

# FY 2024 Appropriations: HUD's Housing Choice Voucher Program

## Summary

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

The HCV program pays landlords the difference between what a household can afford to pay for rent (30 percent of its income) and the rent itself. Recent studies have demonstrated that rental assistance is critical to reducing homelessness by improving outcomes for children and families and lifting people out of poverty. **Vouchers work, but three out of four low-income renters at risk of homelessness do not receive assistance because of limited funds.**

For FY 2024, the Alliance is calling for a robust increase of \$2.4 billion in funding for the HCV program as well as the adoption of the incentives and flexibilities made available under the Emergency Housing Vouchers.

## 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. 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."

It is clear that more federal assistance is desperately needed to respond to the nation's housing crisis.

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## Overview of Housing Choice Vouchers

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.

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

## Recommendation

The Alliance urges lawmakers to support the President's request of \$32.7 billion in funding in the FY 2024 Transportation-Housing and Urban Development (T-HUD) Appropriations Bill for the HCV program. Of this, \$25 million is carved out for housing mobility-related services. The increase in TBRA is \$5.1 billion over FY 2023. The amounts proposed in the President's Budget would expand assistance to over 200,000 additional households, including:

- \$565 million to support approximately 50,000 new incremental vouchers to prioritize residents fleeing from domestic violence and households experiencing homelessness
- Approximately 130,000 additional vouchers in program reserves
- 20,000 vouchers for youth aging out of foster care in proposed mandatory funding

The chart below shows for FY 2024, 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.

	Alliance recommendation	Administration	House T-HUD	Senate T-HUD	Actual
<b>FY 2024</b>	\$32.7 billion	\$32.7 billion	\$31.1 billion	TBD	TBD