

FY 2019 Appropriations: HUD's Voucher and Public Housing Programs

Since 1980, housing affordability has been the key driver of increases in homelessness. This nationwide crisis has grown from the following challenges:

- Decreases in affordable housing stock
- Insufficient wages and benefits to keep pace with rising rents
- Increasing number of households paying more than half their income for rent

Program Overview

There are four program accounts in appropriations bills that represent almost all Federal spending for affordable housing assistance for people with the lowest incomes:

- **Tenant-Based Rental Assistance (TBRA)** — this includes the Housing Choice Voucher program (“Section 8”), Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH) vouchers, and Family Unification Program (FUP) vouchers
- **Project-Based Rental Assistance** — formerly known as “Project-Based Section 8,” this program provides rent subsidies for many privately owned affordable housing programs
- **Public Housing accounts:**
 - Operating Funds — used by Public Housing Authorities for day-to-day costs
 - Capital Grants — used for larger scale building repairs or maintenance

Together, these programs provide affordable rental housing for more than 5 million people in 2.2 million households. Rents are typically set at 30 percent of the household’s income, creating the most accessible housing opportunities for people with incomes below the poverty line.

Current Status

Both parties in Congress have traditionally worked to renew these accounts and programs to keep pace with rising rents. However, for many years Congress has provided only enough funding for about one-fourth of the households eligible and in need. Rigid sequestration spending limits in 2013 considerably reduced the number of available Section 8 vouchers.

Between 2014 and 2016 and again in 2018, Congress provided sufficient funding to reverse the losses from sequestration and even modestly expanded vouchers for homeless veterans and youth. The FY 2018 final spending bill also provided:

- \$450 million additional spending for 56,000 new housing vouchers including:
 - 48,000 new “mainstream” vouchers for non-elderly people with disabilities
 - 5,000 new HUD-VASH vouchers
 - 2,600 Family Unification (FUP) vouchers

It is essential that any FY 2019 spending is sufficient to renew all housing vouchers that will be used in 2018. Congress should continue these investments to accommodate the significant number of eligible households who languish on wait lists across the country.

Recommendation

The Alliance estimates that \$20.5 billion would cover renewal costs and prevent a reduction in the number of families served in the coming year. In addition, The Alliance recommends \$1.9 billion for administrative expenses.¹

But this will not be sufficient to keep up with rising rents and an increased need for vouchers. Congress should fund new vouchers to reduce homelessness and move additional families out of poverty. This would include:

- \$200 million for 24,000 in mainstream and HUD-VASH vouchers
- \$30 million for 3,000 additional FUP vouchers
- \$50 million for 2,000 mobility-vouchers for a demonstration for families with young children

In total, we recommend that Congress provide \$22.8 billion for Tenant-Based Rental Assistance in FY 2019.

Furthermore, Congress should not enact any policy that would divert mandatory funding now directed to the National Housing Trust Fund (HTF). The HTF, which began allocating funding to states in 2016, is the first new housing resource since 1974 targeted to building, rehabilitating, preserving, and operating rental housing for extremely low income people. A series of proposals have called for the trust fund to be expanded to several billion dollars a year, but these have not yet been enacted. The Alliance recommends that Congress use any future infrastructure legislation, or pass targeted legislation to scale up the HTF.

¹ <https://www.cbpp.org/research/housing/congress-should-increase-hud-funding-in-2019-to-prevent-voucher-cuts-help-children>