

FY 2023 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).

The HCV program helps Americans with the lowest incomes afford housing in the private market by paying landlords the difference between what a household can afford to pay for rent (30% of its income) and the rent itself, up to a reasonable amount. In recent years the voucher program has become a leading source of funding for permanent supportive housing for people exiting homelessness, through specialized programs like HUD-VASH, 811 Mainstream vouchers, and the Emergency Housing Voucher allocation from the American Rescue Plan Act, as well as from regular turnover in the program.

For FY 2023, the Alliance seeks \$32.1 billion for HCV, an amount sufficient to renew the existing vouchers and expand the number of new vouchers for households at risk of losing their housing.

Background

Leading housing advocates report that 11 million households spend more than one-half of their income on rent. And a 2018 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. As rents have skyrocketed and COVID-19 renter protections have lifted, this risk is only becoming greater.

HCVs are designed to alleviate this situation. However, the 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."

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Overview of Housing Choice Vouchers

Among voucher households, 75% are extremely low income (earning less than 30% of the area median income 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 include \$32.1 billion in funding in the FY 2023 Transportation-Housing and Urban Development (T-HUD) Appropriations Bill for the HCV program. That amount includes:

- \$26.2 billion to renew all existing vouchers
- \$3 billion for administrative fees
- \$220 million for Tenant Protection Vouchers
- \$667 million for Section 8 Mainstream renewals
- \$445 for Mobility Demonstrations/Services
- \$1.6 billion for Incremental Vouchers

The chart below shows for FY 2023, the Administration's request for the HCV program, the funding level in the House's passed T-HUD Bill, and the request made by the Alliance at the beginning of the funding process.

	Administration	House T-HUD	Senate T-HUD	Actual	Alliance rec.
FY 2023	\$32.1 billion	\$31 billion	TBD	TBD	\$32.1 billion