

# FY 2019 Appropriations:

## HUD's Housing Choice Voucher Program

### Summary

Inability to afford housing is the key driver of increases in homelessness. The federal government's most important program to help low-income people afford housing is the Department of Housing and Urban Development's Housing Choice Voucher (HCV) program (including Section 8, HUD-VASH and other tenant-based vouchers that are all included in the Appropriations Committee's Tenant-Based Rental Assistance, or TBRA, account).

### Background

Leading housing advocates report that 11 million households spend more than one-half of their income on rent. And a recent Harvard study reports that 38.1 million households spend more than one-third of their income on housing. Too many families in both categories are an unexpected bill away from sliding into homelessness.

HCVs are designed to alleviate this situation. However, that same Harvard study reports that, "increases in federal rental assistance have lagged far behind growth in the number of renters with very low incomes... Between 1987 and 2015, the number of very low-income renters grew by 6 million while the number assisted rose only 950,000, reducing the share with assistance from 29 percent to 25 percent."

Unfortunately, FY 2020 is a difficult year for making funding decisions because of a 2011 law which would automatically impose an arbitrary cap on overall domestic spending—forcing cuts of \$125 billion in all domestic programs—if the legislative and executive branches cannot agree to postpone or scrap this dreaded process known as sequestration. A failure to avert sequestration would result in the HCV program being cut, not increased, in FY 2020. It is not enough to ask lawmakers for more money for the HCV program; we must also urge lawmakers to delay or even eliminate sequestration.



# FY 2019 Appropriations: HUD's Housing Choice Voucher Program

## Overview of Housing Choice Vouchers

Among voucher households, 75% are extremely low income (earning less than 30% of the area median income, AMI, or the federal poverty level, whichever is greater), 36% have a head of household who has a disability, and 25% are elderly. The national average income of a voucher household is \$14,454.

The HCV program is HUD's largest rental assistance program, assisting approximately 2.2 million households. However, due to inadequate funding for HCVs and other public housing programs, only one in four eligible households receives federal rental assistance, and there is a growing backlog.

## Recommendation

The Alliance urges lawmakers to scrap the sequestration spending caps (which would force cuts of \$125 billion in all domestic programs due to a 2011 law imposing arbitrary caps) and delay or eliminate sequestration. The Alliance supports the inclusion of \$24 billion in funding in the FY 2020 Transportation-Housing and Urban Development (THUD) Appropriations Bill for the HCV program. That amount includes:

\$21.4 billion to renew 2.2 million existing vouchers,

\$2 billion for administrative fees,

\$600 million for new, incremental vouchers targeted to vulnerable groups including people who are experiencing homelessness.

The chart below shows for FY 2020, the Administration's request for the HCV program, the funding level in the House's passed THUD Bill, and the request made by the Alliance at the beginning of the funding process. The House's funding level assumes that the sequestration spending caps have been lifted. The Senate has chosen not to formulate recommendations for any program until it has been determined whether sequestration will be averted.

	House THUD	Senate THUD	Actual	Alliance rec.	
FY 2020	\$22.2 billion	\$23.8 billion	TBD	TBD	\$24.0 billion

