



# SUBSIDIZED HOUSING AND SMOKE- FREE POLICIES

## OVERVIEW OF SUBSIDIZED HOUSING

March 2011

**T**HE MINNESOTA Statewide Health Improvement Program (SHIP) aims to reduce tobacco use across the state. One policy intervention available to SHIP communities is the adoption of smoke-free multi-unit housing policies. This fact sheet provides a basic overview of two types of federally subsidized multi-unit housing and the government's approach to smoke-free policies.

### **Q** What is public housing?

**A** Generally, public housing is housing that is both owned and managed by a city or county Public Housing Authority (PHA) to ensure the availability of housing for low-income populations. In addition to local funding sources, PHAs typically receive federal funding through the department of Housing and Urban

Development (HUD). Applicants for public housing must meet income and other standards in order to qualify for public housing and generally are required to pay about 30% of their income towards rent.

*“Public housing is generally owned by a local public housing authority; Section 8 is typically privately owned.”*

### **Q** What is Section 8 housing?

**A** Section 8 housing, also known as the Housing Choice Voucher program, is a federally funded program intended to expand choice in properties available to low-income tenants. On the federal level, the program is administered by HUD. HUD awards

grants to a local PHA, which then issues vouchers to eligible property owners and low-income tenants. A voucher is an authorization from the PHA indicating that the tenant or the property owner meets HUD guidelines and is qualified to receive rental subsidies from the PHA.

### **Q** How is public housing different from Section 8 housing?

**A** The primary difference between public housing and Section 8 housing is ownership of the property. Public housing is generally owned by a local PHA. In contrast, Section 8 housing is typically privately owned.

### **Q** What are the different types of Section 8 vouchers?

**A** Section 8 vouchers are issued either as *project-based* vouchers or

*tenant-based* vouchers. A project-based voucher subsidizes rent for HUD-approved tenants at a specific property. Thus the voucher subsidy remains associated with the property after an eligible family moves out. In contrast, a qualifying family with a tenant-based voucher keeps the voucher after moving out and may use it to subsidize rent at a different eligible property.

### **Q** How does a project-based voucher work?

**A** Under the project-based voucher program, a PHA contracts with a property owner, who designates units for participation in the program for a 10-year period. The owner agrees to construct or maintain a property according to the program's requirements, and the PHA agrees to subsidize the units. The PHA refers eligible families from its waiting list to participating properties with vacant units. Qualifying tenants pay a portion of rent to the property owner, who also receives a subsidy payment from the PHA. Unlike tenant-based vouchers, the subsidy remains with the property after a qualifying family moves out.

### **Q** How does a tenant-based voucher work?

**A** Families in search of housing apply to a local PHA for a tenant-based voucher. If they qualify, families may use this voucher to subsidize their rent at a qualifying privately owned property. In order to qualify under the program, a property must be inspected by the local PHA to ensure the property meets HUD requirements. A participating tenant pays a portion of rent directly to the property owner, and the local PHA pays the property owner the remainder. When the tenant leaves the property, the voucher remains with the tenant and can be used at another property that is eligible to accept tenant-based vouchers.

### **Q** What is the federal government's position on smoke-free policies for federally subsidized housing?

**A** In 2009, HUD published a notice which "strongly encourages [PHAs] to implement non-smoking policies in some or all of their public housing units."<sup>2</sup> This notice does not

require PHAs to adopt smoke-free policies but it explains the health benefits to residents, the reduction in fire risks, and the lower costs of maintenance that result from such policies.

HUD also encourages private property owners participating in the project-based Housing Choice Voucher program to adopt smoke-free policies for their buildings, but does not require them. In September 2010, HUD published a notice that provides guidance on the adoption of smoke-free policies for owners of project-based Section 8 housing. The document guides owners on how to establish and enforce smoke-free housing policies for "their buildings and grounds including any common areas, entry ways, openings to the buildings (e.g., windows), and/or playground areas."<sup>3</sup>



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1 U.S. DEP'T OF HOUSING AND URBAN DEV., Project Based Vouchers, <http://www.HUD.gov/offices/pih/programs/hcv/pubs/pbvfaq.pdf> (last visited Mar. 28, 2011).

2 U.S. DEP'T OF HOUSING AND URBAN DEV., NOTICE NO. PIH-2009-21 (HA), NON-SMOKING POLICIES IN PUBLIC HOUSING (Jul. 17, 2009).

3 U.S. DEP'T OF HOUSING AND URBAN DEV., NOTICE NO. H 2010-21, OPTIONAL SMOKE-FREE HOUSING POLICY IMPLEMENTATION 1, 3 (Sep. 15, 2010).