ASSET
BUILDING
COALITION
of Forsyth County, North Carolina

COMMUNITY REPORT

The Housing Choice Voucher Program in Forsyth County, NC

Published February 2024

Forsyth County, North Carolina —

This report examines the Forsyth County Housing Choice Voucher Program administered by the Housing Authority of Winston-Salem (HAWS). It addresses what the program is, who is eligible, enrollment data by household income, and Area Median Income (AMI); the 'benefit cliff' associated with the program, relevant pathways to action; and resources that work directly with the program.

This report was produced in collaboration with the Asset Building Coalition of Forsyth County and Forsyth Futures as part of a series focused on public benefits in Forsyth County. The first report in this series, focused on the DSS Child Care Subsidy Program, can be read here.

The Asset Building Coalition of Forsyth County (ABC) believes that everyone deserves equitable access to the financial resources necessary to meet their essential needs, pursue aspirations, and achieve financial stability. ABC has a clear focus on addressing asset poverty, which is more persistent and prevalent than general poverty. Asset poverty signifies the inability to access financial resources needed to provide for basic needs for three months if income is interrupted or an emergency occurs. Also, ABC and its coalition raise awareness about the 'benefits cliff', its effects on individuals' and families' financial stability, and work to find policy- and employer-based solutions to mitigate the 'cliff' in Forsyth County and beyond. Through this report series on benefit programs, ABC strives to empower community advocacy, foster resilience, and develop policy pathways that address systemic change, asset poverty, and the attainment of financial stability for all residents of Forsyth County.

A **Benefit Cliff** does not threaten Housing Choice Voucher Recipients.

The design of the Housing Choice Voucher program does not create a 'cliff' since the voucher amount gradually declines to zero based on the participant's income. If other public benefits followed the same gradual decline, or a slope rather than a cliff, as income increases, participants would not be as financially affected.

A ***'Benefit Cliff'*** occurs when a benefit is eliminated after a certain income threshold is crossed. Once a recipient crosses the threshold, the benefit goes away without a gradual phase-out.

IMPORTANT NOTE

The information and data referenced in this report primarily come from the U.S. Department of Housing and Urban Development [HUD] and the Housing Authority of Winston-Salem [HAWS].

LIMITATIONS
This report specifically addresses the Housing Choice Voucher Program in Forsyth County. It does not cover all of the housing supports offered by the Housing Authority of Winston-Salem (HAWS) or a detailed analysis of the challenges within the program, particularly around housing availability and quality. It is important to note that while this report provides insight into the local implementation of the Housing Choice Voucher Program (HCV Program), it does not fully address the broader scope of local housing issues or the complexities of the HCV Program in other contexts.

For more information on this report, *contact info@forsythfutures.org*.

Overview

The Housing Choice Voucher Program, often called Section 8, is a federal program of the U.S. Government that offers housing assistance to low-income individuals and families, the elderly, and people with disabilities to obtain safe and sanitary housing [1].

What is the DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)?

The Department of Housing and Urban Development (HUD) is a United States federal agency responsible for national policies and programs addressing housing needs, improving and developing communities, and enforcing fair housing laws [2] . HUD generally oversees federal housing programs, grants, and policies to ensure access to affordable housing and community development.

Specifically for the Housing Choice Voucher Program (HCV), HUD provides funding, establishes guidelines and income limits, and ensures program compliance nationwide. HUD plays a critical role in shaping and monitoring the HCV Program, ensuring it serves low-income families, the elderly, and people with disabilities effectively.

What is the HOUSING AUTHORITY OF WINSTON-SALEM

(HAWS)?

The Housing Authority of Winston-Salem (HAWS) is a local nonprofit organization in Winston-Salem, North Carolina, dedicated to providing and managing affordable housing solutions for residents. HAWS plays a central role in addressing the housing needs of low-income families, seniors, and individuals with disabilities within the Winston-Salem area.

In regard to the Housing Choice Voucher Program (HCV), HAWS is responsible for administering the program locally and serves as the Public Housing Authority (PHA) for Forsyth County, North Carolina residents [3]. This includes creating policies and procedures for implementing the regulations set by HUD, determining the eligibility of applicants, issuing housing vouchers, managing the waiting list, and ensuring the housing provided meets the standards set by HUD. HAWS serves as the key point of contact for participants and landlords in the HCV Program, facilitating access to safe, affordable housing in the community.

What is a PUBLIC HOUSING AUTHORITY (PHA)?

A Public Housing Authority (PHA) is an organization, usually governmental or quasi-governmental, that oversees various housing programs, including the Housing Choice Voucher (HCV) Program at the local level [4].

In general, PHAs are responsible for providing affordable housing options to eligible low-income residents in their area. In the context of the HCV Program, a PHA's role includes determining eligibility, distributing vouchers, managing waitlists, and ensuring that the housing provided meets the program's standards. A PHA also serves as the key local contact for participants and landlords involved in the program.

The two major types of housing choice vouchers are tenant-based and project-based, both of which provide rental assistance or subsidies covering a certain percent of a participant's housing costs.

Tenant-based Vouchers

or subsidies are used in the private rental market and are tied to the qualifying individual or family, allowing them the flexibility to choose their housing.

Project-based Vouchers

or subsidies are linked to specific properties or buildings rather than the tenant (Housing Authority of Winston-Salem [HAWS], n.d). With these vouchers, the subsidy stays with the property, and the individual or family benefits from it as long as they live in that building. In Forsyth County, there are nine residential properties that have project-based vouchers.

With both tenant-based and project-based vouchers, the PHA (locally, this is HAWS) issues the voucher directly to the owner or landlord, and then the tenant pays the difference between the actual rent charged and the voucher amount.

Most vouchers in the Housing Choice Voucher Program are tenant-based compared to project-based (88% of tenant and project-based vouchers issued in December, 2023 in Forsyth County were tenant-based vouchers); this report focuses on these **tenant-based vouchers.**

Qualified applicants receive vouchers and then must find housing (e.g., apartments, townhouses, single-family homes, duplexes, and others) in the private market [5]. These vouchers, which can be used anywhere that meets the program's criteria as long as the landlord accepts them, offer the greatest flexibility by being linked to individuals, not specific properties or areas. If a property takes Section 8 and meets various HUD regulations, the recipient can freely choose it. They can also decide to move to another property without losing the subsidy as long as they are still eligible for the program.

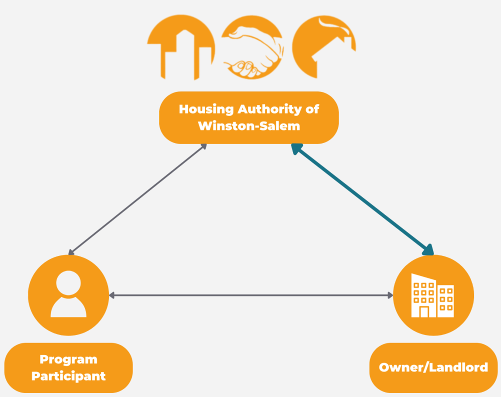
About the Program

Funds for the HCV Program and requirements for the use of those funds originate with the federal government and are received locally by HAWS, our local Public Housing Authority.

United States Congress	⌂ Appropriates funding for HUD annually. In 2023, $30.3 billion was allocated for the HCV Program [6]; ⌂ HAWS received approximately $28.9 million of this funding, which includes costs of the program and administrative costs to run it [7]
U.S. Dept. of Housing and Urban Development (HUD)	⌂ Receives funding from Congress and then provides funding to local PHAs across the country; ⌂ Sets program regulations and standards and specifies local PHA obligations
Housing Authority of Winston-Salem (HAWS) *HAWS is our local Public Housing Authority (PHA)*	⌂ Receives funding from HUD to administer the HCV Program in Forsyth County, NC; ⌂ Processes applications and determines eligibility for both landlords and tenants; ⌂ Recertifies vouchers annually based on eligibility ⌂ Inspects and approves housing units; ⌂ Pays the voucher amount issued to tenants to participating owners / landlords

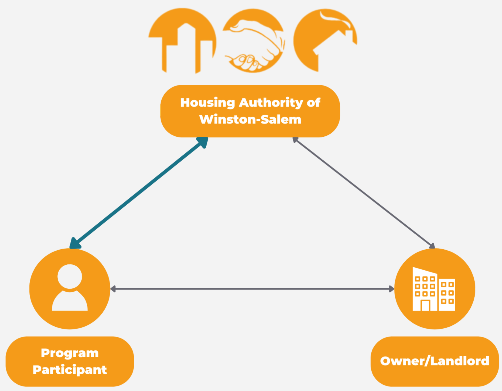
Property Owners and/or Landlords	⌂ Comply with the standards and regulations in the contract; ⌂ Maintain the housing units that program participants live in
Families/Program Participants	⌂ Apply to the HCV Program; ⌂ Find housing units that accepts program vouchers; ⌂ Pay the owner / landlord the remaining rent not covered by the voucher; ⌂ Ensure information (family size, income) is accurate and up-to-date with HAWS; ⌂ Comply with terms set in the lease

Locally, HAWS works with both tenants and landlords/property owners to operate the HCV Program — each has responsibilities to uphold [3]:



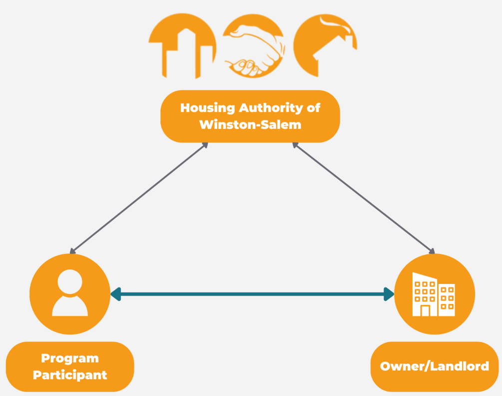
HAWS works with property owners/landlords to...

- Specify owner/landlord & PHA obligations through the Housing Assistance Payments (HAP)



HAWS works with Families/Program Participants to...

- Specify family obligations in the voucher
- Ensure their information (family size, income) is accurate and up-to-date



Program Participants and Owners/Landlords...

- Enter into and abide by the lease agreement

Eligibility and the Area Median Income (AMI)

The Housing Authority of Winston-Salem (HAWS) determines who is eligible for the voucher locally. Eligibility is limited to US citizens and non-citizens with permanent status. Households classified as "mixed-status families" — those with both eligible and ineligible members due to immigration status – may receive prorated assistance based on the number of eligible family members in the household [8].

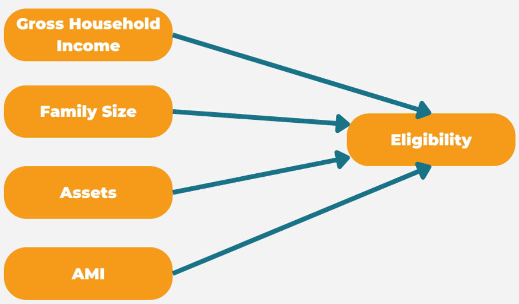
HAWS compares a family's household income, assets, and the number of people in an applicant's family to the **Area Median Income (AMI)** thresholds to determine eligibility [3]. Families are income-eligible if they qualify as Low-Income, which means they earn less than 80% of the AMI.

The *Area Median Income (AMI)*, also known as *Median Family Income*, is set by the Department of Housing and Urban Development and is the middle value of household income in a specific area [9]. **AMI determines who is eligible and how much assistance they get in housing programs like the Housing Choice Voucher Program.**

The *median* is a statistical measure that measures the middle value in a given dataset or list of numbers. Half of the people are above the median, while the other half are below. For example, in the list of numbers 3, 5, 7, 9, and 11, the middle value, or median, is 7.

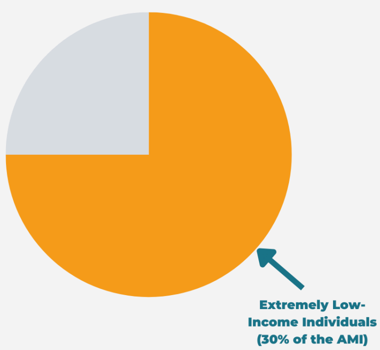
The median is useful to understand how much of the population falls below or above a given data measure, like the Area Median Income (AMI).Remin

In 2023, Forsyth County's AMI was $85,800, meaning that half of households earn more than that amount while the other half earns less [10]. The AMI varies based on family size to reflect smaller or larger families' different needs and resources.



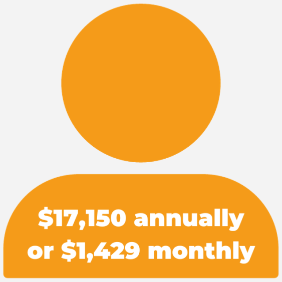
HAWS compares a family's household income (gross household income), assets, and the number of people in an applicant's family to the Area Median Income (AMI) income thresholds to determine eligibility.

Gross Household Income refers to the total pre-tax income all household members earn. This includes wages, salaries, benefits, and any other sources of income used to determine eligibility and the amount of housing assistance a household can receive under the program.



HUD determines the AMI and requires that at least 75% of vouchers go to *Extremely Low-Income households*, defined as those earning below 30% of the AMI.

The program is limited to *Low-Income households*, defined as those earning below 80% of the AMI.



In 2023, a **1-person household** in Forsyth County, NC, could earn up to **$17,150 annually** (or about $1,429 monthly) to qualify at 30% AMI. See the 2023 AMI table for those within the 30% AMI below table.

HAWS can choose to prioritize over 75% of vouchers for Extremely Low-Income individuals, as HUD permits them to tailor the Housing Choice Voucher Program to local conditions, including focusing on other vulnerable groups.

Other special populations or groups considered in eligibility and waiting list priorities:

- People with disabilities;
- Elderly;
- Displaced populations

Other factors affecting eligibility:

- Providing social security numbers of everyone in the household;
- Not currently receiving another housing subsidy;
- Consenting to collection and use of information on household members for eligibility purposes, which includes looking at criminal and eviction history as well as current drug use

Qualified applicants are put on a waiting list managed by the PHA, and are contacted once a voucher becomes available.

2023 AMI table for those within the 30% AMI

Family Size	Extremely-Low Income Threshold (30% AMI)
1 Person	$17,150
2 Person	$19,720
3 Person	$24,860
4 Person	$30,000
5 Person	$35,140
6 Person	$40,280
7 Person	$45,420
8 Person	$50,560
9 Person	$55,700

Source: HUD Income Limits (2023) • Created with Datawrapper

Local Participation by the Numbers

IMPORTANT NOTE

All of the data below about participation in the program came from the Housing Authority of Winston-Salem (HAWS). Among Forsyth County households who received a tenant-based or project-based voucher, about 88% received a tenant-based voucher.

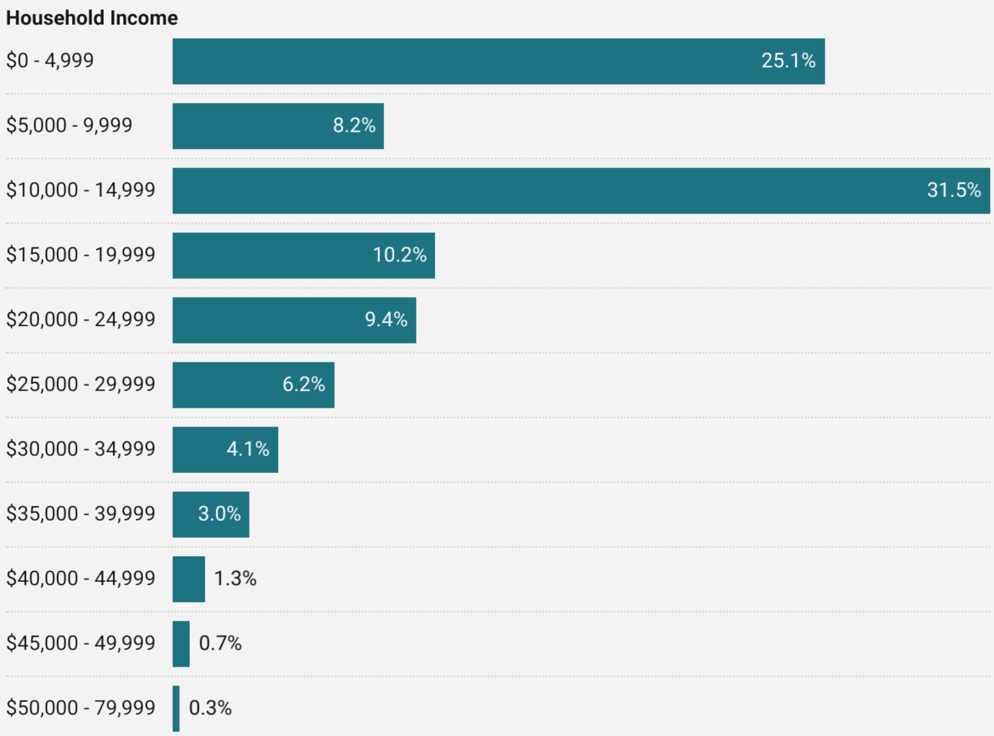
Data reflects tenant-based voucher recipients who received a voucher in December, 2023.

2,275
Total Households Enrolled in Forsyth County

5,839
Total People in those Households

Households Enrolled in the HCV Program by Household Income

Data Note: Data reflects those who received a tenant-based voucher greater than $0 in December, 2023

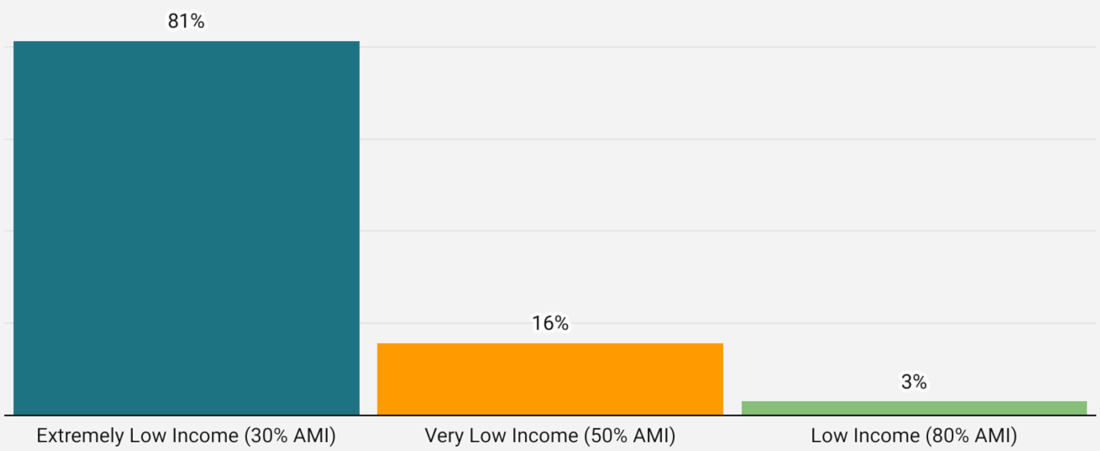


Source: HAWS Enrollment Data (December 2023) • Created with Datawrapper

- 1/3 of households receiving a voucher have a household income of less than **$10,000**
- Nearly 2/3 of households receiving a voucher have a household income less than **$15,000**

Households Enrolled in the HCV Program by Household Income as a Percentage of Area Median Income

Data Note: This graph provides a full breakdown of household income for three different AMI percentages (30%, 50%, and 80%). The rest of the data provided in this report focuses on households in the 30% AMI category since at least 75% of this voucher is intended to serve this population, according to HUD regulations.



Source: HUD Income Limits (2023); HAWS Enrollment Data (December 2023) • Created with Datawrapper

- *Most households receiving a voucher are Extremely Low-Income (30% AMI).*
- *About **44%** of those Extremely Low-Income households have 1 or 2 members in the household.*

Households Enrolled in the HCV Program at 30% AMI (Extremely Low-Income) by Family Size

Family Size	Extremely Low Income Threshold (30% AMI)	% Enrolled Who are Extremely Low Income (30% AMI)
1 Person	$17,150	27.6%
2 Person	$19,720	16.6%
3 Person	$24,860	14.8%
4 Person	$30,000	12.6%
5 Person	$35,140	6.4%
6 Person	$40,280	2.1%
7 Person	$45,420	0.7%
8 Person	$50,560	0.4%
9 Person	$55,700	0.1%

Source: HUD Income Limits (2023); HAWS Enrollment Data (December 2023) • Created with Datawrapper

- *Income thresholds for Extremely Low-Income families depend on family size:*
  - *a 1-person family can earn up to $17,150 (30% AMI) to qualify, while a 9-person family can earn up to $55,700.*
  - *The HCV program mainly supports these Extremely Low-Income groups, allocating at least 75% of all subsidies to them.*
- *Over a quarter (~28%) of all households who received a voucher in December, 2023 are 1-person households / families who are Extremely Low-Income (or 30% of the AMI).*

Is the Housing Choice Voucher (HCV) Program meeting the needs of Forsyth County residents?

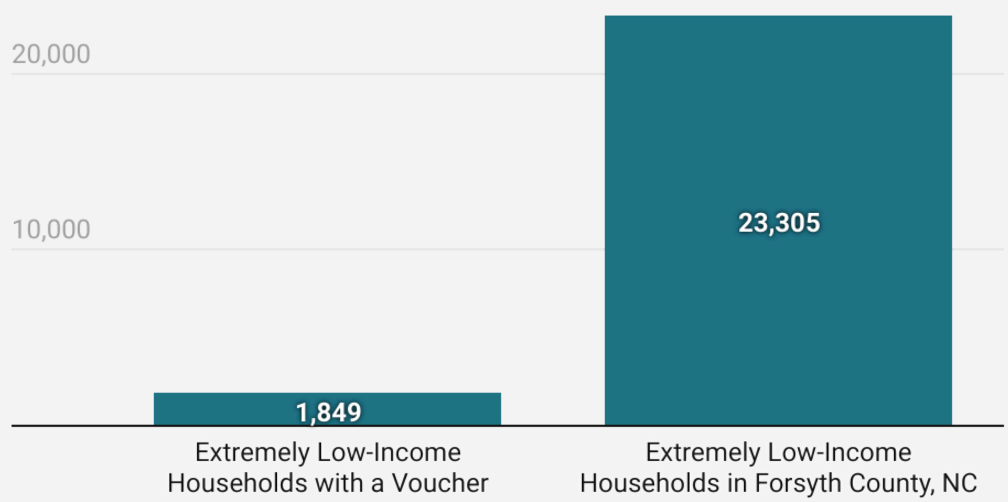
HUD requires that at least 75% of voucher recipients have incomes at or below the Extremely Low-Income thresholds of their area, based on family size and equivalent to 30% of the Area Median Income (AMI). This helps ensure that the subsidies go to the most economically disadvantaged households.

Currently, 81% of households participating in the program, totaling 1,849, are Extremely Low-Income, with about 65% earning less than $15,000. The graph below shows the program's total number of Extremely Low-Income households and the estimated number of households eligible for this threshold.

It is important to note that these numbers represent estimated household counts, not the exact number of eligible families. Additionally, these estimates are based solely on income limits and do not guarantee program qualification, as families must also meet other criteria (**see About Section**).

HCV Participants Compared to Total Estimated Forsyth County Households (Extremely Low-Income)

Data Note: In 2023, the Housing Authority of Winston-Salem (HAWS) followed HUD's income guidelines for that year. The HCV Program data is from 2023, and the 2022-1 Year PUMS data was used for population estimates. All income variables used in the PUMS population estimates were adjusted for inflation to reflect household incomes in 2023 dollars as of December, 2023.



Source: HUD Income Limits (2023); HAWS Enrollment Data (December 2023); ACS 1-Year PUMS (2022) • Created with Datawrapper

- *In December, 2023, around 1,850 extremely low-income households (30% AMI) received a voucher, but about 23,300 households were estimated to be eligible at that income level.*
- *This means the number of households eligible for the Housing Choice Voucher Program is roughly 10 times higher than those who actually received a voucher by the end of the year.*

Barriers to the Program

Despite the program's intention to provide affordable housing to low-income families, the elderly, and individuals with disabilities, several challenges limit its effectiveness — ranging from limited funding and long waiting lists to difficulties in finding suitable housing and navigating the complexities of the program. Understanding these barriers is crucial for identifying potential improvements and ensuring the program fulfills its mission to assist those in need in Forsyth County.

Barriers in Forsyth County, NC:

Limited supply and funding

POTENTIAL BARRIERS

One of the main barriers to the HCV Program in Forsyth County is the limited supply of housing and funding. This scarcity means that the resources available are often insufficient to meet the demand for housing assistance. As a result, participants frequently encounter long waiting periods. This issue is succinctly summarized by HUD: "Since the demand for housing assistance often exceeds the limited resources available to HUD and the local housing agencies, long waiting periods are common" [1].

Time limit to find housing once voucher is issued

POTENTIAL BARRIERS

Once a voucher is initially issued, recipients have 60 days from the date of issuance to find qualified housing. If voucher recipients cannot find housing in the 60-day window, they will have to reapply and be put back on the waiting list, once it is open. There are extensions to the 60-day window, but they are limited to participants with family or health emergencies, whether HAWS approves a qualified unit in time, and other narrow exceptions.

HAWS Waiting List

POTENTIAL BARRIERS

The Housing Authority of Winston-Salem (HAWS) manages a waiting list for the HCV Program. **Due to limited funding and housing supply, this list has only been open for a total of three days since 2018, resulting in significant delays for applicants seeking assistance.** Additionally, interested applicants need to have access to a computer and must quickly apply in a limited time when the waiting list opens.

Housing Shortage

POTENTIAL BARRIERS

Forsyth County faces a housing shortage in affordable units that fit the budget constraints of HCV Program participants and property owners / landlords participating in the program. This shortage makes it challenging for voucher holders to find suitable housing, leading to longer search times and increased difficulty in securing a home that meets their needs. **Click here** to learn more about the affordable housing shortage in Forsyth County.

Eligible by income does not mean all families will qualify

POTENTIAL BARRIERS

Even though a family may be eligible for the HCV Program based on income, this does not automatically mean they will qualify. There are other factors and qualifications, such as criminal and eviction history, that families must meet, which can create additional barriers to accessing the program's benefits.

Families can pay up to 40% of their income towards their

POTENTIAL BARRIERS

Under the HCV Program, families may have to pay up to 40% of their income towards housing costs housing costs.

[3]. This financial requirement can significantly burden low-income families, affecting their ability to afford other essentials and possibly limiting their housing options within the program. This contribution rate underscores the challenge of balancing housing costs with other living expenses for many program participants.

Inspections may cause disruptions and inconvenience to both owners and tenants.

POTENTIAL BARRIERS

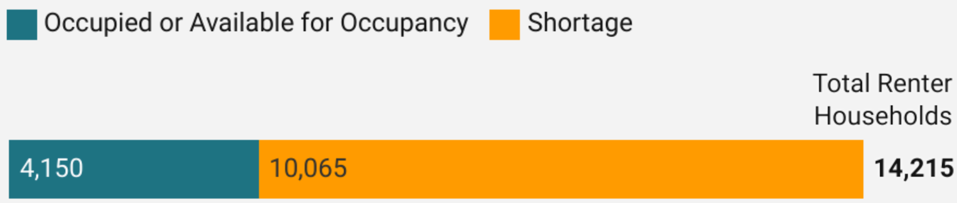
HUD requires that properties in the HCV Program meet various housing quality standards typically before tenants occupy the property and throughout their participation in the program. Potential barriers include scheduling constraints, disruptions to tenants' occupancy, and logistical or other obstacles to staffing for the PHA. **Click here** for a closer look at the various housing inspection types HAWS performs.

Affordable Housing Shortage in Forsyth County

Data Notes:

- *This report specifically addresses the Housing Choice Voucher Program in Forsyth County. It does not cover all of the housing supports offered by the Housing Authority of Winston-Salem (HAWS) or a detailed analysis of the challenges within the program, particularly around housing availability and quality. It is important to note that housing shortage issues in Forsyth County are a barrier to the HCV Program; however, this report does not fully address the broader scope and complexities of local housing shortage issues.*
- *This analysis references the City of Winston-Salem's Housing Study and Needs Assessments (Exhibit 21) report published in 2018. The report can be found here: Winston-Salem / Forsyth County Housing Study and Needs Assessment*
- Affordable housing refers to those who spend no more than 30% of their household income on housing-related costs.

Extremely Low-Income (30% AMI)



Source: HUD 2023 (2020 5-Year ACS) • Created with Datawrapper

- *Affordable housing means not spending more than 30% of household income on housing-related costs, and there is an affordable housing shortage among Extremely Low-Income (30% AMI) households.* ***In Forsyth County, North Carolina, there are 4,150 affordable rental units currently occupied or available for occupancy by households earning up to 30% of the area median income. However, those same households need an estimated 10,065 additional affordable units.***
- *This shortage among Extremely Low-Income renters could reflect there not being enough rental units for that group, and/or it is possible that those households with higher incomes are tapping into the supply of what is affordable to lower-income households.*

Housing Inspections: A Closer Look

The Housing Authority of Winston-Salem (HAWS) performs four different types of housing inspections for the Housing Choice Voucher (HCV) Program to ensure that properties meet minimum health and safety standards. Below briefly explains each type of inspection and their potential barriers:

Inspection Category	Brief Description	Potential Barriers
Initial	⌂ The initial inspection must occur on or before the effective date of the contract between owners and HAWS, which ensures the unit meets the program's health and safety standards.	⌂ HAWS has 15 days to complete the inspection and notify both families and owners of the results, so there are time and scheduling constraints. If the property fails the inspection, then it could delay move-in.
Annual/ Biennial	⌂ There are two types of ongoing inspections: annual (yearly) or biennial (every two years). HAWS will typically inspect properties once every 12 months (annually), but if owners/landlords consistently pass annual inspections, inspections will likely be done biennially.	⌂ Owners must comply with standards throughout a tenant's stay, which can be challenging due to paperwork and scheduling constraints. ⌂ If tenants miss two scheduled inspections without approval from HAWS, that could lead to termination from the HCV Program. Also, issues during inspections might cause disruptions or problems with tenants.
Special Requests	⌂ Life-threatening conditions reported by tenants or government officials require owners to make repairs, and HAWS inspects the property within 24 hours. If HAWS finds other housing quality issues during the inspection, then	⌂ A 24-hour notification, repair window, and inspection are tight windows of time, and there could be delays if staffing or logistical constraints exist. ⌂ If owners encounter any additional issues, they may face further limitations that could

	owners will be required to make those repairs, too.	prevent them from addressing them quickly. There could also be significant disruption to tenants depending on the severity of the problem.
Quality Control	⌂ HUD requires public housing authorities to get a sample of rental properties to ensure that inspections across properties are thorough and housing quality standards are consistently applied.	⌂ There is always a risk the sample properties selected do not accurately represent all rental properties participating in the HCV Program. ⌂ If PHAs already do a high volume of inspections, these additional inspections may further constrain resources. ⌂ Disruptions to owners and tenants can be inconvenient, especially for those who consistently comply with housing quality standards.

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