

June 10, 2010

NCH Public Policy Recommendations **Housing Choice Vouchers**

RECOMMENDATIONS

Bridge the gap between high housing costs and low incomes by authorizing and funding two million new Housing Choice Vouchers for low-income families.

U.S. Representatives – Request leadership of the Appropriations Committee to include funding for additional Housing Choice Vouchers above the FY 2009 baseline for vouchers in FY 2011 appropriations legislation. Urge the House Leadership to schedule a floor vote on the Section 8 Voucher Reform Act (SEVRA).

U.S. Senators – Request leadership of the Appropriations Committee to include funding for additional Housing Choice Vouchers above the FY 2009 baseline for vouchers in FY 2011 appropriations legislation. Introduce or co-sponsor the Section Eight Voucher Reform Act.

ISSUE STATUS

Rep. Maxine Waters (D-CA) introduced SEVRA (H.R. 3045) on June 25, 2009. The House Financial Services Committee passed HR 3045 on July 23, 2009.

The bill does the following: streamlines the voucher program's rent-setting and inspection procedures; addresses the program's funding formula with a sustainable and equitable formula, and authorizes 150,000 new Section 8 vouchers for FY 2010.

Affordable housing advocates continue to call on Congress and the Administration to appropriate funding sufficient to increase the number of Housing Choice Vouchers by two million above the FY 2009 baseline number of vouchers.

WHY THIS MATTERS

- High housing-cost burdens are a major contributing factor to homelessness.
- Vouchers have been found to sharply reduce homelessness and housing instability.
- In many parts of the country, even full-time workers earning a minimum wage do not make enough money to afford decent housing without public assistance.
- Because of funding limitations, only one in four households that are eligible for vouchers receive any form of federal housing assistance. Most areas have long and growing waiting lists for vouchers, and many housing agencies have even stopped accepting new applications because of the size of the backlog.
- HUD's most recent analysis of Census data indicates that in 2005, 6.5 million low-income renter households that did not receive housing assistance had "severe housing problems," which means they either paid more than half of their income for rent and utilities or lived in severely substandard rental housing. This number increased by 20 percent between 2001 and 2005.
- A majority of the low-income families without housing assistance who face severe housing problems (excluding those who get Social Security) are working families.

- Vouchers are an especially critical form of assistance for low-income families with children, the elderly, and people with disabilities. Federal rules ensure that vouchers are targeted at the families who need them most.
- The Bush Administration noted in its FY2008 budget documents that “based on assessment of the [voucher] program, this is one of the Department’s and the Federal Government’s most effective programs” and that the program “has been recognized as a cost-effective means for delivering decent, safe, and sanitary housing to low-income families.”

BACKGROUND

The Housing Choice Voucher Program (sometimes referred to as the “Section 8 voucher program” after the section of the U.S. Housing Act that authorizes it) is the largest federal low-income housing assistance program. Families who are awarded vouchers use them to help pay the cost of renting housing on the open market. Because most vouchers are provided to particular tenants to live where they choose, they are often referred to as “tenant-based” assistance. Vouchers can also be used to help families buy homes, or they can be tied to particular affordable-housing developments.

The voucher program is administered at the federal level by the Department of Housing and Urban Development (HUD). At the local level, the program is run by approximately 2,500 local, state, and regional housing agencies, known collectively as public housing agencies (PHAs). Many of these are independent public authorities, while others are part of city, county, or state governments and thus are directly under the supervision of elected officials.

Low-income families who make no more than 50 to 80 percent of the area median income (AMI) are eligible to receive vouchers, and as of 1998, 75 percent of all new voucher holders must have incomes at or below 30 percent of AMI.

The voucher program currently assists about 1.8 million households. It is the only federal housing program primarily serving poor families that has grown over the last 20 years. The emergence of vouchers as the centerpiece of federal low-income housing policy reflects a major shift during the last 30 years toward more market-based housing subsidies. Previously, the federal government had focused on supporting the construction of public housing or on subsidizing affordable private housing with project-based subsidies.

The Section 8 program was established in 1974 during the Nixon-Ford Administration. Major changes to the tenant-based portion of the program were made by legislation passed in 1983, 1987, and 1998. As part of the 1998 legislation, Congress merged the two previous components of the tenant-based Section 8 program—certificates and vouchers—into a single housing program.

In the 110th Congress, the House passed the Section 8 Voucher Reform Act (SEVRA), H.R. 1851, by a vote of 333-83. SEVRA addressed distribution of voucher funds to administering agencies, simplification of rents, voucher portability, replacement vouchers for lost project-based assistance, project-based vouchers, fair market rents, rent burdens, inspections, the moving to work/housing innovation program and the family self-sufficiency program. The bill also authorized 20,000 new, incremental vouchers each year for FY08 through FY12. A companion bill in the Senate, S. 2684, stalled in the Committee on Banking, Housing, and Urban Affairs.

For further information on the public policy recommendations of the National Coalition for the Homeless, contact the NCH public policy staff at info@nationalhomeless.org or 202.462.4822, or visit www.nationalhomeless.org.

