9	0	0	2.3	2.9	0
<u>Handicapped/ disabled</u>						
Yes	7.2	8.3	0	11.8	14.4	1.2
No	83.8	45.8	80.0	76.1	67.0	86.1
No data	9.0	45.8	20.0	12.1	18.7	12.7
<u>Adjusted annual income</u>						
\$0	1.5	0	0	1.5	0.5	0
>0 ≤ \$7,500	67.1	66.7	66.7	67.6	69.4	73.9
> \$7,500	31.5	33.3	33.3	30.9	30.1	26.1
No data	0	0	0	0	0	0
Mean	\$6,451	\$7,181	\$7,131	\$6,295	\$6,518	\$6,459
Population	346	24	15	1,862	209	165

Note: Estimates may not add to 100 percent because of rounding.

^aThroughout this appendix, "other" includes American Indian, Alaskan, Asian, and other race categories.

Source: GAO's analysis of MSA data.

Table II.2: Characteristics of Recipients in the Oklahoma City MSA, by Age Group

In percents

Category	Vouchers			Certificates		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
<u>Sex</u>						
Male	10.9	27.5	6.7	14.9	25.1	10.0
Female	88.9	72.6	93.3	84.9	74.5	88.8
No data	0.3	0	0	0.2	0.4	1.2
<u>Race</u>						
White	48.5	76.5	93.3	44.6	75.6	89.7
Black	46.1	17.7	6.7	50.8	20.3	9.5
Other	4.5	5.9	0	3.5	3.9	0.9
No data	0.9	0	0	1.2	0.2	0
<u>Handicapped/ disabled</u>						
Yes	7.0	17.7	20.0	5.2	6.9	2.6
No	54.8	68.6	60.0	33.8	15.6	24.6
No data	38.2	13.7	20.0	61.1	77.5	72.8
<u>Adjusted annual income</u>						
\$0	4.5	0	0	3.7	0.6	0
>0 ≤ \$7,500	76.1	68.6	53.3	79.5	86.9	89.7
> \$7,500	19.4	31.4	46.7	16.6	12.2	10.3
No data	0	0	0	0.3	0.2	0
Mean	\$4,908	\$6,248	\$6,628	\$4,810	\$5,598	\$5,374
Population	774	51	15	2,293	467	349

Note: Estimates may not add to 100 percent because of rounding.

Source: GAO's analysis of MSA data.

Table II.3: Characteristics of Recipients in the Seattle MSA, by Age Group

In percents

Category	Vouchers			Certificates		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
<u>Sex</u>						
Male	17.9	18.1	21.1	20.4	18.8	15.5
Female	82.1	81.9	79.0	79.6	81.2	84.5
No data	0	0	0	0	0	0
<u>Race</u>						
White	72.2	84.0	97.4	76.9	92.5	97.0
Black	22.9	6.4	1.3	15.6	2.3	1.2
Other	3.7	7.5	0	6.0	4.6	1.2
No data	1.1	2.1	1.3	1.5	0.5	0.6
<u>Handicapped/ disabled</u>						
Yes	12.2	1.1	0	15.2	2.1	0.3
No	50.6	59.6	69.7	39.7	48.3	40.5
No data	37.2	39.4	30.3	45.2	49.6	59.2
<u>Adjusted annual income</u>						
\$0	0.1	0	0	0.6	0.3	0
>0 ≤ \$7,500	20.0	22.3	38.2	68.8	74.6	76.5
> \$7,500	9.2	12.8	11.8	30.6	25.2	23.5
No data	70.7	64.9	50.0	0	0	0
Mean	\$7,166	\$6,675	\$6,151	\$7,344	\$6,507	\$6,191
Population	965	94	76	2,552	389	336

Note: Estimates may not add to 100 percent because of rounding.

Source: GAO's analysis of MSA data.

Table II.4: Characteristics of Recipients in the Washington, D.C., MSA, by Age Group

In percents

Category	Vouchers			Certificates		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
<u>Sex</u>						
Male	13.9	34.9	30.2	11.4	28.3	20.4
Female	85.2	63.5	69.0	87.8	71.1	79.0
No data	0.9	1.6	0.9	0.7	0.7	0.6
<u>Race</u>						
White	22.9	42.9	51.7	19.7	37.9	57.6
Black	60.6	34.5	31.9	53.1	40.7	26.1
Other	4.8	11.5	8.6	4.3	9.1	5.3
No data	11.8	11.1	7.8	22.9	12.3	11.0
<u>Handicapped/ disabled</u>						
Yes	12.2	15.1	6.9	12.8	15.7	4.7
No	58.9	64.7	71.6	47.6	51.9	66.1
No data	29.0	20.2	21.6	39.7	32.4	29.2
<u>Adjusted annual income</u>						
\$0	2.3	2.4	0.9	1.3	0.5	0.4
>0 ≤ \$7,500	51.0	51.6	48.3	56.0	60.3	62.9
> \$7,500	33.7	34.1	40.5	41.5	38.7	35.5
No data	12.9	11.9	10.3	1.3	0.5	1.2
Mean	\$8,051	\$7,747	\$8,265	\$8,578	\$7,556	\$7,209
Population	2,712	252	116	6,581	771	490

Note: Estimates may not add to 100 percent because of rounding.

Source: GAO's analysis of MSA data.

Table II.5: Rent Burdens for Voucher Households in the Seattle and Oklahoma City MSAs, by Age Group

In percents

Rent burden	Seattle			Oklahoma City		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
0 < 29	5.6	13.8	26.3	46.7	66.7	60.0
29 < 31	1.6	1.1	2.6	8.0	7.8	26.7
≥ 31	19.8	19.2	18.4	37.9	21.6	13.3
No income	0.1	0	0	4.5	0	0
No data	73.0	66.0	52.6	3.0	3.9	0
Mean	41.1	28.9	30.1	31.00	25.9	25.1
Population	965	94	76	774	51	15

Note: Estimates may not add to 100 percent because of rounding.

Source: GAO's analysis of MSA data.

Table II.6: Rent Burdens for Voucher Households in the Wilmington and Washington, D.C., MSAs, by Age Group

In percents

Rent burden	Wilmington			Washington, D.C.		
	Under 62	62 < 75	75 and older	Under 62	62 < 75	75 and older
0 < 29	8.1	50.0	33.3	21.9	25.8	23.3
29 < 31	5.8	4.2	0	19.5	23.4	29.3
≥ 31	28.0	29.2	53.3	37.5	35.3	34.4
No income	1.5	0	0	2.3	2.4	0.9
No data	56.7	16.7	13.3	18.8	13.1	11.2
Mean	36.6	28.3	31.5	35.3	31.7	32.6
Population	346	24	15	2,712	252	116

Note: Estimates may not add to 100 percent because of rounding.

Source: GAO's analysis of MSA data.

SURVEY OF HOUSING QUALITY

U.S. General Accounting Office

GAO Survey of the Quality of Federally - Assisted
Housing Occupied by Persons Age 62 or Older

The U.S. General Accounting Office (GAO) is an office that looks at how well federal programs are working. GAO was asked by Congress to report on the quality of housing that persons age 62 or older live in when they receive federal housing assistance.

As a part of our study we are sending this questionnaire to persons receiving housing assistance through their local public housing authority. Your answers will help tell Congress if housing assistance meets peoples' needs. Your answers will not affect in any way whether you will receive assistance or how much assistance you will receive.

INSTRUCTIONS: PLEASE READ

Please complete the questionnaire and return it to us in the enclosed business-reply envelope within 10 days, if possible. This will help us avoid costly follow-ups.

If you have any questions, please call Jaqueline Hill collect at (202) 566-0679. If the envelope is missing, please return your completed questionnaire to:

U.S. General Accounting Office
Attn: Jaqueline Hill
441 G St., N.W., Room 1826
Washington, DC 20548

THANK YOU FOR YOUR ASSISTANCE

1. Are you receiving Section 8 help, such as a rental certificate or housing voucher, to help with the rent where you live? (Check one)

1. No \Rightarrow **STOP! Do not answer any more questions. Please return the questionnaire in the envelope provided.**

2. Yes \Rightarrow Please continue.

2. Overall, do you think the unit (house, apartment, etc.) you now live in is excellent, good, fair, poor, or very poor? (Check one)

1. Excellent

2. Good

3. Fair

4. Poor

5. Very poor

Please continue on the back of this page.

3. Do you think the neighborhood you now live in is excellent, good, fair, poor, or very poor? (Check one)
1. Excellent
2. Good
3. Fair
4. Poor
5. Very poor
4. What do you think about the size of the unit (house, apartment, etc.) you now live in? Is it much too big, a little bit too big, about right, a little bit too small, or much too small? (Check one)
1. Much too big
2. A little bit too big
3. About right
4. A little bit too small
5. Much too small
5. From where you now live, is it hard or easy for you to get to stores? (Check one)
1. Hard
2. Not hard, not easy
3. Easy
6. From where you now live, is it hard or easy for you to get to the doctor? (Check one)
1. Hard
2. Not hard, not easy
3. Easy
7. Suppose you had to move. Do you think it would be hard or easy to find a better place that you could afford? (Check one)
1. Hard
2. Not hard, not easy
3. Easy
4. Don't know
8. If you had your choice, would you stay where you live now or would you rather move? (Check one)
1. Stay
2. Move
9. If you have anything else you would like to tell us about your housing please tell us below or on a separate sheet of paper.

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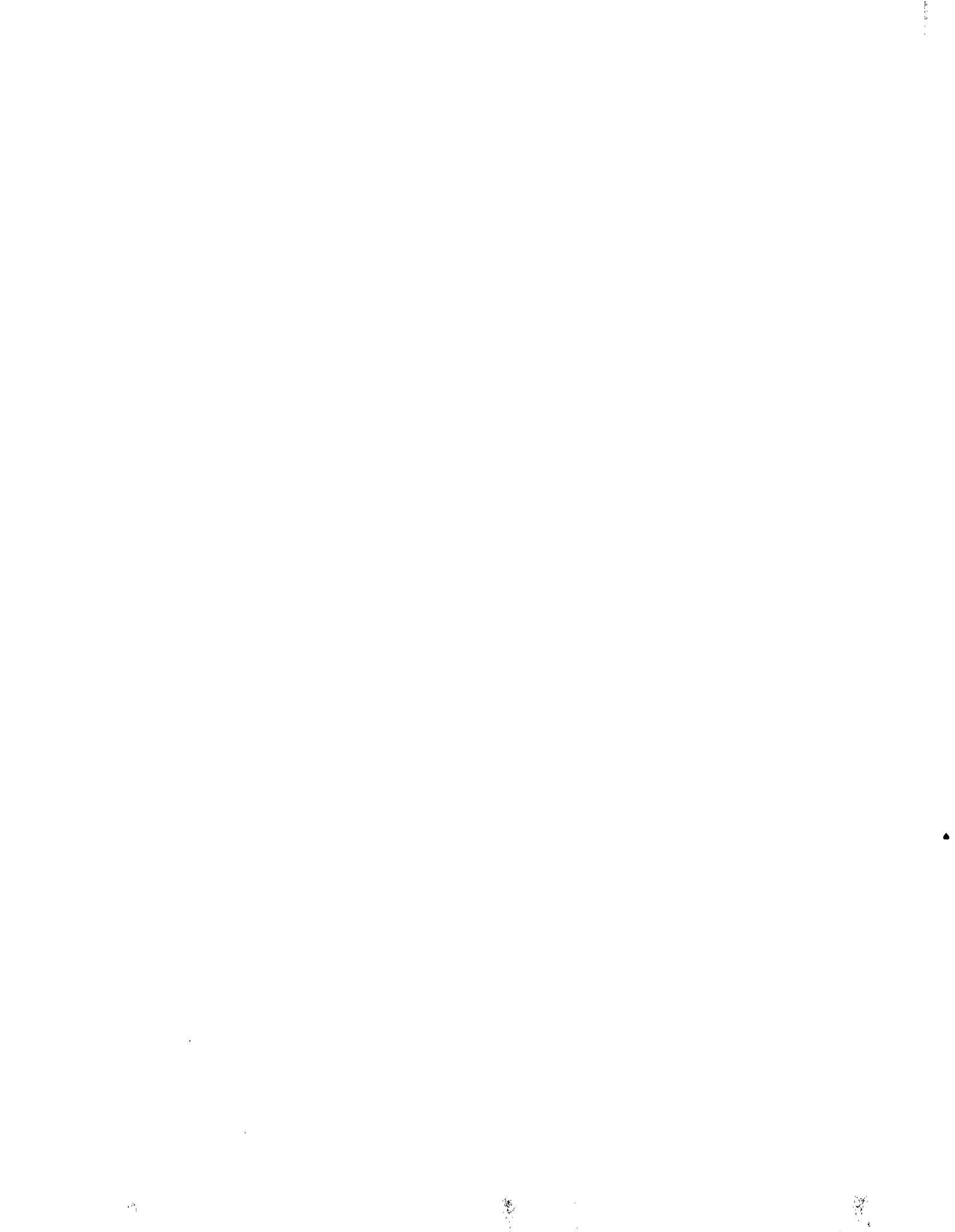
RESOURCES, COMMUNITY, AND ECONOMIC DEVELOPMENT DIVISION,
Washington, D.C.

Dennis W. Fricke, Assistant Director
Jaqueline Hill, Assignment Manager
Cheryl Kramer, Evaluator-in-Charge

DESIGN, METHODOLOGY, AND TECHNICAL ASSISTANCE GROUP

Karen Bracey, Supervisory Operations Research Analyst
Mitchell Karpman, Senior Operations Research Analyst
Alice Feldesman, Supervisory Social Science Analyst
Jonathan Bachman, Senior Social Science Analyst
Tom Noone, Senior Computer Specialist

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