The Transition to Section 8 Housing: Will the Elderly Be Left Behind?

Kevin M. Cremin

Follow this and additional works at: http://digitalcommons.law.yale.edu/ylpr

Part of the Law Commons

Recommended Citation
Available at: http://digitalcommons.law.yale.edu/ylpr/vol18/iss2/7

This Article is brought to you for free and open access by Yale Law School Legal Scholarship Repository. It has been accepted for inclusion in Yale Law & Policy Review by an authorized administrator of Yale Law School Legal Scholarship Repository. For more information, please contact julian.aiken@yale.edu.
The Transition to Section 8 Housing: Will the Elderly Be Left Behind?

Kevin M. Cremin

In order to narrow the scope of inquiry, [I] concentrate[] on federal rental housing policy for low-income, able-bodied recipients in metropolitan areas . . . [I] therefore do[] not address home-ownership programs; state or local housing policies; housing for the elderly or disabled; or rural housing issues.¹

I. INTRODUCTION

During the last twenty years, HUD has increasingly utilized supply-side as opposed to demand-side² programs to provide affordable housing. As a result, more Americans now rely on Section 8 rental vouchers for affordable housing than on conventional public housing.³ This shift in programmatic emphasis has produced a voluminous amount of commentary. Proponents of the complete voucherization of housing subsidies have focused on the economic efficiency⁴ and mobility-enhancing qualities⁵ of the Section 8 program. Critics are divided as to whether to call for additional spending on auxiliary services to ensure real choice in relocation⁶ or to question the effect of subsidized mobility on the vi-

¹. Mark A. Malaspina, Note, Demanding the Best: How To Restructure the Section 8 Household-Based Rental Assistance Program, 14 YALE L. & POL'Y REV. 287, 293 & 293 n.27 (1996).

². “Supply-side programs target funds to specific units in the public and private housing markets, in contrast to demand-side programs that provide money to recipients to find housing on their own.” Id. at 288 n.4.


tality of inner-city communities. Yet, all commentators have agreed on the parameters of the debate. Thus far, the implicit assumption underlying all commentary on the Section 8 program is that the only relevant households are low-income families headed by un- or under-employed working-aged adults who have one or more school-aged children and are currently living in high-crime, impoverished inner-city communities. As a result, even in the minds of skeptics, the potential personal security, employment, and education benefits of relocation are of considerable analytical importance. Although most commentators do not even bother to acknowledge their detachment from reality, even those who do fail to weigh the significance of their world-narrowing simplification.

However, this universal simplification is in fact a highly significant distortion of reality. Given that the low-income elderly occupy at least one-third, or 416,000, of the public housing units currently in existence, the analysis of this paradigm shift in housing policy is, at the very least, incomplete. Because the elderly present a unique set of issues for the design and implementation of a voucher-based system of rental housing subsidy, the costs of this oversight are considerable. First, this exclusion has led to poorly-designed affordable housing policies for the low-income elderly. Second, this exclusion has contributed to the de-emphasis of communitarian values and the over-emphasis of a Weberian model of the path to success in the debate over the merits of demand-side subsidies for low-income families. By emphasizing the policy design and implementation issues posed by a shift from providing subsidized housing for the elderly through a supply-side program to providing them with

8. The narrow focus of the Section 8 debate is particularly surprising given that Heumann, based on his examination of data from the Experimental Housing Allowance Program, gave an early warning of the adverse impact voucherization would likely have on the low-income elderly. See Leonard F. Heumann, Rent Subsidies and the Elderly, 2 J. OF HOUSING FOR THE ELDERLY 71 (Fall 1984).
9. See, e.g., Malaspina, supra note 1, at 293 n.27.
10. See U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, HOUSING OUR ELDERS: A REPORT CARD ON THE HOUSING CONDITIONS AND NEEDS OF OLDER AMERICANS 40 (Nov. 1999) [hereinafter HOUSING OUR ELDERS]. Because this HUD estimate is based on data found in a 1997 survey of public housing authorities (PHAs) with over 500 units, see SUBSIDIZED HOUSEHOLDS, supra note 3, at 18, and more than 85% of PHAs operate fewer than 500 units, see Stephen B. Kinnaird, Note, Public Housing: Abandon HOPE, But Not Privatization, 103 YALE L.J. 961, 966 (1994), it significantly underestimates both the number of elderly public housing residents and, because the elderly are more highly represented in rural areas where the majority of smaller PHAs are found, see HOUSING OUR ELDERS, supra, at 10, the percentage of public housing residents who are elderly.
11. It is, of course, important to acknowledge that classifying 35 million individuals as “the elderly” also entails considerable abstraction. In discussing the preferences of the low-income elderly, the significance of race, ethnicity, gender, health-status, and rural or urban residential status should not be forgotten. Additionally, it is also necessary to point out that although this Note is primarily concerned with elderly individuals transitioning from public or private housing using Section 8 vouchers who are not able to “lease in place,” elderly individuals who do “lease in place” or have “aged in place” while receiving Section 8 assistance are similarly affected by some of same design features of the Section 8 program.
assistance through demand-side subsidies, it will become more apparent whether this is in fact a feasible or desirable public policy option for both the elderly and low-income families more generally.

Part II of this Note examines elderly individuals' utilization of current HUD housing programs and explores how the structure of the different programs impacts the provision of supportive services to the low-income elderly who benefit from them. Part III explores the impact of psychological, physical health-related, and financial costs on elderly individuals' potential utilization of Section 8 vouchers. It also examines the way in which some of these costs apply more generally to low-income families. Part IV describes HUD's initial attempt to provide supplementary supportive services to the elderly in order to promote their utilization of Section 8 vouchers. The achievements and shortcomings of this program point out both the potential for adapting the Section 8 program to meet the needs of the low-income elderly and the likely limitations on the success of such adjustments. Finally, the conclusion develops a proposal for overcoming the general shortcomings of the Section 8 program.

II. CURRENT HUD STRATEGIES FOR PROVIDING AFFORDABLE HOUSING FOR THE ELDERLY

Federal housing programs historically have been divided along two axes. First, programs are categorized by the method they use to provide assistance. Traditionally, the two dominant strategies for providing assistance are supply-side and demand-side approaches. Second, programs are categorized by the type of household-families, the elderly and the disabled, or the single nonelderly expected to benefit from the assistance. Documenting both the large number of elderly households that currently rely on pure supply-side programs and the ever-accelerating trend of resource shifting away from these programs emphasizes the considerable stakes involved in understanding the unique set of issues the elderly pose for the design and implementation of a demand-side housing program.

The number of Americans over age sixty-five increased from 19.9 million in 1970 to 34.1 million in 1997. According to the Census Bureau, that population will double to 65.6 million, or approximately 20% of the population, by 2030. Increasing life-spans and the aging of the “baby boom” generation will drive this growth in the elderly population. Because elderly bene-

14. See HOUSING OUR ELDERS, supra note 10, at 3.
15. See Abromowitz & Plaut, supra note 13, at 64. Today, approximately 13% of the population is elderly. See HOUSING OUR ELDERS, supra note 10, at 3.
fits already account for approximately 40% of federal expenditures, the projected increases are fostering a re-evaluation of the structure of spending on long-term care.

One of the key areas of emphasis in this re-evaluation of priorities and preparation for the future is on the inter-relatedness of long-term care and housing policy. Given elderly persons' well documented preference to "age in place" and the considerable cost of nursing home care, there is an overwhelming consensus on the importance of fostering the continued independence of elderly individuals with home- or community-based supportive services. As a result, over the last two decades, HUD has gradually been shifting away from a "brick and mortar" conception of housing assistance to allow more spending on supportive services components. However, the impact of this broadening of the conception of housing assistance has been dulled considerably by two other trends at HUD—budget cutbacks and a shift in emphasis from supply- to demand-side housing.

18. There is considerable room for improvement. Currently, the responsibility for long-term care policymaking is remarkably diffuse: "[a]t the federal and state levels, long-term care policy is often divided among a variety of agencies ranging from health departments, to social service agencies, to housing, mental health, and perhaps transportation agencies. Only 22 states have an identifiable mechanism for state interagency policymaking. . . ." Margaret MacAdams, Community Care for Elders: Connections Between Housing and Services, in EXPANDING HOUSING CHOICES FOR OLDER PEOPLE: CONFERENCE PAPERS AND RECOMMENDATIONS 69, 83 (AARP ed., 1995). At the federal level, this problem is particularly acute. Barnes has noted that "over eighty federal social services and housing programs fund some aspect of long term care, each with its own rules for eligibility and definition of services." Alison Barnes, The Policy and Politics of Community-Based Long-Term Care, 19 NOVA L. REV. 487, 513 (1995).
20. Approximately $50,000 annually. See Binstock, supra note 17, at 319.
Transition to Section 8 Housing

A. HUD Supply-side Programs: Conventional Public Housing

Although the construction of new public housing units has slowed to a near halt and demolition has led to the loss of almost 20% of the existing stock of public housing units over the last decade, conventional public housing still provides affordable housing for over 3.5 million people. While images of dilapidated high-rises with high vacancy rates located in crime-ridden inner-city areas dominate public discourse on the shortcomings of public housing, the reality of public housing is considerably more diverse and less bleak. One area where the popular conception of public housing and the actual data diverge considerably is the number of low-income elderly people who depend on public housing: most Americans would be surprised to learn that over one-third of the households residing in public housing are headed by an elderly person.

1. Structure and Purpose of the Program

There are two types of conventional public housing developments: 1) family projects, and 2) projects that are designated for occupancy by the elderly and the disabled. To qualify to live in either type of project, a tenant has to earn less than 80% of the local area median income. For occupancy in elderly-designated projects, tenants must also meet an additional age-related criterion. For the purposes of occupancy in an elderly-designated project, the term "elderly family" is broadly defined to include:

[A] family whose head, spouse, or sole member is an elderly person[,] . . . two or more elderly persons living together, [] one or more elderly persons living with one or more persons determined to be essential to the care or well-being of the elderly person or persons [and, finally,] elderly persons with disabilities and other family

---

23. The other major HUD supply-side program, Section 8 New Construction and Substantial Rehabilitation—or, more commonly, Project-based Section 8—was repealed by the Housing and Urban-Rural Recovery Act of 1983, see 42 U.S.C. § 1437f (Supp. 1995). Under this program, HUD provided Section 8 assistance to PHAs or private owners for up to 20 to 40 years after the completion or substantial renovation of low-income rental housing projects. Although no new units have been approved since 1983, the over 750,000 project-based Section 8 units that were approved prior to that time are still receiving subsidies. See Section 8 New Construction/Substantial Rehabilitation (visited Feb. 23, 2000) <http://www.hud.gov/progdesc/sec8new.html>. As a result, the status of project-based Section 8 housing is quite similar to the status of conventional public housing—it represents a large existing stock of housing that is not being added to and that is dwindling over time. However, since approximately 60%, or 450,000, of project-based Section 8 units are occupied by households headed by elderly individuals, the freezing and gradual diminution of this type of affordable housing development can be seen as having an even more drastic impact on low-income elderly families. See SUBSIDIZED HOUSEHOLDS, supra note 3, at 18.

24. See Schill, supra note 4, at 500.
25. See SUBSIDIZED HOUSEHOLDS, supra note 3, at 18.
27. See supra text accompanying note 10.
members who are not elderly.\textsuperscript{30}

Additionally, depending on local need, the PHA may allow the "near elderly"\textsuperscript{31} and/or disabled persons of any age to occupy elderly-designated housing projects.\textsuperscript{32}

2. The Costs and Benefits of Supply-Side Housing for the Elderly

Because the election to reside in elderly-designated housing is voluntary,\textsuperscript{33} elderly residents of public housing projects consist of two subgroups: 1) those that live in public housing projects or portions of public housing projects that are specifically designated for occupancy by the elderly, and 2) those that have "aged in place" in or have chosen to move into family projects. Generally, there are three major differences between the experiences of these subgroups of elderly public housing residents. First, elderly-designated public housing projects often incorporate design features that, to varying degrees, address the specific safety, security, and access concerns of elderly residents.\textsuperscript{34} Second, residents of elderly-designated public housing projects are more likely to receive the additional benefit of on-site supportive services.\textsuperscript{35} Third, residents of elderly-designated public housing projects are more likely to be living in an age-segregated setting than elderly residents of family projects.\textsuperscript{36} The first two differences generally point to the relative long-term advantages of living in an elderly-designated public housing project. In particular, because of economies of scale, the provision of elderly supportive services is more cost effective, and, therefore, more likely to be provided, in elderly-designated public housing projects. Still, it is important to note that "[p]ublic housing for the elderly was initiated with the assumption that as the tenants' needs for health-related assistance increased they would move to another setting."\textsuperscript{37}

\begin{flushright}
31. "[A] person who is at least 50 years of age but below the age of 62." \textit{Id.}
34. See GOLANT, supra note 22, at 123.
35. PHAs have discretion to decide whether or not to provide supportive services. See 42 U.S.C. § 1437(e) (Supp. 1995).
36. However, note that two current trends are undermining the validity of this presumption. First, some conventional public housing developments are commonly classified as "Naturally Occurring Retirement Communities." See Vera Prosper, The Changing Role of Housing for the Older Population, 10 \textit{ST. LOUIS U. PUB. L. REV.} 485, 486 (1991). Second, a substantial percentage of residents of public housing projects designated for occupancy for the elderly are young adults with chronic mental illnesses. See GOLANT, supra note 22, at 123 (estimating that the young disabled account for approximately 27% of the population of elderly public housing projects); U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, CREATING COMMUNITY: INTEGRATING ELDERLY AND SEVERELY MENTALLY ILL PERSONS IN PUBLIC HOUSING 9 (1993).
37. Patricia K. Suggs, et al., \textit{Coming, Going, Remaining in Public Housing: How Do the Elderly Fare?}, 4 \textit{J. OF HOUSING FOR THE ELDERLY} 87, 88 (Spring 1986).
\end{flushright}
Transition to Section 8 Housing

B. HUD Demand-side Programs: Section 8 Housing Choice Vouchers

Congress initiated the Section 8 Existing Housing Program with the Housing and Community Development Act of 1974. Less than twenty-five years later, the Section 8 program bypassed conventional public housing as the most significant housing subsidy program in the United States—over 1.4 million households currently utilize rental vouchers to secure affordable housing. The birth and growth of Section 8 has signified a shift in HUD's programmatic emphasis from supply-side to demand-side housing assistance.

1. Structure and Purpose of the Program

Families with incomes of up to 50% of an area median are eligible for housing subsidies under the Section 8 Housing Choice Voucher program. Families that have applied for and received Section 8 vouchers are responsible for searching for an available market rate rental unit. Units must meet HUD’s housing quality standards (HQS) and must generally not exceed the HUD established fortieth percentile fair market rent for the relevant area. When the voucher recipient selects a suitable unit, the PHA enters into a contract with the landlord to subsidize occupancy by paying the difference between the contract rent and 30% of the family’s adjusted income.

One of the main purposes of Section 8 housing assistance is to promote opportunity through socio-economic and racial integration. In order to promote these goals, PHAs, with varying degrees of intensity and success, have incorporated some design features into their Section 8 programs to help individuals overcome personal and structural barriers to mobility. Examples of personal barriers to mobility include: incomplete information about other neighbor-

40. See SUBSIDIZED HOUSEHOLDS, supra note 3, at 18.
41. See 24 C.F.R. § 982.201(b)(1)(i). If they meet certain criteria, low-income and moderate-income families may also be eligible for vouchers. See 24 C.F.R. § 982.201(b)(1)(ii).
42. See 24 C.F.R. § 982.401 & 405.
43. See 24 C.F.R. § 888.113(a)-(b).
44. See 24 C.F.R. § § 982.1(b)(2) 982.515.
45. One of the “specific objectives” of the Housing and Community Development Act of 1974 is “the reduction of the isolation of income groups within communities and geographical areas and the promotion of an increase in the diversity and vitality of neighborhoods through the spatial deconcentration of housing opportunities for persons of lower incomes. . . .” 42 U.S.C. § 5301(c)(6) (Supp. I 1995).
46. Three of the most notable examples are Chicago’s Gautreaux Program, Massachusetts’s Housing Search Program, and Hartford’s Voluntary Mobility Program. The landlord recruitment and family support services of the first two programs involve a one-time cost of approximately $1,300 per family. Hartford’s less extensive program costs approximately $1,000 or the equivalent of two months’ rent subsidy. See Sard, supra note 5, at 26.
hoods; a lack of transportation or childcare necessary to search for an apartment; reluctance to sever emotional ties to an existing home; and the physical inability to undertake an extensive apartment search. Examples of structural barriers to mobility include: landlord hesitancy to rent to Section 8 voucher holders; landlord hesitancy to rent to tenants who are elderly and/or members of a racial minority group; the race- or class-based prejudices of potential neighbors; and inadequate public transportation to suburban locations. The combination of these potential barriers may discourage participation in two ways: 1) through their effect on the desire and ability of the individual to find an apartment, and 2) by impairing the ability of the individual who does find an apartment to adjust to his or her new environment and enjoy fully the predicted employment and education access benefits of mobility. Although some PHAs have begun to institute supportive services to enable Section 8 participants to overcome the barriers to mobility, no PHA has instituted a continuing program of supportive services to help participants adjust to their new home while they are developing a private social support network.

2. The Costs and Benefits of Demand-Side Housing for the Elderly

Considering the potential barriers to mobility, it should not be surprising that, despite a programmatic emphasis on mobility, “leasing in place” is a common outcome of the Section 8 process. For example, in the most recent national study of Section 8 utilization, 30% of those enrollees who successfully secured an eligible apartment did so by staying in the apartment where they were already living. Among the elderly, this same figure was an astonishing 72%. By not moving, the elderly who have taken advantage of the benefits of the Section 8 program have attempted to overcome the program’s shortcomings by overwhelmingly choosing to retain their existing social support network. Although this may be understood as prima facie evidence of desirable flexibility within the Section 8 program, unfortunately, because of the poor condition of their units or the fact that their current shared living arrangement would not qualify as an “elderly family,” “leasing in place” is not an option for a significant number of elderly individuals who are eligible for Section 8 assistance. As a result, the prevalence of “leasing in place” indicates that the low-income elderly who would benefit most from a housing subsidy may be the least likely to apply for and most likely to forfeit a voucher.

Unsurprisingly, because Section 8 emphasizes the values of mobility and better access to employment and higher quality schools, elderly people are of-

47. Or, in other words, diminished search intensity.
48. See U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, SECTION 8 RENTAL VOUCHER AND RENTAL CERTIFICATE UTILIZATION STUDY 28 (October 1994) [hereinafter UTILIZATION STUDY].
49. See id.
50. See id. The corresponding figures for a study of New York City are 62% and 69%. See id. at 38.
Transition to Section 8 Housing
ten not targeted for or interested in Section 8 assistance. Additionally, the perceived tentative and short-term nature of the renewal process discourages participation by populations such as the elderly, who are more likely to be particularly risk-averse. Finally, Section 8 programs are less affordable than conventional public housing. As a result of these inapplicable benefits and unameliorated disincentives, approximately 50% fewer elderly individuals participate in the Section 8 program than in supply-side housing programs.

C. HUD “Split Subsidy” Approaches: Section 202

Section 8 vouchers are sometimes combined with subsidies for new construction or rehabilitation to provide new sources of affordable housing. One prominent example of this “mixed strategy” for providing affordable housing is the Section 202 Supportive Housing for the Elderly Program. Since its inception in 1959, more than 6,000 projects containing more than 350,000 units have been built using Section 202 funds. Funding for this program has increased and become more flexible in recent years as the long-term cost-effectiveness of integrating community-based supportive services with housing subsidies for the elderly has become universally recognized.

1. Structure and Purpose of the Program

Section 202 is “the only multifamily housing production program specifically targeted to serve older Americans and the first major housing initiative to turn to nonprofit organizations as project sponsors.” Under Section 202, private nonprofit organizations and consumer cooperatives are eligible for interest-free capital advances to finance the construction, rehabilitation, or acquisition of housing. Repayment of the capital advance is not required as long as

51. See, e.g., U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, EVALUATION OF THE HOPE FOR ELDERLY INDEPENDENCE DEMONSTRATION: FINAL REPORT 8-13 (February 1999) [hereinafter FINAL REPORT].
53. See Schill, supra note 4, at 527.
54. Approximately 220,000 versus 416,000. See SUBSIDIZED HOUSEHOLDS, supra note 3, at 18.
55. Although the income criteria for public housing and Section 8 participation are somewhat different, there is no evidence that the different rates of utilization are a function of eligibility requirements.
57. See U.S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT, USE OF SECTION 202 PROJECTS TO SUPPORT ASSISTED LIVING ACTIVITIES FOR FRAIL ELDERLY AND PEOPLE WITH DISABILITIES, at 2 (HUD Notice 98-12, Feb. 1998); HOUSING OUR ELDERS, supra note 10, at 44.
58. The Housing Security Plan for Older Americans, P.L. 106-74, 113 Stat. 1047, 1064, appropriated $710 million to enable nonprofit owners to build more than 6,000 additional Section 202 units and to convert some existing projects to assisted living facilities.
59. HOUSING OUR ELDERS, supra note 10, at 44.
the housing remains available for occupancy by very low-income elderly individuals for at least forty years.\textsuperscript{61} As a result, eligibility is generally restricted to individuals who are at least sixty-two years of age who have an income that is below 50\% of the area median.\textsuperscript{62}

2. \textit{The Costs and Benefits of Split Subsidy Housing for the Elderly}

Section 202 serves an increasingly aged and infirm population. The average resident is eighty years old and 90\% of the residents are women living alone. In order to meet the needs of this dependent population, Section 202 facilities provide access to supportive services such as home-delivered meals and transportation to community health providers.\textsuperscript{63} In particular, HUD provides funding to enable Section 202 projects to hire service coordinators to assess the needs of residents and link them with appropriate supportive services in the community.\textsuperscript{64} Additionally, many units provide special safety and access features such as nonskid floors, grab bars, and ramps.\textsuperscript{65}

III. \textbf{THE COSTS OF MOVING: ARE THE ELDERLY REALLY DIFFERENT?}

The particular challenges of housing the elderly must be carefully considered if the design and implementation of a demand-side housing program are to satisfy adequately the housing needs of low-income Americans. The importance of acknowledging the peculiar needs of the elderly is underscored by three facts: 1) the elderly make up an increasing percentage of the population,\textsuperscript{66} 2) their housing needs tend to merge with their high-cost long-term care needs; and 3) the elderly provide a lens through which the more general inadequacies of stand-alone demand-side housing assistance can be more fully recognized. Although the auxiliary needs of the elderly are more transparent and the fiscal argument for fulfilling those needs is more compelling, the faulty theoretical and practical underpinnings of the current Section 8 housing program also make it an impractical and inefficient housing policy for low-income families.

The costs of moving can be conceptualized in several different ways. Traditionally, in the geriatric literature, the costs of moving are broken down into their financial, psychological, and physical health components.\textsuperscript{67} While there are some arguments to be made for this tripartite division, given the intimate

\textsuperscript{61} See id. at 1701q(g)(1); 24 C.F.R. § 891.170(a) (1999).
\textsuperscript{64} See id.
\textsuperscript{65} See id.
\textsuperscript{66} See supra text accompanying notes 13-14.
Transition to Section 8 Housing

connection between housing and long-term care and Section 8's focus on the long-term benefits of moving, a division of mobility costs into their short-term and long-term components is more useful. At the same time, it is also helpful to keep in mind another dimension along which costs can be conceptualized—is the source of the barrier external or internal to the individual? While it is, admittedly, difficult and, probably, on a deeper level, wholly inaccurate to speak of costs as having an object and a subject, this dichotomy tracks a fundamental premise of the mobility-emphasizing Section 8 program: "behavior is a function of the person and the environment." In fact, it is precisely because Section 8 places undue emphasis on the environmental component of human behavior, without acknowledging the complex and subtle interplay between individuals and their surroundings, that the housing program downplays the significance of long-term mobility costs. As a result, even at its best, the nation's largest housing subsidy program is administered in relatively the same manner as the FBI's Witness Protection Program (WPP)—participants are assisted in overcoming the start-up costs of beginning a "new life" but are given little support to ameliorate the social capital replacement costs made necessary by their relocation.

A. Start-up Costs

The costs of entry into the Section 8 program are prohibitive for a large number of people. Among the most significant of these barriers are: 1) application costs, 2) search costs, and 3) separation costs. Although the impact of these costs on a potential participant's choice whether or not to apply for a

68. Or, in other words, start-up costs.
69. Or, in other words, social capital replacement costs.
70. Part I hints at this division by using the terms "structural" and "personal" to describe barriers to mobility. See supra text accompanying note 46.
72. See supra note 46.
73. See, e.g., Raneta J. Lawson, Lying, Cheating and Stealing at Government Expense: Striking a Balance Between the Public Interest and the Interests of the Public in the Witness Protection Program, 24 ARIZ. ST. L.J. 1429, 1431 (1992) (describing implementation of the WPP as "haphazard" because participants' "born again lives" were "filled with poorly delivered promises" and "erratic assistance" (quoting Elaine Shannon, Life in Hiding, NEWSWEEK, Jan. 5, 1981, at 42)). In reality, the comparison is probably unfair: there is evidence that the design of the WPP is considerably more sensitive to the fact that relocated individuals will face considerable challenges in rebuilding their social support network. For example, the WPP provides relocated witnesses with "one reasonable job opportunity commensurate with his or her skills or abilities. To assist witnesses in the employment search, the Marshals Service established a national job bank comprised of companies or agencies that agreed to assist in hiring witnesses." Id at 1436 n.41.
74. A more comprehensive list would include financial costs—if a Section 8 voucher holder is transitioning from public housing or shared private housing, her or his rent is likely to increase. See Elia Werczberger, Aging and the Demographic Ecology of Urban Areas, in SHELTER AND SERVICE ISSUES FOR AGING POPULATIONS: INTERNATIONAL PERSPECTIVES 125, 127 (Leon A. Pastalan ed., 1997).
voucher depends on the characteristics of the individual, the existence of these costs influences the decision of any potential participant. As a result, the essential difference between the impact of the start-up costs on the elderly and on low-income families is most likely to be in their magnitude.

First, given that the Section 8 program has mobility-enhancing goals and, yet, is locally administered by PHAs, there are potentially substantial costs involved in the application process. Most PHAs require that interested parties pick up and submit applications on-site, and the forms are generally voluminous and opaque. Additionally, waiting lists are often extremely long, and they generally require periodic resubmission or confirmation of an applicant’s interest. Finally, given the local control of PHAs and the general lack of coordination between them, applicants who would consider moving within various jurisdictions of a metropolitan area may have to go through the intricacies of the application process several times.

The on-site application requirements, complex paperwork, and long waiting lists are likely to discourage disproportionately application by the elderly. Reduced mobility, visual impairment, and memory loss are the most salient features of aging. While these changes do not affect all elderly individuals, the impairments that most elderly individuals have to overcome compounds the costs involved in the Section 8 application process. Given the cumulative impact of physical and mental changes on the ability of elderly individuals to drive or use fixed route public transportation safely, the in-person application requirement is likely to be particularly burdensome.

However, it should be noted that the application requirements might also present too high a hurdle for many low-income families to surpass. The lack of transportation, daycare, literacy, and/or leisure given work responsibilities are likely to render the application barriers insurmountable for a significant percentage of the eligible population. Of course, given that Section 8 is not an entitlement and that there are only a small number of vouchers available in com-

---

75. See Final Report, supra note 51, at 8.13.
77. See, e.g., Peter W. Slasich, Jr., Low-Income Housing Crisis Has Not Disappeared, 7 J. Affordable Housing & Community Dev. L. 8, 8 (Fall 1997) (reporting that when the Chicago Housing Authority opened its waiting list for two weeks for the first time in two years 100,000 families signed on to the waiting list for the 2,500 available Section 8 vouchers).
78. See Final Report, supra note 51, at 2-12. However, note that the Quality Housing and Work Responsibility Act of 1998, Pub. L. No. 105-276, 112 Stat. 2461, begins to address this administrative barrier to mobility by mandating “nationwide portability” to any area where the voucher program is operational. See 24 C.F.R. § 982.355.
79. See Frolik & Barnes, supra note 16, at 694-96.
80. Over 50% of Americans age 65 and older have some type of physical or mental disability. See Bureau of the Census, Americans with Disabilities: 1994-95 (P70-61, Sept. 1997).
Transition to Section 8 Housing

parison to the demand, the application costs may be used by PHAs as a way to determine desire or need for the housing subsidy. Yet, this practice raises significant equity concerns because the ability to clear the substantial hurdles involved in obtaining Section 8 assistance is actually likely to be inversely correlated with need.

Second, given the hesitancy of HUD headquarters and many landlords to participate in the Section 8 program, there are considerable search costs involved in locating and inspecting available apartments. Even if an applicant is successful in obtaining a Section 8 voucher, she still must overcome significant barriers to finding an appropriate apartment before she is forced to forfeit her voucher.\(^1\) Given the inspection requirements that are part of a Section 8 landlord agreement, landlords are often hesitant to rent to voucher holders.\(^2\) Additionally, landlords might be personally prejudiced against housing subsidy recipients or they might give weight to their other tenants' prejudices in deciding whether or not to lease to Section 8 voucher holders. Voucher holders also face the more tangible search costs because of the time it takes to locate available apartments and to travel to and inspect them.

Although Section 8 voucher holders may face illegal discrimination no matter what their age, race, or family status is, low-income families—who are more likely to be members of a racial minority group\(^3\) and to have children—are more likely to find this subsidy-based discrimination compounded by racial and/or family status discrimination. However, there is also evidence that age may be a compounding factor.\(^4\) Additionally, the physical demands of searching for an apartment—a recent study found that voucher holders looked at an average of nine apartments before achieving success\(^5\)—indicate that the elderly may be disproportionately excluded from participation because of the search costs involved in finding a suitable apartment. Indeed, the same study

---

\(^1\) Commentators often recommend an extension of the time a voucher holder has to find an apartment before forfeiting his or her voucher. \textit{See, e.g.}, Malaspina, \textit{supra} note 1, at 303. However, a recent Section 8 utilization study found that most unsuccessful apartment searchers actually ceased looking before their voucher expired. \textit{See Utilization Study, supra} note 48, at iii.

\(^2\) “Although the HQS are less stringent than the sanitary codes in many localities, the Section 8 statute requires landlords to maintain the units under the threat of inspections and possible sanctions for violations. The administering PHA must inspect the unit to be leased before the Section 8 tenant can occupy the premises. Once a lease has been granted, the PHA must inspect the unit annually. . . .” Beck, \textit{supra} note 6, at 175 (footnote omitted).

\(^3\) “For a host of economic, health care, and cultural reasons, nonwhite Americans have a shorter life expectancy than whites. As a result, the elderly are disproportionately white.” Frolik & Barnes, \textit{supra} note 16, at 691-92.

\(^4\) \textit{See} Stewart Page, \textit{Accommodating the Elderly: Words and Actions in the Community, in Shelter and Service Issues for Aging Populations: International Perspectives} 55, 58-59 (Leon A. Pastalan ed., 1997) (“The fact of being elderly, or of having enquiries made ostensibly on behalf of an elderly person, significantly decreased the likelihood of a room or flat being described as available.”). \textit{See also} M. Powell Lawton & Christine Hoffman, \textit{Neighborhood Reactions to Elderly Housing, 2 J. of Housing for the Elderly} 41, 42 (1984) (“Community response to the announcement of plans to construct elderly housing in a neighborhood is frequently hostile. . . .”).

\(^5\) \textit{See Utilization Study, supra} note 48, at iii.
found that, "most factors that affect success by moving enter the process through their effects on search intensity. Being ... elderly ... do[es] not affect the probability of success in each unit visited, but rather only affect[s] the number of units visited."  

Finally, individuals who move out of their home and neighborhood are also likely to incur significant psychological separation costs. Ties to family, friends, as well as inanimate objects that have borne witness to and now seem to hold within them the memories of personal history will often have to be loosened, if not absolutely severed, in order to move to a new home. Separation costs are almost universally downplayed by policy-makers because the "ties that bind" are often not ascertainable by external observation and expert assessment. As a result, the subjective value that an individual places on his or her home and neighborhood, often despite their obvious flaws, is generally not given full consideration in discussions about what impedes low-income individuals from applying for or utilizing Section 8 vouchers. In fact, the desire of the elderly to remain in their homes is often derided as evidence of their irrationality.

Although sacrificing the psychological and social comforts of home and neighborhood would seem to be a significant start-up cost for any individual or family considering a move, the fact that the elderly are generally more likely to have lived in their present home for a longer period of time suggests that elderly individuals generally face a greater magnitude of separation costs. Additionally, two other interrelated factors distinguish the elderly from low-income families: 1) adaptation to a new home is also likely to have a physical dimension, and 2) the social benefits of adaptation—in particular, delaying institutionalization—are more explicit and, as a result, are well aligned with current government priorities.

---

86. See id. at 66.
87. Researchers have found that, for some older individuals, "their home represents a reservoir of family history and a museum of family memorabilia." Shirley L. O'Bryant, The Value of Home to Older Persons: Relationship to Housing Satisfaction, 4 Research on Aging 349, 353 (1982). See also Deborah L. Rutman & Jonathan L. Freedman, Anticipating Relocation: Coping Strategies and the Meaning of Home for Older People, 7 Canadian J. on Aging 17, 24-27 (1988).
89. See O'Bryant, supra note 87, at 351.
90. See HOUSING OUR ELDERS, supra note 10, at 10; John D. Benjamin & Michael A. Anikeeff, Primer on Key Issues in Seniors Housing, in SENIORS HOUSING 5, 10 (Michael A. Anikeeff & Glenn R. Mueller eds., 1998).
91. See Filion, et al., supra note 19, at 25, 28 n.4.
92. See Prosper, supra note 36, at 499.
Transition to Section 8 Housing

B. Social Capital Replacement Costs

Less amenable to amelioration through administrative reform or Gautreaux-style supplementary programs are the costs that Section 8 voucher holders incur in replacing the social networks that they had in their former neighborhoods. The Section 8 program places full faith in the ability of the individual, when given a fair chance, to succeed. Because it is inspired by an adherence to the Weberian model of achievement in modern society, it should not be surprising that Section 8 is more akin to the witness relocation program than to conventional public or "split subsidy" housing programs. However, it must be questioned whether this model of the path to success reflects reality. Additionally, in order to recognize the particular circumstances of the elderly, the definition of what constitutes a Section 8 success story must be broader than achieving access to jobs and education. If Section 8 is going to be the main source of housing subsidy, the importance of access to supportive services that contribute to a delay in institutionalization must also be recognized. Ultimately, however, the bluntness of a stand-alone Section 8 subsidy as a tool for helping members of either population achieve success becomes clear by understanding that access to jobs, education, and supportive services is highly dependent on the ability of the subsidy recipient to rebuild his or her social network.

Although the source of the value of social capital is substantially different for low-income families than for the elderly, a viable social network is likely to be essential to achieving success in a new home for members of either group. For low-income families headed by unemployed or under-employed working-aged adults, the value of a social network becomes most apparent within the context of the job market. Being able to draw on family or friends for affordable or emergency daycare and for information on "word of mouth" job opportunities are just two examples of the positive effects a viable social network can have on an individual's pursuit of success. Unsurprisingly, this factor is recognized and weighed by Section 8 voucher holders who are considering where to move. For example, there is evidence that voucher holders who are members of racial minority groups prefer to move to areas with significant minority populations. While both commentators and policymakers often see these choices as undermining the integration goals of Section 8, they should be understood as rational responses to the substantial costs involved in social capital replenishment. If any subsidies were available to allay these costs, Section 8 voucher holders would be more likely to make different choices.

Similarly, the elderly face tough decisions in determining whether they would prefer living in an age-integrated or age-segregated community. Evidence shows that "there is a greater preference among the older population to

---

93. See Adams, supra note 6, at 450.
live in an age-integrated environment rather than an age-segregated one. The acceptance of age-segregated housing in later old age is related to a need for the services, support, and security that are associated with senior housing.\(^\text{94}\) Just as success for the low-income family utilizing Section 8 means achieving independence through educational opportunity and the job market, success for the elderly means maintaining independence through home and community-based supportive services. Social capital plays an essential auxiliary role in helping an elderly individual secure this outcome by contributing to his or her awareness of available formal supportive services and the availability of additional sources of informal care.

IV. HOPE FOR ELDERLY INDEPENDENCE: POTENTIAL SOLUTION OR COSTLY PATCHWORK?

HOPE for Elderly Independence (HOPE IV)\(^\text{95}\) has been the only federally funded attempt to adapt the Section 8 program to the particular needs of the low-income elderly. This five-year demonstration program was established by Congress in 1990 and, in fiscal year 1993, a total of $29.6 million in rental assistance and $9.9 million for supportive services provision\(^\text{96}\) was granted to sixteen public housing agencies to fund HOPE IV programs.\(^\text{97}\) Unsurprisingly, because HOPE IV has proven to be difficult to implement\(^\text{98}\) and there are no statistically significant indications that it has fulfilled its main objective,\(^\text{99}\) no new funding has been appropriated for the demonstration program. There are no current plans to continue the demonstrations.\(^\text{100}\) Still, despite its lack of success, the purposes, structure, and shortcomings of HOPE IV offer valuable insights into how the Section 8 program currently fails to meet the needs of the low-income elderly and whether it potentially can be adapted to meet those needs.

\(^{94}\) See Prosper, supra note 36, at 494. There is considerable evidence that most elderly individuals have negative perceptions of age-segregated communities and neighborhoods. See, e.g., Stephen M. Golant, The Desirability of Housing Exclusively for Older People, in EXPANDING HOUSING CHOICES FOR OLDER PEOPLE: CONFERENCE PAPERS AND RECOMMENDATIONS 181, 191 (AARP ed., 1995).


\(^{96}\) The $9.9 million represents 40% of the total cost of providing supportive services; grantees were required to find matching funds for 50% of the cost and the participants themselves paid the final 10%. See FIRST INTERIM REPORT, supra note 76, at ES.1. But note that the 10% "fee for service" was waived if it exceeded 20% of the participant’s income. See Hope for Elderly Independence (HOPE IV) (visited Feb. 23, 2000) <http://www.hud.gov/progdesc/hope4fin.html>.

\(^{97}\) See FIRST INTERIM REPORT, supra note 76, at ES.1.

\(^{98}\) See FINAL REPORT, supra note 51, at 8.13.

\(^{99}\) See id. at ii.

\(^{100}\) See id. at 8.13.
Transition to Section 8 Housing

A. Purposes and Structure of the Program

1. Purposes of the Program

HOPE IV was an outgrowth of Congress's realization that housing policy and long-term health care spending are intimately connected. As a result, the main purpose of HOPE IV was "to test the effectiveness of combining housing certificates and vouchers with supportive services to assist frail elderly persons to continue to live independently." In other words, the "ultimate goal" was to help frail elderly Section 8 rental assistance recipients to "avoid nursing home placement or other restrictive settings when home and community-based options are appropriate."

It is important to note, however, that HOPE IV also had three, more modest, auxiliary goals. The program was designed: 1) "to allow a frail elderly tenant to participate in Section 8 scattered-site rental housing;" 2) to enhance the quality of life of participants; and 3) to foster linkages between grantee PHAs and Area Agencies on Aging (AAAs) or other community elderly services agencies. While the program was unsuccessful in fulfilling its ultimate goal, HOPE IV did show some promise in satisfying these three secondary goals.

2. Eligibility Criteria

Given its purposes, HOPE IV incorporated age, income, and level of frailty criteria that are not required for eligibility under general Section 8 rental assistance. Participants had to be at least sixty-two years of age, have three or more limitations in activities of daily living (ADLs), and have an income that did not exceed 50% of the local area's median. Additionally, participants could not already be receiving Section 8 assistance, and they had to be residing in or be willing to move to a rental unit that satisfied HUD's HQS. The physical frailty requirement had the most significant effect in shaping the pool of participants and, as a result, it is the most important criterion to consider more carefully.

According to HUD, a person is frail if she requires assistance to perform at

102. FIRST INTERIM REPORT, supra note 76, at 1.1.
103. FINAL REPORT, supra note 51, at 7-1.
105. See FIRST INTERIM REPORT, supra note 76, at ES-1.
108. See FIRST INTERIM REPORT, supra note 76, at 1.1.
109. See id.
least three of the following ADLs: 1) eating, 2) bathing, 3) grooming, 4) dressing, and 5) home management activities. As a result, participation in HOPE IV was, at least in theory, limited to a small, highly disabled portion of the low-income elderly population. Half of the PHAs that participated in the demonstration program questioned whether the ADLs requirement undermined the potential usefulness and effectiveness of the program. While some PHAs raised the objection that the program was underinclusive because it excluded many people who needed HOPE IV services, others complained that the program was overinclusive because participants were already “too far into a pattern of decline to benefit from the program.” Unsurprisingly, given this strict criterion, PHAs had “difficulties finding candidates not in assisted housing who [were] sufficiently frail to qualify for HOPE IV. Only one-third of the number of people expected to be available to participate in the program [were enrolled by the end of the second year of the demonstration].”

3. Services Provided

Given the level of frailty that HUD demanded for participation, the HOPE IV demonstration program required grantee PHAs to make considerable administrative adjustments. These adjustments involved three primary areas of operation: 1) recruitment and application, 2) moving assistance, and 3) provision of continuing supportive services.

First, PHAs were forced to address the considerable barriers to entry that the elderly generally face in applying for Section 8 rental assistance. In particular, since they were generally “only able to fill a few HOPE IV units through existing Section 8 waiting lists and usual recruitment methods,” PHAs had to develop new outreach efforts. One way in which PHAs adjusted was to facilitate the referral of potential clients from AAAs and other commu-

110. See id. Note that HUD’s ADLs definitions “differ from those most commonly used in the field of geriatric functional assessment.” Id. at 4.17. In particular, the “home management activities” category includes complex activities such as “handling personal finances, meal preparation, shopping, traveling, doing housework, using the telephone, and taking medication” that are more commonly broken down into separate categories and measured as Instrumental Activities of Daily Living (IADLs). Id.

111. At least in part because of differences in self-reporting versus professional assessment, a survey of HOPE IV participants found that their mean number of ADLs limitations was actually 1.9. See U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, EVALUATION OF THE HOPE FOR ELDERLY INDEPENDENCE DEMONSTRATION: SECOND INTERIM REPORT 3-2 (August 1996) [hereinafter SECOND INTERIM REPORT].

112. By comparison, only 8% of the non-institutionalized elderly have at least one ADLs limitation. See FINAL REPORT, supra note 51, at 5-5.

113. See id. at vi.

115. FIRST INTERIM REPORT, supra note 76, at 6-7.

116. SECOND INTERIM REPORT, supra note 111, at Foreword.

117. FIRST INTERIM REPORT, supra note 76, at ES-3.
nity elderly services agencies. Also, given the frail state of the pool of potential participants, most PHAs had to modify their Section 8 application procedures. In addition to allowing for phone-in and mail-in requests for and filing of applications, PHAs often had to provide potential participants with assistance to complete the necessary forms.

Second, successful applicants for Section 8 rental assistance who could not “lease in place” also often relied on grantee PHAs to alleviate apartment search and relocation costs. In particular, PHAs often had to help participants locate units that met HUD’s HQS and to help them move. As noted above, the search costs involved in finding a suitable unit are often considerable—according to a recent national study of Section 8 utilization, successful participants who qualified by moving visited an average of nine units before signing a lease. By maintaining lists of available apartments and landlords who were willing to accept Section 8 voucher holders and by providing transportation for apartment visits and moves, some grantee PHAs helped to reduce the considerable physical, psychological, and financial costs involved in finding and moving into an eligible apartment.

Finally, the long-term supportive services provided by HOPE IV grantees can generally be divided into four basic areas: 1) case management, 2) linkage, 3) personal care, and 4) homemaker services. The first two services were generally carried out by a “service coordinator,” a position that was funded under the terms of the HOPE IV grant. Case management involves the assessment and reassessment of participants in order to tailor supportive services to their individual needs. Given the considerable range in the level of frailty of the participants and the potential for needs to diminish or increase over time, this prong of the supportive services was essential to ensure the delivery of necessary services. Linkage involved promoting participants’ awareness of the services available through AAAs and other community elderly services agencies. Interestingly, “[e]ven in communities with a strongly developed network of elderly service providers, there seems to have been little formal collaboration between the PHA and these service agencies prior to HOPE IV.” Finally, the NOFA granted PHAs considerable flexibility to design a specific package of personal care and homemaker services that would be provided to

118. See id.
119. See id. at 4-43.
120. See id. at ES-4.
121. See Utilization Study, supra note 48, at iii. Note that unsuccessful apartment seekers reported visiting an average of nearly 12 units before their voucher expired. See id.
122. See First Interim Report, supra note 76, at ES-4.
123. See id. at 4.19. “A fifth, ‘catchall’ category consists of a range of types of services (e.g., social and behavioral support, socialization, legal assistance) provided only by a very few grantees.” Id.
125. See id.
126. First Interim Report, supra note 76, at 2.3.3.
participants.

B. Results

The success of the HOPE IV demonstration program should be measured by how well it fulfilled its stated objectives. As noted above, the primary goal of the program was to postpone the placement of frail elderly individuals in nursing homes by providing them with a combination of housing vouchers and supportive services. The secondary goals were: 1) to lower the barriers to entry into the Section 8 program for the frail elderly; 2) to enhance the quality of life of frail elderly Section 8 voucher holders; and 3) to foster communication and collaboration between PHAs and AAAs and other community elderly services agencies. While comprehensive studies of the HOPE IV program show that the program was not successful in achieving its primary goal, there is some evidence that PHAs made significant progress toward achieving the three secondary goals.

The HUD-sponsored studies of the HOPE IV program employed a pseudo-scientific experiment design in order to isolate the effects of the demonstration program on the well-being of its participants. The HOPE IV participants were measured against a comparison group of frail elderly Section 8 voucher holders who were not receiving formal federally-funded supportive services. While the HOPE IV participants and comparison group both had similar levels of frailty at the baseline, there is one difference between the two groups that should be kept in mind when comparing their levels of well-being at later stages of the studies. Because a relatively high percentage of the HOPE IV participants had to move to a new unit in order to qualify, the comparison group of Section 8 voucher holders have, in general, lived in their current dwellings and neighborhoods for a longer period of time than the HOPE IV participants. As a result, given the general positive correlation between the depth and breadth of social networks and length of residency, if all other variables are equal, one would expect that the comparison group would be more aware of the supportive services available to them.

Given the advanced stage of frailty that the program required for participation and the limited amount of time PHAs were given to stem the participants' march toward their almost inevitable loss of independence, it should not be surprising that HOPE IV did not achieve its primary purpose. As noted above, from the very beginning, several PHAs expressed the opinion that the frailty requirements undermined the very purpose of the program—that individuals

127. See supra text accompanying notes 102-03.
128. See FINAL REPORT, supra note 51, at ii.
129. See SECOND INTERIM REPORT, supra note 111, at 2.6.
130. See Alden Speare, Jr., Residential Satisfaction as an Intervening Variable in Residential Mobility, 11 Demography 173, 176 (1974).
Transition to Section 8 Housing

with three ADLs were “already too far into a pattern of decline to benefit from the program.” Tellingly, by the time the final report on the HOPE IV program was issued, HUD seems to have retreated from its original stated purpose for the demonstration program and instead emphasized the secondary goals:

[T]here were no statistically significant differences between the participants and the comparison group members in the rates of nursing home placement, mortality, or remaining in Section 8. This finding is consistent with the assumptions in the research design and the results of prior studies that show the impacts of similar programs address quality of life and care, rather than changing such overt outcomes as death, institutionalization, or otherwise having to leave one’s home due to frailty.

However, the HOPE IV studies did find that the program showed considerably more promise in helping PHAs achieve the three secondary purposes of the program:

The evaluation showed that prior to HOPE IV, existing Section 8 policies and procedures often discouraged application and participation by eligible frail elderly persons. In-person application requirements, the need for assistance in locating accessible rental housing for persons with disabilities, the absence of linkages with care providers, and the steering of aging tenants to congregate options, often excluded frail elderly persons from Section 8 altogether. These barriers affected not only new frail elderly applicants, but also existing Section 8 tenants who had aged in place.

First, within the context of HOPE IV, PHAs came to realize that their methods of recruitment and application for Section 8 benefits were a de facto bar on elderly participation. Faced with waiting lists devoid of eligible candidates, some PHAs used HOPE IV funds to implement outreach programs in coordination with AAAs to inform elderly individuals about the benefits of the demonstration program. Other PHAs reformed the application process to make it more responsive to the needs of the elderly. For example, a few PHAs began taking application requests over the phone and assisting applicants to complete the requisite paperwork.

Second, the vast majority of PHAs reported that, prior to HOPE IV, they

131. FIRST INTERIM REPORT, supra note 76, at 6.7.
132. FINAL REPORT, supra note 51, at ii.
133. Id. at 8-13 to 8-14. Similarly, “[g]rantees said that prior to HOPE IV the Section 8 programs in the grantee sites had, either consciously or inadvertently, discounted the frail elderly as a service population. In a number of places, this had taken the form of steering elderly away from Section 8 and toward other types of housing, such as elderly public housing projects. At some sites, the frail elderly and their needs had previously been ‘invisible’ to the PHA. For example, at one grantee site it was only with the advent of the HOPE IV program that the PHA discovered the reasons why so many elderly, especially frail elderly, had been letting their Section 8 vouchers expire. The PHA had assumed this had happened largely through lack of interest. In fact, the service coordinator discovered this phenomenon reflected the physical inability and psychological unwillingness of elderly prospective Section 8 tenants, especially frail elderly, to search for and locate apartments and make the necessary arrangements with the landlord in the time allotted.” FIRST INTERIM REPORT, supra note 76, at 4.1-4.2.
134. See FINAL REPORT, supra note 51, at v.
had “little experience with directly providing or procuring supportive services of any kind.” Of course, that does not necessarily mean that elderly Section 8 voucher holders were not receiving supportive services from either family members, AAAs, or other community elderly services agencies. As a result, the studies had to answer two related questions: 1) whether HOPE IV supportive services were acting as a substitute for the informal provision of supportive services, and 2) whether the quality of life of HOPE IV participants was being improved by the federally-funded supportive services. The answers to both questions point out that PHAs had success, albeit limited, in improving the quality of life of participants. First, the final report found that “participation in HOPE IV did not lessen (and in a small percentage of cases even increased) the frequency of informal in-person social contact. It appears that no ‘substitution effect’ was operating.” Second, the final report indicates that HOPE IV contributed to an improved quality of life and care for its participants. In particular, it was found that nearly one-third of the frail elderly Section 8 voucher holders in the comparison group received no services whatsoever.

Third, the studies indicate that HOPE IV provided the impetus for increased cooperation and coordination between PHAs and AAAs and other community services agencies. At least in the case of the sixteen grantee PHAs, this breaking down of policy and service lines seems to have been virtually non-existent before the advent of this demonstration program. As noted above, “even in communities with a strongly developed network of elderly service providers, there seems to have been little formal collaboration between the PHA and these service agencies prior to HOPE IV.” Indeed, the very structure of the grant necessitated coordination between the PHA and AAAs—the requirement of 50% matching funds was most commonly met by the “partner AAA” “donating in-kind services or dollars for services.” Unsurprisingly, the HOPE IV studies indicate that a “strong relationship with their State or Area Agency on Aging appears to be key to the design and delivery of effective supportive services.”

C. Lessons

Three key insights can be drawn from the shortcomings and achievements of the HOPE IV program. First, a supplementary program can apparently ame-

135. FIRST INTERIM REPORT, supra note 76, at 2.3.
136. FINAL REPORT, supra note 51, at 6-5 (emphasis omitted).
137. See id. at 8-13.
138. See id. at 6-17.
139. FIRST INTERIM REPORT, supra note 76, at 2.3.3.
140. Id. at 3-5. “Other sources tapped for the HOPE IV match include: Medicare, Medicaid, and various types of State programs (including a State-funded homecare program, a State Homelessness Prevention Program, and Social Security Block Grant monies).” Id.
141. Id. at Foreword.
liorate some of the long-term, continuing costs of adjustment, as well as the barriers to entry, faced by elderly individuals transitioning from private or public housing to the Section 8 program. Second, despite the fact that a supplementary program is likely to help elderly individuals to improve their quality of life, it is still uncertain whether such a program can actually help the elderly to postpone institutionalization without being prohibitively expensive. Third, the mobility-related benefits of the Section 8 program are inapplicable to the elderly and the need for expensive supplementary services to make Section 8 a viable option for the elderly undermines the economic efficiency arguments made on behalf of pure demand-side subsidies. Therefore, the ultimate utility of attempts to adapt the Section 8 program to the needs of the elderly when it was clearly not designed, and is currently not administered, with them in mind must be questioned.

First, the HOPE IV demonstration program’s partial success in achieving its three secondary goals points out that a supplementary supportive services program can not only potentially lower the barriers to entry into the Section 8 program, but also assist voucher holders to rebuild their social network in the months and years following their move. The most significant achievement of HOPE IV was the cooperation and coordination it fostered between PHAs and AAAs and other community elderly services agencies. This type of thinking and acting beyond agency lines will constitute an essential element in the ultimate success of HUD’s gradual shift away from a “brick and mortar” conception of housing assistance to a broader conception of assistance that allows more spending on supportive services components. In light of the interrelatedness of long-term care and housing policy, Congress should further encourage this type of reform.

Next, although the costs per participant of the HOPE IV program varied widely across PHAs, they were substantially higher than any of the supplementary programs currently associated with Section 8 programs. The continuing nature of the necessary supportive services ensures that any similar program would also require a significant investment. Although it may be argued that HOPE IV’s lack of success in achieving its ultimate goal—postponing institutionalization—was a function of its ill-advised eligibility requirements, there is no evidence that a similar program would yield sufficient long-term care savings to make that program feasible on a larger scale.

142. Overall, PHAs budgeted from approximately $2,500 to $9,500 per participant annually. See id. at 4.29. The wide variation “partly reflects different strategies employed by grantees in claiming matching funds. For example, some grantees claimed services provided through Medicare and Medicaid as a match, while others did not. Another factor contributing to the variation in per person costs across grantees is the wide range in the amount received from HUD for HOPE IV services when this is figured on a per participant basis. This amount varies among grantees from $961 to $2,549 per participant, with an average of $1,574.” Id. at 4.28. As this explanation implies, given economies of scale, the per person costs would be lower.

143. See supra text accompanying note 46.
Finally, despite the fact that it was not designed and is not administered to meet the needs of the low-income elderly, the Section 8 program has grown into HUD's largest subsidized housing program. While most advocates of the Section 8 program praise its mobility-enhancing attributes, the almost universal preference among policymakers, politicians, and the elderly is for the elderly to "age in place." Unfortunately, without a waiver of HUD's HQS and restrictions on shared living arrangements, participation in the Section 8 program often requires the voucher holder to move. Similarly, the other popular argument for the expansion of demand-side housing programs—that they are more economically efficient than supply-side housing programs—also potentially loses most of its force when it is applied to the special case of the elderly. The economic savings that the Section 8 program provides in affordable housing provision over conventional public housing will likely be offset whether or not the decision is made to provide the elderly with formal supportive services. If services are provided, economies of scale will not be achieved. If services are not provided, increased federal spending on long-term care will be necessary. As a result, given the structural limitations of the Section 8 program, the resources are probably better spent on the Section 202 program and other potential "split subsidy" housing programs that have been specifically designed with the elderly in mind.

CONCLUSION

By considering the goals of the Section 8 program, the resultant short-term and long-term mobility costs imposed on elderly Section 8 voucher holders transitioning from private or public housing, and the limited potential success and high cost of supplementary programs that might ameliorate these costs, it becomes apparent that Section 8 is not a feasible or desirable public policy option for elderly individuals. As a result, the pervasive calls for the complete voucherization of housing subsidies should be challenged strongly. If the limited usefulness of the Section 8 program continues to be unrecognized, the elderly—an ever increasing percentage of the population—will be left out in the cold by the paradigm shift from supply-side to demand-side housing programs.

Additionally, other portions of the population similarly might be ill-served by universal voucherization. Although the magnitudes might vary, low-income families often face analogous short-term and long-term mobility costs to those that make Section 8 an unrealistic option for many elderly individuals. Recognizing these parallels underscores the fact that the general design of the Section 8 program suffers from the distorting influence of a simplistic understanding of

---

144. The HUD study of the HOPE IV demonstration program recognized this limitation on its potential success: it found "particularly troubling" the "indication that about one-third of participants have been required to move in order to obtain qualifying rental housing, in some cases undermining the goal of enabling the frail elderly to 'age in place.'" FIRST INTERIM REPORT, supra note 76, at Foreword.
Transition to Section 8 Housing

the complex interactions between individuals and their environment. As a re-
sult, the "special case" of the elderly provides a lens through which the more
general inadequacies of stand-alone demand-side housing assistance can be
more fully recognized.

Given that the Section 8 program is inadequate to meet the needs of elderly
individuals, further studies should be undertaken to determine whether it can
be adapted through the use of supplementary services programs like HOPE IV.
Although a supplementary program is unlikely to be successful in helping eld-
erly individuals postpone institutionalization unless it is prohibitively expen-
sive, at the very least, Congress should fund a modified version of the HOPE
IV demonstration program with amended ADLs eligibility criteria to explore
the possibility. Finally, because they seem to represent a potential compromise
between the efficiency of stand-alone demand-side housing subsidies and the
economies of scale in service provision of conventional public housing, the
benefits of "split subsidy" approaches should also be further studied.