



# HOMELESS & HOUSING COALITION OF KENTUCKY

*Frankfort, Kentucky* – Basketball season in central Kentucky - if you're not familiar – can be exhilarating. Bars and restaurants are full, serving pitchers of beer and drink specials like the Big Blue Martini or the John Wall. Baskets of wings are served by the dozens, as fast as fry cooks can get them out, accompanied by endless sides of bleu cheese and celery, table-top sized pizzas, and a general aura of Kentucky pride and Big Blue Madness permeates the air. Big screen TVs line the walls of sports bars and restaurants, with dive bars and small wine shops participating, too – the spirit of the season, especially when it's a winning one – is lost on no one. The season starts in November, with things really ramping up in January when SEC Conference play begins and lasting, hopefully, through the end of March. School spirit and camaraderie takes shape as crowded tables for ten that quickly become tables of 12, 15, and service staff hurry to accommodate the often-boozy, high-density fans.

Behind the scenes, as is so often the case, things are a bit grittier, with less game day revelry, and more hustle. Christy Skipper, a mother of 4 now completing her Master's Degree in Social Work, lived that hustle, and found out firsthand how difficult those months of rabble-rousing can make it when your income follows and fluctuates during that volatile season. "I was living alone with the [then ages 12 and 8] girls, and paying all the bills. I could not figure out how to make ends meet, even working, so I signed up for Section 8 to keep a roof over our heads. Looking back, I don't know how we made it – we almost didn't."

The Housing Choice Voucher (HCV) program, sometimes referred to as Section 8 – a program that, for qualified applicants (individuals and families having no income up to households earning [no more than 80% of the area's median income](#)) pays a percentage of monthly rent assistance to participating landlords – is "the nation's [largest form of rental assistance](#)." As is true for many safety net programs, it has the difficult feature of also being income-based, in Christy's case, by the month. That means that as soon as the income of people using an HCV changes, a tenant must report their income to the landlord or property manager to determine how much of their wages ([usually 30 - 40%](#)) will go towards rent. The income-based feature is helpful when a household loses income through job loss or other reasons, but increases in income can move folks quickly toward the benefit cliff, as many housing authorities require income change reporting within 10 days of the increase. Kentucky state minimum cash wage payment is [\\$2.13 an hour](#), based on the dicey assumption that tips will cover the spread and bring that number up to the [state minimum wage, \\$7.25](#). Most of the time, that number is reached, and a server or bartender can safely assume to make \$7.25 an hour after credit card tips are rung in and applied to the server's payroll. During busy sports seasons, though, the numbers can fluctuate wildly – in either direction. When a team does well, viewership increases even more, as does the aforementioned reveling crowd. That translates to more money for the serving staff, which is usually a good thing – until it's not. The fluctuation in income may result in more reporting trip wires and administrative burden on the household and the housing authority.

"Even when you made good money, you didn't," Skipper recalls. "We had just come out of January when it is the slowest time of year. Then all of a sudden, March hit, and sales and tips were getting so good that I felt relief for the first time in a long time. On the nights I would do really well that first



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month – I felt so excited. I was thinking about car repairs I could get done, new clothes for the girls, catching up on bills, that kind of stuff. Not until I went to make my first monthly wage report did I realize that the monthly reporting meant my rent payment would fluctuate so much.” She was astounded one evening when she got home from work after her first monthly wage report, and saw a note on the door from the property manager at her complex. “It [the rent] was all the way up to \$400,” Skipper recollected. “That may not seem like much, but back then with two little kids at home? I lost it when I saw it – I had moved into Section 8 because I needed the financial help so bad. That \$400 might as well have been everything I had worked for, and was planning to use to get caught up. Taking 40% of it for rent, when I already needed help paying rent? I wish I would have known how it worked, been more educated about it.” As of 2022, Kentucky has [120 public housing agencies](#). Some of those are run by cities and districts within counties who have their own housing authorities, while the Kentucky Housing Corporation (KHC) serves as the Housing Choice Voucher/Section 8 administrator for 87 counties, but KHC also has additional vouchers for special needs populations such as youth exiting out of foster care that can be used in additional counties outside of the traditional 87. All of these provisions add to the complexity for people seeking or trying to maintain housing assistance. Each housing authority operates under the baseline [HUD guidelines](#) but are permitted to have leeway in how they manage some regulations, such as the frequency of income change reporting through their published administrative plan. Skipper said that the [Housing Authority of Frankfort](#) mandated monthly income reporting. The average [monthly tenant contribution to rent](#) by KHC voucher holders in 2016 was \$250. What Skipper paid through those busy months of basketball was almost double that average, making any income she made above her usual take inaccessible for her to use elsewhere. “You go in poor and you stay poor with this system,” Skipper mused. “You can’t get out. You can’t get a car or fix the one you have. You get a little bit ahead, and they take it right out from under you. It was so disorienting and honestly just scary never knowing how much I was going to owe, and it was so frustrating – to the point I would cry after a good night at work – knowing that almost half of that was gonna go to rent and not to anything else I had been hoping to get to tend to.”

As months went on, never being able to predict how much in rent she would owe, which in turn made it impossible to save money or live on a budget, took its toll on Skipper. “Once I figured out it was gonna stay that way, I was gone. I couldn’t do it – I don’t know how anyone does long term. The anxiety it gave me just wasn’t worth it. Every time I saw one of those rent adjustment notes on my door, my stomach would drop. Never again.” She continued, “You know – people think rent help, Section 8, is gonna save them. Help them get ahead. And for some people it does, sure. But when they’re taking almost half of your already really low income that you bring home, and won’t just let you pay a predictable amount even when your wages – based on drunk people leaving you tips – are out of your control...”. Skipper trailed off for a minute, searching for the right words to continue. “It’s almost like [the HCV program is] punishing you for doing well for yourself sometimes. Taking ethical off the table completely, how is that even helpful? It’s like they’re scared you’ll get ahead, and not need them anymore.” Skipper chuckled, “It’s kind of like a bad relationship. You don’t know it’s bad till you’re in it, then it’s hard to get out of, and they make it harder.”



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Studying for her Master's in Social Work now, Skipper plans on working with Child Protective Services, eventually moving on to mental health therapy for children who have experienced abuse. "Understanding poverty is tough, but having inside perspective on some of the details is helpful," she suggested. "Knowing the stressors like those monthly rent changes, how hard the applications and recerts can be – it gives a viewpoint that I hope will help me be better at my job when it comes to understanding why some people respond and act the way they do," adding, "not being able to plan or know what was coming was one of the hardest things I had to learn to figure out. When the help you're getting doesn't feel like help all of a sudden, it can make everything worse. Hopefully I can make understanding it easier for some people, and they can get out of those situations, too."

## Policy Context and Recommendations for Improving the Housing Choice Voucher Program:

- According to the [Center for Budget and Policy Priorities](#), "[v]ouchers sharply reduce homelessness and other hardships, lift more than a million people above the poverty line, and give families more choices about where to live, including by expanding access to neighborhoods with more resources. These effects, in turn, are closely linked to educational, developmental, and health benefits that can improve adults' well-being and health and children's long-term outcomes, while reducing costs in other public programs.
- HHCK recommends housing authorities **cap the percentage of income used toward rent at 30%**. Congress also needs to reexamine the 30% of adjusted gross income as the household contribution, for what it's worth. For a single person in Frankfort making \$15,000 annually, the [maximum rent contribution at 40% for homes over the Fair Market Rent limits](#) still may be \$505 per month. While requiring the renter's contribution to be 40% may free up money for the housing authority to serve additional households, and it allows households to select a higher-cost home, the subsidy portion may be too shallow to fully raise folks out of housing insecurity.
- **Simplify income change reporting.** For folks working in the service sector with frequently changing hours or seasonal retail work, the monthly or even as frequent as 10-day income reporting requirement presents too many opportunities to be flagged for fraud and put at risk of program termination. On the housing authority side, it burdens staff with constantly processing interim changes and recalculation of the tenant portion, which likely create significant backlogs in processing for new and current participants, which in turn undermines the efficiency and effectiveness of the largest policy option for housing security.